Pier 70
Community Facilities Districts Formation

Informational Presentation
September 9, 2019

Presented By: Rebecca Benassini,
Waterfront Development Manager
Presentation Overview

- Project Overview
- Horizontal Development Costs
- Proposed CFD
  - 3 CFDs
  - Anticipated tax rates
- Next Steps
City Actions

August 24, 2017
• Certified FEIR + adopted CEQA Findings
• Recommended Pier 70 SUD approval
• Approved D4D
• Recommended Development Agreement to BOS

September 26, 2017
• Adopted CEQA Findings
• Approved DDA, Form of Lease and Vertical Disposition and Development Agreement
• Approved Trust Exchange
• Consented to Pier 70 SUD & approved D4D
• Amended Waterfront Plan
• Recommended Development Agreement to BOS

November 14, 2017
• Certified FEIR + adopted CEQA Findings
• Approved Pier 70 SUD + D4D, and amended General Plan
• Approved Development Agreement
• Approved DDA, Form of Lease and Vertical Disposition and Development Agreement
• Approved Trust Exchange

September & October 2018
• IFD & IRFD formation complete
Special Use District Project Overview

- **Open Space**: 9 acres
- **Retail, Arts + Light Industrial**: 480,000–486,000 gsf
- **Commercial Office**: 1.1M – 1.75M gsf
- **Residential**: 1,645 – 3,025 units

**Map Indicators**
- Residential: 1,645-3,025 units
- Commercial-Office: 1.1M-1.75M gsf
- RALI: 480,000 gsf
- Open Space: 9 acres
470+ Units of Affordable Housing

- 20% inclusionary units in rental buildings
- Three 100% affordable housing parcels
- Generates gap funding for affordable housing:
  - Tax increment from Hoedown Yard
  - Jobs Housing Linkage Fees from office development
  - In lieu fees from condo projects

Legend:
- Condominium – 28% In Lieu Fee
- 100% Affordable
- 20% Inclusionary
$298M of Horizontal Improvement Costs

- Phase 1: $150 million
- Phase 2: $87 million
- Phase 3: $61 million
**IFD - Tax Increment Growth**

**IFD**
- Local & state tax increment
- 92% to 28-Acre facilities
- 8% to other Pier 70 needs; Port and BOS decide allocation later ($24M)
- After Project needs, $40M to seawall & sea level rise
- **General Fund and Harbor Fund protected**

**IRFD**
- Affordable housing ($16 M)
- Remainder to General Fund

Both Formed in 2018
- IFD #180773
- IRFD #180784
CFDs - Early, Lower Cost Financing

Leased Properties CFD
- Public Improvements (credited)
- Arts Building
- Maintenance
- SLR Improvements

Condominium CFD
Approx. $6,000/unit annually:
- Public Improvements
- Arts Building
- Maintenance
- SLR Improvements

Hoedown Yard CFD*
Approx. $6,000/unit annually:
- Irish Hill Park, purchase shoreline property
- Maintenance
- SLR Improvements

Total CFD SLR Funding:
$60 M (2017$)

Seeking CPC recommendation to form on 9/30.

* Discussions with PG&E may impact timing

28-Acre Site Maintenance: $2.8M/year
Irish Hill Park, Michigan St & Crane Cove Park: $730k/yr
Tax Uses

Facilities Tax
- All Horizontal Infrastructure & Parks
- 40 years of bonding authority

Arts Tax
- Noonan Replacement Space, Community Space, & Arts Building (or public building)
- 40 years of bonding authority

Shoreline Tax
- Project Reserve and Shoreline Account (for sea level rise improvements on Port property)
- 120 years of bonding authority

Services Tax
- Park, special street elements & custodial maintenance & security
- Perpetual tax collection
## ANTICIPATED TAX RATES

<table>
<thead>
<tr>
<th>CFD</th>
<th>Parcels*</th>
<th>Facilities &amp; Ops</th>
<th>Rates**</th>
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<tbody>
<tr>
<td>Leased Property CFD</td>
<td>28-Acre Site Phase 1 Residential Rental and Office Parcels</td>
<td>Facilities Tax</td>
<td>$3.66-$3.88/sf</td>
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<td>Arts Tax</td>
<td>$0.42-$0.52/sf</td>
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<td>Shoreline Tax</td>
<td>$0.56-$0.59/sf</td>
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<td>Services Tax</td>
<td>$0.84-$1.04/sf</td>
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<td>28-Acre Site Historic Buildings 12 and 21</td>
<td>Facilities Tax</td>
<td>$3.45 - $3.57/sf</td>
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<td>Condo CFD</td>
<td>Parcel K North</td>
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<td>$5.12/sf</td>
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<td>Shoreline Tax</td>
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<td>28-Acre Site Condominium Parcels</td>
<td>Facilities Tax</td>
<td>$4.79/sf</td>
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<td>Arts Tax</td>
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<td></td>
<td>Maintenance Tax</td>
<td>$1.30-$1.96/sf</td>
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<td>Hoedown Yard CFD</td>
<td>Residential or Office Parcels on the Hoedown Yard</td>
<td>Facilities Tax</td>
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<tr>
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<td>Services Tax</td>
<td>TBD</td>
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</tbody>
</table>

* Each of the CFDs include "annexation parcels", which will be annexed into the CFD once it has been determined whether a parcel is to be leased or sold.

**Rates vary within in each Zone based on building type (residential, non-residential, historic), building height if residential, and location within or outside of the 28-Acre Site. Rates are subject to refinement prior to introduction to the Board of Supervisors.
ESTIMATED DATES
CFD FORMATION PROCESS

**September 9**th
CPC informational discussion

**September 17**th
Introduction of ROIs: formation & issuance package at Board

**September 30**th
CPC recommendation

**September 30 - October 11**th
CFD ordinance, formation package at Board

**November 19**th
CFD at Board; CFD election held

**December - January 2020**
Second hearing on ordinance; Validation complete