



February 20, 2014

Mr. John Arntz
Director, Department of Elections
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102

Subject: *Request for Departmental Analysis, Ballot Simplification Committee*

Dear Mr. Arntz:

I write in response to your request for a departmental analysis from the Port of San Francisco of the initiative measure titled, "Voter Approval for Waterfront Development Height Increases," slated for consideration at the June 3, 2014 election.

The Port has three primary development projects¹ that would be subject to the proposed initiative measure and, as such, could be delayed by a need for a vote, or rejected by the voters, or delayed, reduced or abandoned by the Port's development partners. The Port has reported the aggregate benefits of these projects delineated in Fiscal Feasibility Analyses (under Chapter 29 of the City's Admin. Code), prepared prior to and independent of the initiative measure, which were reviewed by the City's Budget Analyst and presented to the Board of Supervisors. The Port's assessment of the near-term impacts of the initiative measure are based on the potential for the initiative measure to delay or reduce a project or cause the project to be abandoned. These findings are discussed in greater detail below and in the attached Exhibits.

Potential Port Effects:

- 1) 23 acres of new open space delayed, reduced or abandoned;
- 2) 268-596 affordable housing units delayed, reduced or abandoned;
- 3) 1,990 – 3,690 total new housing units delayed, reduced or abandoned;
- 4) Preservation and rehabilitation of 3 historic facilities – Pier 48 and Buildings 2 and 12 at Pier 70 – delayed, reduced or abandoned;
- 5) 5 maritime berths delayed or abandoned affecting the needs for a new, state of the art fire boat facility, tertiary cruise ship berth, harbor services berthing, water taxi landing and recreational boating including kayaking;
- 6) \$8.46 billion in delayed, reduced or lost revenues to the Port Harbor Fund (equivalent to \$286 million today);
- 7) \$163 million in delayed, reduced or lost capital investment for standard repair & replacement of aging facilities;
- 8) \$243 million in delayed, reduced or lost capital enhancement and seismic improvement to Port assets; and

¹ Note these projects are in various stages of entitlement which will include, at a later date, CEQA review and hearing by several public agencies. None are approved currently.

- 9) \$124 million in affordable housing development fees delayed, reduced or forgone;

Potential Effects to the City:

- 10) \$59 million in transit development fees delayed, reduced or forgone;
- 11) \$4 million in child care development fees delayed, reduced or forgone; and
- 12) \$69 million in delayed, reduced or lost tax revenues to the City General Fund.

The long-term impacts of the initiative measure are not known at this time as the Port does not yet have plans for development of approximately 14 of its parcels. Impacts to such properties cannot be analyzed and therefore, they are not included herein.

The initiative measure impacts waterfront property held only by the Port. Privately held waterfront property or waterfront property owned by entities other than the Port, generally located north of Fisherman's Wharf, south of India Basin, and interspersed among the Port's property on the southeast side of the City, are not subject to the initiative measure. Thus, the effect of the proposed measure would substantially increase development project costs and developer risk on Port property compared to other non-Port waterfront development opportunities. Increased cost and uncertainty could deter investment to improve public waterfront properties, and/or reduce revenues to the Port necessary to seismically reinforce the Seawall and begin to address climate change, create waterfront enhancements (e.g. parks, historic preservation), and rebuild aging infrastructure.

Background

Summary of Port Property

The City, through its Port Commission, manages 7½ miles of Bay waterfront on the City's east side from Fisherman's Wharf to India Basin. The Port's lands were transferred from the State of California to San Francisco pursuant to the 1968 Burton Act and the Burton Act Transfer Agreement, to be managed by the Port on behalf of the people of the State for purposes consistent with the public trust for navigation, commerce and fisheries. The State of California maintains oversight of Port activities through the San Francisco Bay Conservation and Development Commission ("BCDC") and the California State Lands Commission.

Port lands include former tidelands that were filled to create the port, including the seawall that defines The Embarcadero shoreline, the finger piers, and the major filled areas of the Port's southern waterfront which include deep water berths and 145 acres of paved cargo handling facilities at Pier 80 and Piers 94-96. The Seawall, Ferry Building and Piers 1 to 48 are listed on the National Register of Historic Places and Pier 70 is in the process of being listed.

The construction of the Seawall created additional filled areas, called seawall lots, which are now separated from the water in many locations by City streets. In a series of legislative acts, the State Legislature has found that many of these seawall lots are cut

off from the water and no longer serve trust purposes, and may be developed for a variety of residential and commercial uses that typically are not allowed on public trust property. Generally, the purpose of such development must generate revenues which may be used to rehabilitate the Port's aging infrastructure, including efforts to maintain the Seawall, rehabilitate the Port's historic finger Piers 1 to 48 and other historic resources housed at Pier 70.

Not all of the eastern San Francisco Bay shoreline is owned by the Port. There is a significant stretch of non-Port property between 22nd Street and 24th Street, most of which is occupied by the former Potrero Power Plant, which is privately-owned, as well as other privately held parcels. There also are significant undeveloped, privately-owned sites in Mission Bay adjacent to the Bay shoreline, including a 14 acre site between 3rd Street and Terry Francois Boulevard.

Summary of Proposed Initiative Measure

The proposed measure would prevent City staff or officers from taking action to permit for development on Port property that would exceed waterfront height limits in effect as of January 1, 2014, unless voters approve the proposed increase in height for such proposed development, including rehabilitation. The measure directs how the ballot language for future initiated ordinances must be formulated in order to be lawful.

The proposed initiative measure does not apply to all waterfront development sites. Waterfront properties that are held privately or otherwise not owned by the Port would not require voter approval for a height limit increase.

Summary of Waterfront Planning as it is now

Waterfront Land Use Plan

In 1990, San Francisco voters adopted Proposition H, banning the development of hotels on Port-owned piers and imposing a moratorium on waterfront development until the City adopted a land use plan for those Port properties within BCDC's "Shoreline" jurisdiction, a 100 foot zone upland from the waters of San Francisco Bay. Port staff led a seven-year community process with a broad range of waterfront stakeholders, including representation from BCDC, which resulted in the Port Commission adoption of the Waterfront Land Use Plan ("Waterfront Plan") in 1997, which was comprehensive and covered all Port-owned properties. The Plan has been amended from time to time since then, most recently in 2003.

The Waterfront Plan sets forth the Port's framework to define acceptable land uses, regulatory compliance, Port fiduciary responsibilities and community involvement to shape waterfront improvement projects for all Port lands. The Plan identifies:

- (1) Directives to support the Plan's goal to reunite the City and the Waterfront;
- (2) A series of mixed use (including maritime) development opportunity areas no longer needed exclusively for maritime use;

- (3) Transitional maritime areas that may be appropriate for mixed use development if determined surplus to exclusive maritime use;
- (4) Designated zones for maritime activity (mainly in the Port's southern waterfront);
- (5) Public access policies and designations to create a comprehensive waterfront open space network from Fisherman's Wharf to the Southern Waterfront; and
- (6) Historic preservation and architectural/urban form standards for new improvement projects.

Rather than specifying the exact mix of uses for development projects, the Waterfront Plan sets forth a menu of acceptable uses for long-term development for each pier and seawall lot. In addition, the Plan includes general policies for short-term and interim uses of Port property until sites are ready for long-term development.

The Waterfront Plan does not dictate the details of development projects, recognizing that such opportunities must be defined by the Port Commission, public needs and values of the time. To provide for an orderly approach, the Waterfront Plan defines a "Site-specific Development Process for Plan Implementation." That process calls for creation of community advisory groups to review proposed development concepts and provide input and direction to the Port on uses, design, and public benefits that should be included in solicitations for proposals from interested developers. The process provides an early read to prospective developers about public expectations, to help produce proposals that are financially and politically feasible, respond to expected market demand and public desires, and complement and integrate with neighborhoods adjacent to the Port.

Port staff has adhered to this process for all waterfront developments completed to date. For the major developments currently proposed² at Seawall Lot 337 and Pier 48, and at Pier 70, the Port went beyond the above procedures to conduct a lengthy and detailed planning process for each site, with broad public input and participation in addition to Port advisory group review and direction. The planning and development direction from those efforts provided the basis for the content and approach to the competitive developer selection process for both projects. More details of these community planning efforts are provided below. Port staff is currently working with Seawall 337 Associates, LLC ("Mission Rock"), an affiliate of the San Francisco Giants to develop Seawall Lot 337 and Pier 48. Port staff also is working with Forest City California, Inc. ("Forest City") to develop the 28-acre Waterfront Site at Pier 70. Port staff is also working with Orton Development, Inc. to rehabilitate the very significant historic buildings along 20th Street at Pier 70.

City policies also contemplate the option to execute sole source agreements for proposed development, where a competitive process is not feasible. The Board of Supervisors adopted such a sole source authorization with respect to the proposed

² Note these projects are in various stages of entitlement which will include, at a later date, CEQA review and hearing by several public agencies. None are approved currently.

Golden State Warriors multi-purpose venue development³ at Piers 30-32 and Seawall Lot 330. Piers 30-32 is designated as a waterfront mixed use development opportunity in the Waterfront Plan. Consistent with the procedures of the Waterfront Plan, the Board of Supervisors and Port Commission directed the Port's Executive Director to establish the Piers 30-32 Citizen Advisory Committee ("CAC") to review and vet the details of the Golden State Warriors project. The CAC includes several working sub-committees to conduct detailed review of all aspects of the proposed development at Piers 30-32 and Seawall Lot 330, which will support CAC recommendations to the Port Commission, Planning Commission and Board of Supervisors.

Zoning

Concurrent with adoption of the Waterfront Plan, the Planning Commission and the Board of Supervisors approved amendments to the San Francisco Planning Code and Zoning Map (primarily in the northern waterfront) to reflect the range of uses described in the Waterfront Plan, and to establish Waterfront Special Use Districts that include provisions for a coordinated City design review process for Port development projects. Because of the direction to preserve and rehabilitate the historic piers in the northern waterfront, there was no consideration of amending the building height limits when the Waterfront Plan was approved.

The Port's proposal at that time did not include any Planning Code or zoning changes for properties in the southern waterfront, which provisions date back decades prior to Proposition H. Since the Waterfront Plan, new directions by the City and regional planning agencies led to zoning and/or height limit changes in Rincon Hill, Mission Bay, and the Eastern Neighborhoods that include Potrero Hill and Dogpatch, upland from Pier 70. The themes of these city actions have been to direct projected growth in or near downtown San Francisco, and along the east side of the city well served by public transportation.

As part of the new zoning for the Eastern Neighborhoods Plan and Rezoning by the Planning Department, the height limits of a few select Port-owned parcels on Illinois Street between Mariposa and 22nd Streets were increased 40 to 65 feet. All other Port property in Pier 70 are still zoned M-2 (Heavy Industry), with a 40-foot height limit. The City deferred consideration of zoning changes for Pier 70 from the Eastern Neighborhood Plan in recognition of the Port's more extensive master planning for Pier 70 which was then underway and completed in 2010.

Seawall Lot 337 and Pier 70 Planning

As noted above, the Port and public invested much time and attention to complete detailed site planning prior to soliciting requests for development (RFP) proposals for SWL 337 and Pier 70. Both sites require replacement of or whole new infrastructure and utility systems to support any above-ground construction, which place added demands

³ Note this project is undergoing design and is in the early stage of entitlement which will include, at a later date, CEQA review and hearing by several public agencies. It is not currently approved.

on the balance of development and public benefit requirements for these two sites. Extensive discussion and documentation is available on the Port's website (SWL 337: <http://sfport.com/index.aspx?page=25>) and (Pier 70: <http://sfport.com/index.aspx?page=263>).

For SWL 337, the pre-RFP public planning work extended over a year, under the review of a Port Commission committee. SWL 337 is a 16-acre site zoned MB-OS (Mission Bay-Open Space). This designation is a remnant from a prior plan for Mission Bay that was never implemented. SWL 337 was excluded from the Mission Bay South Redevelopment Plan, since approved, which has guided new development in the area, including the UCSF campus. As a result, the need to amend use and building height allowances for SWL 337 was known from the start, and dictated the Port's decision to carry out the additional planning process with the cooperation of the Planning Department and Redevelopment Agency. That process took stock of surrounding Mission Bay development and led to recommendations to allow one to three slender towers along with lower scale buildings, a major waterfront park, historic rehabilitation of Pier 48, and a mix of uses that were consistent with SB815, special State legislation supported by the State Lands Commission that allows non-trust uses in order to generate revenues necessary to support historic rehabilitation, waterfront open space and repair of public trust facilities. A community-based advisory panel juried the RFP development proposals and made recommendations accepted by the Port Commission. The Mission Rock team was selected through this process, and is working with the Port and City family to review their proposal, which includes amendment of use and building heights for SWL 337 as part of the package of required project approval actions.

For Pier 70, the Port led a comprehensive public process from 2007-2010, which resulted in a Pier 70 Preferred Master Plan. The Master Plan was endorsed by the Port Commission and provided the foundation for development of RFP offerings that resulted in the selection of Orton Development, Inc. for the rehabilitation of Pier 70's most precious historic structures along 20th Street, east of Illinois Street; and Forest City for the 25-acre waterfront site in the southeast area of Pier 70. Like SWL 337, the Pier 70 planning efforts anticipated the need for zoning amendments to the site's use and building height limits for new construction. As documented extensively, Pier 70's rare collection of historic buildings and resources that reflect the site's ship building and ship repair history, a 150-year industry that continues today, has been nominated as a historic district for listing on the National Register of Historic Places. The extraordinary cost of seismic retrofit, hazardous materials remediation, historic rehabilitation and climate adaptation depends on substantial new development planned integrally within the historic district. This is what Forest City proposes to do as a public-private partnership project with the Port. The planning and development project proposals have and continue to be reviewed by the Port's Central Waterfront Advisory Group, and many public agencies, including staff of the Planning Department and State Lands Commission.

Project Planning and Zoning Issues

As noted above, at the time the Waterfront Land Use Plan was approved, there was no considered need to amend building height limits until the later planning work for SWL 337 and Pier 70. Port efforts on these two projects, plus the Golden State Warriors project are all now undergoing various stages of planning and development review and site planning, and which contemplate a proposed height increase⁴. Each of the projects are identified in more detail below. Rezoning proposals for these sites will examine a range of criteria, including:

- Proposed height and bulk;
- Views of San Francisco Bay from public view corridors;
- Views of the San Francisco skyline;
- Street-level experience of the proposed development program;
- Total density of the proposed development program;
- Amount of space available within the proposed development site for open space;
- Potential impacts of new construction on surrounding historic resources; and
- Wind and shadow studies.

Department Analysis of Possible Effects of Proposed Measure

There have been instances where voters have weighed in on zoning of Port property. Eight members of the Board of Supervisors submitted Proposition B to voters in the March 1996 election to allow the privately-financed development of a new ballpark for the San Francisco Giants, which included approval of a height limit change from 40' to 150'.

However, the proposed initiative measure would impose a standard of voter approval for rezoning Port property that is unique in the City. Port staff is not aware of any other property in the City where a vote of the people is required to enact a zoning change. Privately held waterfront property interspersed among Port property will not be subject to a vote of the people if a zoning change is desired.

Development projects in San Francisco are complex. Public trust, and financial restrictions and requirements can make Port projects uniquely complicated, as described further below.

Impacts to Current Planning

Exhibit 1 to this letter provides an overview of Port zoning information, listed generally from north to south along Port property. There are three major projects currently undergoing development and planning review that could be impacted by the proposed

⁴ Note these projects are in various stages of entitlement which will include, at a later date, CEQA review and hearing by several public agencies. None are approved currently.

measure. The Port is unable to analyze impacts to fourteen other of its properties as development plans have not yet been formulated. The three projects⁵ to be impacted in the near-term are:

- **Seawall Lot 337.** 3.5 million square foot (SF) development, with 8 acres of parks, 650-1,300 residential units, up to 1.7 million SF of office and R&D space, 150,000-250,000 SF of retail space, and accessory parking to serve the development and AT&T Ballpark. Rezoning to accommodate two, tall, slender towers, with one tower up to 380', and mid-rise development on a total of 11 parcels.
- **Pier 70 Waterfront Site.** 3.25 million gross square foot (GSF) development on 11 parcels, with 7 acres of parks, 950-2,000 residential units, up to 2.25 million GSF of office and R&D space, and 400,000 SF of retail, innovation and maker space, and accessory parking. Rezoning to accommodate 2-3 towers up to 230', and mid-rise development on a total of 20-25 parcels. In 2008 San Francisco voters passed Proposition D creating a process for Pier 70 development and in 2010 the State Legislature passed AB 418 creating a framework for the contemplated uses at Pier 70.
- **Piers 30-32 and SWL 330.** 18,064 seat multi-purpose venue, with 7 acres of open space, 90,000 SF of retail and accessory parking on Piers 30-32, and 175 residential units, 227 hotel rooms, 30,000 SF of retail and accessory parking on SWL 330. Rezoning to accommodate an arena height of 125', with setbacks at 115' on Piers 30-32 and potential rezoning of one tower on SWL 330 to 175'.

Early planning at these sites indicates that it will be very expensive to build at these locations for a variety of reasons, including the lack of traditional infrastructure, such as utilities and the historic fill nature of the sites, sea level rise, seismic risk and related factors. The ability to build taller structures allows these costs to be spread over a greater density of development, while preserving sizeable portions of the site for open space.

Due to the complicated regulatory overlay unique to Port property, it typically takes 5 or more years to fully entitle a Port project and require significant predevelopment spending. At Seawall Lot 337 and Pier 70, Port staff projects that its development partners would, under normal circumstances, spend more than \$20 million on predevelopment planning and project entitlement at each of these sites. Under the proposed term sheets for both projects, the Port's development partners would be repaid from project sources with a market-rate, risk-adjusted return.

If the proposed measure is adopted, it could discourage private investment in Port property and chose instead adjacent waterfront property not subject to a voter

⁵ Note these projects are in various stages of entitlement which will include, at a later date, CEQA review and hearing by several public agencies. None are approved currently.

requirement. Additionally, because of the inherent risk and sizeable expense in running political campaigns, the voter requirement may discourage predevelopment planning work by the Port development partners. Predevelopment planning occurs with careful assistance of Port and City staff and involves the Port's advisory groups. Absence of such predevelopment planning could also displace Port, City and advisory group involvement.

The proposed measure could also discourage project sponsors from contemplating height increases along Port property, resulting in more uniformly low-scale development. Such development is counter to the direction the City and region are taking to reduce the carbon footprint, with a focus on developing around public transit systems and alternative transportation modes.

Port staff have evaluated low-scale development in some areas of the Port – such as the Port's Piers 94-96 Backlands – and found such development to be financially infeasible due to the high costs of driving piles to support foundations, even for low-rise facilities. In other locations, such as seawall lots in the northern waterfront, Port staff have found that building within 40' height limits is feasible.

Potential Impact to Proposed Development

It is impossible for City staff to determine whether voters will be likely to approve future height increases to enable development of Port property, if the proposed measure is enacted.

For each of these three projects, the Port submitted a Fiscal Feasibility Report prepared by an independent consultant (under Chapter 29 of the City's Admin. Code) prior to and independent of the proposed initiative measure. The Fiscal Feasibility Reports delineate the benefits of the projects to the Port and City. These reports were reviewed by the City's Budget Analyst and presented to the Board of Supervisors. Exhibit 2 to this letter provides a summary of the benefits outlined in these reports for the Port waterfront projects that could be affected by the proposed initiative measure "Voter Approval for Waterfront Development Height Increases." The Port has prepared its analysis herein based upon these Fiscal Feasibility Reports. If the projects are ultimately approved following environmental review and other regulatory procedures, at full build-out, the affected projects would provide:

Direct Port Benefits

- Approximately 23 acres of new waterfront open space;
- Approximately 2,000 – 3,700 residential housing units, including 268 – 596 affordable units;
- Rehabilitation of important historic resources including Pier 48, and Buildings 2, 12 and 21 at Pier 70;

- Future dedicated funding streams to address long-term Port capital needs, as required by state law;
- Potential funding streams to repair the seawall and armor the shoreline against sea level rise;
- Rehabilitation of two piers resulting in 5 berths for a range of maritime uses, including cruise berthing, a new fire boat station, water transportation and water recreation;
- Base and participation rent of over \$8.46 billion over the term of these leases with a projected net present value of \$286 million to the Port's Harbor Fund;
- \$162 million in state-of-good repair improvements to Port facilities (at the project sites) and \$243 million in enhancements (parks, streets, and utilities) and seismic-related improvements to Port property.

City Benefits:

- Approximately 29,000 construction jobs and 32,000 permanent jobs;
- \$187 million in affordable housing, transit and child care fees;
- \$35 million in annual general tax revenues to the City's General Fund and \$9.4 million in annual special tax revenues; and
- \$25.6 million in annual property tax increment received as part of establishing a Port Infrastructure Finance District (IFD), which will be initially used to fund required project infrastructure;

As highlighted above these projects would have major financial and functional benefits to the Port. As described in the Port's 10 Year Capital Plan (2015-2024), the Port faces major capital needs to address deferred maintenance of aging facilities, and improvements to achieve "state-of-good-repair" condition for as many properties as possible. The Capital Plan estimates a capital need of \$1.59 billion (plus an additional \$464.3 million for conditional seismic work), and has identified approximately \$1.14 billion in existing and future funding sources. The above 3 proposed development projects are estimated to generate \$162 million to address these needs, in addition to \$243 million in waterfront parks and open space, pedestrian-friendly streets, historic rehabilitation and other public enhancements. Private investment to provide these improvements relieve obligations that otherwise would remain with the Port and City. In addition, the base and participation rent revenue from the new projects would provide funding to support other needed Port capital improvements. Public-private development projects described in the Capital Plan are principal drivers of potential waterfront improvements, representing 36 percent of the state-of-good-repair funding, and 52 percent of the proposed capital enhancements.

Much of this funding comes from project-generated IFD tax increment. The Port Commission and Port staff are extremely grateful to Mayor Ed Lee and the Board of Supervisors for making available such a large commitment of non-trust City revenue by allowing the Port to capture this increment, enabling the Port to continue to improve the waterfront over the next decade.

Conclusion

As described above, it is difficult to determine the effect the initiative measure would have on the Port's waterfront planning and development at this early stage. However, one immediate effect will be to override years of public planning causing delays to the above projects should the Port's partners decide to pursue voter approval. Such a delay and additional predevelopment expense (and development risk) will in turn delay implementation of the public facilities described above. However, should the Port's partners chose not to pursue such voter approval, the projects, and thus their corresponding benefits, will either be reduced or abandoned resulting in a diminishment or full loss of long awaited benefits enumerated above and in Exhibit 2.

Mixed-use development is the Port's primary strategy to facilitate public access and enjoyment by the City of its waterfront such as the Ferry Building, AT&T Park and The Exploratorium. Each of these projects converted debilitated, often shuttered facilities into places of worldwide renown, enjoyed by San Franciscans and visitors alike. Public-private development leverages private investment and generates public revenue to further the Port's maritime mission, as articulated in the Waterfront Plan, its commitment to maintaining and rehabilitating the Embarcadero National Historic District, including the Seawall, and Pier 70 Historic District, and its ability to continue to expand public access along The Embarcadero and the Blue Greenway, south of China Basin.

Port staff hope that the enclosed information is useful to the Ballot Simplification Committee. Port staff will be present to answer any further questions at its meeting on February 25, 2014. Should you require any further information, or have any questions, please do not hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,


Monique Moyer
Executive Director

Exhibits

1. Port Parcel Zoning Information
2. Summary of Port Waterfront Projects that Would Be Affected by the Proposed Initiative Measure Requiring Voter Approval for Waterfront Height Increases

Exhibit 1: Port Zoning Information

Port Property (North to South)	Current Zoning	Current Height	Proposed Zoning Change	Discussion	Potential Impact of Proposed Measure
Piers 1-45 (north of the Ferry Building)	-Hyde Street Pier to Pier 39 is C-2 (Commercial Business) -Pier 35-7-1/2 is M-1 (Light Industry) -Pier 7 – Pier 1 is C-2 -All Port piers north of China Basin are in Waterfront Special Use District (SUD) #1, which requires Waterfront Design Advisory Committee (“WDAC”) review for non-maritime development projects	-Hyde Street Pier south to Pier 7-1/2 is 40’ -Pier 7 is 65’ – Pier 5 south to Pier 1 is 84’	None	The Port’s piers from Pier 45 in Fisherman’s Wharf to Pier 48 are contributing resources to the Embarcadero Historic District; Port staff do not consider it likely that any project on an historic pier would be rezoned above 40’.	None
SWL 314	C-2 The Port’s Seawall Lots from SWL 311 to 324 are in Waterfront SUD #3, which sets design standards and requires WDAC review for non-maritime development projects	40’	None at this time		Unknown
SWL 321	C-2, WSUD #3	40’	None at this time	SWL 321, 322, 322-1, and 324 are in Northeast Waterfront Historic District, a local historic district approved by the SF Planning Commission	Unknown
SWL 322	C-2, WSUD #3	40’	None at this time	Northeast Waterfront Historic District	Unknown
SWL 322-1	C-2, WSUD #3	65’	None at this time	Port staff is currently working the Mayor’s Office of Housing to plan an affordable housing project at this site in Northeast	Unknown

				Waterfront Historic District, consistent with the requirements of AB 2649 and within existing 65' zoning.	
SWL 324	C-2, WSUD #3	40'	None at this time	Northeast Waterfront Historic District Teatro Zinzanni is planning to relocate its restaurant cabaret to this site for 10 year term.	Unknown
SWL 351	RC-4 (Residential-Commercial, Combined, High Density)	84'	None at this time	This site is still under ENA contract with San Francisco Waterfront Partners	Unknown
Ferry Building	C-2, WSUD #3	84'	None	Individually listed on the National Register of Historic Places, as well as part of the Embarcadero Historic District. The Ferry Building clock tower is 240' high.	None
Ferry Plaza	C-2, WSUD #3	84'	None	The plaza and pier apron edges are designated as BCDC public access	None
Agriculture Bldg	C-2, WSUD #3	84'	None	Individually listed on the Register of Historic Places, as well as part of the Embarcadero Historic District	None
Pier 2-40 (south of the Ferry Building)	Pier 2 – former Pier 24 is C-2 Pier 26-28 is M-1 Pier 30-32 – S Beach Harbor is M-2 (Heavy Industry) All Port piers north of China Basin are in Waterfront Special Use District (SUD) #1, which requires WDAC review for non-maritime development projects	-Pier 2 is 84' -Ag Bldg is 84' -Pier 26-40, S. Beach Harbor is 40' - AT&T Ballpark is 150'	None, except for Piers 30-32	The Port's piers from Pier 45 in Fisherman's Wharf to Pier 48 are contributing resources to the Embarcadero Historic District; Port staff do not consider it likely that any project on an historic pier would be rezoned above 40'. One example of a current pier project is the Pier 38 project, which the Port is pursuing with TMG Pier 38 Partners, LLC, a joint venture of TMG Partners and Premier Structures, Inc. Piers 30-32 is not included in the Embarcadero Historic District and is the only pier proposed for height rezoning as part of the proposed Golden State Warriors Project. The proposed rezoning would authorize construction of the arena at 125'	None, except GSW proposal for Piers 30-32.

				above pier datum, with setbacks around the building at 115'.	
SWL 328	M-1 WSUD #3	84'	None at this time		Unknown
SWL 330	M-2 WSUD #3	The Watermark on the rear part of this lot is 256'. The remainder of the site is zoned for two 105' buildings.	Yes	SWL 330 is proposed for height rezoning as part of the proposed Golden State Warriors project. The Warriors have proposed a 175' residential building and a 105' hotel on the site, but are also studying a code-compliant variant for SWL 330 in the preparation of the project environmental impact report. The Warriors will continue to examine these options in consultation with City staff and the Piers 30-32 CAC through the environmental review process.	Potential impact to GSW proposals for both Piers 30-32 and SWL 330.
SWL 332, 333, 334, 335 (Delancey, Steamboat Point, S Beach Harbor)	M-2 WSUD #3	40'	None at this time		Unknown
Pier 48	M-2	40'	None	Pier 48 is the southernmost resources in the Embarcadero Historic District	None
Pier 50	M-2	40'	None		None
SWL 337	MB-OS (Mission Bay-Open Space)	OS (Open Space)	Rezoning is part of Mission Rock proposal	The zoning for SWL 337 was set at 0' as part of a prior Mission Bay Plan approved by the City in 1990 which was never implemented. The new Mission Bay North and South Redevelopment Plans establish current land use and development requirements, and exclude SWL 337. In 2007, the Port Commission directed public planning effort for SWL 337 to define reuse and development of the site, to	Potential impact to Mission Rock proposal

				<p>include two towers at approximately 300'. The planning process informed development RFP and developer selection. Mission Rock LLC, the Port's development partner, has proposed new development that will include rezoning proposals.</p> <p>Mission Rock LLC is developing a proposed zoning for Seawall Lot 337 in consultation with Port staff, Planning Department staff and the public which would accommodate 11 development parcels. The proposal contemplates two tall slender towers, one of which would rise up to 380', coupled with mid-rise buildings through the rest of the site. To achieve the current vision of the new neighborhood at this location in Mission Bay, all eleven parcels will require a substantial increase above the current 0' height for the site.</p>	
Pier 54	M-2	40'	None at this time		Unknown
SWL 345	P (Public)	MB-RA	None at this time		Unknown
Pier 70 (SWL 349)	M-2	40'	Rezoning is part of Forest city proposal	<p>Port conducted public process to produce Pier 70 Preferred Master Plan which has guided Port Commission development RFP offerings and nomination of Pier 70 Historic District for National Register listing. Orton Development Inc. proposes to rehabilitate 20th Street historic buildings. Forest City proposes historic rehabilitation and new development of Pier 70 Waterfront Site which includes a proposal for rezoning 20-25 buildable parcels.</p> <p>The Term Sheet proposal contemplates 2-3 locations for height up to 230'. Forest City is developing a proposed zoning for the Waterfront Site in consultation with Port staff, Planning Department staff and the</p>	<p>Potential impact to Forest City proposal</p> <p>No projected impact to Orton Development proposal</p>

				<p>public. Most of the parcels on the Waterfront Site will require a significant increase above the existing 40' height limit to achieve the current vision of the new neighborhood at this location.</p> <p>The Orton Development Inc. project for the 20th Street Historic Buildings does not contemplate a rezoning.</p>	
Pier 80	M-2	40'	None at this time		Unknown
SWL 354	M-2	40'	None at this time		Unknown
Piers 90-96	M-2	40'	None at this time		Unknown
SWL 344 & 352	M-2	40'	None at this time		Unknown
Pier 98 (Heron's Head Park)	M-2	40'	None	This is a Port public open space.	None

**Exhibit 2: Summary of Port Waterfront Projects that Would Be Effected
by the Proposed Initiative Measure Requiring Voter Approval for Waterfront Height Increases**

	Piers 30-32 & SWL 330 (1)	SWL 337 & Pier 48 Project	Pier 70 Waterfront Site	Pier 70 Illinois & 20th Street	Total
<p>Total Development Program</p> <p>Note: The program for Piers 30-32 reflects Design Version 3.0 for Piers 30-32.</p> <p>Both Seawall Lot 337 and the Pier 70 Waterfront contemplate a flexible zoning approaches within a fixed overall development program.</p>	<p><u>Piers 30-32</u> 18,064 seat event center 90,000 SF retail SFFD Fire House Accessory parking</p> <p><u>SWL 330</u> 176 housing units 227 hotel rooms 30,000 SF retail Accessory parking</p>	<p><u>SWL 337</u></p> <ul style="list-style-type: none"> • 3.5 million SF development • 650-1,300 housing units • up to 1.7 million SF of Class A office and R&D space (would reduce to accommodate more residential) • 150,000-250,000 SF of retail space • Accessory parking <p><u>Pier 48</u> 181,200 SF light industrial use (proposed tenant is Anchor Brewing), including 10,000 SF of retail</p>	<ul style="list-style-type: none"> • 3.25 million gross square feet (GSF) • 950-2,000 housing units • up to 2.25 million GSF of Class A office and R&D space (would reduce to accommodate more residential) • 400,000 GSF of retail and arts and innovation space • Accessory parking 	<ul style="list-style-type: none"> • Approximately 215 residential units on the Illinois & 20th Street parcel • 7,700 SF of retail 	

	Piers 30-32 & SWL 330 (1)	SWL 337 & Pier 48 Project	Pier 70 Waterfront Site	Pier 70 Illinois & 20th Street	Total
Open Space	7.6 acres of open space on Piers 30-32	8 acres of new publicly accessible parks and open spaces, including new 5 acre China Basin Park	7 acres of new publicly accessible parks and open spaces, including new 4.5 acre Waterfront Park	Unknown	Approximately 23 acres of new open space
Total Housing Units	176 units	650-1,300 units	950-2,000 units	215 units	1,991 – 3,691 units
New Affordable Housing (2)	Assumed fee-out for condominiums.	<ul style="list-style-type: none"> • Minimum 15% inclusionary on-site for residential; fee-out for condominiums • 98-196 affordable units, depending on the total residential units 	<ul style="list-style-type: none"> • Minimum 15% inclusionary on-site for residential; fee-out for condominiums. • 170-400 affordable units with 80/20 bonds, depending on the total residential units 	<ul style="list-style-type: none"> • Minimum 15% inclusionary on-site for residential; (assumed) fee-out for condominiums. 	268 – 596 affordable units + offsite fees (see affordable housing fees under Development Fees below)
Historic Preservation	NA. Retain Red's Java House	<ul style="list-style-type: none"> • Rehabilitation of Pier 48 which is contributing resources to the Embarcadero Historic District • Port project proceeds to fund rehabilitation of other piers in the Embarcadero Historic District (pursuant to SB 815 - Senator Carole Migden) 	<ul style="list-style-type: none"> • Rehabilitation of Buildings 2, 12 and 21 which are contributing resources to the proposed Pier 70 Historic District • Tax increment and Port project proceeds to fund rehabilitation of other Pier 70 		<ul style="list-style-type: none"> • Pier 48 • Buildings 2, 12 and 21 at Pier 70 • Ongoing funding streams for the Port's historic finger piers and Pier 70

	Piers 30-32 & SWL 330 (1)	SWL 337 & Pier 48 Project	Pier 70 Waterfront Site	Pier 70 Illinois & 20th Street	Total
			historic resources (pursuant to AB 418 - Assemblymember Tom Ammiano and AB 1199 - Assemblymember Tom Ammiano)		
Maritime	Backup cruise berth, fire boat station, and water transportation dock	Apron improvements to Pier 48; new personal watercraft entry point to the Bay	Port project proceeds to fund Pier 70 Shipyard (pursuant to AB 418 and AB 1199)		Rehabilitation of two piers resulting in 5 berths for a range of maritime uses
Jobs	<ul style="list-style-type: none"> • 5,011 direct, indirect and induced construction jobs • 2,842 direct, indirect and induced permanent jobs 	<ul style="list-style-type: none"> • 10,100 direct, indirect and induced construction jobs • 11,100 direct, indirect and induced permanent jobs 	<ul style="list-style-type: none"> • 14,300 direct, indirect and induced construction jobs • 18,000 direct, indirect and induced permanent jobs 	300 direct and indirect jobs	<ul style="list-style-type: none"> • 29,411 direct, indirect and induced construction jobs • 31,942 direct, indirect and induced permanent jobs
Sustainability	<ul style="list-style-type: none"> • Designed to address sea level rise • LEED Gold Buildings • Stormwater controls 	<ul style="list-style-type: none"> • Designed to address sea level rise • Type 1 Eco-District • LEED Gold Buildings • Stormwater controls 	<ul style="list-style-type: none"> • Designed to address sea level rise • Type 1 Eco-District • LEED Gold Buildings • Stormwater controls 	<ul style="list-style-type: none"> • LEED Gold Buildings • Stormwater controls 	

	Piers 30-32 & SWL 330 (1)	SWL 337 & Pier 48 Project	Pier 70 Waterfront Site	Pier 70 Illinois & 20th Street	Total
Development Fees					
Affordable Housing (3)	\$30,288,000	\$32,729,000	\$50,607,000	\$10,288,000	\$123,912,000
Transit	12,808,000	\$18,364,000	\$28,074,000	\$102,000	\$59,348,000
Child Care	\$244,000	\$1,424,000	\$2,423,000	\$0	\$4,091,000
Port Harbor Fund	Value of SWL 330 and Rent Credits from Piers 30-32 are fully utilized to pay for Piers 30-32 substructure upgrades	Projected \$1.56 billion in base rent (no less than \$3.5 million annually) plus participation rent over 4 phase development with 75 year lease terms NPV of \$133,000,000 (4)	Projected \$6.9 billion from various project sources (including participation rent) over 4 phase development with 99 year lease terms NPV of \$153,000,000 (4)	Value of Illinois & 20 th Street is used to pay for Waterfront Site predevelopment costs (est. \$20 mil)	Base and participation rent with a projected net present value of \$286 million to the Port's Harbor Fund
Port Capital Needs (5)	<ul style="list-style-type: none"> \$97 million for state-of-good-repair \$68 million for seismic improvements 	<ul style="list-style-type: none"> \$14,300,000 for Pier 48 state-of-good-repair improvements \$64,600,000 for enhancements (parks, streets, and utilities) and non-Pier 48 seawall repairs 	<ul style="list-style-type: none"> \$51,300,000 for state-of-good-repair (Buildings 2, 12 and 21) \$110,600,000 for enhancements (parks, streets, and utilities) and seismic-related work 		<ul style="list-style-type: none"> \$162,600,000 in state-of-good repair \$243,200,000 in enhancements and seismic improvements
City General Fund Annual	\$8,707,000	\$10,720,000	\$15,347,000	\$332,000	\$35,106,000

	Piers 30-32 & SWL 330 (1)	SWL 337 & Pier 48 Project	Pier 70 Waterfront Site	Pier 70 Illinois & 20th Street	Total
Revenues					
Other City Dedicated Revenue Annual Revenues (6)	\$4,431,000 (7)	\$2,323,000	\$2,558,000	\$92,000	\$9,404,000
Property Tax Annual Revenues (8)	\$5,777,000 (7)	\$8,453,000	\$10,776,000	\$618,000	\$25,624,000

Sources:

“San Francisco Multi-Purpose Venue Project on Piers 30-32 and Seawall Lot 330, Findings of Fiscal Feasibility,” Economic and Planning Systems, Inc. October 22, 2012

“Seawall Lot 337 and Pier 48 Development Project, Findings of Fiscal Feasibility,” Economic and Planning Systems, Inc. March 8, 2013

“Pier 70 Waterfront Site and Illinois Street Parcel Development Projects, Findings of Fiscal Feasibility,” Economic and Planning Systems, Inc. May 21, 2013

Item 8B Ten-Year Capital Plan FY 2015-2024 Port Commission Staff Report, February 11, 2014 Meeting

Item 11A Seawall Lot 337 and Pier 48 Term Sheet Port Commission Staff Report, February 26, 2013 Meeting

Item 10A Pier 70 Waterfront Site Term Sheet Port Commission Staff Report, May 28, 2013 Meeting

Notes:

The program and cost estimates for Piers 30-32 and Seawall Lot 330 have changed since the Chapter 29 Fiscal Feasibility Report was published in October 2012. City staff plans to revise the project fiscal feasibility report in 2014 prior to seeking endorsement of a project term sheet.

Affordable units are affordable to residents making 55% of Area Median Income, based on Proposition C, which requires that 15% of units on publicly-owned property are affordable (as opposed to 12% for private property).

Includes both Jobs-Housing Linkage Fees charged to commercial uses and off-site fees in lieu of inclusionary, on-site affordable housing units charged to residential uses.

Projections of rent for the Seawall Lot 337 development and the Pier 70 Waterfront Site development are complicated by 1) deal structures that allow the Port to participate in project success in multiple ways, and 2) multiple phase development over 15-20 years, with very long-term leases (75 years at SWL 337, and 99 years at Pier 70). The net present value (NPV) calculations of rent are perhaps the best way to understand the value of these potential agreements to the Port's Harbor Fund.

Includes direct project-related investment in Port facilities; excludes future revenue streams that are dedicated by law (SB 815 or AB 418) to Port capital needs that fall outside the ten year planning window for the Port's Ten-Year Capital Plan.

Other City Dedicated Revenue Annual Revenues means 80% of the Parking Tax (which accrues to the San Francisco Municipal Railway), the Public Safety Sales Tax, and the SF County Transportation Authority Sales Tax. For Piers 30-32 and SWL 330, this figure also reflects a portion of the Hotel Tax that accrues to cultural programs, and a portion of the Stadium Admissions Tax that accrues to park maintenance.

For Piers 30-32, this figure differs from the total reported on page 6 of "San Francisco Multi-Purpose Venue Project on Piers 30-32 and Seawall Lot 330, Findings of Fiscal Feasibility," by Economic and Planning Systems, Inc. October 22, 2012, because after the publication of that report, the Board of Supervisors adopted a resolution endorsing the use of Infrastructure Financing District proceeds which dedicates the full \$0.65 of each property tax dollar collected in and IFD to fund eligible project improvements.

Subject to Board of Supervisors approval, property tax revenues shown in this row are likely to be captured by an Infrastructure Financing District to pay for project-related infrastructure and public improvements.