



July 25, 2013

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

Re: Request for Analysis of Ballot Initiative Entitled "8 Washington Street Special Use District" for November 5, 2013 Election

Dear Mr. Arntz,

I am writing in response to your July 9, 2013 letter regarding the proposed initiative measure titled "8 Washington Street Special Use District" that qualified for the November 5, 2013 election ballot. If ratified by the voters, the 8 Washington Special Use District will result in the development of a private parcel located at 8 Washington Street and a public parcel owned by the Port, located at the intersection of Washington Street and Embarcadero and known as Sea Wall Lot ("SWL") 351. The Port refers to the development of SWL 351 as the SWL 351 Development Project. Based on your request, the Port of San Francisco has prepared the following analysis of the initiative measure.

**Effect on Port Objectives:**

If this initiative measure is ratified by the voters, it will achieve the Port's main objectives to:

1. enhance Port property and the urban fabric of the waterfront by converting SWL 351 from a desolate parking lot to urban commercial/residential uses;
2. enhance the waterfront by creating better public access and more open space; and
3. generate significant economic benefits for the City by combining it with the adjacent Golden Gateway recreation site.

The fulfillment of these objectives is the main impetus that prompted the Port Commission to approve the SWL 351 Development Project and recommend, as expressed in its Resolution No. 12-47 adopted on May 29, 2012, that the Planning Commission, the State Lands Commission, and the Board of Supervisors take actions toward realizing these benefits for the City and the waterfront.

The proposed initiative measure, if ratified, will constitute a positive step towards obtaining the following benefits for the City:

- A. Activation of a vital, underutilized piece of the City's waterfront and filling a glaring seam in the city fabric still remaining from the removal of Interstate 480, also known as the Embarcadero Freeway;
- B. Provision of strong financial returns to the City and the Port to support the waterfront's \$2 billion capital improvement needs. Specifically, the SWL 351 Development Project will generate \$3 million in near term payments, enhance long term revenue and provide the Port with new mechanisms to participate in the long term appreciation of the Port's real estate asset that will generate revenues to address the Port's huge capital and public trust needs. The SWL 351 Development Project's finance structure will allow the Port to realize the site's value and sets a valuable financial model for future development efforts. The SWL 351 Development Project will lead the Port to acquire land valued in excess of \$8,600,000, public benefit improvements costing \$9.5 million, and generation of revenue streams to the Port exceeding \$100 million with a net present value of \$14.3 million. Over \$3 million of new property tax annually and an estimated \$1.25 million of new revenues to the City General Fund are expected from the Development as approved; and
- C. Help fulfill the Port's critical obligations to provide: 1) accessible public open spaces and public parks; 2) bicycle and pedestrian access from Pacific, Jackson, and Washington Streets to The Embarcadero; and 3) connect these corridors and the City to the waterfront. An appropriate amount of public parking will be provided to sustain the overall economic success of businesses in the Ferry Building Waterfront Area, including existing investments of approximately \$250 million at the Ferry Building, Pier 1, Piers 1½-3-5, Pier 7 and Pier 9.

**Effect on Current Law and Practices:**

The Port's analysis of the proposed initiative, in terms of its effects on current law and practices, indicates that the proposed Special Use District is consistent with (1) the Planning Department Motion No. 18560 that certified the Final Environmental Impact Report ("FEIR") for the Development and subsequent Board's Motions Nos. M12-061 and M12-062; and (2) Board Resolution Nos. 226-12; and Ordinances Nos. 104-12, and 105-12, ratifying the FEIR, approving the proposed purchase and sale of SWL 351, and approving the necessary land use controls to move forward the Development. The proposed initiative would facilitate the realization of benefits listed above through timely implementation of the Development.

The Port's analysis of the proposed initiative measure finds:

- 1. **Acceptable** The contents of Sections 1 and 2 of the proposed initiative [*Title, Findings and Purposes*] outlining the proposed land uses on the Site are acceptable in that they reflect the development program that has been vetted through the public approval processes and the current underutilization use of SWL 351 as disclosed in the various

public documents, meetings, and hearings, including the FEIR and the related BOS ordinances.

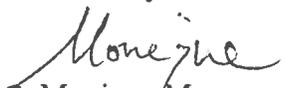
2. **Acceptable** The contents of Section 3 of the proposed initiative [*Creation of Parks, Public Access and Housing District*] are acceptable in that they summarize public benefits included in the terms and conditions of the approved transaction documents governing the Development.
3. **Acceptable** The contents of Section 4 of the proposed initiative [*Amendment to General Plan and Planning Code*] are acceptable in that they reflect the actions and approvals that the Port Commission, the Planning Commission, and the Board have granted for the Development to move forward after numerous public hearings.
4. **Acceptable** The contents of Section 5 of the proposed initiative [*Finding of Consistency*] are acceptable in that they reflect the actions and approvals of the Planning Commission and the Board following the required vetting processes for granting such approvals.
5. It is appropriate for the Port to defer to the Department of Elections regarding the subject matter of Section 6 [*Conflict with Other Measures*], Section 7 [*Effective Date*], Section 8 [*Amendment*], Section 9 [*Implementation*], Section 10 [*Statute of Limitations*], and Section 11 [*Severability*] of the proposed initiative in that they are not matters within the purview of the Port.

### **Conclusion**

The City and Port have pursued the revitalization of the Ferry Building Area for more than 20 years. Through the implementation of the Waterfront Land Use Plan and the public-private investments at the Ferry Building, Pier 1, Piers 1½ – 5, Pier 7 and The Embarcadero Roadway a vital center of the City has been renewed. The Development enhances the revitalization of the Ferry Building Area creating new parks, waterfront pedestrian connections, retail and housing opportunities, and permanent public parking for Ferry Building visitors. The SWL 351 Development Project completes the vision for the Ferry Building Waterfront Area carefully delineated in the Waterfront Land Use Plan.

Please let me know if the Port can be of further assistance to the Ballot Simplification Committee regarding the Department of Elections' involvement in the proposed initiative for the November 5, 2013 election ballot.

Sincerely,

  
Monique Moyer  
Executive Director

