



GOODWIN CONSULTING GROUP

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2019-1
(PIER 70 CONDOMINIUMS)**

**SPECIAL TAX ADMINISTRATION REPORT
FISCAL YEAR 2024-25**

September 27, 2024

***Special Tax District No. 2019-1
Special Tax Administration Report***

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EXECUTIVE SUMMARY

The following summary provides a brief overview of the main points from this report regarding the City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums) (“STD No. 2019-1” or “STD”):

Fiscal Year 2024-25 Special Tax Levy

Special Tax Levy	Number of Taxed Parcels	Total Special Tax Levy
Facilities Special Tax	1	\$1,204,530
Arts Building Special Tax	0	\$0
Services Special Tax	0	\$0

For further detail regarding the special tax levy, or special tax rates, please refer to Section IV of this report.

Development Status for Fiscal Year 2024-25

Development Status	Square Footage
<i>Facilities Special Tax and Arts Building Special Tax</i>	
Developed Property	209,000
Undeveloped Property	210,443
<i>Services Special Tax</i>	
Developed Property	0

For more information regarding the status of development in STD No. 2019-1, please see Section V of this report.

I. INTRODUCTION

Special Tax District No. 2019-1 (Pier 70 Condominiums)

On January 28, 2020, the City and County of San Francisco (the “City”) adopted the Resolution of Formation of Special Tax District No. 2019-1 (Pier 70 Condominiums). In a landowner election held on the same day, the then-qualified landowners within STD No. 2019-1 authorized the levy of a Mello-Roos special tax to fund certain public facilities and services. The landowners also voted to incur bonded indebtedness, secured by special taxes levied in STD No. 2019-1 in an amount not to exceed \$1,697,600,000.

The types of facilities to be funded by special tax revenues generally include the acquisition of land for public improvements; demolition and abatement; auxiliary water supply system improvements; low pressure water improvements; non-potable water system improvements; combined sanitary sewer and stormwater management improvements; joint trench and dry utilities; earthwork and retaining walls; roadway improvements; streetscape improvements; parks and public space; historic rehabilitation required for horizontal improvements; hazardous soil removal; shoreline adaptation studies; shoreline protection facilities; noonan replacement space; arts building improvements; historic building feasibility gap; deferred infrastructure; entitlement costs; associated public benefits; miscellaneous horizontal development costs; and any other costs authorized to be financed by the STD under the DDA. In addition, the STD is also authorized to fund public services. Proceeds of the services special tax levy may be used to pay for maintenance, capital repair, replacement and operation of public parks and open spaces; public right-of-ways (“ROWs”); shoreline improvements; landscaping and irrigation systems; streets; furniture and fixtures and signage in public spaces and public ROWs; capital repair and replacement and operation of utilities in public spaces and public ROWs; and any other costs authorized to be financed by the STD under the DDA and VDDA.

The Mello-Roos Community Facilities Act of 1982

The reduction in property tax revenue that resulted from the passage of Proposition 13 in 1978 required public agencies and real estate developers to look for other means to fund public infrastructure. The funding available from traditional assessment districts was limited by certain requirements of the assessment acts, and it became clear that a more flexible funding tool was needed. In response, the California State Legislature approved the Mello-Roos Community Facilities Act of 1982 (the “Act”), which provides for the levy of a special tax within a defined geographic area, namely a community facilities district, if such a levy is approved by two-thirds of the qualified electors in the area. Community facilities districts can generate funding for a broad range of facilities, and special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

A community facilities district is authorized to issue bonds that are secured by land within the district. If a parcel does not pay the special tax levied on it, a public agency can foreclose on the parcel and use the proceeds of the foreclosure sale to ensure that bondholders receive interest and

principal payments on the bonds. Because bonds issued by a community facilities district are land-secured, there is no risk to a public agency's general fund or taxing capacity. In addition, because the bonds are tax-exempt, they typically carry an interest rate that is lower than conventional construction financing.

A community facilities district can also fund a broad range of services. These services include police protection services, fire protection and suppression services, library services, recreation program services, flood and storm protection services, and maintenance of roads, parks, parkways, and open space. Special taxes can be allocated to property in any reasonable manner other than on an ad valorem basis.

II. PURPOSE OF REPORT

This STD Tax Administration Report (the “Report”) presents findings from research and financial analysis performed by Goodwin Consulting Group, Inc. to determine the fiscal year 2024-25 special tax levy for STD No. 2019-1. The Report is intended to provide information to interested parties regarding STD No. 2019-1, including the current financial obligations of the STD and special taxes to be levied in fiscal year 2024-25. The Report also summarizes development activity as well as other pertinent information for STD No. 2019-1.

The Report is organized into the following sections:

- **Section III** identifies the financial obligations of STD No. 2019-1 for fiscal year 2024-25.
- **Section IV** provides a summary of the methodology that is used to apportion the special taxes among parcels in STD No. 2019-1.
- **Section V** summarizes the status of development within STD No. 2019-1.
- **Section VI** provides a summary of state reporting requirements.

III. SPECIAL TAX REQUIREMENTS

Special taxes for STD No. 2019-1 are levied pursuant to the methodology set forth in the Rate and Method of Apportionment of Special Taxes (“RMA”), which was adopted as an exhibit to the Resolution of Formation of STD No. 2019-1. The RMA allows for Facilities Special Taxes, Arts Building Special Taxes, and Services Special Taxes. The amount of Facilities Special Taxes, Arts Building Special Taxes, and Services Special Taxes is determined through application of the Special Tax Requirements that are each explained in more detail below.

Facilities Special Tax Requirement

Pursuant to the RMA, the Facilities Special Tax Requirement means the amount necessary in any Fiscal Year to pay: (i) pay principal and interest on Facilities Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Facilities Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish reserve funds created for Facilities Special Tax Bonds under the applicable Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Facilities Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Facilities Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Facilities Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the applicable Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port. For fiscal year 2024-25, the Facilities Special Tax Requirement is \$1,204,530 and is calculated in the table on the following page.

Facilities Special Tax Requirement*
Fiscal Year 2024-25

Direct Funding of Facilities	\$1,124,847
<u>Administrative Expenses</u>	
Special Tax Consultant	\$19,850
City's Administrative Costs	\$10,533
Port Administrative Costs	\$26,000
Fiscal Agent	\$0
Controller's Accounting Administrative Costs	\$15,000
County Fee	\$5,800
Arbitrage Fee	\$0
Audit Fee	<u>\$2,500</u>
Total Administrative Expenses	\$79,683
Facilities Special Tax Requirement for Fiscal Year 2024-25	\$1,204,530

**Totals may not sum due to rounding*

Arts Building Special Tax Requirement

The Arts Building Special Tax Requirement is defined as the amount necessary in any Fiscal Year to pay: (i) pay principal and interest on Arts Building Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Arts Building Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish reserve funds created for Arts Building Special Tax Bonds under the applicable Indenture to the extent such replenishment has not been included in the computation of the Arts Building Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Arts Building Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii) pay directly for Arts Building Costs. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Arts Building Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the applicable Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Arts Building Special Taxes; and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port. For fiscal year 2024-25, the Arts Building Special Tax Requirement is \$0.

Services Special Tax Requirement

The Services Special Tax Requirement is defined as any amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses. For fiscal year 2024-25, the Services Special Tax Requirement is \$0.

IV. SPECIAL TAX LEVIES

Special Tax Categories

Special taxes within STD No. 2019-1 are levied pursuant to the methodology set forth in the RMA. Among other things, the RMA establishes various special tax categories against which the special tax may be levied, the maximum special tax rates, and the methodology by which the special tax is applied. On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Undeveloped Property (including Port-Owned Development Parcels), or Expected Taxable Property; (ii) the Planning Parcel and Tax Zone within which each Assessor's Parcel is located; (iii) for Developed Property, the For-Sale Residential Square Footage, Rental Residential Square Footage, Exempt Non-Residential Square Footage, Taxable Non-Residential Square Footage, Exempt Association Square Footage, and Taxable Association Square Footage on each Parcel; (iv) the appropriate Square Footage Category into which any Taxable Association Square Footage should be assigned, and (v) the Facilities Special Tax Requirement, Arts Building Special Tax Requirement, and Services Special Tax Requirement for the Fiscal Year. *(Unless otherwise indicated, capitalized terms shall have the same meaning set forth in the RMA, which is included in Appendix C of this Report.)*

Maximum Special Tax Rates

The maximum special tax rates applicable to each Taxable Parcel in STD No. 2019-1 are set forth in Section C of the RMA. The percentage of the maximum special tax rates that will be levied on each land use category in fiscal year 2024-25 are determined by the method of apportionment included in Section F of the RMA. The table in Appendix A identifies the fiscal year 2024-25 maximum special taxes and actual special taxes for STD No. 2019-1.

Apportionment of Special Taxes

Facilities Special Tax

The amount of special tax that is apportioned to each parcel is determined through application of Section F of the RMA. Once the Facilities Special Tax Requirement for the fiscal year is determined, the following steps determine the amount of facilities special tax each property will be taxed.

A. In Any Fiscal Year in Which There is No Developer Private Agreement or Developer Public Agreement in Place

Step 1: In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Indenture and the Financing Plan.

Step 2: After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Expected Taxable Property.

B. In Any Fiscal Year in Which There is Either or Both a Developer Private Agreement and/or a Developer Public Agreement in Place

Step 1: In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Indenture and the Financing Plan.

Step 2: After the First Bond Sale, but only if a Developer Private Agreement is in place, if additional revenue is needed after Step 1 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property that is not a Port-Owned Development Parcel, up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Property that is not a Port-Owned Development Parcel for such Fiscal Year.

Step 3: After the First Bond Sale, but only if a Developer Public Agreement is in place, if additional revenue is needed after Step 2 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Port-Owned Development Parcel, up to 100% of the Maximum Facilities Special Tax for each Port-Owned Development Parcel for such Fiscal Year.

Step 4: After the First Bond Sale, if additional revenue is needed after Step 3 in order to meet the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Expected Taxable Property.

Arts Building Special Tax

Once the Arts Building Special Tax Requirement for the fiscal year is determined, the following steps determine the amount of arts building special tax each property will be taxed.

Step 1: Each Fiscal Year the Maximum Arts Building Special Tax shall be levied on each Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be applied as set forth in the Financing Plan. The Arts Building Special Tax may not be levied on Undeveloped Property.

Step 2: After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Arts Building Special Tax Requirement, the Arts Building Special Tax shall be levied

Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Arts Building Special Tax for each Parcel of Expected Taxable Property.

Services Special Tax

Once the Services Special Tax Requirement for the fiscal year is determined, the following steps determine the amount of services special tax each property will be taxed.

Each Fiscal Year, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year. The Services Special Tax shall then be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Services Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Services Special Tax may not be levied on Undeveloped Property or Expected Taxable Property.

The special tax roll, which identifies the special taxes to be levied against each parcel in STD No. 2019-1 in fiscal year 2024-25, is provided in Appendix B.

V. *DEVELOPMENT STATUS*

As of June 30, 2024, the following tables summarize the allocation of Planning Parcels to the development classes established in the RMA:

**STD No. 2019-1
Allocation to Development Class
Fiscal Year 2024-25**

Facilities Special Tax and Arts Building Special Tax

Planning Parcel	VDDA Execution Date	Development Class
Parcel K North	February 2019	Developed Property
Parcel C1C	--	Undeveloped Property
Parcel C2B	--	Undeveloped Property
Parcel D	--	Undeveloped Property

Services Special Tax

Planning Parcel	Certificate of Occupancy	Development Class
Parcel K North	--	Undeveloped Property
Parcel C1C	--	Undeveloped Property
Parcel C2B	--	Undeveloped Property
Parcel D	--	Undeveloped Property

VI. STATE REPORTING REQUIREMENTS

Senate Bill No. 165

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Pursuant to the Sections 50075.3 and 53411, the “chief fiscal officer” of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the City setting forth (i) the amount of special taxes that have been collected and expended; (ii) the status of any project required or authorized to be funded by the special taxes; (iii) if bonds have been issued, the amount of bonds that have been collected and expended; and (iv) if bonds have been issued, the status of any project required or authorized to be funded from bond proceeds.

Assembly Bill No. 1666

On July 25, 2016, Governor Jerry Brown signed Assembly Bill No. 1666, adding Section 53343.2 to the California Government Code (“GC”). The bill enhances the transparency of community facilities districts by requiring that certain reports be accessible on a local agency’s web site. Pursuant to Section 53343.2, a local agency that has a web site shall, within seven months after the last day of each fiscal year of the district, display prominently on its web site the following information:

Item (a): A copy of an annual report, if requested, pursuant to GC Section 53343.1. The report required by Section 53343.1 includes STD budgetary information for the prior fiscal year and is only prepared by a community facilities district at the request of a person who resides in or owns property in the community facilities district. If the annual report has not been requested to be prepared, then a posting to the web site would not be necessary.

Item (b): A copy of the report provided to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to GC Section 53359.5. Under Section 53359.5, local agencies must provide CDIAC with the following: (i) notice of proposed sale of bonds; (ii) annual reports on the fiscal status of bonded districts; and (iii) notice of any failure to pay debt service on bonds, or of any draw on a reserve fund to pay debt service on bonds.

Item (c): A copy of the report provided to the State Controller’s Office pursuant to GC Section 12463.2. This section refers to the parcel tax portion of a local agency’s Financial Transactions Report that is prepared for the State Controller’s Office annually. Note that school districts are not subject to the reporting required by GC Section 12463.2.

Assembly Bill No. 1483

On October 9, 2019, Governor Gavin Newsom signed Assembly Bill No. 1483, adding Section 65940.1 to the California Government Code. The law requires that a city, county, or special district that has an internet website, maintain on its website a current schedule of fees, exactions, and affordability requirements imposed by the public agency on all housing development projects. Pursuant to Section 65940.1, the definition of an exaction includes a special tax levied pursuant to the Mello-Roos Community Facilities Act.

Assembly Bill No. 1483 defines a housing development project as consisting of (a) residential units only; or (b) mixed-use developments consisting of residential and non-residential land uses with at least two-thirds of the square footage designated for residential use; or (c) transitional housing or supportive housing. Assembly Bill No. 1483 also requires a city, county, or special district to update this information on their website within 30 days of any changes made to the information.

APPENDIX A

Summary of Fiscal Year 2024-25 Special Tax Levy

**City and County of San Francisco
Special Tax District No. 2019-1
(Pier 70 Condominiums)
Fiscal Year 2024-25 Special Tax Levy**

Development Class and Tax Zone	Expected Sq. Ft.	FY 2024-25 Maximum Special Tax	FY 2024-25 Actual Special Tax	FY 2024-25 Total Special Tax
Facilities Special Tax				
Developed Property				
Tax Zone 1	209,000	\$5.76	\$5.76	\$1,204,530
Tax Zone 2	0	\$5.40	\$5.40	\$0
Undeveloped Property				
Tax Zone 1	0	\$5.76	\$0.00	\$0
Tax Zone 2	210,443	\$5.40	\$0.00	\$0
Total	419,443			\$1,204,530
Arts Building Special Tax (1)				
Developed Property				
Tax Zone 1	209,000	\$0.00	\$0.00	\$0
Tax Zone 2	0	\$0.73	\$0.00	\$0
Total	209,000			\$0
Services Special Tax (1)				
Developed Property				
Tax Zone 1	0	\$2.00	\$0.00	\$0
Tax Zone 2	0	\$1.60	\$0.00	\$0
Total	0			\$0
TOTAL FISCAL YEAR 2024-25 SPECIAL TAX LEVY				\$1,204,530

(1) Reflects the base special tax rate before the Transition Year.

Source: Goodwin Consulting Group, Inc.

APPENDIX B

*Fiscal Year 2024-25 Special Tax Levy
for Individual Assessor's Parcels*

**City and County of San Francisco
Special Tax District No. 2019-1
(Pier 70 Condominiums)
Fiscal Year 2024-25 Special Tax Levy**

Facilities Special Tax Levy

Block and Lot	Planning Parcel	Development Status	Expected Square Footage	FY 2024-25 Maximum Special Tax	FY 2024-25 Actual Special Tax
4110-012	Parcel K North	Developed	209,000	\$1,204,530	\$1,204,530
4112-003	Parcel C1C	Undeveloped	50,529	\$272,804	\$0
4113-003	Parcel C2B	Undeveloped	52,632	\$284,158	\$0
4114-007	Parcel D	Undeveloped	107,282	\$579,211	\$0
Total Special Tax Levy				\$2,340,702	\$1,204,530

Goodwin Consulting Group, Inc.

APPENDIX C

Rate and Method of Apportionment of Special Taxes

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2019- 1 (PIER 70 CONDOMINIUMS)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Taxable Parcel in the City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Parcels, as described below. All Taxable Parcels in the STD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the STD.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**28-Acre Site**” is defined in the Appendix.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out duties with respect to the STD and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the City, including the Controller’s Office, the Treasurer and Tax Collector’s Office, the City Attorney, and the Port, costs related to property owner inquiries regarding the Special Taxes, costs associated with appeals or requests for interpretation associated with the Special Taxes and this RMA, costs associated with annexation of property into the STD, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any other major property owner (whether or not deemed to be an obligated person), costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the STD.

“**Administrator**” means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Taxes according to this RMA.

“**Affordable Housing Project**” means a residential or primarily residential project, as determined by the Review Authority, within which 100% of the residential units have a deed restriction recorded on title of the property that (i) limits the rental rates on the units or (ii) in any other way is intended to restrict the current or future value of the unit, as determined by the Review Authority.

“**Airspace Parcel**” means a Taxable Parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land parcel.

“Apartment Building” means a residential or mixed-use building within which all of the residential units are offered for rent to the general public and are not available for sale to or ownership by individual homebuyers.

“Appendix” means the Appendix to Transaction Documents for the Pier 70 28-Acre Site Project.

“Arts Building Special Tax Bonds” means any Bonds secured by the Arts Building Special Taxes that are issued to pay Arts Building Costs.

“Arts Building Costs” means up to \$20 million in costs (or such other amount identified in the Financing Plan) associated with the Arts Building, the Noonan Replacement Space and community facilities allocated under the Financing Plan, and authorized to be financed by the Arts Building Special Tax and Arts Building Special Tax Bonds by the Financing Plan and by the formation proceedings for the STD and the Leased Properties STD No. 2019-2.

“Arts Building Special Tax” means a special tax levied in Tax Zone 2 in any Fiscal Year to pay the Arts Building Special Tax Requirement.

“Arts Building Special Tax Requirement” means the amount necessary in any Fiscal Year to pay: (i) pay principal and interest on Arts Building Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Arts Building Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish reserve funds created for Arts Building Special Tax Bonds under the applicable Indenture to the extent such replenishment has not been included in the computation of the Arts Building Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Arts Building Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii) pay directly for Arts Building Costs. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Arts Building Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the applicable Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Arts Building Special Taxes; and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association” means a homeowners or property owners association, including any master or sub-association, that provides services to, and collects dues, fees, or charges from, property within the STD.

“Association Square Footage” means square footage within a building that is (i) on property in the STD that is owned in fee or by easement by, or leased to, an Association, not including any such property that is located directly under a residential structure, and (ii) used for purposes of the Association and not leased or otherwise used for purposes that are not part of the operation of the Association.

“Authorized Expenditures” means, separately with respect to the Facilities Special Tax, Arts Building Special Tax, and Services Special Tax, those costs, facilities or public services authorized to be funded by the applicable Special Taxes as set forth in the Financing Plan and the documents adopted by the Board at STD Formation, as may be amended from time to time.

“Base Arts Building Special Tax” means, for any Square Footage Category in Tax Zone 2, the per-square foot Arts Building Special Tax identified in Table 2 in Section C below.

“Base Facilities Special Tax” means, for any Square Footage Category, the per-square foot Facilities Special Tax for Square Footage within such Square Footage Category, as identified in Table 1 in Section C below.

“Base Services Special Tax” means, for any Square Footage Category, the per-square foot Services Special Tax for Square Footage within such Square Footage Category, as identified in Table 3 in Section C below.

“Base Special Tax” means:

For Tax Zone 1: collectively, the Base Facilities Special Tax and the Base Services Special Tax, and

For Tax Zone 2: collectively, the Base Facilities Special Tax, the Base Arts Building Special Tax, and the Base Services Special Tax.

“Board” means the Board of Supervisors of the City, acting as the legislative body of STD No. 2019-1.

“Bond Sale” means, for the Facilities Special Tax, issuance of any Facilities Special Tax Bonds and, for the Arts Building Special Tax, issuance of any Arts Building Special Tax Bonds.

“Bonds” means bonds or other debt (as defined in the CFD Law), whether in one or more series, that are issued or assumed by or for the STD to finance Authorized Expenditures including any Arts Building Special Tax Bonds and Facilities Special Tax Bonds. The term “Bonds” includes any promissory note executed by or on behalf of the STD for the benefit of the Port.

“Building Permit” means a permit that is issued by the Port or the City that allows for vertical construction of a building or buildings, including any addendum to a site permit, but excluding a separate permit issued for construction of building foundations.

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“Certificate of Occupancy” means the first certificate, including any temporary certificate of occupancy, issued by the Port or the City to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. For purposes of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was issued prior to January 1, 2018 for a building within the STD; however, any subsequent certificates of occupancy that are issued for new construction or expansion of a building shall be deemed a Certificate of Occupancy and the Special Taxes shall apply to the associated Square Footage.

“CFD Law” means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Community Facilities Act of 1982 (Cal. Gov’t Code §§ 53311-53368).

“City” means the City and County of San Francisco, California.

“County” means the City and County of San Francisco, California.

“DDA” means the Disposition and Development Agreement between the Port and the Developer, including all exhibits and attachments, as may be amended from time to time.

“Deputy Director” means the Deputy Director of Finance and Administration for the Port or other such official that acts as the chief financial officer for the Port.

“Developed Property” means, in any Fiscal Year, the following:

For Tax Zone 1:

For levy of the Facilities Special Tax: all Taxable Parcels for which the 36-month anniversary of the VDDA Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Building Permit has been issued.

For levy of the Services Special Tax: all Taxable Parcels for which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2018.

For Tax Zone 2:

For levy of the Facilities Special Tax and Arts Building Special Tax: all Taxable Parcels for which the 36-month anniversary of the VDDA Execution Date has occurred in a preceding Fiscal Year, regardless of whether a Building Permit has been issued. For any Taxable Parcel on which a structure is built and occupied without execution of a VDDA, such Taxable Parcel shall be categorized as Developed Property in the Fiscal Year in which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year.

For levy of the Services Special Tax: all Taxable Parcels for which a Certificate of Occupancy was issued on or prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2018.

“Developer” means FC Pier 70, LLC, or any successor or assign, as tenant under the Master Lease.

“Developer Private Agreement” means all of the following: (i) the Developer has agreed pursuant to Section 4.12(b)(2)(A) of the Financing Plan to pay the Facilities Special Tax on Undeveloped Property of Vertical Developers; (ii) the Developer has entered into such a written agreement with each Vertical Developer; and (iii) the San Francisco Port Commission has agreed to the levy of a Facilities Special Tax on Undeveloped Property based on such agreements.

“Developer Public Agreement” means all of the following: (i) the Developer has entered into an agreement with the Port pursuant to Section 4.12(b)(2)(B) of the Financing Plan to pay the Facilities Special Tax on Port-Owned Development Parcels; and (ii) the San Francisco Port Commission has agreed to the levy of Facilities Special Taxes on the Port-Owned Development Parcels.

“Development Approval Documents” means, collectively, the DDA, any Vertical DDAs, any Final Maps, Review Authority approvals, condominium plans, or other such approved or recorded document or plan that identifies the type of structure(s), acreage, or Square Footage approved for development on Taxable Parcels.

“Escalator” means the lesser of the following: (i) the annual percentage increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by the Port and City to be appropriate, and (ii) five percent (5%).

“Estimated Base Arts Building Special Tax Revenues” means, at any point in time, the amount calculated by the Administrator by multiplying the Base Arts Building Special Tax by Square Footage within each Square Footage Category proposed for development in Tax Zone 2 and, if applicable, in completed buildings on a Taxable Parcel in Tax Zone 2.

“Estimated Base Facilities Special Tax Revenues” means, at any point in time, the amount calculated by the Administrator by multiplying the Base Facilities Special Tax by Square Footage within each Square Footage Category proposed for development and, if applicable, in completed buildings on a Taxable Parcel.

“Exempt Association Square Footage” means, prior to the First Bond Sale, any Association Square Footage in or expected in a building on any Parcel of Developed Property. After the First Bond Sale, “Exempt Association Square Footage” for any building on a Parcel of Developed Property shall be the sum of the following, as determined by the Review Authority:

1. Square footage in or expected in the building that, at the time the Parcel became Developed Property, was determined by the Review Authority to be reserved for Association Square Footage; and
2. Square footage in or expected in the building that (i) exceeds the original Exempt Association Square Footage determined when the Parcel became Developed Property,

and (ii) if exempted from Special Taxes, would not reduce coverage on outstanding Bonds below the Required Coverage.

The Administrator and the Review Authority will maintain a record of the amount and location of Exempt Association Square Footage within each building in the STD. If, in any Fiscal Year, the Administrator determines that square footage that had been designated as Exempt Association Square Footage no longer meets the definition set forth above, such square footage shall be assigned by the Review Authority to the appropriate Square Footage Category and taxed accordingly pursuant to this RMA.

“Exempt Non-Residential Square Footage” means any ground level retail uses within a building that is otherwise comprised of Residential Square Footage, as reflected on the Building Permit or Vertical DDA and as determined in the sole discretion of the Administrator and the Port. If, in any Fiscal Year, the Administrator identifies Non-Residential Square Footage on a ground level Parcel that had been taxed in the prior Fiscal Year based on Residential Square Footage that had been constructed, or expected to be constructed, on the Parcel, the Administrator will apply Section D.3 to determine if the Non-Residential Square Footage will be Exempt Non-Residential Square Footage or Taxable Non-Residential Square Footage.

“Expected Land Uses” means the total Square Footage in each Square Footage Category expected on each Planning Parcel in the STD. The Expected Land Uses at STD Formation are identified in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

“Expected Maximum Arts Building Special Tax Revenues” means the aggregate Arts Building Special Tax that can be levied based on application of the Base Arts Building Special Tax to the Expected Land Uses in Tax Zone 2. The Expected Maximum Arts Building Special Tax Revenues for each Planning Parcel in Tax Zone 2 at the time of STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

“Expected Maximum Facilities Special Tax Revenues” means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Planning Parcel at STD Formation are shown in Attachment 3 and may be revised pursuant to Sections B, C, D, and E below.

“Expected Taxable Property” means, in any Fiscal Year, any Parcel within the STD that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel; (ii) is not a Port-Owned Development Parcel; (iii) based on the Expected Land Uses, was assigned Expected Maximum Facilities Special Tax Revenues or Expected Maximum Arts Building Special Tax Revenues; and (iv) subsequently falls within one or more of the categories that would otherwise be exempt from Special Taxes pursuant to Section H below.

“Facilities Special Tax” means a special tax levied in any Fiscal Year to pay the Facilities Special Tax Requirement.

“Facilities Special Tax Bonds” means any Bonds secured by Facilities Special Taxes.

“Facilities Special Tax Requirement” means the amount necessary in any Fiscal Year to pay: (i) pay principal and interest on Facilities Special Tax Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on Facilities Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments; (iii) replenish reserve funds created for Facilities Special Tax Bonds under the applicable Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Facilities Special Tax Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; (vi) pay other obligations described in the Financing Plan; and (vii) pay directly for Authorized Expenditures, so long as such levy under this clause (vii) does not increase the Facilities Special Tax levied on Undeveloped Property. The amount calculated to pay items (i) through (vii) above may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Facilities Special Tax Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the applicable Indenture; (b) in the sole and absolute discretion of the Port, proceeds received by the STD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, as determined by the Administrator, the City, and the Port.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which Building Permits for new construction may be issued without further subdivision.

“Financing Plan” means the Financing Plan attached as Exhibit C1 to, and incorporated into, the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DDA.

“First Bond Sale” means, for the Facilities Special Tax, a Bond Sale of the first series of Facilities Special Tax Bonds, and, for the Arts Building Special Tax, a Bond Sale of the first series of Arts Building Special Tax Bonds.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“For-Sale Residential Square Footage” means the Square Footage within one or more For-Sale Residential Units.

“For-Sale Residential Unit” means an individual Residential Unit that is not a Rental Unit.

“Future Annexation Area” means that geographic area that, at STD Formation, was considered potential annexation area for the STD and which was, therefore, identified as “future annexation area” on the recorded STD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into the STD, but should owners of property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the CFD Law for territory included in a future annexation area, as well as the procedures established by the Board.

“Indenture” means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Change” means a change to the Expected Land Uses after STD Formation.

“Leased Properties STD No. 2019-2” means the City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased Properties).

“Master Lease” means a lease for all or part of the 28-Acre Site that, with licenses for other portions of Pier 70, allows the Developer to take possession of the FC Project Area (as defined in the Appendix) and construct horizontal improvements approved under the DDA.

“Maximum Arts Building Special Tax” means the greatest amount of Arts Building Special Tax that can be levied on a Taxable Parcel in Tax Zone 2 in any Fiscal Year determined in accordance with Sections C, D, and E below.

“Maximum Arts Building Special Tax Revenues” means, at any point in time, the aggregate Maximum Arts Building Special Tax that can be levied on all Taxable Parcels in Tax Zone 2.

“Maximum Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied on a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

“Maximum Facilities Special Tax Revenues” means, at any point in time, the aggregate Maximum Facilities Special Tax that can be levied on all Taxable Parcels.

“Maximum Services Special Tax” means the greatest amount of Services Special Tax that can be levied on a Taxable Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

“Maximum Services Special Tax Revenues” means, at any point in time, the aggregate Maximum Services Special Tax that can be levied on all Taxable Parcels.

“Maximum Special Tax” means, for any Taxable Parcel in Tax Zone 1 in any Fiscal Year, the sum of the Maximum Facilities Special Tax and Maximum Services Special Tax. For any Taxable Parcel in Tax Zone 2, “Maximum Special Tax” means in any Fiscal Year, the sum of the Maximum Facilities Special Tax, Maximum Arts Building Special Tax, and Maximum Services Special Tax.

“Maximum Special Tax Revenues” means, collectively, the Maximum Facilities Special Tax Revenues, the Maximum Arts Building Special Tax Revenues, and the Maximum Services Special Tax Revenues.

“Non-Residential Square Footage” means Square Footage that is or is expected to be space within any structure or portion thereof intended or primarily suitable for, or accessory to, occupancy by retail, office, commercial, or any other Square Footage in a building that does not meet the definition of Residential Square Footage or Exempt Association Square Footage. The

Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Non-Residential Square Footage on any Taxable Parcel within the STD, and such determination shall be conclusive and binding. Incidental retail or commercial uses in an Affordable Housing Project that is not Expected Taxable Property shall be Exempt Non-Residential Square Footage. Non-Residential Square Foot means a single square-foot unit of Non-Residential Square Footage.

“Planning Code” means the Planning Code of the City and County of San Francisco, as it may be amended from time to time.

“Planning Parcel” means a geographic area within the STD that, for planning and entitlement purposes, has been designated as a separate Parcel with an alpha, numeric, or alpha-numeric identifier to be used for reference until an Assessor’s Parcel is created and an Assessor’s Parcel number is assigned. The Planning Parcels at STD Formation are identified in Attachment 1 hereto and may be revised pursuant to Sections D and E below.

“Port” means the Port of San Francisco.

“Port-Owned Development Parcel” means any Parcel of Undeveloped Property in the STD that is anticipated to be developed by a Vertical Developer but which is, at the time of calculation of a Special Tax levy, owned by the Port.

“Proportionately” means, for Developed Property, that the ratio of the actual Services Special Tax levied in any Fiscal Year to the Maximum Services Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property in the same zone. For Undeveloped Property, “Proportionately” means that the ratio of the actual Facilities Special Tax levied to the Maximum Facilities Special Tax is equal for all Parcels of Undeveloped Property in the same zone. For Expected Taxable Property, “Proportionately” means that the ratio of the actual Facilities Special Tax and Arts Building Special Tax levied to the Maximum Facilities Special Tax and Maximum Arts Building Special Tax is equal for all Parcels of Expected Taxable Property in the same zone.

“Public Property” means any property within the boundaries of the STD that is owned by or leased to the federal government, State of California, City, or public agency other than the Port. Parcels of Public Property shall be taxed as Developed Property or Undeveloped Property, as determined by the Administrator pursuant to the definitions set forth in this RMA.

“Remainder Special Taxes” means, as calculated between September 1st and December 31st of any Fiscal Year, any Facilities Special Tax and Arts Building Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds that was due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied; (ii) pay periodic costs on the applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on such Facilities Special Tax Bonds or Arts Building Special Tax Bonds; (iii) replenish reserve funds created for the applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on the applicable Facilities Special Tax Bonds or Arts Building Special Tax Bonds which have

occurred in the prior Fiscal Year; (v) pay other obligations described in the Financing Plan; or (vi) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City and Port prior to the receipt of additional Facilities Special Tax and Arts Building Special Tax proceeds.

“Rental Residential Square Footage” means Square Footage that is or is expected to be used for one or more of the following uses: (i) Rental Units; (ii) any type of group or student housing that provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units; or (iii) a residential care facility that is not staffed by licensed medical professionals. The Review Authority shall make the determination as to the amount of Rental Residential Square Footage on a Taxable Parcel in the STD.

“Rental Unit” means a Residential Unit within an Apartment Building.

“Required Coverage” means (i) for Arts Building Special Tax Bonds, the amount by which the Maximum Arts Building Special Tax Revenues must exceed the Arts Building Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that identifies the minimum required debt service coverage; and (ii) for Facilities Special Tax Bonds, the amount by which the Maximum Facilities Special Tax Revenues must exceed the Facilities Special Tax Bond debt service and priority Administrative Expenses (if any), as set forth in the applicable Indenture, Certificate of Special Tax Consultant, or other STD Formation Proceedings or Bond document that identifies the minimum required debt service coverage.

“Residential Square Footage” means, collectively, For-Sale Residential Square Footage and Rental Residential Square Footage. Residential Square Foot means a single square-foot unit of Residential Square Footage.

“Residential Unit” means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation. “Residential Unit” includes, but is not limited to, an individual townhome, condominium, flat, apartment, or loft unit, and individual units within a senior or assisted living facility.

“Review Authority” means the Deputy Director of Real Estate & Development for the Port or an alternate designee from the Port or the City who is responsible for approvals and entitlements of a development project.

“RMA” means this Rate and Method of Apportionment of Special Taxes.

“Services Special Tax” means a special tax levied in any Fiscal Year to pay the Services Special Tax Requirement.

“Services Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized

Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

“Special Taxes” means:

For Tax Zone 1: the Facilities Special Tax and Services Special Tax.

For Tax Zone 2: the Facilities Special Tax, Arts Building Special Tax, and Services Special Tax.

“Square Footage” means: (i) for Rental Residential Square Footage and Non-Residential Square Footage, the net rentable, net leasable, and net saleable square footage on a Taxable Parcel, as determined by the Review Authority in conjunction with the Vertical Developer; (ii) for For-Sale Residential Square Footage, the square footage of each individual Residential Unit, as reflected on a condominium plan, site plan, or Building Permit, provided by the Vertical Developer or the Port, or expected pursuant to Development Approval Documents, and (iii) for Association Square Footage, the net rentable, net leasable, and net saleable square footage in a building on a Taxable Parcel owned by or leased to an Association. If a Building Permit is issued that will increase the Square Footage on any Parcel, the Administrator shall, in the first Fiscal Year after the final Building Permit inspection has been conducted in association with such expansion, work with the Review Authority to recalculate (i) the Square Footage on the Taxable Parcel, and (ii) the Maximum Special Taxes for the Parcel based on the increased Square Footage. The final determination of Square Footage for each Square Footage Category on each Taxable Parcel shall be made by the Review Authority.

“Square Footage Category” means, individually, Non-Residential Square Footage or Residential Square Footage.

“STD” or **“STD No. 2019-1”** means the City and County of San Francisco Special Tax District No. 2019-1 (Pier 70 Condominiums).

“STD Formation” means the date on which the Board approved documents to form the STD.

“STD Formation Proceedings” means the proceedings to form the STD, including all resolutions, reports, and notices.

“Tax-Exempt Port Parcels” means Port-owned parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, or open space.

“Tax Zone” means a separate and distinct geographic area in the STD within which one or more Special Taxes are applied at a rate or in a manner that is different than in other areas within the STD. The two Tax Zones at STD Formation are identified in Attachment 2 hereto.

“Taxable Association Square Footage” means any Association Square Footage in a building that does not meet the definition of Exempt Association Square Footage. Taxable Association Square Footage shall be assigned by the Review Authority to the appropriate Square Footage Category and taxed accordingly pursuant to this RMA.

“Taxable Non-Residential Square Footage” means any Non-Residential Square Footage in a building that does not meet the definition of Exempt Non-Residential Square Footage.

“Taxable Parcel” means any Parcel within the STD that is not exempt from Special Taxes pursuant to law or Section H below.

“Transition Event” shall be deemed to have occurred when the Administrator determines that: (i) all Arts Building Special Tax Bonds secured by the levy and collection of Arts Building Special Taxes in Tax Zone 2 have been fully repaid or there are sufficient revenues available to fully repay the Arts Building Special Tax Bonds in funds and accounts that, pursuant to the applicable Indenture, will require such revenues to be applied to repay the Arts Building Special Tax Bonds; (ii) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City; and (iii) the proportional share of Arts Building Costs allocated to Tax Zone 2 have been paid, as determined by the Port.

“Transition Year” means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

“Undeveloped Property” means, in any Fiscal Year, all Taxable Parcels that are not Developed Property, or Expected Taxable Property.

“VDDA Execution Date” means the date on which a Vertical DDA was executed between the Port and a Vertical Developer.

“Vertical DDA” means, for a Taxable Parcel, an executed Vertical Disposition and Development Agreement between the Port and a Vertical Developer.

“Vertical Developer” means a developer that has entered into a Vertical DDA for construction of vertical improvements on a Taxable Parcel.

B. DATA FOR STD ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Undeveloped Property (including Port-Owned Development Parcels), or Expected Taxable Property; (ii) the Planning Parcel and Tax Zone within which each Assessor’s Parcel is located; (iii) for Developed Property, the For-Sale Residential Square Footage, Rental Residential Square Footage, Exempt Non-Residential Square Footage, Taxable Non-Residential Square Footage, Exempt Association Square Footage, and Taxable Association Square Footage on each Parcel; (iv) the appropriate Square Footage Category into which any Taxable Association Square Footage should be assigned, and (v) the Facilities Special Tax Requirement, Arts Building Special Tax Requirement, and Services Special Tax Requirement for the Fiscal Year.

The Administrator shall also: (i) coordinate with the Deputy Director to determine whether the Transition Event occurred in the prior Fiscal Year; (ii) coordinate with the Treasurer-Tax Collector’s Office to determine if there have been any Special Tax delinquencies or repayment of

Special Tax delinquencies in prior Fiscal Years; (iii) in consultation with the Review Authority, review the Development Approval Documents and communicate with the Developer and Vertical Developers regarding proposed Land Use Changes; and (iv) upon each annexation, Land Use Change, and notification of executed Vertical DDAs, update Attachment 3 to reflect the then-current Expected Land Uses, Expected Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax Revenues. The Developer, Port, and Vertical Developer shall notify the Administrator each time a Vertical DDA is executed in order for the Administrator to keep track of VDDA Execution Dates for each Vertical DDA.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created Parcels, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Taxes for the property affected by recordation of the map or plan by determining the Special Taxes that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map or condominium plan.

C. MAXIMUM SPECIAL TAXES

In calculating Maximum Special Taxes pursuant to this Section C, in any Fiscal Year in which the boundaries of the Planning Parcels are not identical to the boundaries of the then-current Assessor's Parcels, the Administrator shall review the Expected Land Uses for each Planning Parcel and assign the Maximum Special Taxes to the then-current Assessor's Parcels. The Maximum Special Tax Revenues after such allocation shall not be less than the Maximum Special Tax Revenues prior to the allocation.

1. *Undeveloped Property*

1a. Facilities Special Tax

The Maximum Facilities Special Tax for Undeveloped Property in all Tax Zones shall be the Expected Maximum Facilities Special Tax Revenues shown in Attachment 3 of this RMA, as it may be amended as set forth herein.

1b. Arts Building Special Tax and Services Special Tax

No Arts Building Special Tax or Services Special Tax shall be levied on Parcels of Undeveloped Property in any Tax Zone within the STD.

2. *Developed Property*

2a. Facilities Special Tax

When a Taxable Parcel (or multiple Taxable Parcels within a building) becomes Developed Property, the Administrator shall use the Base Facilities Special Taxes shown

in Table 1 below and apply the steps set forth in this Section 2a to determine the Maximum Facilities Special Tax for the Parcel(s):

Step 1. The Administrator shall review the Building Permit, Certificate of Occupancy, Vertical DDA, condominium plan, architectural drawings, Development Approval Documents, information provided by the Developer, or Vertical Developer, and any other documents or data that estimate or identify the Residential Square Footage or Non-Residential Square Footage anticipated on the Taxable Parcel(s).

Step 2. Using the information from Step 1:

- Based on the Tax Zone in which the Taxable Parcel(s) is located, multiply the applicable Base Facilities Special Tax from Table 1 for Residential Square Footage by the total Residential Square Footage expected within each building on the Taxable Parcel(s).
- Based on the Tax Zone in which the Taxable Parcel(s) is located, multiply the applicable Base Facilities Special Tax from Table 1 for Taxable Non-Residential Square Footage by the total Taxable Non-Residential Square Footage expected within each building on the Taxable Parcel(s).
- If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within any building, multiply the applicable Base Facilities Special Tax from Table 1 based on what had been anticipated on the Expected Taxable Property by the Square Footage of the Expected Land Uses for that Expected Taxable Property.

Prior to the First Bond Sale, the Maximum Facilities Special Tax for the Taxable Parcel(s) shall be the sum of the amounts calculated above, and Steps 3 and 4 below shall not apply.

After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to determine the Maximum Facilities Special Tax for the Taxable Parcel(s).

Step 3. Sum the amounts calculated in Step 2 to determine the Estimated Base Facilities Special Tax Revenues for the Taxable Parcel(s).

Step 4. Compare the Estimated Base Facilities Special Tax Revenues from Step 3 to the Expected Maximum Facilities Special Tax Revenues, and apply one of the following, as applicable:

- *If the Estimated Base Facilities Special Tax Revenues are: (i) greater than or equal to the Expected Maximum Facilities Special Tax Revenues or (ii) less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum Facilities Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Facilities*

Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for the Taxable Parcel(s) shall be determined by multiplying the applicable Base Facilities Special Taxes by the Square Footage of each Square Footage Category expected within the building(s) on the Taxable Parcel(s). The Administrator shall update Attachment 3 to reflect the adjusted Expected Maximum Facilities Special Tax Revenues and the new Maximum Facilities Special Tax Revenues.

- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and the Maximum Facilities Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Facilities Special Tax Revenues, are insufficient to provide Required Coverage, then the Base Facilities Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on the Taxable Parcel(s), combined with the Expected Maximum Facilities Special Tax Revenues from other Planning Parcels in the STD, is sufficient to maintain Required Coverage; provided, however, such increase cannot exceed, in the aggregate, the amount by which Expected Maximum Facilities Special Tax Revenues from the Taxable Parcel exceeds the Estimated Base Facilities Special Tax Revenues from the Taxable Parcel(s).*

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use the adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel for which the increased Base Facilities Special Tax was determined to be necessary pursuant to this Step 4. The Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Facilities Special Tax Revenues.

Table 1 Base Facilities Special Tax		
Square Footage Category	Base Facilities Special Tax in Tax Zone 1 (FY 2019-20) *	Base Facilities Special Tax in Tax Zone 2 (FY 2019-20) *
Residential Square Footage	\$5.22 per Residential Square Foot	\$4.89 per Residential Square Foot
Taxable Non-Residential Square Footage	\$5.22 per Non-Residential Square Foot	\$4.89 per Non-Residential Square Foot

*** The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

Unless and until individual Assessor’s Parcels are created for Non-Residential Square Footage and Residential Square Footage within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Taxable Parcel and levy this aggregate Facilities Special Tax amount on the Taxable Parcel.

If, in any Fiscal Year, the Maximum Facilities Special Tax is determined for any Parcels of Developed Property for which a Building Permit had not yet been issued and, if, when a Building Permit is issued on the Parcel, the Residential Square Footage or Non-Residential Square Footage is different than the Residential Square Footage or Non-Residential Square Footage that was used to determine the Maximum Facilities Special Tax, then the Administrator shall once again apply Steps 1 through 4 in this Section C.2a to recalculate the Maximum Facilities Special Tax for the Parcel based on the Residential Square Footage or Non-Residential Square Footage that was determined when the Building Permit was issued. The Administrator shall do a final check of the Residential Square Footage and Non-Residential Square Footage for the Parcel when a Certificate of Occupancy is issued. Once again, if the Residential Square Footage or Non-Residential Square Footage is different than the Residential Square Footage or Non-Residential Square Footage that was used to determine the Maximum Facilities Special Tax after the Building Permit was issued, then the Administrator shall apply Steps 1 through 4 in this Section C.2a to recalculate the Maximum Facilities Special Tax for the Parcel.

2b. Arts Building Special Tax

Prior to the Transition Year, when a Taxable Parcel (or multiple Taxable Parcels within a building) in Tax Zone 2 becomes Developed Property, the Administrator shall use the Base Arts Building Special Taxes shown in Table 2 below and apply the steps set forth in this Section 2b to determine the Maximum Arts Building Special Tax for the Taxable Parcel(s). No Arts Building Special Tax shall be levied on Parcels in Tax Zone 1.

Table 2 Base Arts Building Special Tax in Tax Zone 2		
Square Footage Category	Base Arts Building Special Tax in Tax Zone 2 Before the Transition Year (FY 2019-20) *	Base Arts Building Special Tax in Tax Zone 2 in and After the Transition Year (FY 2019-20) *
Residential Square Footage	\$0.66 per Residential Square Foot	\$0.00 per Residential Square Foot
Taxable Non-Residential Square Footage	\$0.66 per Non-Residential Square Foot	\$0.00 per Non-Residential Square Foot

*** The Base Arts Building Special Taxes shown above shall be escalated as set forth in Section D.1.**

Step 1. The Administrator shall review the Building Permit, Certificate of Occupancy, Vertical DDA, condominium plan, architectural drawings, Development Approval Documents, information provided by the Port, Developer or Vertical Developer, and any other documents or data that

estimate or identify the Square Footage within each Square Footage Category to determine Residential Square Footage or Non-Residential Square Footage anticipated within each building on the Taxable Parcel(s).

Step 2. Using the information from Step 1:

- For Tax Zone 2 only, multiply the applicable Base Arts Building Special Tax from Table 2 for Residential Square Footage by the total Residential Square Footage expected within each building on the Taxable Parcel(s).
- For Tax Zone 2 only, multiply the applicable Base Arts Building Special Tax from Table 2 for Taxable Non-Residential Square Footage by the total Taxable Non-Residential Square Footage expected on the Taxable Parcel(s).
- If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within the building(s) in Tax Zone 2, multiply the applicable Base Arts Building Special Tax from Table 2 based on what had been anticipated on the Expected Taxable Property by the Square Footage of the Expected Land Uses within each building.

Prior to the First Bond Sale, the Maximum Arts Building Special Tax for the Taxable Parcel(s) shall be the sum of the amounts calculated above, and Steps 3 and 4 below shall not apply.

After the First Bond Sale, the Administrator shall apply Steps 3 and 4 to determine the Maximum Arts Building Special Tax for the Taxable Parcel(s).

Step 3. Sum the amounts calculated in Step 2 to determine the Estimated Base Arts Building Special Tax Revenues for the Taxable Parcel(s).

Step 4. Compare the Estimated Base Arts Building Special Tax Revenues from Step 3 to the Expected Maximum Arts Building Special Tax Revenues, and apply one of the following, as applicable:

- *If the Estimated Base Arts Building Special Tax Revenues are: (i) greater than or equal to the Expected Maximum Arts Building Special Tax Revenues or (ii) less than the Expected Maximum Arts Building Special Tax Revenues, but the Maximum Arts Building Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Arts Building Special Tax Revenues, are still sufficient to provide Required Coverage, then the Maximum Arts Building Special Tax for each Taxable Parcel shall be determined by multiplying the applicable Base Arts Building Special Taxes by the Square Footage of each Square Footage Category expected within the building(s) on the Taxable Parcel(s). The Administrator shall update Attachment 3 to*

reflect the adjusted Expected Maximum Arts Building Special Tax Revenues and the new Maximum Arts Building Special Tax Revenues.

- *If the Estimated Base Arts Building Special Tax Revenues are less than the Expected Maximum Arts Building Special Tax Revenues, and the Maximum Arts Building Special Tax Revenues, assuming the same land uses that went into the calculation of the Estimated Base Arts Building Special Tax Revenues, are insufficient to provide Required Coverage, then the Base Arts Building Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on the Taxable Parcel(s), combined with the Expected Maximum Arts Building Special Tax Revenues from other Planning Parcels in the STD, is sufficient to maintain Required Coverage; provided, however, such increase cannot exceed, in the aggregate, the amount by which Expected Maximum Arts Building Special Tax Revenues from the Taxable Parcel exceeds the Estimated Base Arts Building Special Tax Revenues from the Taxable Parcel(s).*

After proportionately increasing the Base Arts Building Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use the adjusted per-square foot rates to calculate the Maximum Arts Building Special Tax for each Taxable Parcel for which the increased Base Arts Building Special Tax was determined to be necessary pursuant to this Step 4. The Administrator shall also revise Attachment 3 to reflect the new Expected Maximum Arts Building Special Tax Revenues.

Unless and until individual Assessor's Parcels are created for Non-Residential Square Footage and Residential Square Footage within a building, the Administrator shall sum the Arts Building Special Tax that, pursuant to Section F below, would be levied on all land uses on a Parcel and levy this aggregate Arts Building Special Tax amount on the Parcel.

If, in any Fiscal Year, the Maximum Arts Building Special Tax is determined for any Parcels of Developed Property for which a Building Permit had not yet been issued and, if, when a Building Permit is issued on the Parcel, the Residential Square Footage or Non-Residential Square Footage is different than the Residential Square Footage or Non-Residential Square Footage that was used to determine the Maximum Arts Building Special Tax, then the Administrator shall once again apply Steps 1 through 4 in this Section C.2b to recalculate the Maximum Arts Building Special Tax for the Parcel(s) based on the Residential Square Footage or Non-Residential Square Footage that was determined when the Building Permit was issued. The Administrator shall do a final check of the Residential Square Footage and Non-Residential Square Footage within the building when a Certificate of Occupancy is issued. Once again, if the Residential Square Footage or Non-Residential Square Footage is different than the Residential Square Footage or Non-Residential Square Footage that was used to determine the Maximum Arts Building Special Tax after the Building Permit was issued, then the Administrator shall apply Steps 1 through 4 in this Section C.2b to recalculate the Maximum Arts Building Special Tax for the Parcel.

If one or more Building Permits have been issued for development of structures on a Taxable Parcel, and additional structures are anticipated to be built on the Taxable Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize the buildings for which Building Permits have been issued as Developed Property and, if the 36-month anniversary of the VDDA Execution Date has not occurred in a previous Fiscal Year, any remaining buildings for which Building Permits have not yet been issued shall not be subject to the Arts Building Special Tax until either: (i) a Building Permit is issued for such remaining buildings, or (ii) the Fiscal Year in which the 36-month anniversary of the VDDA Execution Date. To determine the Arts Building Special Tax for any such Parcel, the Administrator shall take the sum of the Arts Building Special Taxes determined for each building.

2c. Services Special Tax

Upon issuance of the first Certificate of Occupancy for a building on a Taxable Parcel, the Administrator shall reference Table 3 and apply the steps below to determine the Maximum Services Special Tax for the Parcel:

Table 3 Base Services Special Tax			
Square Footage Category	Base Services Special Tax in Tax Zone 1 (FY 2019-20)*	Base Services Special Tax in Tax Zone 2 Before the Transition Year (FY 2019-20) *	Base Services Special Tax in Tax Zone 2 In and After the Transition Year (FY 2019-20) *
Residential Square Footage	\$1.68 per Residential Square Foot	\$1.34 per Residential Square Foot	\$2.02 per Residential Square Foot
Taxable Non-Residential Square Footage	\$1.68 per Non-Residential Square Foot	\$1.34 per Non-Residential Square Foot	\$2.02 per Non-Residential Square Foot

* The Base Services Special Tax for each Tax Zone shown above shall be escalated as set forth in Section D.2.

Step 1. Review the Certificate of Occupancy, Building Permit, Vertical DDA, condominium plan, Development Approval Documents, architectural drawings, information provided by the Port, Developer or Vertical Developer, and coordinate with the Review Authority to determine the Residential Square Footage and Non-Residential Square Footage anticipated within each building.

Step 2. Using the information from Step 1:

- After consideration of the Tax Zone for the building and the Transition Year, multiply the applicable Base Services Special Tax from Table 3 for Residential Square Footage by the total Residential Square Footage within each building.

- Based on the Tax Zone in which the building is located and the Transition Year, multiply the applicable Base Services Special Tax from Table 3 for Taxable Non-Residential Square Footage by the total Taxable Non-Residential Square Footage expected in the building.

The Maximum Services Special Tax for the Parcel shall be the sum of the amounts calculated pursuant to this Step 2.

If additional structures are anticipated to be built on the Parcel as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize each building for which a Certificate of Occupancy has been issued as Developed Property, and any remaining buildings for which Certificates of Occupancy have not yet been issued shall not be subject to a Services Special Tax until a Certificate of Occupancy is issued for such remaining buildings. To determine the Services Special Tax for any such Parcel, the Administrator shall take the sum of the Services Special Taxes determined for each building.

3. *Expected Taxable Property*

Depending on the Tax Zone in which a Parcel of Expected Taxable Property is located, the Maximum Facilities Special Tax and, if applicable, Maximum Arts Building Special Tax assigned to the Parcel shall be the Expected Maximum Facilities Special Tax Revenues and, if applicable, Expected Maximum Arts Building Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, no Arts Building Special Tax shall be levied on Expected Taxable Property.

D. CHANGES TO THE MAXIMUM SPECIAL TAXES

1. *Annual Escalation of Facilities Special Tax and Arts Building Special Tax*

Beginning July 1, 2020 and each July 1 thereafter, each of the following amounts shall be increased by 2% of the amount in effect in the prior Fiscal Year: the Base Facilities Special Tax for each Tax Zone in Table 1; the Base Arts Building Special Tax for Tax Zone 2 in Table 2; the Expected Maximum Facilities Special Tax Revenues in Attachment 3, the Expected Maximum Arts Building Special Tax Revenues in Attachment 3, and the Maximum Facilities Special Tax and Maximum Arts Building Special Tax assigned to each Taxable Parcel.

2. *Annual Escalation of Services Special Tax*

Beginning July 1, 2020 and each July 1 thereafter, the Base Services Special Tax for each Tax Zone in Table 3 and the Maximum Services Special Tax assigned to each Taxable Parcel shall be adjusted by the Escalator.

3. *Changes in Square Footage Category on a Parcel of Developed Property*

If any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise has a Land Use Change, the Administrator shall, separately for each of the Special Taxes, multiply the applicable Base Special Tax by the total Residential Square Footage and Taxable Non-Residential Square Footage on the Parcel after the Land Use Change; if the First Bond Sale has not yet occurred, the combined amount of the applicable Special Taxes shall be the Maximum Special Tax for the Parcel. If the First Bond Sale has taken place, the Administrator shall apply the remainder of this Section D.3.

If the Maximum Special Tax that would apply to the Parcel after the Land Use Change is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Special Tax for the Parcel to the amount calculated based on the Land Use Change. If the Maximum Special Tax after the Land Use Change is less than the Maximum Special Tax that applied prior to the Land Use Change, there shall be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Parcel of Developed Property be reduced, regardless of changes in Square Footage Category or Square Footage on the Parcel, including reductions in Square Footage that may occur due to demolition, fire, water damage, or acts of God.

4. *Changes to Planning Parcels and Expected Land Uses*

If, at any time prior to the First Bond Sale, the Developer or a Vertical Developer makes changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall update the Expected Land Uses and Expected Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax Revenues, which will be reflected on an updated Attachment 3. In addition, the Administrator will request updated Attachments 1 and 2 from the Developer.

If, after the First Bond Sale, the Developer or a Vertical Developer proposes to make changes to the boundaries of the Planning Parcels or the Expected Land Uses within one or more Planning Parcels, the Administrator shall meet with the Port, Developer, and any affected Vertical Developers to review the proposed changes and evaluate the impact on the Expected Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax Revenues. If the Administrator determines that such changes will not reduce Required Coverage on Bonds that have been issued, the Port will decide whether to allow the proposed changes and corresponding redistribution of the Maximum Facilities Special Tax Revenues and Maximum Arts Building Special Tax Revenues. If such changes are permitted, the Administrator will update Attachment 3 and request updated Attachments 1 and 2 from the Developer. If the Administrator determines that the proposed changes will reduce Required Coverage on Bonds that have been issued, the Port will not permit the changes.

5. *Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale*

Prior to the First Bond Sale, as set forth in the Financing Plan, the Port, Developer, and any affected Vertical Developer in Tax Zone 1 may agree to a proportional or disproportional reduction in the Base Facilities Special Tax. If the parties agree to such a reduction, the Port will direct the Administrator to use the reduced Base Facilities Special Tax for purposes of levying the taxes pursuant to this RMA, and such reduction shall be codified by recordation of an

amended Notice of Special Tax Lien against all Taxable Parcels within the STD. The reduction shall be made without a vote of the qualified STD electors.

E. ANNEXATIONS

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into Zone 2 of the STD, the Administrator shall apply the following steps as part of the annexation proceedings:

- Step 1.* Working with Port staff, the Administrator shall determine the Expected Land Uses for the area to be annexed.
- Step 2.* The Administrator shall prepare or have prepared updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses, Expected Maximum Facilities Special Tax Revenues and Expected Maximum Arts Building Special Tax Revenues. After the annexation is complete, the application of this RMA shall be based on the adjusted Expected Land Uses and Maximum Facilities Special Tax Revenues and Maximum Arts Building Special Tax Revenues, as applicable, including the newly annexed property.
- Step 3.* The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the STD.

F. METHOD OF LEVY OF THE SPECIAL TAXES

1. *Facilities Special Tax*

Each Fiscal Year, the Administrator shall determine the Facilities Special Tax Requirement for the Fiscal Year, and the Facilities Special Tax shall be levied according to the steps outlined below:

a. In Any Fiscal Year in Which There is No Developer Private Agreement or Developer Public Agreement in Place

- Step 1.* In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Indenture and the Financing Plan.
- Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Expected Taxable Property.

b. In Any Fiscal Year in Which There is Either or Both a Developer Private Agreement and/or a Developer Public Agreement in Place

- Step 1.* In all Fiscal Years, the Maximum Facilities Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Indenture and the Financing Plan.
- Step 2.* After the First Bond Sale, but only if a Developer Private Agreement is in place, if additional revenue is needed after Step 1 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property that is not a Port-Owned Development Parcel, up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Property that is not a Port-Owned Development Parcel for such Fiscal Year.
- Step 3.* After the First Bond Sale, but only if a Developer Public Agreement is in place, if additional revenue is needed after Step 2 in order to meet the Facilities Special Tax Requirement after Capitalized Interest has been applied to reduce the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Port-Owned Development Parcel, up to 100% of the Maximum Facilities Special Tax for each Port-Owned Development Parcel for such Fiscal Year.
- Step 4:* After the First Bond Sale, if additional revenue is needed after Step 3 in order to meet the Facilities Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Expected Taxable Property.

2. Arts Building Special Tax

- Step 1.* Each Fiscal Year the Maximum Arts Building Special Tax shall be levied on each Taxable Parcel of Developed Property. Any Remainder Special Taxes collected shall be applied as set forth in the Financing Plan. The Arts Building Special Tax may not be levied on Undeveloped Property.
- Step 2.* After the First Bond Sale, if additional revenue is needed after Step 1 in order to meet the Arts Building Special Tax Requirement, the Arts Building Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Arts Building Special Tax for each Parcel of Expected Taxable Property.

3. *Services Special Tax*

Each Fiscal Year, the Administrator shall coordinate with the City and the Port to determine the Services Special Tax Requirement for the Fiscal Year. The Services Special Tax shall then be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Services Special Tax for each Parcel of Developed Property for such Fiscal Year until the amount levied is equal to the Services Special Tax Requirement. The Services Special Tax may not be levied on Undeveloped Property or Expected Taxable Property.

G. COLLECTION OF SPECIAL TAXES

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes on the regular tax roll, provided, however, that the City may directly bill Special Taxes, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods as authorized by the CFD Law. The Board of Supervisors has ordered any Special Taxes to be levied on leasehold interests to be levied on the secured roll. The Special Tax bill for any Parcel subject to a leasehold interest will be sent to the same party that receives the possessory interest tax bill associated with the leasehold.

In calculating the Facilities Special Tax Requirement, under no circumstances may the Facilities Special Tax that is levied on a Taxable Parcel in a Fiscal Year be increased by more than ten percent (10%) of the Maximum Facilities Special Tax for that Parcel (or such lesser amount required by the CFD Law) as a consequence of delinquency or default in payment of Facilities Special Taxes levied on another Parcel(s) in the STD.

The Facilities Special Tax shall be levied and collected on a Taxable Parcel until the Fiscal Year that is the 120th Fiscal Year in which the Facilities Special Tax has been levied on the Taxable Parcel.

The Arts Building Special Tax shall be levied and collected until the earlier of: (i) the Transition Year, and (ii) the 120th Fiscal Year in which the Arts Building Special Tax has been levied on the Taxable Parcel.

The Services Special Tax shall be levied and collected in perpetuity.

H. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes shall be levied on Affordable Housing Projects, Tax-Exempt Port Parcels, or Exempt Association Square Footage unless such uses are Expected Taxable Property.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as such interpretation, clarification, or revision

does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any taxpayer who wishes to challenge the accuracy of computation of the Special Taxes in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Taxes was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Taxes was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Taxes when due.

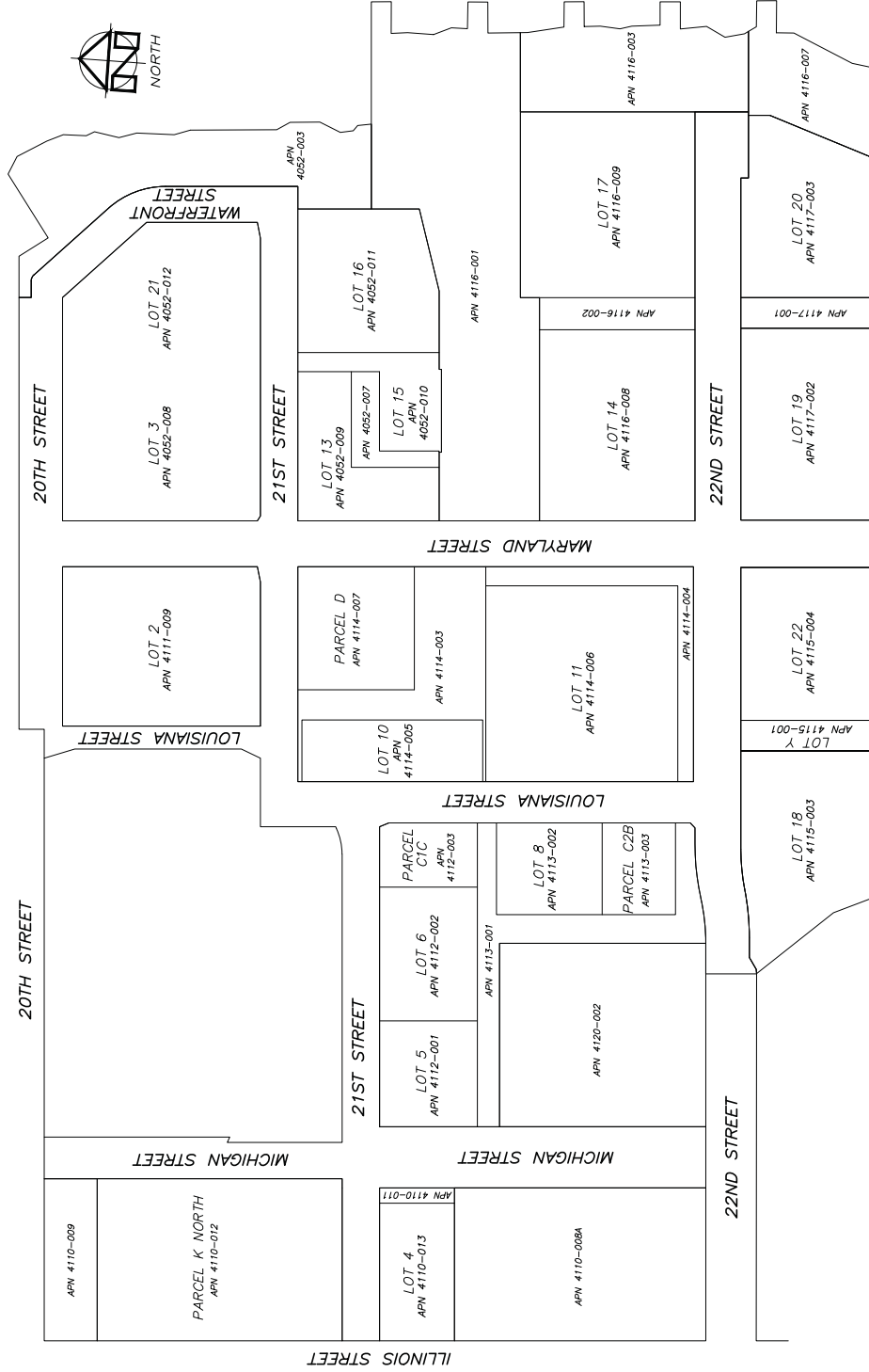
Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the CFD Law or elsewhere in applicable law.

ATTACHMENT 1

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2019-1
(PIER 70 CONDOMINIUMS)**

IDENTIFICATION OF PLANNING PARCELS

Attachment 1
 Identification of Planning Parcels for
 City and County of San Francisco
 Special Tax District No. 2019-1
 (Pier 70 Condominiums)



NOTE
 ALL LOTS SHOWN HEREIN ARE AS SHOWN
 ON THE SWISSEMAP MAP 9924 RECORDED
 FEBRUARY 7, 2019 IN BOOK HH OF SURVEY
 MAPS, AT PAGES 89-98, INCLUSIVE,
 PLANNING DISTRICT NO. 2019-1, CITY AND
 COUNTY OF SAN FRANCISCO.

PLANNING PARCEL	APN
PARCEL K NORTH	4110-012
PARCEL C1C	4112-003
PARCEL C2B	4113-003
PARCEL D	4114-007

ATTACHMENT 2

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL TAX DISTRICT NO. 2019-1
(PIER 70 CONDOMINIUMS)**

IDENTIFICATION OF TAX ZONES

Attachment 2
 Identification of Tax Zones for
 City and County of San Francisco
 Special Tax District No. 2019-1
 (Pier 70 Condominiums)



NOTE
 ALL LOTS SHOWN HEREIN ARE AS SHOWN
 ON THE SAN FRANCISCO MAPS RECORDED
 ON FEBRUARY 7, 2019 IN BOOK 44 OF SURVEY
 MAPS, AT PAGES 88-98, INCLUSIVE,
 COUNTY OF SAN FRANCISCO.

ATTACHMENT 3

CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2019-1 (PIER 70 CONDOMINIUMS)

EXPECTED LAND USES, EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES, AND EXPECTED MAXIMUM ARTS BUILDING SPECIAL TAX REVENUES

Planning Parcel	Square Footage Category	Expected Square Footage	Expected Maximum Facilities Special Tax Revenues (FY 2019-20)*	Expected Maximum Arts Building Special Tax Revenues (FY 2019-20)
<i>TAX ZONE 1</i>				
Parcel K North	Residential Square Footage	209,000	\$1,090,980	N/A
<i>TAX ZONE 2</i>				
Parcel C1C	Residential Square Footage	50,529	\$247,087	\$33,349
Parcel C2B	Residential Square Footage	52,632	\$257,370	\$34,737
Parcel D	Residential Square Footage	107,282	\$524,609	\$70,806
TOTAL	N/A	419,443	\$2,120,046	\$138,892

APPENDIX D

*Boundary Map of
Special Tax District No. 2019-1*

Proposed Boundaries of
 City and County of San Francisco
 Special Tax District No. 2019-1
 (Pier 70 Condominiums)
 City and County of San Francisco
 State of California



1. FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO THIS DAY OF _____ 20____.

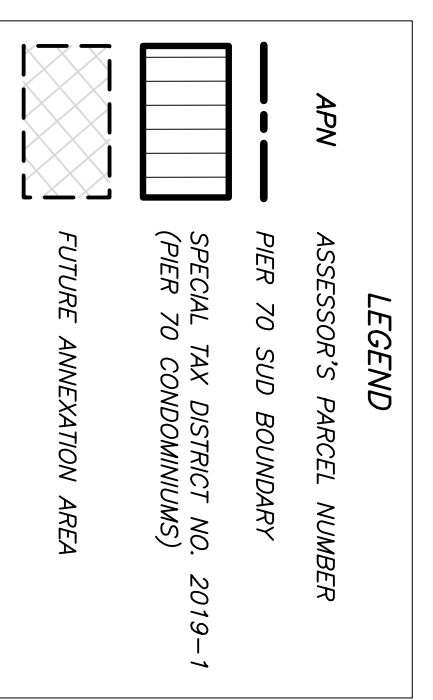
ANGELA CALVILLO
 CLERK OF THE BOARD OF SUPERVISORS

2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2019-1 (PIER 70 CONDOMINIUMS), CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20____, BY ITS RESOLUTION NO. _____.

ANGELA CALVILLO
 CLERK OF THE BOARD OF SUPERVISORS

3. FILED THIS _____ DAY OF _____, 20____, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY ASSESSOR-RECORDER IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

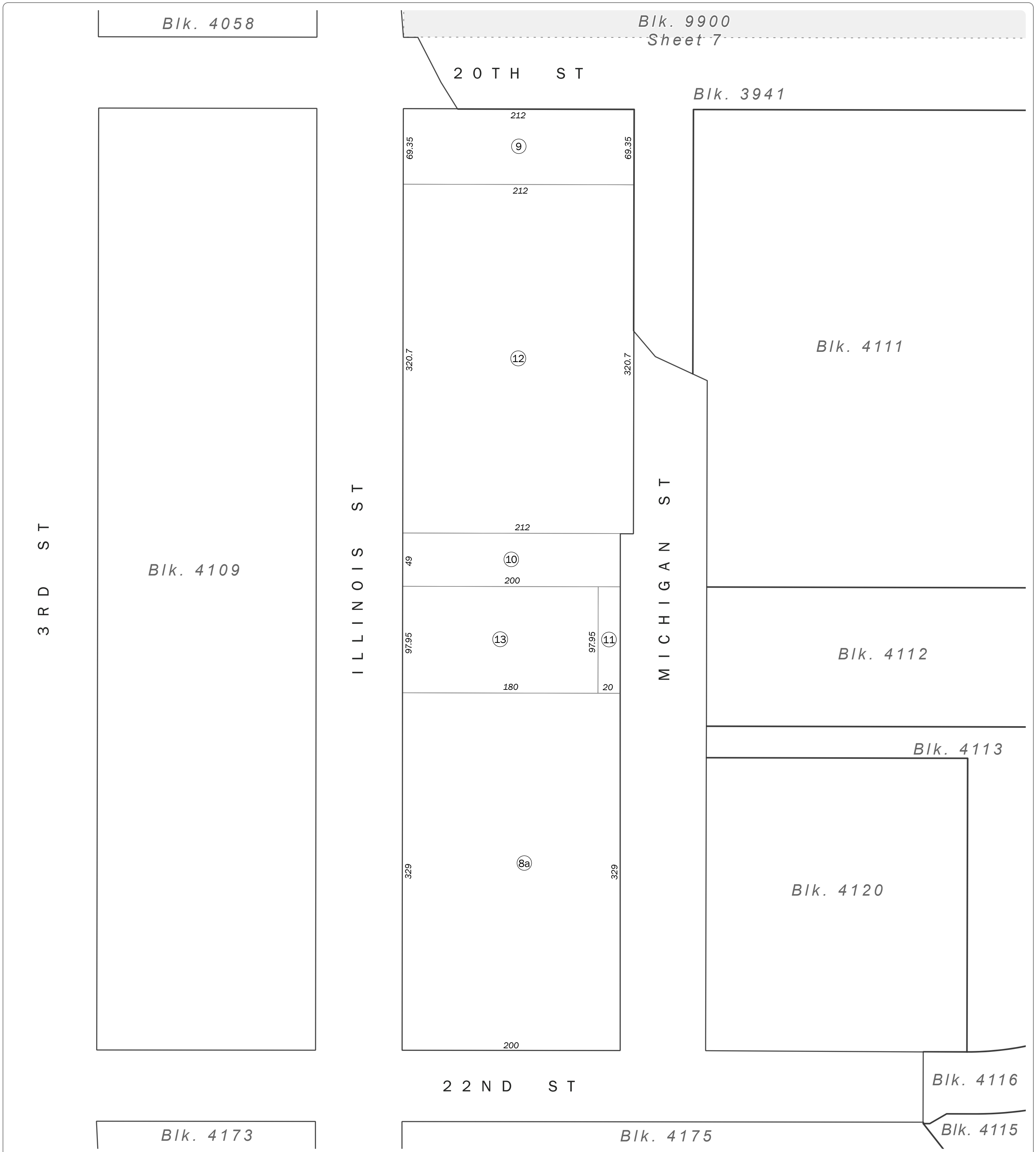
COUNTY ASSESSOR-RECORDER,
 CITY AND COUNTY OF SAN FRANCISCO



NOTE
 ALL LOTS SHOWN HEREON ARE AS SHOWN ON "FINAL TRANSFER MAP 9597" RECORDED FEBRUARY 7, 2019 IN BOOK HH OF SURVEY MAPS, AT PAGES 89-98, INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO.

APPENDIX E

*Assessor's Parcel Maps
for Fiscal Year 2024-25*

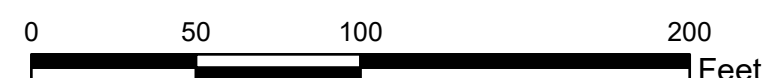


**SAN FRANCISCO CITY & COUNTY
ASSESSOR'S BLOCK MAP**

DISCLAIMER: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

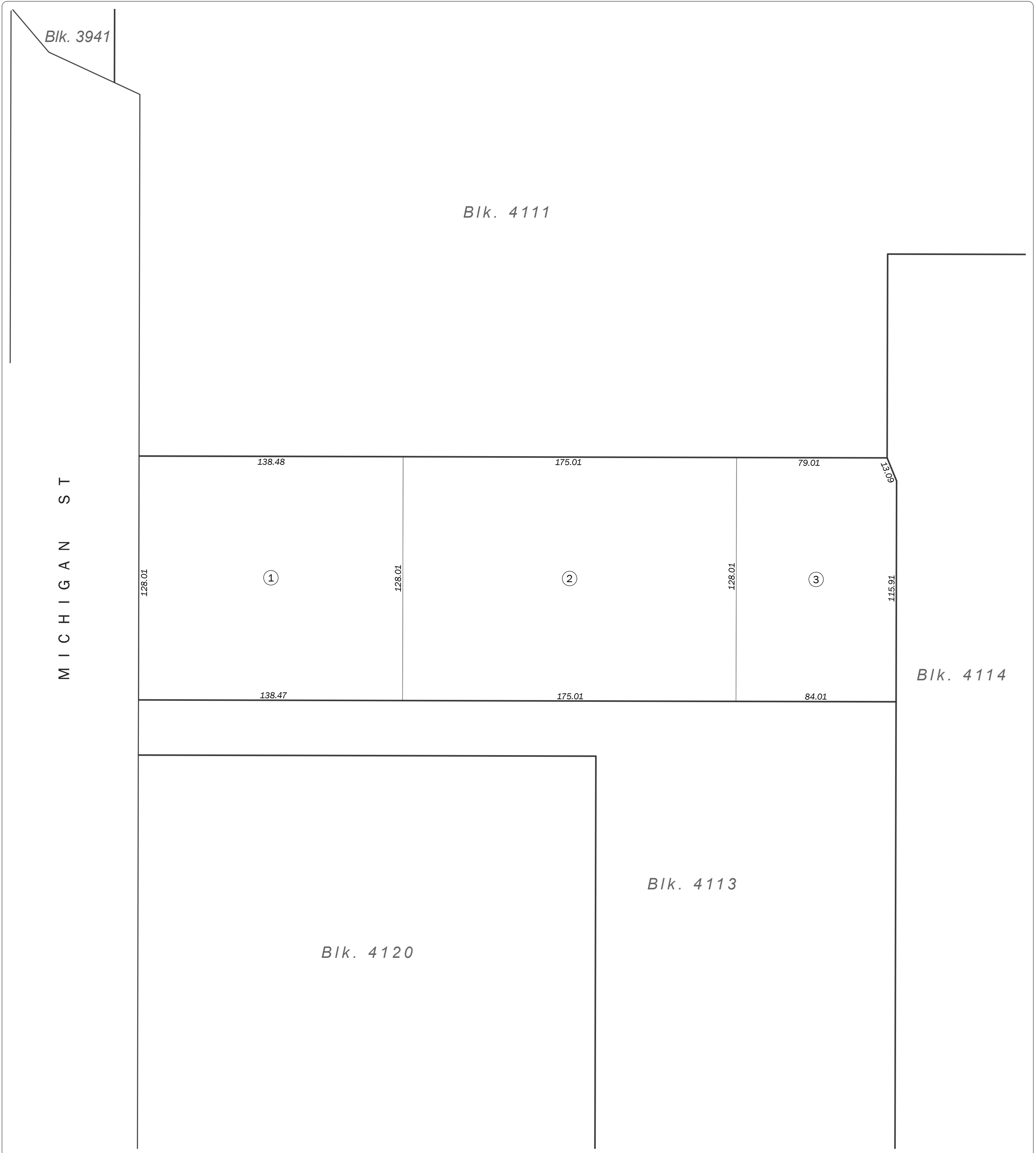


REVISED 2019



Revision History

From Lot	Change	To Lot	Year
9-17	into	8A	1943
2-8, 17A, 18-26, STREET	into	1	1946
3941/1, 4046/1-2, 4052/1, 4110/1, 4111/3-4	into	3941/20-32	2019

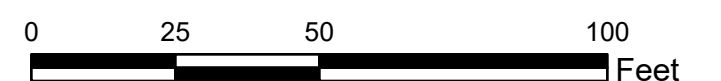


**SAN FRANCISCO CITY & COUNTY
ASSESSOR'S BLOCK MAP**

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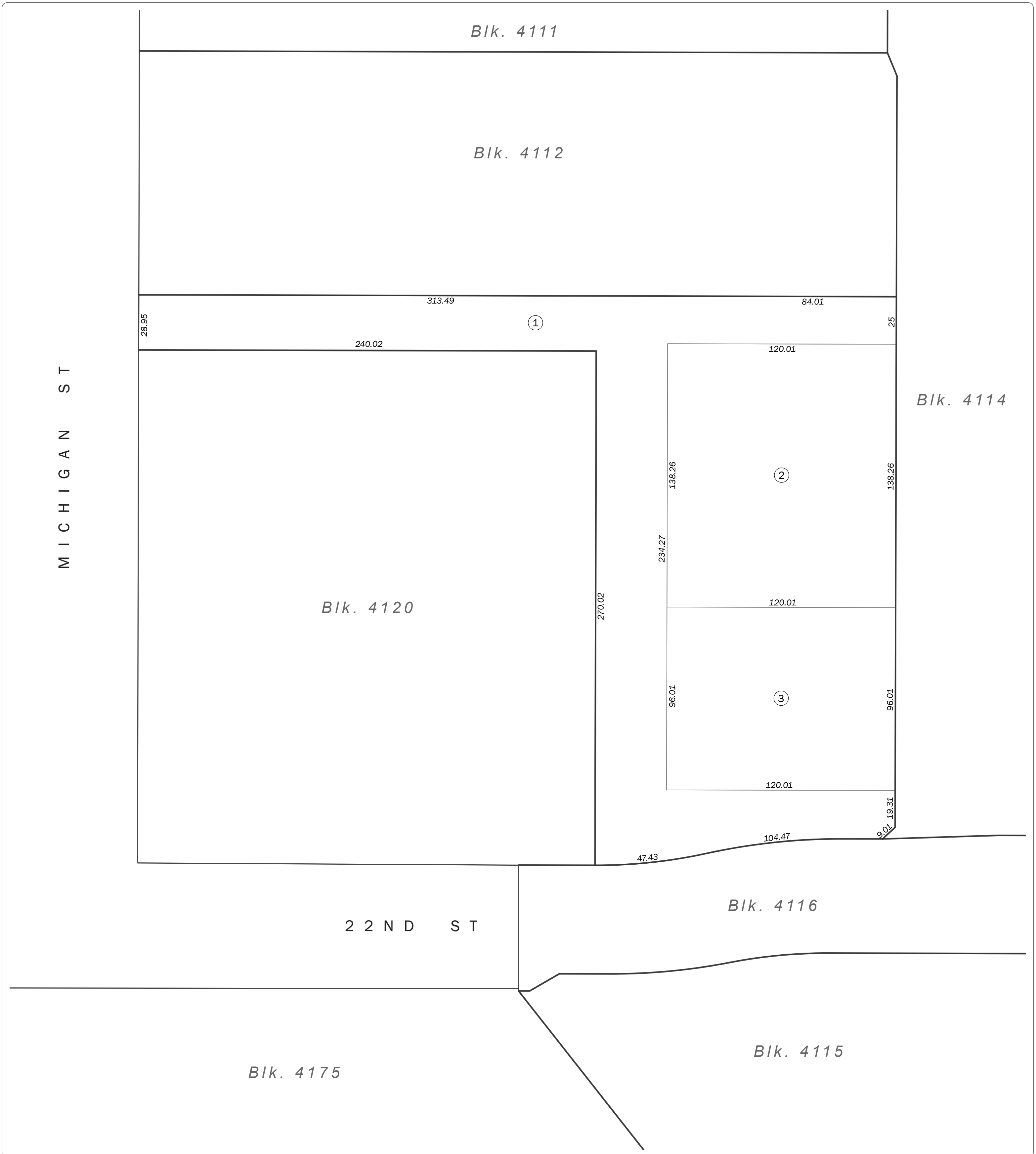


REVISED 2019



Revision History

From Lot	Change	To Lot	Year
3941/20, 22-25, 33-40	into	3941/41-42, 4052/2-12, 4110/9-13, 4111/5-10, 4112/1-3, 4113/1-3, 4114/1-7, 4115/1-4, 4116/1-9, 4117/1-3	2019

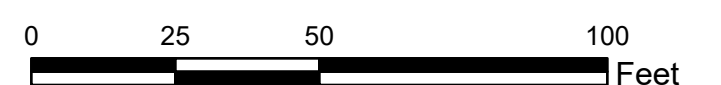


**SAN FRANCISCO CITY & COUNTY
ASSESSOR'S BLOCK MAP**

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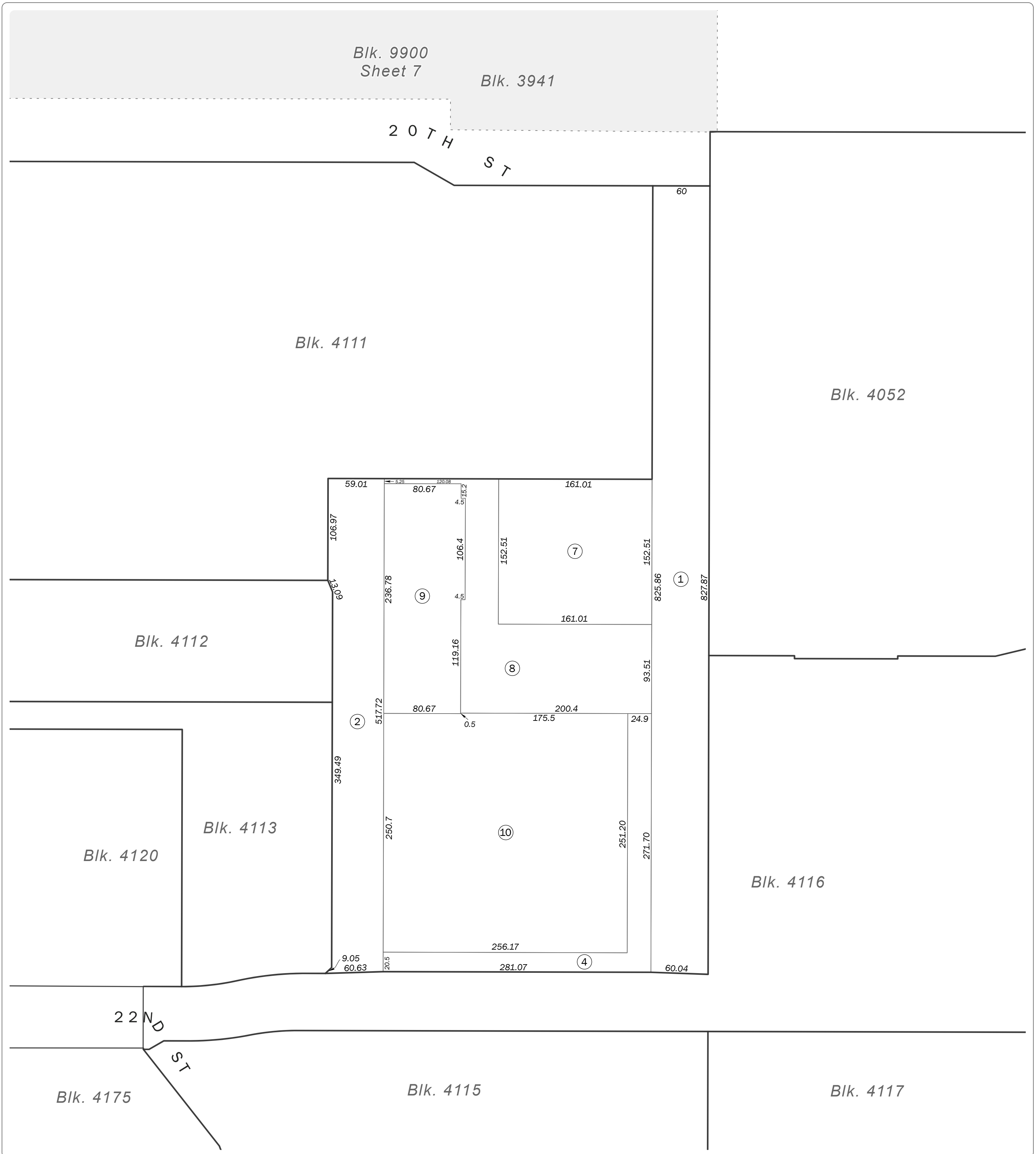


REVISED 2019



Revision History

From Lot	Change	To Lot	Year
3941/20, 22-25, 33-40	into	3941/41-42, 4052/2-12, 4110/9-13, 4111/5-10, 4112/1-3, 4113/1-3, 4114/1-7, 4115/1-4, 4116/1-9, 4117/1-3	2019

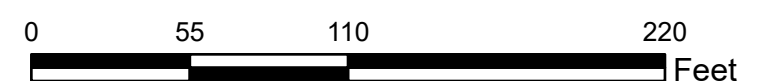


**SAN FRANCISCO CITY & COUNTY
ASSESSOR'S BLOCK MAP**

DISCLAIMER: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



REVISED 2021



Revision History

From Lot	Change	To Lot	Year
3941/20, 22-25, 33-40	into	3941/41-42, 4052/2-12, 4110/9-13, 4111/5-10, 4112/1-3, 4113/1-3, 4114/1-7, 4115/1-4, 4116/1-9, 4117/1-3	2019
3	into	8	2021
5	into	9	2021
6	into	10	2021