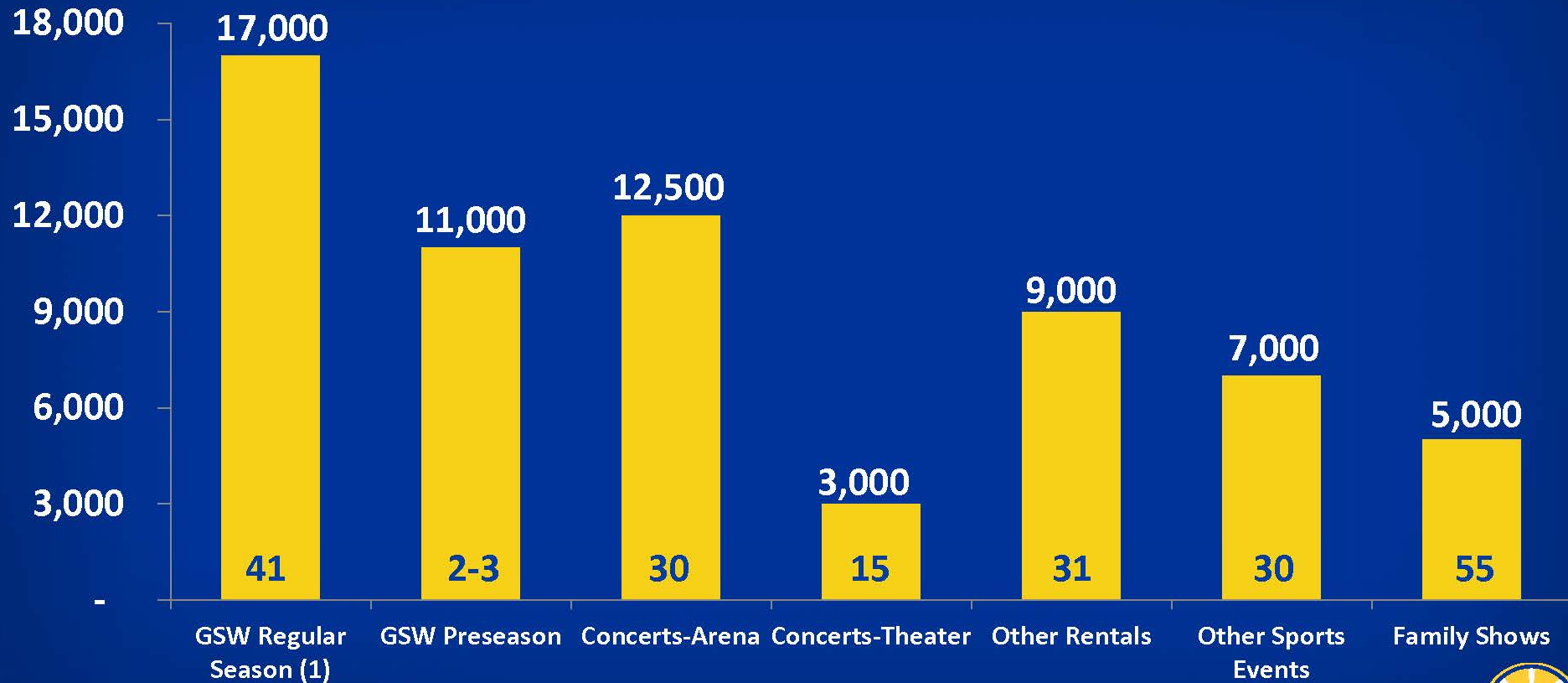


Projected Event Count and Attendance



(1) Playoff games will range from zero to a maximum of 16 based on GSW performance.



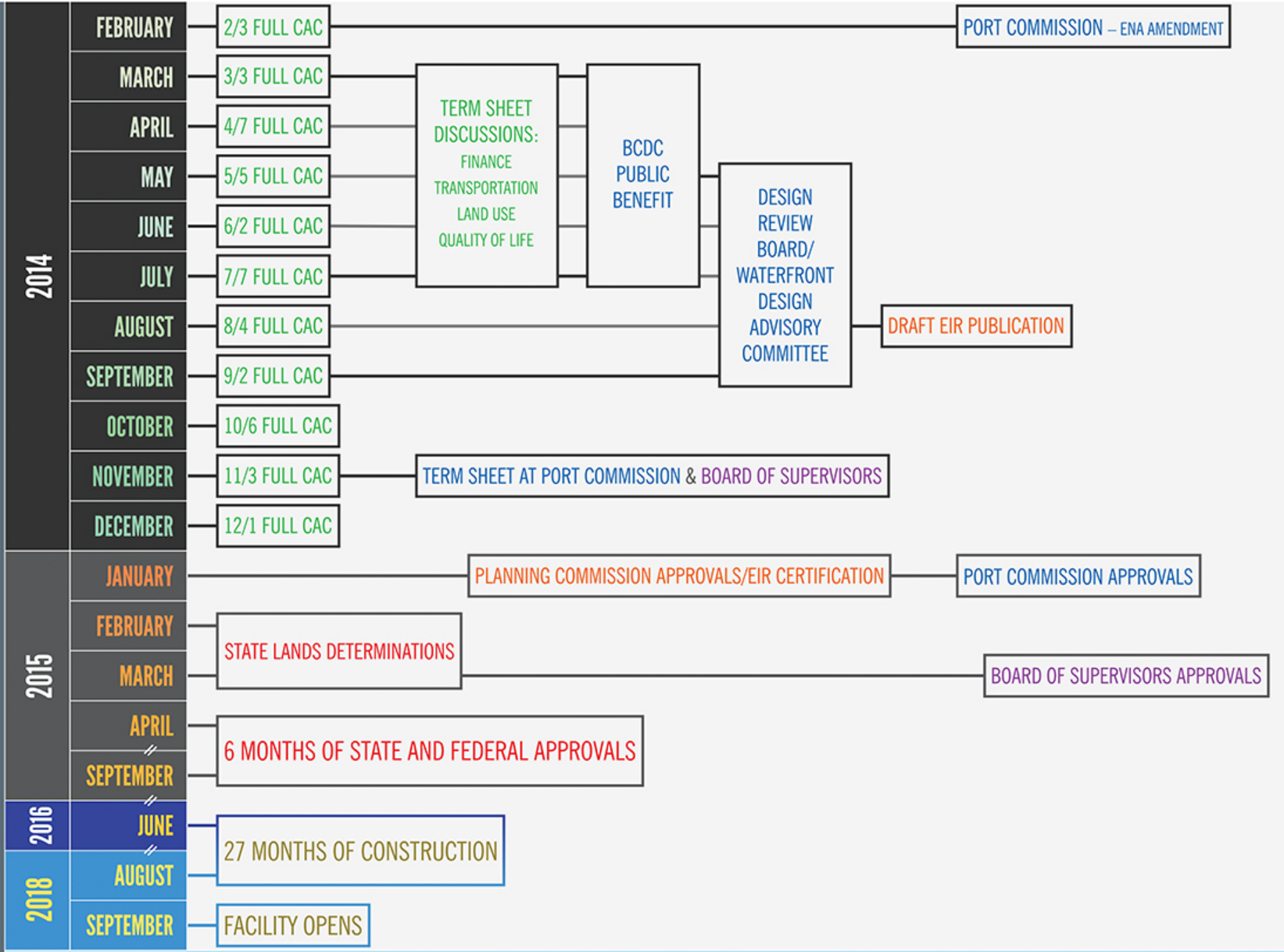
PIERS 30-32 CITIZENS ADVISORY COMMITTEE

PROJECT SCHEDULE AND OVERVIEW OF PROPOSED AGREEMENTS & RELATED DOCUMENTS

MONDAY, FEBRUARY 3, 2014



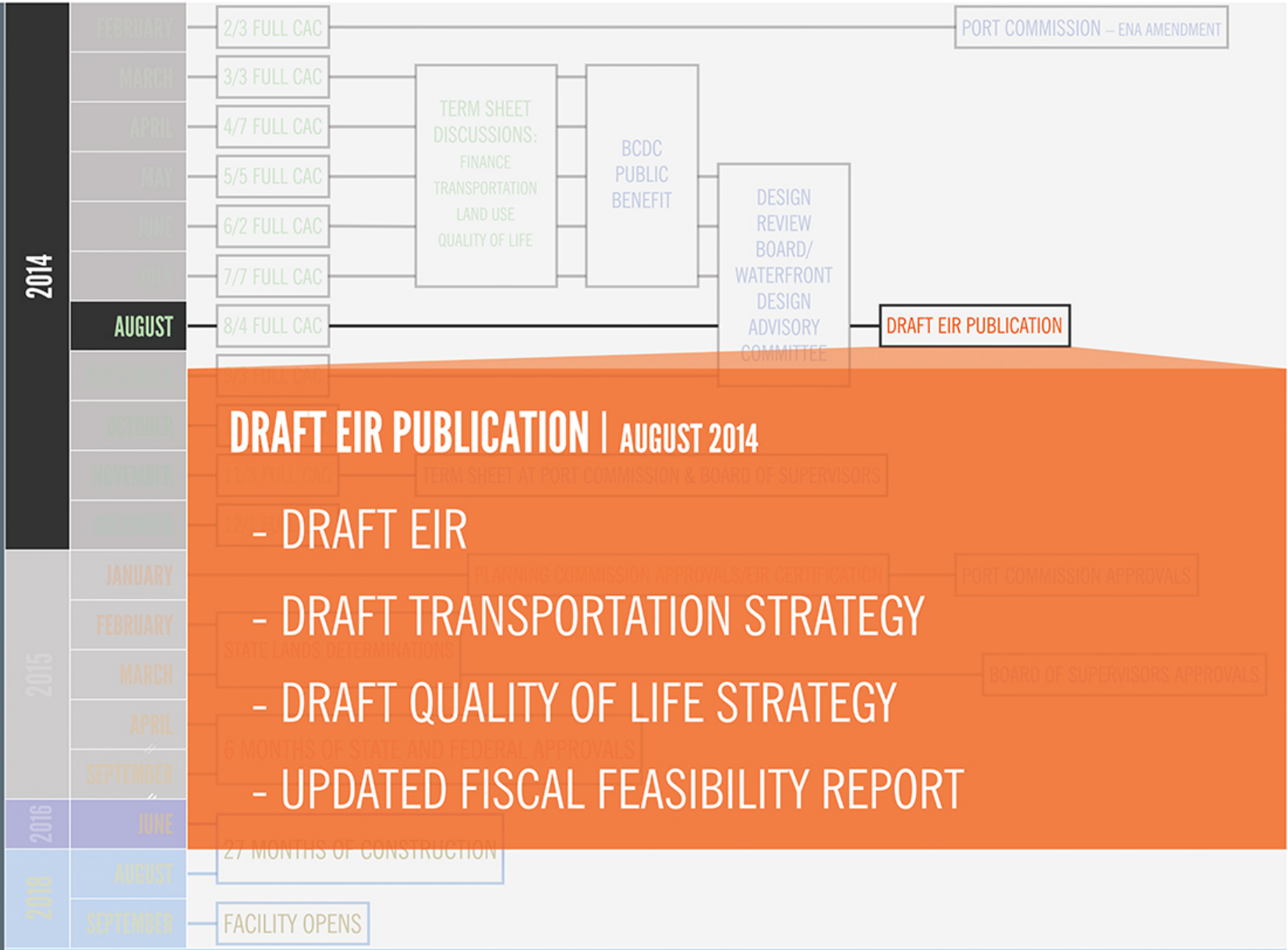
PIERS 30-32 PROJECT SCHEDULE



KEY ■ – BOARD OF SUPERVISORS ■ – CITIZENS ADVISORY COMMITTEE ■ – PLANNING COMMISSION ■ – PORT COMMISSION & BCDC ■ – STATE AND FEDERAL APPROVALS

FOR DISCUSSION PURPOSES ONLY – SCHEDULE SUBJECT TO CHANGE

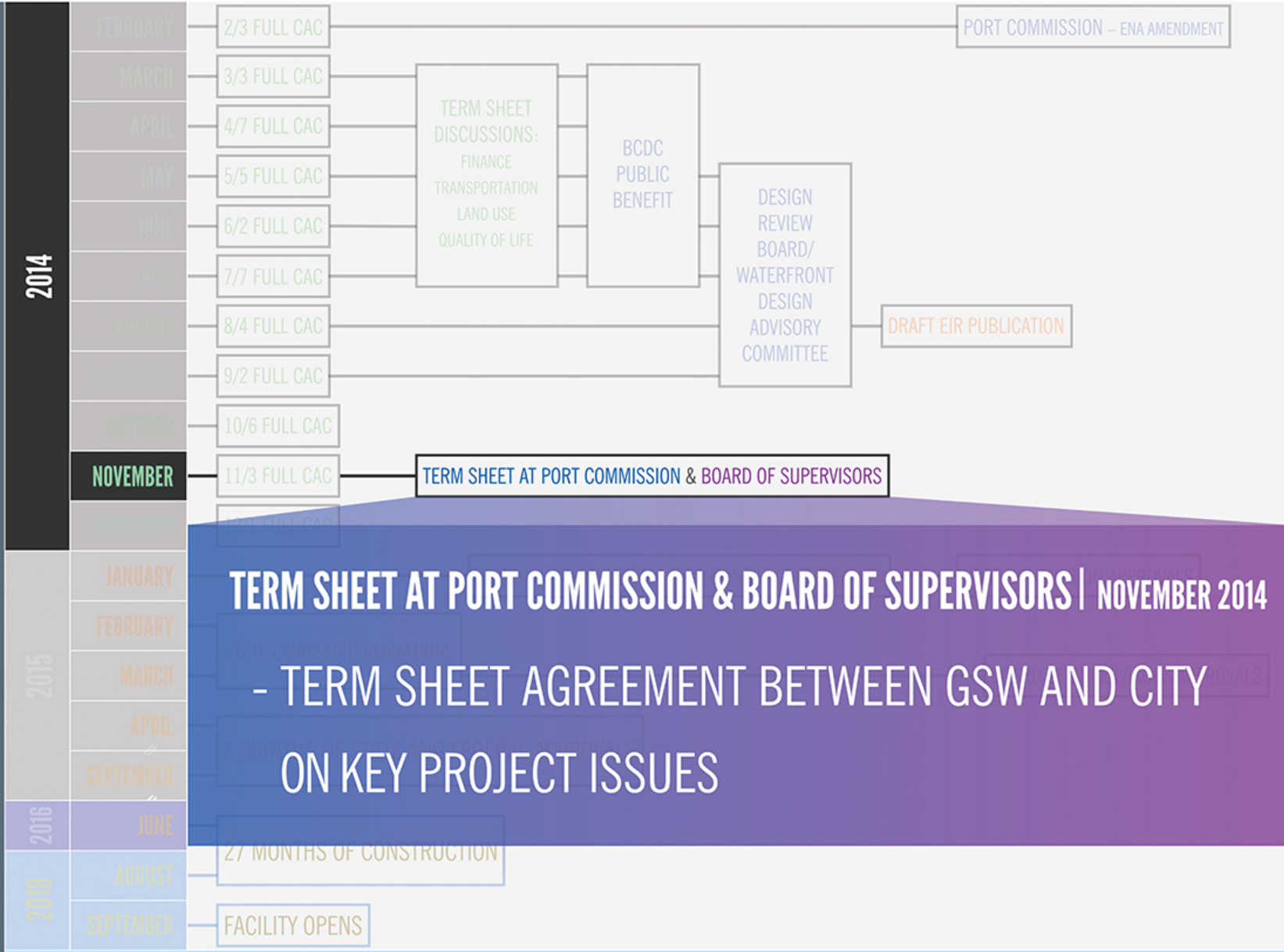
PIERS 30-32 PROJECT SCHEDULE



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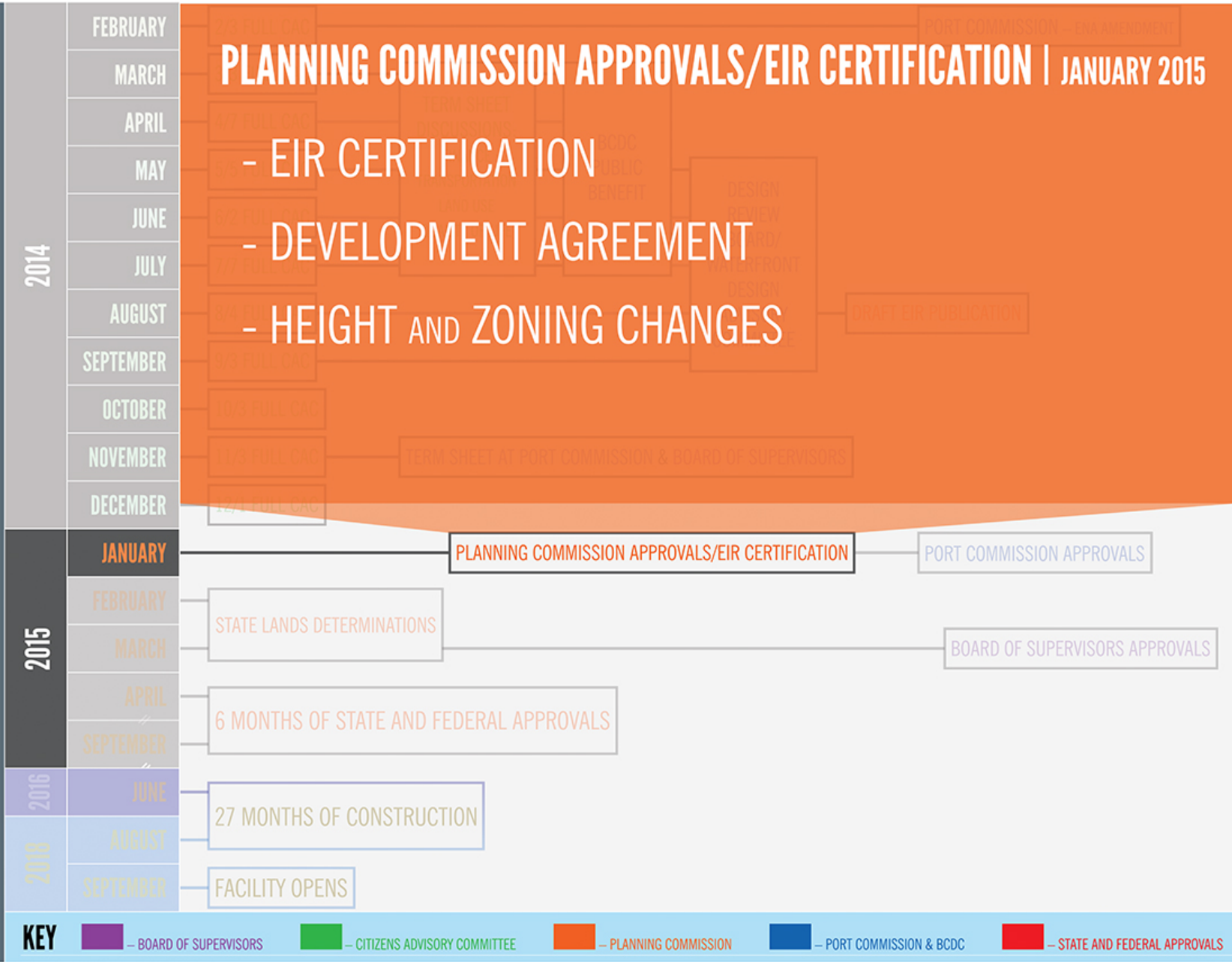


TERM SHEET AT PORT COMMISSION & BOARD OF SUPERVISORS | NOVEMBER 2014
 - TERM SHEET AGREEMENT BETWEEN GSW AND CITY
 ON KEY PROJECT ISSUES

KEY ■ BOARD OF SUPERVISORS ■ CITIZENS ADVISORY COMMITTEE ■ PLANNING COMMISSION ■ PORT COMMISSION & BCDC ■ STATE AND FEDERAL APPROVALS

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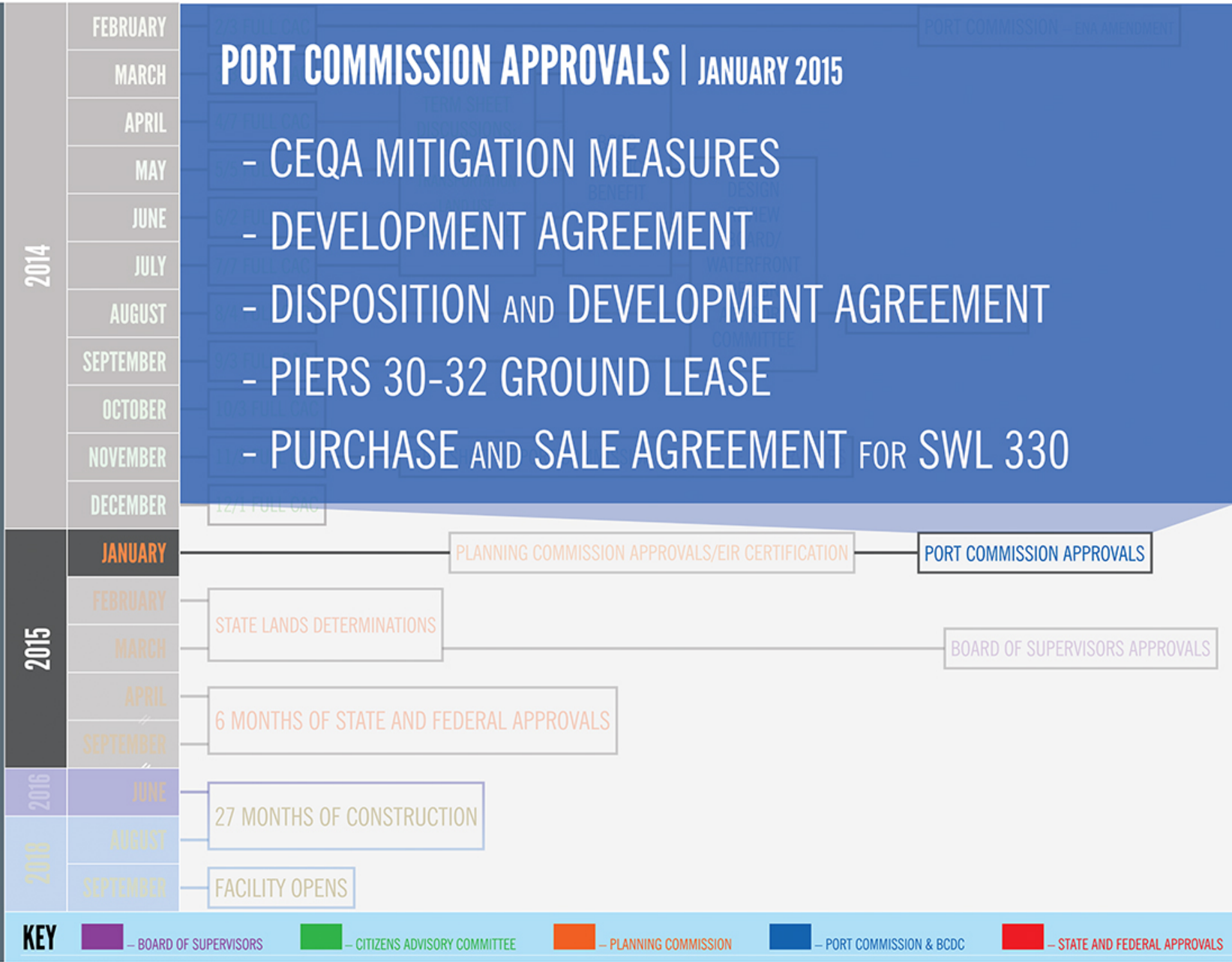


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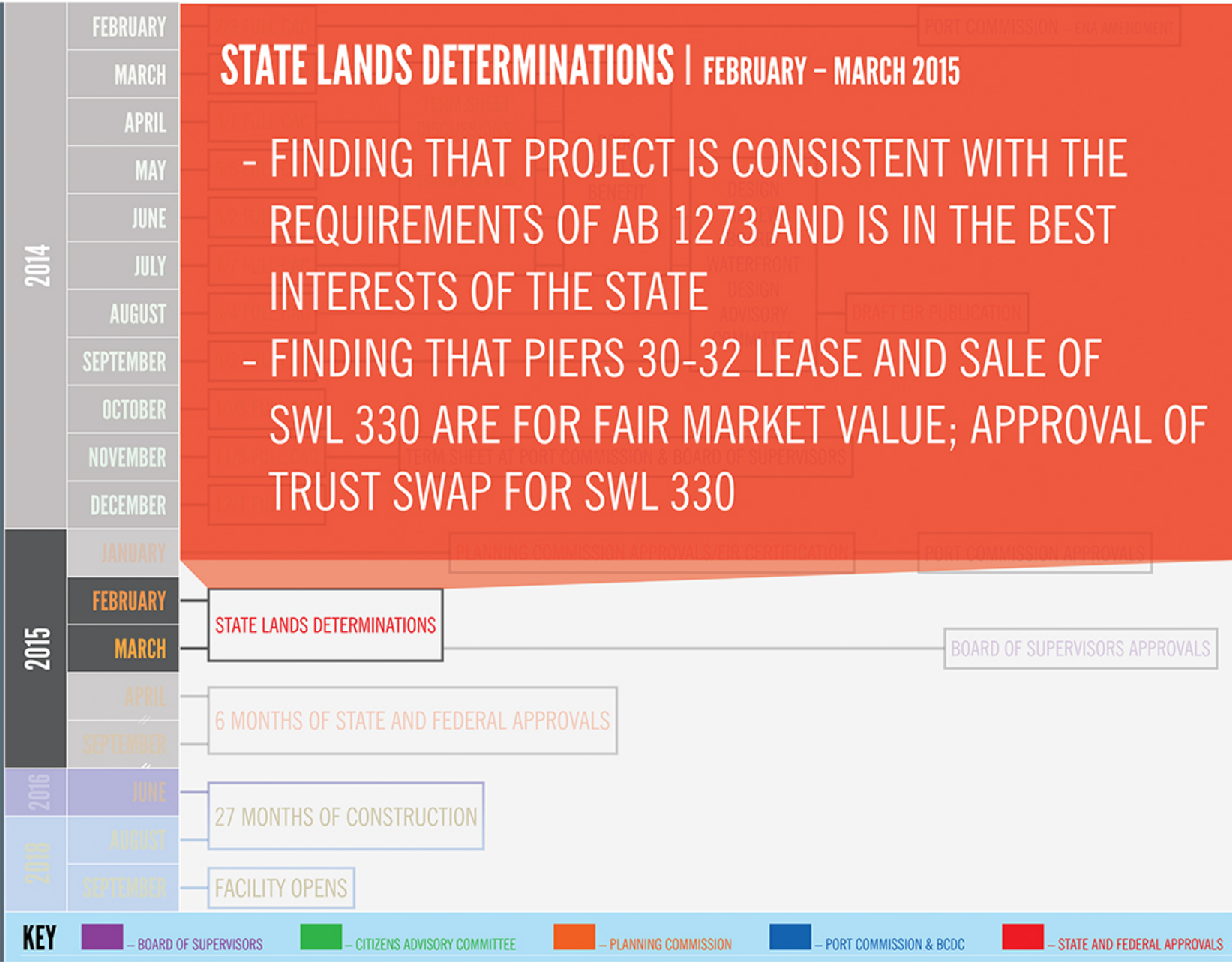


PORT COMMISSION APPROVALS | JANUARY 2015

- CEQA MITIGATION MEASURES
- DEVELOPMENT AGREEMENT
- DISPOSITION AND DEVELOPMENT AGREEMENT
- PIERS 30-32 GROUND LEASE
- PURCHASE AND SALE AGREEMENT FOR SWL 330

KEY

- BOARD OF SUPERVISORS
- CITIZENS ADVISORY COMMITTEE
- PLANNING COMMISSION
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STATE LANDS DETERMINATIONS | FEBRUARY - MARCH 2015

- FINDING THAT PROJECT IS CONSISTENT WITH THE REQUIREMENTS OF AB 1273 AND IS IN THE BEST INTERESTS OF THE STATE
- FINDING THAT PIERS 30-32 LEASE AND SALE OF SWL 330 ARE FOR FAIR MARKET VALUE; APPROVAL OF TRUST SWAP FOR SWL 330

STATE LANDS DETERMINATIONS

BOARD OF SUPERVISORS APPROVALS

6 MONTHS OF STATE AND FEDERAL APPROVALS

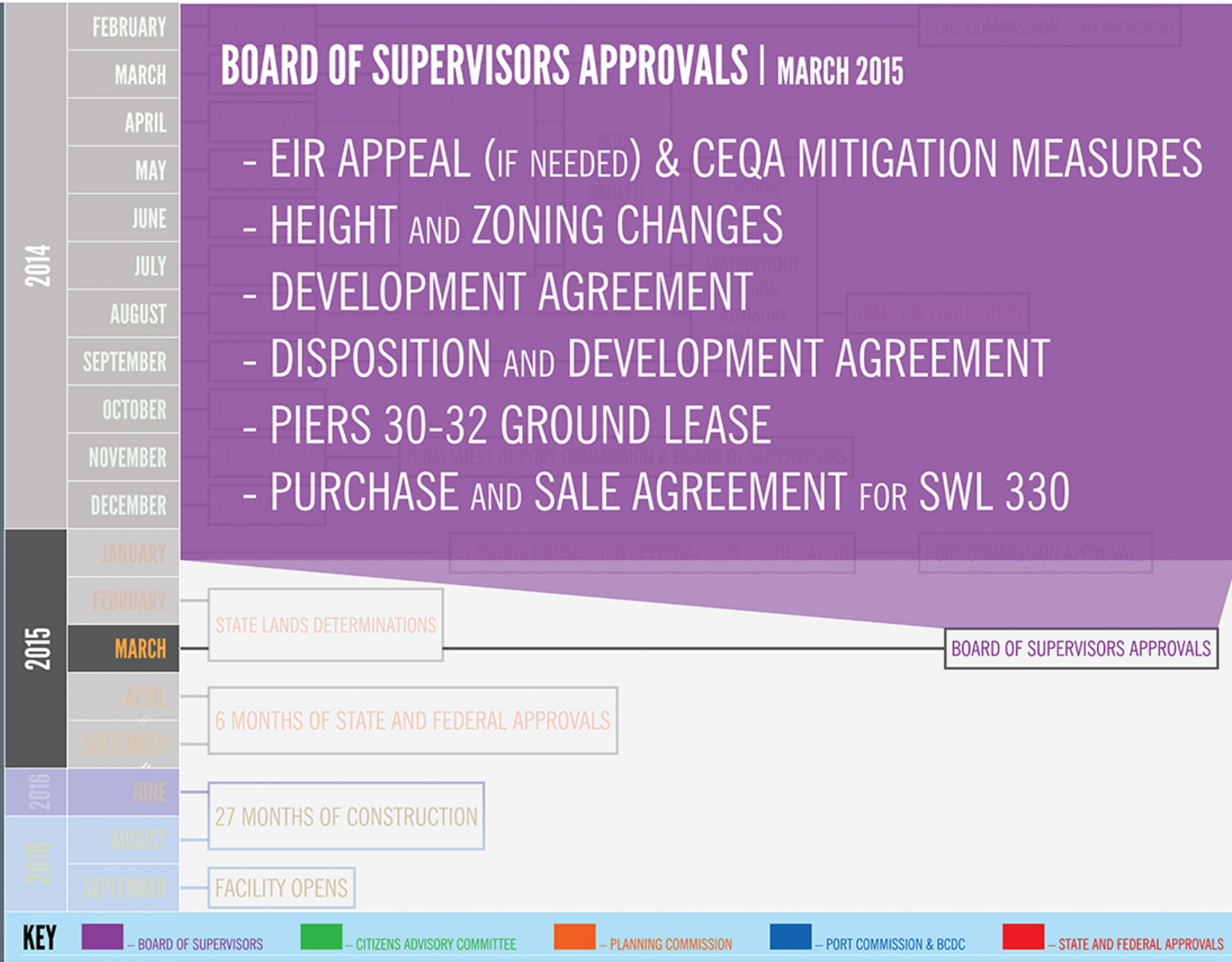
27 MONTHS OF CONSTRUCTION

FACILITY OPENS

KEY

- BOARD OF SUPERVISORS
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PIERS 30-32 PROJECT SCHEDULE

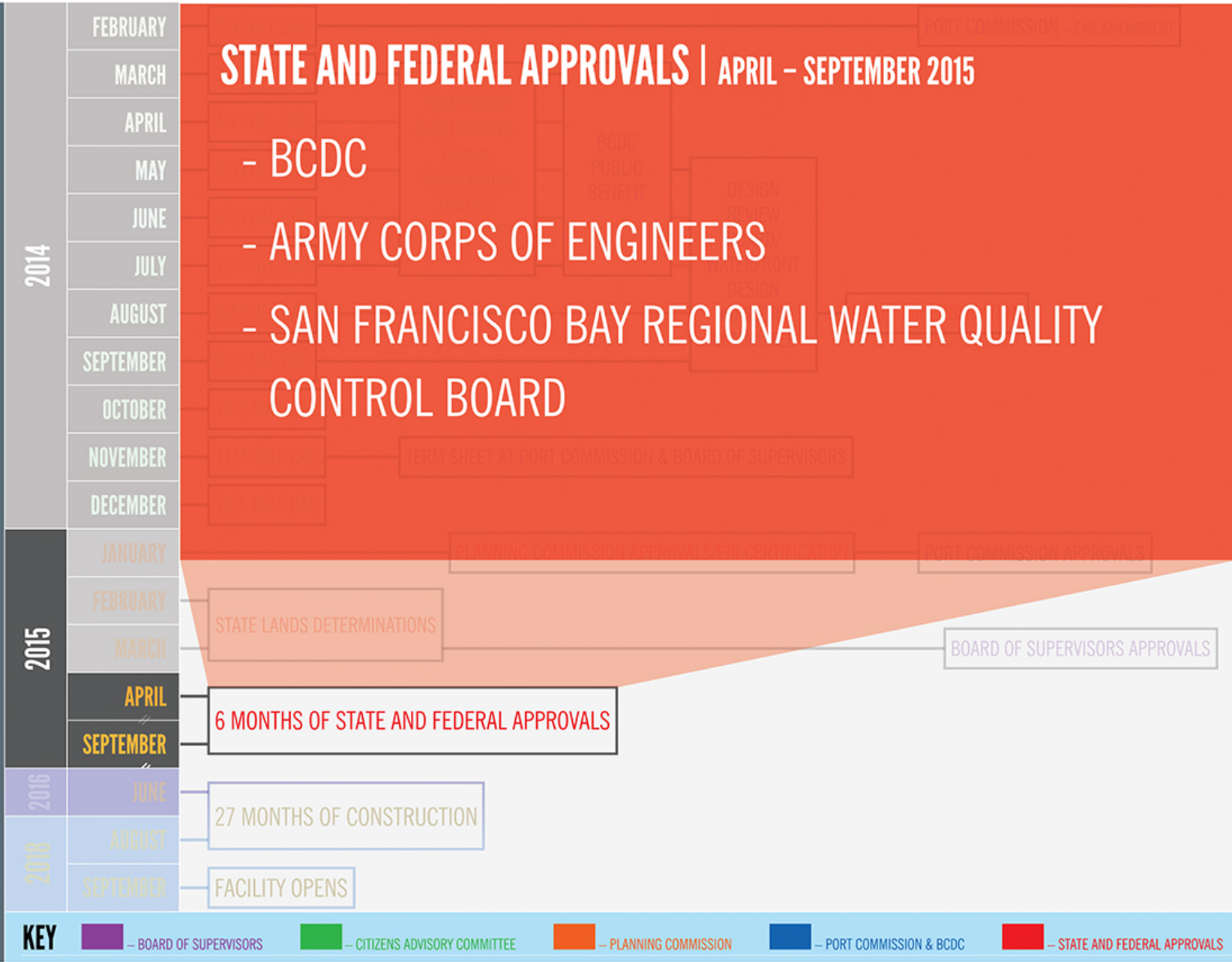


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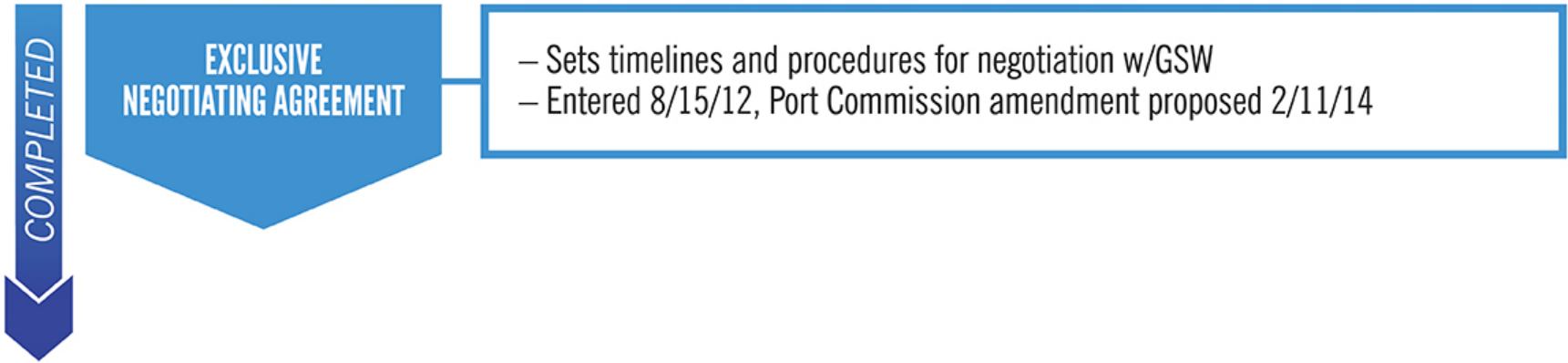
PIERS 30-32 PROJECT SCHEDULE



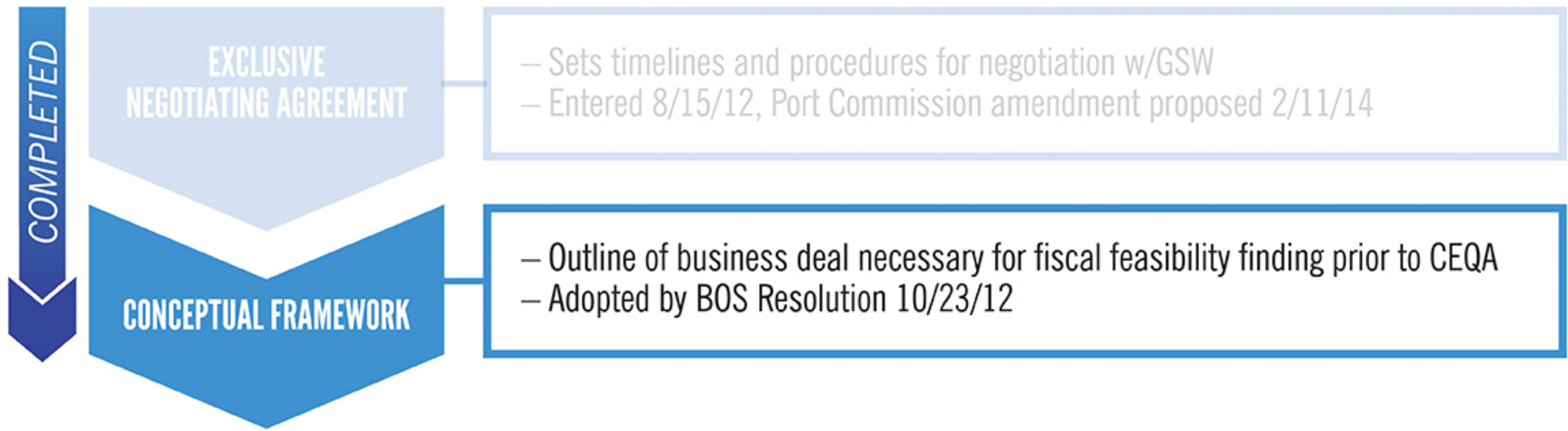
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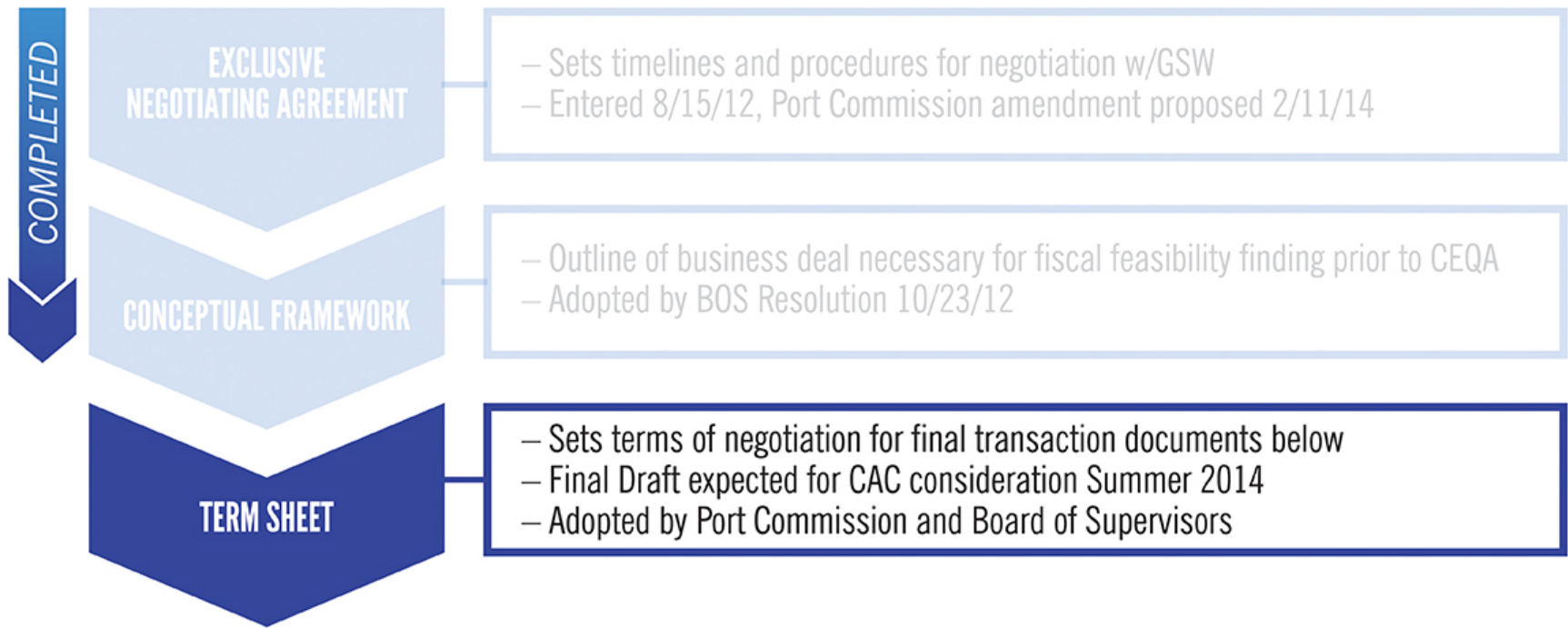
OVERVIEW OF AGREEMENTS AND RELATED DOCUMENTS



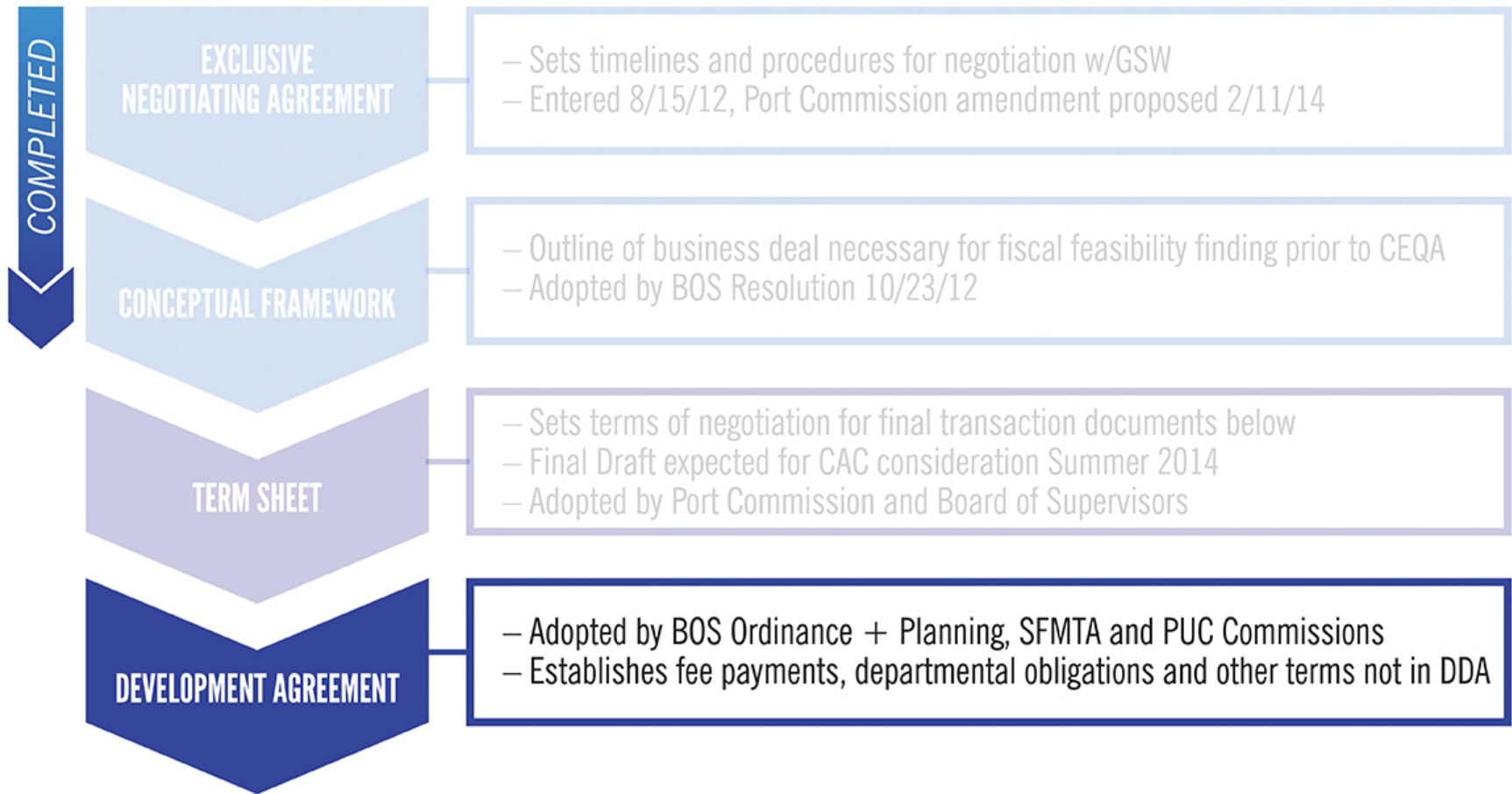
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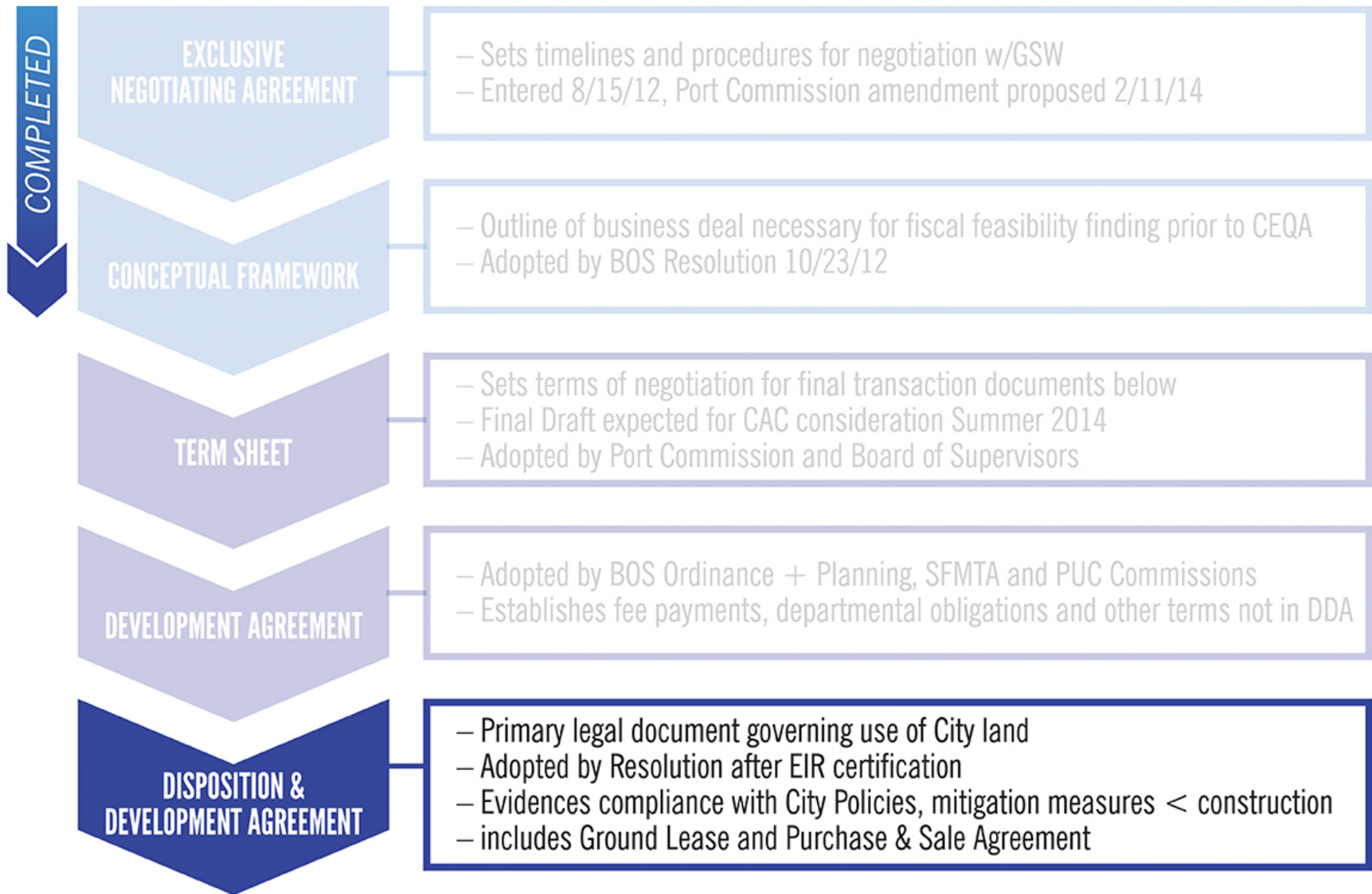
OVERVIEW OF AGREEMENTS AND RELATED DOCUMENTS



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OVERVIEW OF AGREEMENTS AND RELATED DOCUMENTS



EXCLUSIVE NEGOTIATING AGREEMENT

- Entered August 15, 2012 between the City, through the Port Commission, and GSW Arena LLC
- Describes the process and terms upon which the Port and GSW will negotiate the disposition of Piers 30-32 and Seawall Lot 330
- Includes a schedule with performance benchmarks and deadlines for project milestones
- Describes GSW's obligation to pay negotiating fees and reimburse the City for certain transaction costs
- Proposed amendment to performance benchmarks (dates) scheduled for February 11, 2014 Port Commission Meeting

CONCEPTUAL FRAMEWORK

- A non-binding document that describes the preliminary financial framework for the proposed business deal
- Based on the appraisal of Piers 30-32 and SWL 330 and GSW's preliminary \$120 million estimate of construction costs for the substructure and related improvements
- Identifies 3 sources for the City to repay private investment in the piers: Piers 30-32 rent credits, the sale value of SWL 330, and Infrastructure Financing District tax increment generated from the project
- Designed to support the fiscal feasibility analysis and the Board of Supervisors Chapter 29 fiscal feasibility finding
- Being used to guide current Term Sheet negotiations

TERM SHEET

- A non-binding document that sets forth the terms upon which the parties will negotiate final transaction documents
- Subject to Port Commission and Board of Supervisors endorsement after at least two Piers 30-32 CAC public hearings.
- Will likely address:
 - Descriptions of the site & the proposed project
 - Ground lease terms for Piers 30-32
 - Seawall Lot 330 purchase and sale agreement terms
 - Conditions to delivery of the site for development
 - Responsibility for development costs, including Piers 30-32 substructure

TERM SHEET CONT.

Likely Term Sheet provisions:

- Design review and approval process
- Schedule of performance for completion of improvements
- Operating and management requirements relating to the event center, public open space and maritime facilities
- Terms of public infrastructure financing
- Neighborhood service and financing mechanisms
- Development impact fees
- City requirements (prevailing wage, local hire, card check)
- Special event schedule coordination
- Transportation framework

DISPOSITION AND DEVELOPMENT AGREEMENT

- Primary legally binding agreement between the City, through its Port Commission, and GSW, subject to Port Commission and Board of Supervisors approval after certification of the EIR
- Piers 30-32 Ground Lease will be attached as an exhibit
- Specifies the conditions to be satisfied before the City will lease Port property, including evidence of adequate financing for construction and receipt of regulatory approvals for development
- Governs GSW's obligation to construct the project in accordance with a scope of development and a schedule of performance after which the Port will issue a certificate of completion

DISPOSITION AND DEVELOPMENT AGREEMENT CONT.

- Evidences the developer's agreement to various City policies, such as prevailing wage, local hire, LBE, etc
- Includes EIR mitigation measures and other improvement measures related to the project as an exhibit to make measures that are developer's binding obligations
- Describes permitted transfers of developer's rights and obligations, events of default and remedies, termination provisions, and insurance and indemnity requirements
- Attachments may include an infrastructure plan that describes the infrastructure and other public facilities; a financing plan; and design review and document approval procedures

GROUND LEASE (PIERS 30-32)

- Governs the use and occupancy of Piers 30-32 for a lease term of up to 66 years
- Sets the fair market value ground rent and any rent credits for eligible costs that developer incurs for the Piers 30-32 substructure
- Delineates permitted uses and limitations on uses, including restrictions required under the public trust and AB 1273
- Requires payment of possessory interest taxes
- Describes developer's obligations related to the condition, maintenance, repair and operation of the project, including open space and public access areas

GROUND LEASE (PIERS 30-32) CONT.

- Evidences the tenant's agreement to various City policies related to the operation of a project, such as prevailing wages, local hire, etc.
- EIR mitigation measures related to the operation of the project will be attached, and will be tenant's contractual obligations if the EIR assigns the obligations to the tenant

PURCHASE AND SALE AGREEMENT (SWL 330)

- AB 418 gives the Port the right to sell the fee interest in SWL 330 free of the public trust, subject to:
 1. the State Lands Commission's approval of the Port's appraisal and determination of the fair market value of the fee interest in SWL 330
 2. the Port's identification of other lands of equal or greater size to be impressed with the trust which are determined by the State Lands Commission to be useful for trust purposes
- Purchase and Sale Agreement will describe the terms, conditions and procedures for the sale of SWL 330 to developer

DEVELOPMENT AGREEMENT

- Development Agreements (DAs) are creatures of state law designed to strengthen the public planning process and are the primary agreement between the City and the developer, in this case acting through the Port Commission.
- The DA works together with the LDDA to ensure the orderly development of the site, but it is a separate legally binding contract between the City and the developer.
- DAs grant development rights and establish limits on applicable City fees, exactions and future regulations in exchange for negotiated public benefits such as transportation, open space and maintenance requirements.
- DAs are approved by the Planning Commission and the Board of Supervisors (by ordinance) as well as City departments (such as the MTA and SFPUC) with obligations under the DA.