

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into as of October 7, 2015 by and between GSW Arena LLC and the University of California, San Francisco.

### RECITALS

A. GSW Arena LLC (together with its affiliates, the "Warriors"), the University of California, San Francisco ("UCSF"), and the City and County of San Francisco and the Office of Community Investment and Infrastructure (collectively, the "City") share a common interest in ensuring that the Warriors event center component (the "Event Center") of the event center and mixed use development (the "Project") to be built on Blocks 29-32 in Mission Bay does not create traffic conditions in Mission Bay that have an unacceptable material adverse effect on the operation of the Event Center or safe access to UCSF's Mission Bay Medical Center (the "Hospital").

B. The Board of Supervisors of the City is considering adoption of the Ordinance (as defined below) to establish (a) a fund (the "Fund") for the purpose of safeguarding monies in the City's General Fund to pay for City services and capital improvements to address transportation and other needs of the community in connection with the operation of the Event Center and (b) a reserve in the Fund (the "Dual Event Reserve") to pay for enhancements to multi-modal transportation relating to EIR Dual Events (as defined below) occurring on weekday evenings. As used herein, "Ordinance" shall mean an ordinance in substantially the form attached hereto as Exhibit A.

C. The Board of Directors of the Municipal Transportation Agency of the City is considering adoption of the MTA Resolution (as defined below) incorporating CEQA findings, adopting the Project, concurring with the expenditure plan set forth in the Ordinance, providing for an advisory committee to include representatives of UCSF and the Warriors among others (the "Advisory Committee"), providing for coordination with other City departments in the creation of budgets, authorizing a mitigation and monitoring program, and delegating to the MTA Director the authority to spend the Dual Reserve Fund in accordance with the Ordinance. As used herein, "MTA Resolution" shall mean a resolution in substantially the form attached hereto as Exhibit B.

D. In connection with its consideration of the Warriors' proposal to construct the proposed Event Center, the City published a Draft Subsequent Environmental Impact Report (SEIR) on June 5, 2015. The SEIR analyze certain dual events, which are described in the SEIR as large attendance (more than 12,500 attendees) events at the Event Center starting at 7:30 pm occurring on the same night as a San Francisco Giants game (any such overlapping event shall be referred to herein as a "EIR Dual Event"). The SEIR estimates the likely frequency in a typical year of such EIR Dual Events. The number of such EIR Dual Events will likely vary from year to year, as the estimates are projections in the SEIR based on average attendance for various types of events at other, similar facilities, and the extent to which these events overlap with evening Giants' games will also fluctuate. The SEIR also assumes that patrons of the Event Center will

arrive for all evening events without distinguishing between basketball game start times and the times the headliner for a concert or other event would begin a performance.

E. The SEIR proposes, among other strategies, that one potential approach to mitigating the impacts of EIR Dual Events would be for the Warriors to consider using commercially reasonable efforts (if feasible) to delay the start time of the headliner act for an event at the Event Center. Subject to the terms and conditions set forth herein, the Warriors wish to commit to implement such commercially reasonable efforts for the benefit of UCSF and the surrounding community to avoid scheduling at the Event Center certain non-Warriors events of 12,500 or more attendees (other than Excluded Events, described below) on Mondays, Tuesdays, Wednesdays, Thursdays or Fridays that start (i.e., commencement of the on-stage performance by the main act if such commencement has been publicly advertised prior to such event) before 8pm and within 60 minutes of the start of a regular season San Francisco Giants game at AT&T Park starting after 6pm, provided that the date of such game was published by Major League Baseball no later than September 30<sup>th</sup> of the prior calendar year (any such overlapping event shall be referred to herein as an "MOU Dual Event").

As used herein, the term "Excluded Event" means any and all of the following non-Warriors events which may be held in or at the Event Center: (i) major religious, political or convention events or other special events not generally available to the public, (ii) sports league all star, championship or similar events, (iii) Olympic or NCAA events, (iv) major award shows, and (v) events or conventions occurring at multiple venues located in San Francisco or the Bay Area if the Event Center is necessary or desirable for securing such event or convention. The Warriors shall provide UCSF and the City with notice of such Excluded Events as far in advance as is reasonably practicable so that the City can prepare for transportation and scheduling logistics.

F. Subject to the terms and conditions set forth herein, the Warriors are also willing to implement certain additional measures, including but not limited to the strategies and improvements set forth in Exhibit D attached hereto, to address the occurrence of an "Unacceptable Traffic Condition" (as defined in Exhibit C attached hereto) caused by an MOU Dual Event.

G. Subject to the terms and conditions set forth herein, UCSF is willing to support the entitlement and construction of the Warriors proposed project (the "Project") on Mission Bay Blocks 29-32 (including the Event Center).

NOW, THEREFORE, incorporating the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Warriors and Joint Obligations.** The Parties acknowledge and agree that the actual number of dual events occurring in a calendar year may vary from the estimates set forth in the SEIR. Therefore, subject to (a) the City's adoption of the Ordinance and the MTA Resolution, (b) recording of an agreement modifying a Grant of Easement dated June 30, 1999, by and between The Regents of the University of California ("UC") and Catellus Development Corporation ("Catellus") so as to consent to the Project, (c) UC waiving certain rights set forth

in that certain Amended and Restated Declaration and MOU of Covenants, Conditions and Restrictions, dated June 24, 1999, by and between UC and Catellus related to the construction of office buildings as part of the Project, and (d) the City setting aside, on an annual, ongoing basis, sufficient funds to implement the Additional Proposed Improvements (as hereinafter defined), the Parties wish to establish by this MOU a limit on the number of certain dual events that can occur under the following circumstances:

a. If an MOU Dual Event causes an Unacceptable Traffic Condition to occur, the Warriors or UCSF shall promptly make best efforts to convene a meeting of the Advisory Committee to discuss in good faith additional feasible strategies or improvements that may be implemented to prevent the reoccurrence thereof ("**Additional Proposed Improvements**"), which Additional Proposed Improvements may include those strategies and improvements set forth on Exhibit D attached hereto. Neither the Warriors nor UCSF shall support any Additional Proposed Improvement reasonably likely to have an adverse effect on the operation of the Event Center or safe access to the Hospital.

b. If, following the occurrence of three (3) MOU Dual Events and notwithstanding the implementation by the City of the Additional Proposed Improvements, three (3) out of four (4) (or four (4) out of six (6)) MOU Dual Events cause an Unacceptable Traffic Condition to occur (a "**Trigger Event**"), then, subject to the following proviso, the Warriors shall hold not more than twelve (12) MOU Dual Events during a subsequent calendar year until such time as there are four (4) consecutive MOU Dual Events without the occurrence of an Unacceptable Traffic Condition (a "**Reset**"), provided that the Warriors may hold all, and shall not be required to cancel, reschedule or otherwise modify any, MOU Dual Events that have already been scheduled as of the date of a Trigger Event and, promptly following the occurrence of a Trigger Event, the Warriors shall provide to UCSF a schedule setting forth all dates during any period from April-October for which the Warriors, as of the date of such Trigger Event, have formally permitted a third party promoter or other third party to reserve or place a hold on the Event Center. For purposes of this paragraph, an MOU Dual Event shall mean an event for which the Warriors offer for sale more than 12,500 tickets or admit more than 12,500 attendees. Following a Reset, the parties shall recommence the process set forth Section 1(a) above in the event of the occurrence of a subsequent Unacceptable Traffic Condition. A multi-night series of concerts or other event performances at the Event Center (e.g., Disney on Ice) shall be deemed, collectively, one (1) MOU Dual Event for purposes of determining whether a Trigger Event or Reset has occurred, but each event in the series shall be considered a separate MOU Dual Event for purposes of the 12-event limitation.

The requirements and limits set forth in this MOU are in addition to, and do not supplant or replace, the mitigation measures, improvement measures and conditions of approval adopted by the City in connection with approval of the Project.

2. **UCSF Obligations.** Subject to the adoption and implementation of the Ordinance and the MTA Resolution, UCSF hereby agrees to (a) actively and publicly support (and will not oppose) the entitlement and construction of the Project, and (b) waive any and all rights in law or equity to challenge the Project. Such support in clause (a) above shall consist of communicating with supervisors, commissioners and officers of applicable governmental authorities to express

general support of the Project, which support obligation may, at UCSF's option, be satisfied by delivering a letter to such persons from UCSF generally describing such support.

3. **Termination.** If, following the opening of the Event Center, there are two (2) consecutive full calendar years without the occurrence of an Unacceptable UCSF Traffic Condition caused by an MOU Dual Event, this MOU and all obligations of UC, UCSF and the Warriors set forth herein (except as set forth in Section 2) shall immediately terminate and be of no further force or effect. If the Warriors abandon their efforts to build the Event Center, this MOU and all obligations of UC, UCSF and the Warriors set forth shall immediately terminate and be of no further force or effect.

4. **Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this MOU shall be in writing and shall be deemed to have been duly given upon (a) the date such notice is delivered personally to the recipient, (b) one day after delivery to the recipient by reputable express courier service (charges prepaid), or (c) three days after the date mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to the addresses indicated below:

If to the Warriors: GSW Arena LLC  
1011 Broadway  
Oakland, California 94607  
Attention: General Counsel

If to UCSF: Greta W. Schnetzler  
Chief Campus Counsel  
Office of Legal Affairs  
Faculty Alumni House  
University of California, San Francisco  
745 Parnassus Avenue  
Box 0986  
San Francisco, CA 94143-0986

or such other address as such party may have specified by prior written notice to the sending party in accordance with this Section 4.

5. **No Admission.** In committing to undertake the obligations set forth herein, the parties are not admitting or conceding any liability, nor should any such commitments in this MOU be construed, directly or indirectly, as an admission that mitigation measures adopted by the City are inadequate. Rather, the commitments set forth herein represent improvement measures freely entered into by the parties in the interest of providing further assurance to the other parties hereto.

6. **Authority.** Each party to this MOU warrants and covenants for the benefit of the other party that each has the requisite power and authority to execute and deliver this MOU and

the agreements contemplated hereby and carry out and perform all the terms and covenants of this MOU and the agreements contemplated hereby to be performed by such party.

7. **Modification; Waiver.** This MOU may only be modified by a written instrument executed by the parties asserted to be bound hereby. No waiver of any right, obligation or default shall be implied, but must be in writing, signed by the party against whom the waiver is sought to be enforced. Any particular waiver of any right, obligation or default shall not be construed as a waiver of any subsequent or other right, obligation or default.

8. **Governing Law.** This MOU shall be governed by and construed in accordance with the laws of the State of California (without regard to principles of conflicts of laws).

9. **Counterparts.** This MOU may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10. **Press Release.** UCSF and the Warriors agree to promptly issue a joint press release to announce the Warriors' acceptance of the foregoing event limitations and UCSF's support of the Project (a copy of which is attached hereto as Exhibit E).

IN WITNESS WHEREOF, this Memorandum of Understanding has been duly executed as of the date first above written.

**GSW ARENA LLC**

By: \_\_\_\_\_  
Name: Rick Welts  
Title: President

**UNIVERSITY OF CALIFORNIA SAN FRANCISCO**

By: \_\_\_\_\_  
Name: Sam Hawgood, MBBS  
Title: Chancellor, Arthur and Toni Rembe Rock  
Distinguished Professor, UCSF

**Exhibit A**  
**Board Ordinance**

1 [Administrative Code - Establishing Mission Bay Transportation Improvement Fund, and  
2 Advisory Committee]

3 **Ordinance amending the Administrative Code to establish a fund to pay for City**  
4 **services and capital improvements addressing transportation and other needs of the**  
5 **community in connection with events at the Golden Gate Warriors Event Center and**  
6 **Mixed Use Project, and to create an advisory committee to make recommendations**  
7 **about the use of monies from the Fund; and adopting findings under the California**  
8 **Environmental Quality Act.**

9 NOTE: **Unchanged Code text and uncoded text** are in plain Arial font.  
10 **Additions to Codes** are in single-underline italics Times New Roman font.  
11 **Deletions to Codes** are in ~~striketrough-italics Times New Roman font~~.  
12 **Board amendment additions** are in double-underlined Arial font.  
13 **Board amendment deletions** are in ~~striketrough Arial font~~.  
14 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. Environmental Findings.

18 In accordance with the actions that this ordinance contemplates, the Board of  
19 Supervisors adopted a resolution concerning findings under the California Environmental  
20 Quality Act (California Public Resources Code sections 21000 et seq.). A copy of such  
21 resolution is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is  
22 incorporated herein by reference.

23 Section 2. The Administrative Code is hereby amended by adding Section 10.100-364,  
24 to read as follows:

25 / / /

1           SEC. 10.100-364. MISSION BAY TRANSPORTATION IMPROVEMENT FUND.

2           (a) Establishment and Purpose of the Fund. The Mission Bay Transportation Improvement  
3 Fund (the "Fund") is established as a category four fund, for the purpose of safeguarding monies in  
4 the General Fund to pay for: City services and capital improvements to address transportation and  
5 other needs of the community in connection with Warriors basketball games and other events  
6 (collectively, "Events") at the Golden State Warriors Event Center and Mixed Use Project (the "Event  
7 Center") on Blocks 29-32 in Mission Bay South (the "Project Site"), including, but not limited to,  
8 measures included in the City's transportation services plan for the Event Center; and enhancements to  
9 multi-modal transportation serving Mission Bay South and surrounding areas beyond what is  
10 necessary to address the community's needs with regard to Events at the Event Center.

11           (b) Use of the Fund. In furtherance of the Fund's purpose under subsection (a) above, money  
12 received in the Fund as described in subsection (c) below shall be used exclusively to pay for the City's  
13 costs relating to Events at the Event Center (collectively, "Required Uses"):

14           (1) Costs of providing services to the Project Site and surrounding neighborhood,  
15 including, but not limited to, public transit services, special event shuttles, parking and traffic  
16 engineering and control services, pedestrian and bicycle access programs, parking enforcement  
17 programs, local access programs (including, without limitation, access to the University of California  
18 at San Francisco hospitals in Mission Bay South), police services, litter pick-up, street and sidewalk  
19 cleanup, and any other measures to improve services consistent with the purpose of this ordinance; and

20           (2) Costs of procuring transit equipment and making transportation infrastructure  
21 improvements, including, without limitation, Municipal Transportation Agency (MTA) costs to  
22 purchase additional Municipal Railway light rail vehicles, construct crossover tracks and loading  
23 platform improvements in the T-Third right of way, and make parking and traffic improvements (such  
24 as, without limitation, cameras, vehicle messaging signs, traffic signals, Municipal Railway and other  
25 transportation network upgrades, and power augmentation for light rail vehicles and related



1 transportation services), bicycle and pedestrian access improvements, and other related street  
2 improvements, costs to study the feasibility of a ferry landing and service for Mission Bay South and  
3 other surrounding areas, and any financing and soft costs related to such equipment purchases or  
4 infrastructure improvements.

5 (c) Deposits to the Fund. Deposits to the Fund shall be determined through the process set out  
6 below, and appropriated under the Charter's budgetary and fiscal provisions:

7 (1) Beginning in fiscal year 2016-2017, and subject to approval from its Board of  
8 Directors in accordance with the public hearing process described in subsection (d)(3) below, the MTA  
9 will prepare and submit to the Mayor budgets to pay for all measures that are part of MTA's  
10 transportation services plan for the Event Center and all transportation improvement measures,  
11 consistent with its two-year budget process under the Charter and MTA Board Resolution  
12 No. \_\_\_\_\_ (the "MTA Resolution"). The budget proposal will include two components. In  
13 one component, the MTA will provide for expenditure for Required Uses of City revenues and  
14 development impact fees from the Project Site or Events at the Event Center that are dedicated under  
15 the City Charter or otherwise by operation of law to the MTA's Municipal Transportation Fund  
16 (collectively, "MTA Dedicated Funds"). In the other component of its budget proposal, the MTA will  
17 propose how the remaining costs (net of those to be paid from MTA Dedicated Funds) for the Required  
18 Uses for the upcoming budget cycle will be paid for from the Fund. In any fiscal year before the fiscal  
19 year in which the Controller anticipates that the Event Center will open, the MTA budget will include  
20 any funds then required to finance capital expenditures, including hard and soft costs, not to exceed the  
21 sum of discretionary, unrestricted General Fund revenues and MTA Dedicated Funds that the  
22 Controller determines that the Event Center has generated or will likely generate for that fiscal year.  
23 Also, beginning with the fiscal year in which the Controller anticipates that the Event Center will open,  
24 the Department of Public Works and the Police Department, shall prepare budget proposals to pay for  
25 those expenditures for City services and capital improvements related to the Event Center that qualify

1 as Required Uses under subsection (b), and, no later than March 1 of each year, submit those budgets  
2 to the Mayor and Board of Supervisors. The budgets that such departments prepare shall be sufficient  
3 to cover all the costs of the department's respective services to address community needs relating to the  
4 use and operation of the Event Center and pay for Required Uses consistent with the purpose of the  
5 Fund.

6 (2) The Mayor and Board of Supervisors shall include in the City's annual budget  
7 monies for deposit into the Fund sufficient to meet the budgeted expenditures in the proposals, provided  
8 that for the first five years of operation of the Event Center, the annual deposit shall be at least the  
9 amount specified in subsection (c)(3) below and further provided that, for any fiscal year, the total  
10 annual deposit in the Fund, plus the Overlapping Event Reserve (described in subsection (c)(4) below),  
11 shall not exceed 90% of the total amount that the Controller estimates to be the annual General Fund  
12 revenues from the Project site and events at the Event Center as determined through the financial  
13 assessment described in subsection (d)(1) below. That 90% shall be the "Maximum Annual Funding  
14 Amount" for the Fund.

15 (3) Subject to the Maximum Annual Funding Amount, the required City deposit the first  
16 five fiscal years of operation of the Event Center, beginning in the fiscal year in which the Event Center  
17 opens to the public, shall be as follows:

18 (A) First fiscal year: the deposit into the Fund shall be no less than \$8,100,000.

19 (B) Second fiscal year: the deposit into the Fund shall be no less than

20 \$8,300,000.

21 (C) Third fiscal year: the deposit into the Fund shall be no less than

22 \$8,500,000.

23 (D) Fourth fiscal year: the deposit into the Fund shall be no less than

24 \$8,800,000.

25 (E) Fifth fiscal year: the deposit into the Fund shall be no less than \$9,100,000.

1                   (4) In addition to the annual deposit described in subsections (c)(2) and (c)(3) above,  
2                   beginning in the fiscal year in which the Event Center is open, there shall be a reserve in the Fund of  
3                   \$1,000,000, for the term of the Fund (the "Designated Overlapping Event Reserve"). The sum of the  
4                   annual deposit plus the Designated Overlapping Event Reserve shall not exceed the Controller's  
5                   determination of the Maximum Annual Funding Amount. Monies in the Designated Overlapping Event  
6                   Reserve shall be immediately available to the MTA to pay for enhancements to multi-modal  
7                   transportation serving Mission Bay South and surrounding areas beyond what is needed to address  
8                   effects from operation of the Event Center, including, but not limited to, operational measures and  
9                   capital improvements, relating to pre-event peak periods on weekday evenings when an Event, other  
10                  than a Warriors basketball game, with attendance anticipated by the MTA (based on information  
11                  provided by the Event Center's operator) of more than 12,500 people occurs at the Event Center and a  
12                  San Francisco Giants baseball game also occurs at AT&T Park. The Advisory Committee referenced  
13                  in subsection (d)(2) below shall make recommendations to the MTA about expenditure of such funds  
14                  before the MTA determines how to expend the funds. If the MTA, at either the MTA Board of Directors  
15                  or MTA Director level, determines not to follow any such recommendations, the MTA will articulate its  
16                  reasons for its decision. To the extent the MTA draws on monies in the Designated Overlapping Event  
17                  Reserve during the first five fiscal years of the Event Center's operation, the annual deposit to the Fund  
18                  for the following year shall include funds to bring the Designated Overlapping Event Reserve to its full  
19                  funding level, again provided that the annual deposit, plus the Designated Overlapping Event Reserve,  
20                  do not exceed the Maximum Annual Funding Amount. In addition, if the Advisory Committee  
21                  determines, based on review of travel time data collected by the MTA for routes to the Event Center,  
22                  that any considerable additional traffic congestion affecting access by hospital employees to the  
23                  University of California at San Francisco hospitals at Mission Bay occurs in the pre-event peak period  
24                  during weekday evenings when there is an event—other than a Warriors game—with more than  
25                  12,500 people at the Event Center and a Giants game at AT&T Park, and the Advisory Committee

1 recommends using, in addition to the Designated Overlapping Event Reserve, any balance in the Fund  
2 that is not budgeted for other purposes under this ordinance, for services or capital projects to address  
3 such occurrence, then the Director of Transportation will consider approving such recommendations,  
4 which approval the Director will not unreasonably withhold or delay, and the Director will take such  
5 actions as are necessary to seek any required approvals and implement such recommendations, all as  
6 provided in the MTA Resolution.

7 (5) After the first five fiscal years of operation of the Event Center, if at the end of any  
8 fiscal year during the remaining term of the Fund as described in subsection (e) below, the balance in  
9 the Fund exceeds expenditures, then, in addition to the Designated Overlapping Event Reserve, such  
10 excess monies shall carry forward as a reserve for Required Uses consistent with the Fund's purpose to  
11 the extent such excess monies do not exceed 25% of the total expenditures from the Fund for the  
12 previous fiscal year. Before the end of the first five fiscal years, 100% of any such Fund balance shall  
13 carry forward.

14 (6) The Fund may receive and use for the Required Uses any grants, gifts, or other  
15 contributions of money or property that the owner of the Event Center or any other person or entity  
16 may offer the City to support the City in furthering the purpose of the Fund. Subject to any applicable  
17 legal restrictions, the City may use such grants, gifts, or other contributions of money or property to  
18 make its annual deposit to the Fund or to fund the Designated Overlapping Event Reserve.

19 (d) Reports, Public Review, and Accountability.

20 (1) For the fiscal year in which the Controller anticipates that the Event Center will  
21 open to the public, and for every five years after the Event Center opens, the Controller shall conduct a  
22 financial assessment of the economic impact of the Project. This assessment shall include an estimate  
23 of discretionary, unrestricted General Fund revenues that the City and County of San Francisco  
24 expects to receive from the Project site and from events at the Event Center. These revenue estimates  
25 shall be net of City revenues and development impact fees dedicated for specific purposes under the

1 Charter, Municipal Code, or state law, including, but not limited to, MTA Dedicated Funds. The  
2 Controller may conduct such assessment more frequently if the Controller considers it appropriate to  
3 do so to monitor the Maximum Annual Funding Amount.

4 If at any time during the term of the Fund the Controller determines that the sum of the  
5 annual deposit for the year and the Designated Overlapping Event Reserve exceeds the adjusted  
6 Maximum Annual Funding Amount, then the Controller shall make prorata reductions to the deposit  
7 and the Reserve to reflect the amount of the reduction in the Maximum Annual Funding Amount;  
8 provided that nothing in this ordinance shall limit the authority of the Board of Supervisors and Mayor  
9 to appropriate other monies from the General Fund to make up any such reductions.

10 If in any year City expenditures for Required Uses exceed the Maximum Annual Funding  
11 Amount for the year, regardless of the source of the funds for those expenditures, the City shall be  
12 entitled to a credit, distributed on a prorata basis between the annual deposit and the Overlapping  
13 Event Designated Reserve, against its funding obligations under this Section 10.100-364 for the  
14 following year, in the same total amount that those expenditures exceeded the Maximum Annual  
15 Funding Amount, unless the Board of Supervisors and the Mayor waive that credit as part of the  
16 budgetary process.

17 (2) In developing the proposed annual budgets for uses of the Fund, the MTA, in  
18 coordination with the Department of Public Works and the Police Department, will seek the input and  
19 recommendations from the Warriors Event Center Community Improvement Measures Fund Advisory  
20 Committee established in Administrative Code Chapter 5, Article XXIII.

21 (3) As provided in the MTA Resolution, before submitting to the Mayor the MTA's  
22 proposed budget for expenditures from the Fund, the MTA Board of Directors will hold a public  
23 hearing on the proposed budget. In the hearing the MTA Board of Directors will consider the  
24 recommendations of the Advisory Committee.

1                   (4) In any fiscal year after the fiscal year in which the Event Center opens, before the  
2                   Mayor or Board of Supervisors make any reduction in the annual budgeted expenditures from the  
3                   Fund, there shall be a public hearing before the Board of Supervisors or one of its committees  
4                   regarding such proposed reduction.

5                   (e) Term of the Fund. The Fund shall remain in effect for as long as Events are held at the  
6                   Event Center.

7  
8                   Section 3. Chapter 5 of the Administrative Code is hereby amended by adding Article  
9                   XXIII, Sections 5.23-1 through 5.23-6, to read as follows:

10  
11                                   ARTICLE XXIII:

12                   MISSION BAY TRANSPORTATION IMPROVEMENT FUND ADVISORY COMMITTEE

13                   SEC. 5.23-1. ESTABLISHMENT OF COMMITTEE.

14                   The Board of Supervisors hereby establishes the Mission Bay Transportation Improvement  
15                   Fund Advisory Committee (the "Advisory Committee").

16  
17                   SEC. 5.23-2. MEMBERSHIP OF COMMITTEE.

18                   The Advisory Committee shall consist of five members, appointed as follows:

19                   (a) Seat 1 shall be held by an employee, officer, or other representative of the Golden State  
20                   Warriors Event Center and Mixed Use Project (the "Event Center"), appointed by the Event Center's  
21                   owner.

22                   (b) Seat 2 shall be held by an employee, officer, or other representative of the University of  
23                   California at San Francisco, appointed by the Chancellor of the University of California San Francisco  
24                   or the Chancellor's designee.

1 (c) Seat 3 shall be held by a person who resides within a half mile of the Event Center,  
2 appointed by the Mayor.

3 (d) Seat 4 shall be held by a representative of a business that operates within a half-mile of the  
4 Event Center, appointed by the Mayor.

5 (e) Seat 5 shall be held by a person appointed by the Supervisor representing the district in  
6 which the Event Center is located.

7 In addition, there shall be five alternate members of the Advisory Committee, one designated for  
8 each of the five seats. Each alternate member shall meet the qualifications set forth above for the seat  
9 as to which the person is designated to serve as an alternate, and shall be appointed by the appointing  
10 authority for that seat.

11  
12 **SEC. 5.23-3. ORGANIZATION AND TERMS OF OFFICE.**

13 (a) Each member and each alternate member shall serve at the pleasure of the member's  
14 appointing authority, and shall serve for the life of the Advisory Committee unless removed by the  
15 appointing authority.

16 (b) If a vacancy occurs in any seat on the Advisory Committee, the appointing authority for the  
17 vacated seat shall appoint a successor to that seat. During the pendency of a vacancy, the alternate  
18 member for that seat shall serve as, and have the full powers of, a member of the Advisory Committee.  
19 In addition, if a member of the Advisory Committee is not in attendance at a meeting, the alternate  
20 member designated to serve as an alternate for the absent member's seat shall attend that meeting and  
21 for purposes of that meeting have the full powers of the absent member.

22 (c) Members of the Advisory Committee shall receive no compensation.

23 (d) Any member who misses three regular meetings of the Advisory Committee within a period  
24 of 12 months without the express approval of the Advisory Committee at or before each missed meeting  
25 shall be deemed by operation of law to have resigned from the Advisory Committee ten days after the

1 third unapproved absence. The Advisory Committee shall inform the appointing authority of the  
2 resignation.

3 (e) As provided in Municipal Transportation Agency (MTA) Board of Directors Resolution  
4 No. \_\_\_\_\_, the MTA will provide administrative support for the Advisory Committee.

5  
6 **SEC. 5.23-4. DUTIES OF COMMITTEE.**

7 The Advisory Committee shall be the central City-sponsored community advisory body charged  
8 with providing input to the MTA, the Department of Public Works, and the Police Department ("Other  
9 City Departments") and decision-makers regarding allocation of monies in the Mission Bay  
10 Transportation Improvement Fund (the "Fund"), established in Administrative Code Section 10.100-  
11 364, for Required Uses, as defined in that section. The Advisory Committee shall be advisory, as  
12 appropriate, to the MTA and the Board of Supervisors. The Advisory Committee shall perform the  
13 following functions as needed:

14 (a) Collaborate with the MTA and Other City Departments on prioritizing the community  
15 improvement measures for Required Uses and identifying implementation details as part of the annual  
16 budget process;

17 (b) Recommend to the MTA uses of the Designated Overlapping Event Reserve, as defined in  
18 Administrative Code Section 10.100-364;

19 (c) Collaborate with the MTA and the Other City Departments and decision-makers in the  
20 monitoring of the uses of the Fund for the purpose specified in Administrative Code Section 10.100-  
21 364; and,

22 (d) Review travel time data collected by the MTA for routes to the Event Center to determine if  
23 traffic conditions associated with the Event Center, especially when there are weekday evening  
24 overlapping events with large attendance at the Event Center and AT&T Park, should entail additional  
25



1 City actions and expenditures from the Fund or the Designated Overlapping Event Reserve, and make  
2 recommendations to the MTA on additional actions and expenditures.

3  
4 **SEC. 5.23-5. MEETINGS AND PROCEDURES.**

5 Not less than six months before the date on which the Event Center is anticipated to open as  
6 determined by the Controller, the Advisory Committee shall hold its inaugural meeting. There shall be  
7 at least ten days' notice of the inaugural meeting. Following the inaugural meeting, the Advisory  
8 Committee shall hold a regular meeting not less than once every six months until the sunset date set  
9 forth in Section 5.23-6. The Advisory Committee shall elect its own officers and may establish rules for  
10 its own organization and procedures.

11  
12 **SEC. 5.23-6. SUNSET DATE.**

13 Unless extended by an ordinance adopted by the Board of Supervisors, this Article XXIII shall  
14 expire by operation of law, and the Advisory Committee shall terminate, on the date on which the Fund  
15 expires. Notwithstanding Rule 2.21 of the Board of Supervisors Rule of Order, which provides that  
16 advisory bodies created by the Board should sunset within three years, the Board intends the Advisory  
17 Committee to exist for longer than three years. After the expiration of the Advisory Committee, the  
18 City Attorney shall cause this Article XXIII to be removed from the Administrative Code.

19  
20 / / /

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1           Section 4. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor's veto of the ordinance.

5  
6  
7 APPROVED AS TO FORM:  
8 DENNIS J. HERRERA, City Attorney

9  
10 By: \_\_\_\_\_  
11           THOMAS J. OWEN  
          Deputy City Attorney

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FILE NO.

## LEGISLATIVE DIGEST

[Administrative Code - Establishing Mission Bay Transportation Improvement Fund, and Advisory Committee]

**Ordinance amending the Administrative Code to establish a fund to pay for City services and capital improvements addressing transportation and other needs of the community in connection with events at the Golden Gate Warriors Event Center and Mixed Use Project, and to create an advisory committee to make recommendations about the use of monies from the Fund; and adopting findings under the California Environmental Quality Act.**

### Existing Law

GSW Arena LLC, an affiliate of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team, proposes to construct a multi-purpose event center and a variety of mixed uses (the "Event Center") on Blocks 29-32 within the Mission Bay area of San Francisco (the "Project Site"). The proposed project for the Event Center includes a transportation services plan, a local/hospital access plan, and designated overlapping event strategies, and other measures, including measures by the Event Center's project sponsor to address transportation conditions relating to the Event Center. The City currently does not have a special fund for City costs associated with City services and capital improvements for the proposed Event Center project.

### Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to create a Mission Bay Transportation Improvement Fund (the "Fund"). The City would use monies placed in the Fund to pay for City services and capital improvements needed to address transportation and other needs of the community in connection with Warriors basketball games and other events (collectively, "Events") at the Event Center.

These "Required Uses" of the Fund could include, among other things: (1) costs of providing services to the Project Site and surrounding neighborhood, such as public transit services, special event shuttles, parking and traffic engineering and control services, local access programs (including access to hospitals in Mission Bay South), police services, and street and sidewalk cleanup; and, (2) costs of transit improvement measures, such as purchasing additional light rail vehicles, Municipal Railway infrastructure improvements, bicycle and pedestrian access improvements, and studying the feasibility of a ferry landing and service for Mission Bay South and other surrounding areas.

Part of the Fund, in the amount of \$1 million, would be set aside as a "Designated Overlapping Event Reserve" (the "Reserve"). The Municipal Transportation Agency ("MTA") would use the Reserve to pay for additional operational and capital improvements to multi-modal transportation serving Mission Bay South and surrounding areas, including improvements to handle pre-event peak periods on weekday evenings when a large event other than a Warriors basketball game is held at the Event Center and the Giants play a baseball game at AT&T Park.

Subject to the budgetary and fiscal provisions of the Charter, the City would deposit monies into the Fund each year. For the first five years that the Event Center is in operation, the City would deposit no less than the following amounts into the Fund:

- \$8.1 million in the first year;
- \$8.3 million in the second year;
- \$8.5 million in the third year;
- \$8.8 million in the fourth year; and,
- \$9.1 million in the fifth year.

In other years, the City would deposit an amount into the Fund based on budgeted expenditures included in the MTA transportation plan for the Event Center and related transportation improvement measures, and following the opening of the Event Center, budgeted expenditures of the Department of Public Works and the Police Department addressing community needs related to the operation of the Event Center.

The City's deposits to the Fund, including money to be placed in the Reserve, would be subject to a cap. Once the Event Center opens, and every five years after that, the Controller would conduct a financial assessment of the economic impact of the Project and estimate the amount of discretionary, unrestricted General Fund revenues that the City expected to receive from the Project Site and from events at the Event Center. The Controller would then reduce that estimate by 10%, and that adjusted amount would be the "Maximum Annual Funding Amount" for the Fund—for any fiscal year, the sum of the City's annual deposit to the Fund, plus any money needed to maintain the Reserve at \$1 million, would be capped at the Maximum Annual Funding Amount.

The Controller would reduce amounts in the Fund on a prorata basis if the discretionary, unrestricted General Fund revenues from the Event Center project turn out to be less than anticipated and the deposits plus the Reserve would exceed the Maximum Annual Funding Amount. If the City spends more than the Maximum Annual Funding Amount on Required Uses during one year, the Controller would offset the amount of that additional spending against its funding obligations for the following year, unless the Board of Supervisors and the Mayor waive the offset as part of the budgetary process.

The proposal would also amend the Administrative Code to establish a Mission Bay Transportation Improvement Fund Advisory Committee (the "Advisory Committee"). The Advisory Committee would consist of five members:

- An employee, officer, or other representative of the Event Center, appointed by the Event Center's owner;
- An employee, officer, or other representative of the University of California at San Francisco, appointed by the Chancellor of the University or the Chancellor's designee;
- A person who lives within a half-mile of the Event Center, appointed by the Mayor;
- A representative of a business that operates within a half-mile of the Event Center, appointed by the Mayor; and,
- A person appointed by the Supervisor representing the district in which the Event Center is located.

Each member would serve at the pleasure of the appointing authority, and would serve until the member resigned or was removed by the appointing authority. Members would receive no compensation for serving on the Advisory Committee.

The Advisory Committee would advise the Board of Supervisors, the MTA, the Department of Public Works ("DPW"), the Police Department ("SFPD"), and other decision-makers on the use of monies in the Fund. The Advisory Committee would, among other things, work with the MTA, DPW, and SFPD to set priorities for community improvement measures for Required Uses under the Fund, recommend to the MTA uses of the Reserve, and review travel time data collected by the MTA for routes to the Event Center to determine if traffic conditions associated with the Event Center, especially when there are weekday evening dual events with large attendance at the Event Center and AT&T Park, require additional City actions and expenditures from the Fund or the Reserve.

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Ben Rosenfield  
ControllerTodd Rydstrom  
Deputy Controller

## M E M O R A N D U M

**TO:** The Honorable Board of Supervisors  
Clerk of the Board

**FROM:** Ben Rosenfield, Controller

**DATE:** October 6, 2015

**SUBJECT:** Warriors Event Center Fund

The Controller's Office has reviewed the Fiscal Impact Analysis: Revenues (Report) written by Economic and Planning Systems (EPS). We find the projections of restricted and unrestricted revenue to be generated by the proposed Event Center generally reasonable.

As an addendum to the revenue amounts presented in Tables 1 and 2 on pages 1 and 2 of the Report please see below for a summary of estimated annual revenues once the event center is opened, grouped according to expenditure restriction.

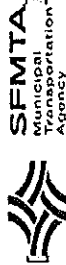
## Event Center One-Time &amp; Ongoing Revenue Estimates

(2014\$)		
Type	One-Time	Ongoing
MTA Dedicated	17,920,000	2,980,000
Other Dedicated	1,190,000	2,010,000
General Fund Unrestricted	7,940,000	9,120,000
Total	27,050,000	14,110,000

MTA dedicated sources include amounts received by the department from the Transportation Development Impact Fee, Charter guaranteed baseline funding for the department, and the department's Parking Tax allocation. Other dedicated revenues include Charter guaranteed funding and appropriations to Libraries and Children, deposits to the General Reserve, and Property Tax set-asides to parks, children, and libraries. Unrestricted revenues include all tax receipts net of MTA and other dedications which may be used at the option of the Mayor and Board of Supervisors for any lawful City purpose.

These estimates are preliminary and highly sensitive to actual attendance and the number of events at the Event Center, local economic conditions when the Event Center opens, and other cyclical economic factors. Our office will continue to monitor plans for the Event Center and update the revenue estimates prior to the Event Center opening.

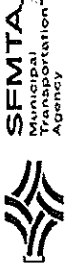
cc: Budget Analyst  
Mayor's Budget Office



SFMTA  
San Francisco  
Transportation  
Agency

Capital and Operating Cost Estimates for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 (the Project) (please see notes)

ESTIMATED COST FY13-14 \$	5-Year Plan					Total 5-Year Plan
	FY14-15 1	FY15-16 2	FY16-17 3	FY17-18 4	FY18-19 5	
<b>PRELIMINARY CAPITAL USES</b>						
<b>Transit Investments</b>						
(4) New Light Rail Vehicles	\$18,300,287	-	-	21,000,000	-	\$21,000,000
Installation of (3) single crossovers						
Conceptual Engineering Phase	\$176,134	\$182,299	\$0	\$0	\$0	\$182,299
Detail Design Phase	\$469,691	\$486,130	\$0	\$0	\$0	\$486,130
Construction Phase	\$7,058,715	\$0	\$7,826,123	\$0	\$0	\$7,826,123
Bus Substitution Cost	\$650,000	\$0	\$720,667	\$0	\$0	\$720,667
Total installation of single crossovers	\$8,354,540	\$668,429	\$8,546,790	\$0	\$0	\$9,215,219
(Allocation to projects 70%)	\$5,848,178	\$467,900	\$5,982,753	\$0	\$0	\$6,450,653
Construct new Center Boarding platform 16.6 feet x 320 feet						
Conceptual Engineering Phase	\$500,000	\$0	\$535,613	\$0	\$0	\$535,613
Detail Design Phase	\$1,500,000	\$0	\$1,606,838	\$0	\$0	\$1,606,838
Construction Phase	\$17,000,000	\$0	\$18,848,204	\$0	\$0	\$18,848,204
Bus Substitution Cost	\$3,500,000	\$0	\$3,880,513	\$0	\$0	\$3,880,513
Total UCSF platform Center Platform	\$22,500,000	\$0	\$22,728,716	\$0	\$0	\$24,871,166
Power augments to idling "event" trains	\$6,800,000		\$7,539,282			\$7,539,282
Total Transit Investments	\$55,954,827	\$668,429	\$38,814,788	\$21,000,000	\$0	\$62,625,667
Total Transit Investments - Allocation to Project	\$53,448,465	\$467,900	\$36,250,751	\$21,000,000	\$0	\$59,861,101
<b>Traffic/Signals Engineering Investments</b>						
CCTV Cameras @ 5 locations	\$175,000	-	\$65,613	\$126,117	-	\$191,729
Variable Message Signs (VMT)	\$405,000	-	\$151,846	\$291,870	-	\$443,716
Traffic Signals (South Street and Terry Francois Boulevard, and 16th Street and Terry Francois Boulevard, and Illinois Street / Mc	\$1,200,000	-	\$449,915	\$864,800	-	\$1,314,714
Transportation Management Center Network Upgrades	\$80,000	-	\$29,984	\$57,653	-	\$87,648
Total Traffic/Signals Engineering Investments	\$1,860,000	\$0	\$697,367	\$1,340,440	\$0	\$2,037,807
Marinova Street Restriping Study	\$20,000	\$20,000				\$20,000
<b>Total Estimated Capital Uses Allocation to Project</b>	<b>\$57,814,827</b>	<b>\$668,429</b>	<b>\$40,155,228</b>	<b>\$21,000,000</b>	<b>\$0</b>	<b>\$64,663,274</b>
<b>PRELIMINARY CAPITAL SOURCES</b>						
In Lieu TIDF (SFMTA)	\$17,436,000	-	-	\$19,434,536	-	\$19,434,536
General Fund Capital Sources (see Financial Feasibility Study)	\$7,955,799	\$0	\$2,255,583	\$2,310,216	\$0	\$7,955,799
Total Estimated Capital Sources	\$25,391,799	\$0	\$2,255,583	\$21,744,752	\$0	\$27,396,335
<b>CAPITAL SOURCES LESS USES</b>	<b>(\$32,423,028)</b>	<b>(\$668,429)</b>	<b>(\$37,899,645)</b>	<b>\$744,752</b>	<b>\$0</b>	<b>(\$34,508,573)</b>
<b>CAPITAL SOURCES LESS USES</b>	<b>(\$29,916,666)</b>	<b>(\$467,900)</b>	<b>(\$35,335,608)</b>	<b>\$744,752</b>	<b>\$0</b>	<b>(\$34,508,573)</b>



SFMTA  
Municipal  
Transportation  
Agency

Capital and Operating Cost Estimates for the Event Center and Mixed Use Development at Mission Bay Blocks 29-32 (the Project) (Please see notes)

ESTIMATED COST FY13-14 \$	5-Year Plan				Total 5-Year Plan
	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
<b>PRELIMINARY OPERATING COSTS</b>					
<b>Transit Operating Costs by Event Type</b>					
Annual Transit Costs: Playoff Basketball Games (16)	\$536,670	-	-	\$307,920	\$637,395
Annual Transit Costs: Basketball Games (43)	\$1,442,300	-	-	\$827,536	\$1,713,000
Annual Transit Costs: Concerts (30)	\$654,000	-	-	\$375,240	\$776,747
Annual Transit Costs: Convention, Theater, Shows & Other Sporting Events (131)	\$916,300	-	-	\$525,738	\$1,088,277
Total Transit Operating Costs (89 large events plus 131 other events/Year)	\$3,549,270	\$0	\$0	\$2,036,434	\$4,215,419
<b>Enforcement Operating Costs by Event Type</b>					
Annual Enforcement Operating Costs: Playoff Basketball Games (16)	334,941	-	-	\$192,176	\$397,805
Annual Enforcement Operating Costs: Basketball Games (43)	900,155	-	-	\$516,474	\$1,069,101
Annual Enforcement Operating Costs: Concerts (30)	628,015	-	-	\$360,331	\$745,885
Annual Enforcement Operating Costs: Local Hospital Access Plan (52)	110,933	-	-	\$63,649	\$131,754
Annual Enforcement Operating Costs: Convention, Theater, Shows & Other Sporting Events (131)	918,794	-	-	\$527,168	\$1,091,239
Total Enforcement Operating Costs (89 large events, 52 LHP and 131 other events/Year)	\$2,892,838	\$0	\$0	\$1,659,799	\$3,435,784
<b>Mitigation Measure Cost</b>					
Additional PCOs for events 12,500 and over (MM TR-2a)	\$226,967	-	-	\$130,225	\$269,565
Additional PCOs during overlapping events (MM TR-11a)	11,476	-	-	\$6,594	\$13,630
Additional Strategies to Reduce Transportation Impacts of Overlapping Events (M-TR-11c)	11,476	-	-	\$6,584	\$13,630
Transit Demand Accommodation (22 Fillmore)	\$220,000	-	-	\$126,228	\$261,251
Total Mitigation Measure Operating Costs	\$469,918	\$0	\$0	\$269,621	\$558,115
Total Operating Cost	\$6,912,026	\$0	\$0	\$3,965,854	\$8,209,318
<b>PRELIMINARY OPERATING SOURCES</b>					
<b>Transit Sources: Assumptions by Event Type</b>					
Annual Transit Fares: Basketball Games (59)	\$396,947	-	-	\$221,223	\$454,612
Annual Transit Fares: Concerts (30)	\$148,800	-	-	\$82,928	\$170,417
Annual Transit Fares: Convention, Theater, Shows & Other Sporting Events (131)	\$322,800	-	-	\$179,900	\$369,694
Total Annual Transit Fares	\$868,547	-	\$0	\$484,050	\$994,723
<b>Special Event Parking Sources by Event Type</b>					
Annual Parking Revenues: Basketball Games (59)	\$411,037	-	-	\$229,075	\$470,750
Annual Parking Revenues: Concerts (30)	\$156,243	-	-	\$87,076	\$178,941
Annual Parking Revenues: Convention, Theater, Shows & Other Sporting Events (131)	\$337,057	-	-	\$187,851	\$386,034
Total Annual Incremental Parking Revenues	\$904,347	-	\$0	\$504,002	\$1,035,724
<b>Other SFMTA Revenues</b>					
Total Other SFMTA Revenue (See Financial Feasibility Study)	\$2,981,000	\$0	\$0	\$1,379,142	\$3,405,761
<b>General Fund Sources - Mission Bay Transportation Improvement Fund</b>					
Total General Fund Sources (See Financial Feasibility Study)	\$2,158,132	\$0	\$0	\$1,598,660	\$2,773,110
Total Operating Sources	\$6,912,026	\$0	\$0	\$3,965,854	\$8,209,318
OPERATING SOURCES AND LESS USES	\$0	\$0	\$0	\$0	\$0

Notes:

1. Total estimated 220 events/year for calculating the operating costs and revenue;
2. Costs based on FY2014 \$ and inflated to FY2019 \$ with 3.5% increase annually;
3. The proposed plan includes purchasing 4 additional trains and shifting 2 two cars from another route(s) at the end of the PM commute period. This could increase crowding in other parts of the system;
4. Transit estimates based on 35% mode share;
5. Enforcement time at overtime rates;
6. Estimated transit revenue based on 57% of regular service revenues - equal to other special events. Estimated parking revenue assumes special event zone equivalent to half core, premium zone for AT&T park, 2.75% annual inflation;
7. FY17-18 operating revenue and expense are calculated for half year instead of full year as the Warner's Arena is projected to be open for events starting January 2017;
8. Operating cost for mitigation measure M-TR-2a: on-street wayfinding plan for parking facilities service the Event Center and M-TR-2a additional Muni service to accommodate transit demand;
9. Capital Funding source: 1) TIF is paid at Certificate of Occupancy in FY17-18; 2) Construction related taxes include sales taxes and gross receipts, projections from Controller
10. General fund sources based on Controller's Estimates





KEYSER MARSTON ASSOCIATES.  
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN  
REAL ESTATE  
AFFORDABLE HOUSING  
ECONOMIC DEVELOPMENT

SAN FRANCISCO  
A. JERRY KEYSER  
TIMOTHY C. KELLY  
KATE EARLE FUNK  
DEBBIE M. KERN  
REED T. KAWAHARA  
DAVID DOIZEMA

LOS ANGELES  
KATHIEEN H. HEAD  
JAMES A. RABE  
GREGORY D. SOO-HOO  
KEVIN E. ENGSTROM  
JULIE L. ROMFY

SAN DIEGO  
PAUL C. MARRA

**To:** Office of Community Investment and Infrastructure (OCII), Successor to  
the San Francisco Redevelopment Agency  
Attn: Christine Maher

**From:** Keyser Marston Associates, Inc.

**Date:** September 25, 2015

**Subject:** Peer Review of "San Francisco Multi-Purpose Venue Project: Fiscal  
Impact Analysis - Revenues" prepared by Economic & Planning  
Systems, Inc.

**A. Introduction to Peer Review**

An affiliate of the Golden State Warriors, LLC, which owns and operates the Golden State Warriors National basketball Association ("NBA") team, has submitted a proposal to construct a multipurpose event center that will seat approximately 18,000 and a variety of mixed uses, including 522,00 square feet of office, and 112,500 square feet of retail space. In total, the Project will consist of approximately 1.4 million square feet of gross building area<sup>1</sup>. The Project will be located on a 12-acre site in Mission Bay that was formerly intended to be developed by Salesforce into a corporate campus. The Warriors purchased the property from Salesforce in April, 2014 and desire to have the arena ready for the 2018-19 NBA season.

As part of the entitlement process, the City is preparing a financing plan for funding needed capital improvements and on-going City services and has retained Economic & Planning Systems, Inc. (EPS) to estimate the magnitude of revenue that the Project will generate to the City and County, from both construction and on-going operations that will be available to fund the needed improvements and services. In an effort to enhance the confidence level of the revenue projections, the City has retained Keyser Marston Associates, Inc. (KMA) to undertake a peer review of the EPS revenue projection.

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<sup>1</sup> GBA excludes parking.

**To:** San Francisco Successor Agency  
**Subject:** Peer Review of Fiscal Revenue Projection for Warrior's Project Page 2

September 25, 2015

Additionally, Barrett Sports Group has been asked to review the portion of the revenue projections that are driven by the performance of the arena, such as admissions tax revenues.

## **B. Peer Review Methodology**

A collaborative approach was requested and has been implemented in this peer review. We have reviewed preliminary analyses prepared by EPS, prepared written comments on the approach and assumptions, researched specific topics and provided information to be included in the analysis, met with EPS and City staff to discuss issues of approach and assumptions, and reviewed revised projections. Specific tasks included reviewing the following:

- the analysis' approach to ensure that it represents best practices;
- source material to ensure that the assumptions and industry metrics are well-supported; and
- The technical accuracy of the revenue projections by replicating the calculations.

As noted above, Barret Sports Group has taken the lead in reviewing the sports-related projections, including stadium admission tax revenues and gross receipts revenues to be generated by the arena. KMA's focus is on the revenues to be generated by the operation of the traditional real estate uses and the application of the City's tax levies on the entire project.

## **C. Peer Review Conclusions**

This Peer Review finds that the revenue projections prepared by EPS are reasonable for the purpose of preparing a conceptual financing plan for funding capital improvements and on-going municipal services. Our comments regarding each specific task are as follows:

### **C.1 Analysis' Approach**

#### **▪ Static Model**

EPS has used a static model to evaluate the project's public revenues upon stabilization. They have estimated the magnitude of: 1) annual recurring revenues that will be generated upon full build-out and stabilized occupancy; and 2) key revenue sources to be generated during the construction period. All of the revenues are presented in 2015 dollars. A static analysis is appropriate for this type of

development, which is anticipated to be built in one phase. An alternative approach is the use of a cash flow model, which evaluates the annual revenues over a projection period. A cash flow approach is appropriate to evaluate a multi-phase project, which does not apply to this project.

▪ *Addresses General Fund and Dedicated/Restricted Revenues*

EPS has evaluated the impacts on the General Fund as well the impacts on dedicated and restricted taxes, including the children, library, and open space property tax accounts, public safety sales tax, MTA parking tax, and the County transportation authority sales tax. This is a standard approach for fiscal impact analyses.

▪ *Inclusion of Off-site Hotel and Parking Revenues*

EPS's analysis includes three revenue sources that will be generated by businesses that are not located on the 12-acre project site. These three sources consist of: 1) transient occupancy tax revenues to be generated by event center attendees and captured by San Francisco hotels; 2) parking tax revenues to be generated by event center attendees and captured by neighborhood parking lots; and 3) gross receipts taxes associated with the off-site hotel and parking revenues. Fiscal analyses typically include only revenues generated by on-site businesses. It is our opinion, however, that it is appropriate to include these off-site revenues for the following reasons:

- a) Only demand generated by the event center has been included in the analysis – not demand generated by the 630,000+ square feet of office and retail tenants;
- b) The assumed demand factors are based on a conservative application of the findings of the traffic demand study. For example, the transient occupancy tax projections reflect the assumption that only 10% of event attendees are potential overnight visitors and, of that potential, only 50% (or 5% of total attendees) generate hotel demand that is included in the study.

We would, however, recommend that the off-site revenues be separated from the on-site revenues and clearly labeled as off-site revenues. As shown below, the off-site revenues account for approximately \$1.9 million of annual project-generated revenues to the General Fund and \$714,000 of project-generated revenues to the special accounts.

Annual Project Generated Revenues	General Fund Revenues	Dedicated and Restricted Accounts	All Accounts
Revenues from on-site businesses	\$9,626,000 (84%)	\$1,883,000 (73%)	\$11,509,000 (82%)
Revenues from off-site hotels and parking	\$1,887,000 (16%)	\$714,000 (27%)	\$2,601,000 (18%)
Total Annual Project-Generated Revenues	\$11,513,000 (100%)	\$2,597,000 (100%)	\$14,110,000 (100%)

## C.2 Source Material, Industry Metrics, and Assumptions

KMA has reviewed all of the assumptions and source data behind the assumptions and find them to be reasonable, consistent with source materials, and industry standards. Given that the purchase price paid by the Warriors for the site has not yet been disclosed, KMA and EPS spent considerable time reviewing land sale transactions in the area to arrive at an estimated value of the property for purposes of calculating property tax revenues. Other assumptions that have been discussed and vetted at length include the hotel demand assumptions, property tax calculations, and ticket sales<sup>2</sup>. These assumptions drive the projections of the largest sources of public revenues – transient occupancy tax revenues, property tax/VLF revenues, and stadium admissions. These four sources account for over approximately \$7.8 million of annual General Fund revenue or approximately 67% of the total General Fund revenue projected to be annually generated by the Project.

The performance of the arena is a critical component of the revenues to be generated by the project. The single largest projected revenue source is the stadium admission tax, which is projected to generate approximately \$4.3 million of revenue to the General Fund per year. The stadium is also the only driver of the projection of \$1.7 million of hotel tax revenue, and is the largest single driver of the \$1.7 million of projected property tax and property tax in-lieu of motor vehicle fees.

KMA has similarly reviewed the assumptions and calculations in support of the projection of one-time development impact fees, sales and gross receipt taxes during construction, and property transfer taxes. The projections are reasonable.

<sup>2</sup> The reasonableness of the ticket sales projections has been evaluated by Barrett Sports Group.

**To:** San Francisco Successor Agency September 25, 2015  
**Subject:** Peer Review of Fiscal Revenue Projection for Warrior's Project Page 5

### **C.3 Technical Accuracy of Projections**

KMA has reviewed each calculation presented in the EPS analysis to obtain an understanding of the basis of each estimate and to verify the accuracy of the calculation. Based on this effort, some of the earlier calculations have been modified. We believe that the current analysis is technically accurate.

*The Economics of Land Use*



## **Report**

# **San Francisco Multi-Purpose Venue Project**

## **Fiscal Impact Analysis: Revenues**

Prepared for:

The City and County of San Francisco

Prepared by:

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.  
One Kaiser Plaza, Suite 1410  
Oakland, CA 94612  
510 841 9190 tel  
510 740 2080 fax*

*Oakland  
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Denver  
Los Angeles*

*[www.epsys.com](http://www.epsys.com)*

September 25, 2015

EPS #121081

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## APPENDIX A: Fiscal Analysis

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## EXECUTIVE SUMMARY

This report evaluates the public revenues expected to be generated by the proposed development of the Multi-Venue Project proposed by the Golden State Warriors (GSW) on the 12-acre site located in Mission Bay (the "Project"). A more detailed description of the Project is provided in **CHAPTER 1**. This report updates public tax revenues estimated in the Chapter 29 report prepared for the previous GSW proposal at Piers 30-32.

Potential costs have been separately estimated by the City. **Appendix A** documents the estimates and calculations that generate the projected tax revenues. The estimates in this analysis will change as a result of program refinement, actual attendance and expenditures, future local and State budget and fiscal conditions, and other cyclical economic factors.

**Table 1 Fiscal Results Summary – Ongoing Revenues (2014\$)**

Item	Calculation Reference	Annual Total*
<b>Annual General Revenue</b>		
Property Tax	Table A-4	\$912,000
Property Tax In Lieu of VLF	Table A-5	\$868,000
Sales Tax	Table A-7	\$521,000
Hotel/Motel Tax	Table A-8	\$1,667,000
Parking Tax	Table A-9 - A-10	\$482,000
Stadium Admission Tax	Table A-11	\$4,336,000
Gross Receipts Tax:		
On-site	Table A-12	\$2,431,000
Off-site	Table A-12	\$42,000
Utility User Tax	Table A-13	\$254,000
Subtotal		\$11,513,000
<b>Annual Other Dedicated and Restricted Revenue</b>		
Special Fund Property Taxes (Children's, Library, and Open Space)	Table A-4	\$148,000
Public Safety Sales Tax	Table A-7	\$280,000
SF County Transportation Authority Sales Tax	Table A-7	\$260,000
Parking Tax (MTA 80%)	Table A-9 - A-10	\$1,929,000
Subtotal		\$2,597,000
<b>Total, General plus Other Dedicated and Restricted Revenues</b>		<b>\$14,110,000</b>

\* Numbers are rounded to the nearest thousand.

**TABLE 2** summarizes various one-time revenues anticipated from development of the Project. These revenues will be spread over the initial years of Project development.

**Table 2    Fiscal Results Summary, One-Time Revenues**

Item	Calculation Reference	Total
<u>Development Impact Fees</u>		
Child Care	Table A-2	\$662,000
TIDF - \$411.3	Table A-2	\$17,436,000
<u>Other One-Time Revenues</u>		
Sales Taxes During Construction	Table A-6	\$1,648,000
Gross Receipts Tax During Construction	Table A-11	\$2,953,000
Property Transfer Tax from Initial Land Sale	Table A-5	<u>\$4,200,000</u>
<b>Total One-Time Revenues</b>		<b>\$26,899,000</b>

\* Numbers have been rounded to the nearest thousand.

## 1. PROJECT DESCRIPTION

The proposed Project includes a range of uses on a 12 acre site located at Mission Bay. The Project is located on a portion of the original Salesforce site and consists of a 750,000-square foot arena and 25,000 square feet of event management and team operations space. Additional development includes 522,000 square feet of office and 112,500 square feet of retail uses. The Project is also envisioned to include 950 parking spaces and 3.2 acres of open space, as shown in TABLE 3.

The proposed Project involves GSW's construction of a new privately financed, state-of-the art multi-purpose venue with seating for approximately 18,000 persons, capable of being used as an event venue and for other public assembly uses, including conventions, Golden State Warriors' home games, performing arts, and other purposes. The arena is envisioned to generate 205 annual events and attract about 2,071,400 paid visitors.

**Table 3 Summary Project Description**

Item	Total
<b>Multi-Purpose Venue</b>	
Building Area (1)	750,000 sq.ft.
Number of Seats	18,064 seats
Events	205 annually
Annual Paid Attendance (rounded)	2,071,400
Annual turnstile Attendance (2)	1,899,000
Parking (3)	950 spaces
Parking Area	427,500 sq.ft.
<b>Other Development</b>	
Event Management/Team Operations Space	25,000 sq.ft.
Retail	112,500 sq.ft.
Office	522,000 sq.ft.
Open Space	3.2 acres

(1) Includes 25,000 square feet associated with the practice facility/training areas.

(2) Based on a weighted avg. of approximately 90% of sold event tickets.

(3) Additional 132 offsite spaces for team operations not included.

Source: GSW; Economic & Planning Systems, Inc.

## 2. KEY ASSUMPTIONS AND METHODOLOGY

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The Project will generate a range of tax revenues as summarized in **TABLES 1** and **2**. These revenues will help fund services to the Project area, as well as Citywide services and facilities. This section describes the revenues and basic methodology for the estimates. Assumptions and calculations of fiscal benefits are further described in **APPENDIX A**. Actual results will vary depending on the actual levels and types of activities, as well as fiscal and economic conditions at the time the Project is completed and open.

### Property Taxes

Property tax based on 1 percent of value will be collected from the land and improvements in the Project. The Project is located in the Mission Bay South Redevelopment Area. Within this Redevelopment Area, the taxes collected will be distributed to the Office of Community Investment and Infrastructure, successor agency to the San Francisco Redevelopment Agency for redevelopment purposes. As a committed obligation under the California Redevelopment Law before the dissolution of redevelopment in California, a 20 percent portion<sup>1</sup> of the 1.0 percent gross "tax increment" collected is required to be passed-through to taxing entities (including the CCSF), and 20 percent is required to be allocated to affordable housing purposes. The remainder is available for redevelopment purposes, namely payment of existing debt service obligations that extend beyond the development period. After buildout, tax increment not otherwise committed to debt service or other redevelopment purposes could be available for distribution to taxing entities, including the General Fund.

The Project would result in annual revenue of \$912,000 to the CCSF based on AB1290 pass-through allocations (after distributions to affordable housing set-asides and debt service purposes) at buildout. The estimates are based on the amount of property tax increment pass-through to the General Fund after accounting for adjustments to ERAF<sup>2</sup> deductions; the General Fund would receive 55.59 percent of the 20 percent pass-through of gross tax increment.<sup>3</sup>

The General Fund distributes 9 cents from its property tax revenue to other dedicated City purposes, including the Children's Fund, Library Fund, and Open Space Fund. The assessed value is assumed to grow at a 2 percent annual rate (or at CPI, whichever is less) as required by State

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<sup>1</sup> While the Project Area is currently in Tier 2 that requires an additional 16.8 percent allocation, the City and County of San Francisco (CCSF) General Fund and Special Funds only capture a share of 20 percent in Tier 1, while the San Francisco Unified School District captures a property tax from both tiers.

<sup>2</sup> ERAF is the Education Revenue Augmentation Fund that receives a share of property tax and is used by the State to supplement education funding.

<sup>3</sup> Source: Correspondence from Seifel Consulting Inc., per discussions with CCSF Controller's Office, 2/5/10. Subsequent dissolution of redevelopment has no impact on the City's capture of the tax increment generated by the Project.

law, unless a transaction occurs which would reset the assessed value to the transaction price, or depreciation negatively affects assessed value.

The secured assessed value of the multi-purpose venue and parking is based on the direct construction cost for the structure, which is conservative. Market values for other uses are based on the capitalized value of their net income stream. Unsecured property tax revenues are added to the estimates; the values shown are based on current GSW tax payments, and are likely to be higher in a new facility. It is likely that property taxes will also accrue during construction, depending on the timing and method of assessment and tax levy.

### **Property Tax In-Lieu of Vehicle License Fees**

Changes in the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth within each entity. To the extent that development of the Multi-Purpose Venue results in an increase in the City assessed value, these revenues are projected to increase proportionately.

### **Property Transfer Tax**

The City collects a property transfer tax of \$6.80 per \$1,000 of transferred value on transactions up to \$1 million, \$7.50 per \$1,000 on transactions up to \$5 million, \$20.00 per \$1,000 on transactions from \$5 million to \$10 million, and \$25.00 per \$1,000 on transactions above \$10 million.

The City will receive one-time transfer tax from the land transaction between Salesforce and GSW. Because of the infrequency of commercial sales, no transfer taxes are assumed from commercial properties or the multi-purpose venue.

### **Sales Taxes**

The City General Fund receives 1 percent of taxable sales, in addition to sales taxes for public safety and transportation purposes.

Sales taxes will be generated from several Project-related sources:

- Concession sales from the multi-purpose venue
- Sales at new retail uses

Visiting basketball teams can generate a significant amount of commercial activity, including taxable expenditures and hotel revenues; however, nearly all of the Warriors opponents currently stay in San Francisco, therefore they will not represent a net increase in economic activity or public revenues.

In addition to the 1 percent sales tax received by every city and county in California, voter-approved local taxes dedicated to transportation purposes are collected. Two special districts, the San Francisco County Transportation Authority and the San Francisco Public Financing Authority (related to San Francisco Unified School District) also receive a portion of sales taxes (0.50 and

0.25 percent, respectively, in addition to the 1 percent local portion). The City also receives revenues from the State based on sales tax for the purpose of funding public safety-related expenditures.

## **Sales Taxes from Construction**

One-time revenues during the construction phases of the Project will be generated by sales and use tax on construction materials and fixtures. Sales tax would be allocated directly to the City and County of San Francisco.

## **Transient Occupancy Tax (TOT)**

Hotel Room Tax (also known as Transient Occupancy Tax or TOT) will be generated by hotel occupancies generated by the Project. The City currently receives 14 percent of room charges. While all of the Hotel Room Tax proceeds can be allocated to the General Fund, historically, a share also funded special programs like cultural equity endowment fund, culture centers, publicity/advertising events, and War Memorial. The actual allocations vary depending on future policy decisions by the Board of Supervisors.

TOT estimates are based on total room-nights generated by a portion of visitors from outside the region. This potential demand was reduced by 50 percent to account for a portion of visitors that will choose not to stay overnight in San Francisco or those that would have stayed in San Francisco regardless of the Project.

## **Parking Tax**

The City collects tax on parking charges at garages and lots open to the public. The tax is 25 percent of the pre-tax parking charge. The SFMTA retains 80 percent of the parking tax revenue, the other 20 percent is available to the General Fund for allocation to special programs or purposes.

Although the proposed parking garage in the Project will provide parking that may be included in the cost of certain basketball season tickets, it is assumed that the equivalent parking tax would be charged for the value of the parking services provided.<sup>4</sup> Similarly, parking tax is assumed to be paid for the use of garage parking spaces by GSW staff and visiting teams, as well as other staff or performers at the multi-purpose venue.

Additional parking tax revenues would be generated by visitors to events at the multi-purpose venue and office and retail uses. Parking tax is based on total cars parking on-site and off-site generated by demand from the multi-purpose venue events. This analysis assumes that spillover parking demand generated by the Project in excess of that accommodated on site would generate parking tax revenue elsewhere in the City.

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<sup>4</sup> Correspondence from the Treasurer-Tax Collector's Office, David Augustine to Jennifer Matz, 09/14/2012

## **Stadium Admissions Tax**

Events at the multi-purpose venue are subject to the current stadium admissions tax.<sup>5</sup> Currently, the San Francisco Giants pay a Stadium Tax of 25 cents per ticket for events at AT&T Park. The majority of events at the proposed multi-purpose venue would be subject to a tax rate of \$2.25 ticket, while non-basketball events would be subject to a lower tax. An average rate of \$2.10 per ticket is used for this analysis. The analysis applies the tax, assuming a mix of ticket prices, to all events except fixed fee rentals. Stadium Tax receipts will be deposited into the City's General Fund.

## **Gross Receipts Tax**

Estimated gross receipts tax revenues from on-site businesses and activities are derived from revenue estimates using data from the City's Assessor, retail sales, and parking revenue projections. This analysis does not estimate the "phase in" of this tax during the 2014 to 2017 period and assumes gross receipts taxes will be substantial enough to replace the existing payroll tax. Actual revenues from future gross receipt taxes will depend on a range of variables, including the multi-purpose venue performance, business sizes, share of activity within San Francisco, and other factors.

Additional taxes will be generated through indirect economic activity; these are estimated and shown separately from direct tax revenues because of their secondary nature.

## **Utility User Tax**

The utility user tax is a 7.5 percent tax on commercial utility billings. The fiscal analysis estimates the revenues based on the existing GSW arena utility cost of \$1.5 million a year, which is below comparable arenas. In addition, utility costs for commercial uses are estimated on a per square foot basis.

## **One-Time Revenues**

The City will collect a number of revenues that are not recurring, as described in prior sections. One-time revenues include:

- Transfer taxes on the initial land sale
- Sales taxes from the purchase of construction materials
- Gross receipts taxes from construction activity

The Project will also pay development impact fees, as explained below.

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<sup>5</sup> Correspondence from the Treasurer-Tax Collector's Office, David Augustine to Jennifer Matz, 09/14/2012

### **Development Impact Fees**

GSW will pay to the City all applicable development impact fees relating to developing the Project. Applicable City impact fees include:

- Child Care (Planning Code Sec. 414) – A fee per square foot paid by office and event management space uses
- Transit Impact Development Fee (Planning Code Sec. 411.3) – A fee per square foot paid by all commercial uses.

In addition to the impact fees charged by the City, there are a range of other utility connection and capacity charges that will be collected based on utility consumption and other factors. Other fees will include school impact fees to be paid to the San Francisco Unified School District.



APPENDIX A:  
Fiscal Analysis



**Table A-1**  
**San Francisco Revenue Summary (2014 dollars)**  
**Multi-Purpose Venue**

Item	Calculation Reference	Annual Total
<b>Annual General Revenue</b>		
Property Tax (General Fund)	Table A-3	\$911,515
Property Tax in Lieu of VLF	Table A-4	\$868,367
Sales Tax	Table A-6	\$520,948
Hotel/Motel Tax (General Fund)	Table A-7	\$1,667,012
Parking Tax	Table A-9 - A-10	\$482,197
Stadium Admissions Tax	Table A-10	\$4,335,920
Gross Receipts Tax:		
On-site	Table A-11	\$2,431,277
Off-site (1)	Table A-11	\$42,151
Utility User Tax	Table A-12	\$253,707
Subtotal		\$11,513,096
<b>Annual Other Dedicated and Restricted Revenue</b>		
Special Fund Property Taxes (Children's, Library, and Open Space)	Table A-3	\$148,000
Public Safety Sales Tax	Table A-7	\$260,474
San Francisco County Transportation Authority Sales Tax	Table A-7	\$260,474
MTA Parking Tax	Table A-9 - A-10	\$1,928,789
Subtotal		\$2,597,737
<b>TOTAL REVENUES</b>		<b>\$14,110,833</b>

(1) Reflects additional tax generated by the Multi-Purpose Venue visitors off-site from additional hotel.

Source: Economic & Planning Systems, Inc.

**Table A-2**  
**San Francisco City One-Time Fee Revenue Estimate**  
**Multi-Purpose Venue**

Item	Office/Event Management Space	Retail	Multi-Purpose Venue (1)	TOTAL
New Gross Building Area (sq.ft.) (2)	547,000	112,500	750,000	
City Fees (per gross building sq.ft.) (3)				
Child Care	\$1.21	\$0.00	\$0.00	\$661,870
Transit Impact Development Fee (\$411.3) (4)	\$8.87	\$14.59	\$14.59	\$17,435,765
Total Development Impact Fee	\$5,513,760	\$1,641,375	\$10,942,500	\$18,097,635
Other In-Lieu Impact Fees (5)				
One-Time Transfer Tax		see Table A-6		\$4,200,000

(1) Estimated subject to fees based on the gross area.

(2) Excludes parking area.

(3) All impact fees are effective as of 1/1/15 and are subject to change based on final project scope of project.

(4) The office fee reflects the increment between the current maximum and the baseline \$5 per square foot fee established with the Redevelopment Plan.

(5) Include public art installation fee of 1% of construction value and street trees fees. These fees can be offset by the developer's construction of public

**Table A-3**  
**Property Tax Estimate**  
**Multi-Purpose Venue**

Item	Assumptions	Total
<b>Secured Assessed Value (1)</b>		
Multi-Purpose Venue		\$550,000,000
Other Development		
Event Management/Team Operations Space		\$14,500,000
Retail		\$41,343,750
Office		\$302,760,000
Parking		\$33,250,000
Subtotal		\$391,853,750
<b>New Taxable Value</b>		<b>\$941,853,750</b>
Gross Secured Possessory Interest/Property Tax	1.0% of new AV	\$9,418,538
Unsecured Tax from the Warriors (2)		\$183,333
Unsecured Tax From Other Uses (3)		\$391,854
Subtotal		\$9,993,725
(less) Existing Taxes (4)		(\$1,795,169)
<b>Total</b>		<b>\$8,198,556</b>
<b>Property Tax</b>		
Tier 1 Property Tax Pass Through (5)	20.0%	1,639,711
Tier 2 Property Tax Pass Through (5)	16.8%	1,377,357
Tier 1 and 2 Property Tax Pass Throughs (5)	36.8%	3,017,069
Net New General Fund Share (after ERAF)	55.59% property tax tier 1 pass through	\$911,515
Special Funds (6)	9.00% property tax tier 1 pass through	\$147,574
SF Unified School District	7.70% property tax pass through	\$232,314
Affordable Housing Set Aside		\$1,639,711

Notes to Table A-3

Note: Total assessed value slightly less than total development costs due to the exclusion of "soft costs" from assessed value; this is a conservative assumption.

(1) Initial secured assessed valuation is based on the assessed value of \$550 million for the Multi-Purpose Venue (equal to the hard construction costs of the structure), and the market values of all other uses as follows: \$580 per square foot for office space and Warriors Event Management/Team Operations Space, \$368 per square foot for retail, and construction cost of \$45,000 per space for parking. Assessment is assumed to include the existing land value.

(2) Based on the existing Golden State Warriors assessment and payment adjusted for the difference in tax rates; the new assessment is likely to exceed this payment.

(3) Assumed at 10% of Warriors Event Management/Team Operations Space and retail assessed value.

(4) Reflects the existing property tax based on the purchase price from Salesforce inflated by 2% a year over 2 years.

(5) While the pass throughs increase above 20% in tiers 2 and 3 per AB1290, the City only receives the share of Tier 1 pass through. The City's share of Tiers 2 and 3 goes to the redevelopment agency successor (02.13.13 interview with the SF Controller's Office). Mission Bay South redevelopment area is currently in Tier 2 with 36.8% generated in pass throughs.

(6) Special funds include property tax set aside for Library, Open Space, and Children's Fund. This reflects the recent approval of Measure C, which will start shifting the General Fund allocation to Children's Fund by 0.25% increments of pass throughs starting in FY15-16 until reaching 55.59% of the 1% base property tax, a reduction from the current 56.59%. These allocations have not changed from the dissolution of redevelopment with proceeds that would have been received by the redevelopment agency now received by the successor agency (the Office of Community Investment and Infrastructure).

Sources: Golden State Warriors; City of San Francisco; Economic & Planning Systems, Inc.

**Table A-4**  
**Property Tax in Lieu of VLF Estimate**  
**Multi-Purpose Venue**

Item	Total
Citywide Total Assessed Value (millions \$) (1)	\$172,489
Total Assessed Value of Project (see property tax calculation)	\$941.85
(less) Existing Value	-\$179.52
Net Increase in Project Assessed Value (millions \$)	\$762.34
Growth in Citywide AV due to Project	0.442%
Total Property Tax in Lieu of Vehicle License Fee (VLF) (FY2014-15)	\$196,480,000
<b>Net New Property Tax in Lieu of VLF</b>	<b>\$868,367</b>

Sources: Economic & Planning Systems, Inc.

**Table A-5**  
**Property Transfer Tax**  
**Multi-Purpose Venue**

Item	Assumptions	Total
<u>One-Time Transfer Tax</u> Estimated Land Sale (1)		\$172,546,000
One-time Transfer Tax (2)	\$24.34 per \$1,000 value	\$4,200,000

(1) Reflects a land acquisition of a portion of the original Salesforce site based on the FAR allocation (1 mill. sq.ft.). The estimate is based on review of recent prevalent land prices as of the date of this report the actual land sale is not available.

(2) Based on the City's graduated tax that varies between \$5 per \$1,000 on the first \$250,000 in value and \$25 per \$1,000 on value above \$10 million with the total provided by the City.

Sources: GSW; City of San Francisco; Economic & Planning Systems, Inc.

**Table A-6**  
**Sales Tax Estimates**  
**Multi-Purpose Venue**

Item	Assumptions	Total
<b>Taxable Sales From Multi-Purpose Venue</b>		
Warriors Game Concessions and Merchandise	\$21.60 per attendee (turnstile)	\$15,768,000
Other Event Concessions	\$11.00 per attendee (turnstile)	\$12,859,000
Total		\$28,627,000
Sales Tax to General Fund	1.0% of sales	\$286,270
(less) Existing Sales Shift (1)		<u>(\$18,447)</u>
Net New Sales Tax		\$267,823
<b>Taxable Sales From Commercial Space</b>		
Retail	\$450 per sq.ft.	\$50,625,000
Sales Tax to San Francisco	1.0% of taxable sales	\$506,250
(less) Shift From Existing Sales (2)		<u>(\$253,125)</u>
Net New Sales Tax		\$253,125
<b>Annual Sales Tax after Shift of Existing Sales</b>		
Sales Tax to the City General Fund	1.00%	\$520,948
Public Safety Sales Tax (3)	0.50% of taxable sales	\$260,474
San Francisco County Transportation Authority (3)	0.50% of taxable sales	\$260,474
SF Public Financing Authority (Schools) (3)	0.25% of taxable sales	\$130,237
<b>One-Time Sales Taxes on Construction Materials and Supplies</b>		
New Taxable Value		\$941,853,750
Supply/Materials Portion of Development Value	50.00%	\$470,926,875
San Francisco Capture of Taxable Sales	50.00%	\$235,463,438
Sales Tax to San Francisco	1.0% of taxable sales	\$2,354,634

(1) A portion of new sales from San Francisco residents at the facility are expected to have occurred elsewhere in San Francisco, were the project not built. To account for this, sales that would have occurred elsewhere in San Francisco are deducted from the total. This proportion is estimated based on the following factors: 30% of Multi-Purpose Venue visitors are San Francisco residents with the remainder drawn from other locations; half of the spending of San Francisco residents is assumed to be shifted from other purchases in the City on non-basketball events.

(2) Deducts share of sales that would have occurred elsewhere in San Francisco (assumes 50%).

(3) Sales tax proportions for these entities are as reported in Controller's Office publication on sales tax from 2008.

Sources: Golden State Warriors; City of San Francisco; Economic & Planning Systems, Inc.



**Table A-7**  
**Transient Occupancy Tax Estimates**  
**Multi-Purpose Venue**

Item	Estimating Factor	Total
<u>Overnight Attendees in San Francisco for Multi-Purpose Venue Events</u>		
Events per Year		205
Total turnstile attendance		1,899,000
Potential Overnight Visitors (1)		189,900
Net New Overnight Visitors (2)	50%	94,950
Hotel Room Demand	1.90 people per room	49,974
Off Site Hotel/Motel Room Proceeds (3)	\$238 per room- night	\$11,907,230
Total Hotel/Motel Tax Revenue (4)	14% of room revenue	\$1,667,012

(1) Assumed non-resident visitors from outside Bay Area are estimated based on the traffic analysis allocation of arena visitors.

(2) Estimated share of potential room demand from visitors outside region, who would have stayed in San Francisco anyhow, or stayed elsewhere.

(3) Reflects the FY2013-14 Citywide average reported by CCSF.

(4) Historically, a share of the General Fund revenue was allocated to fund cultural equity endowment fund, culture centers, publicity/advertising events, and War Memorial.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-8**  
**Parking Tax**  
**Multi-Purpose Venue**

Item	Assumption	Total
<b>Total Spaces On Site</b>		950
<b>Parking Revenues On Site</b>		
Total (1)	\$25 per day	\$8,668,750
(less) Vacancy	30%	<u>(\$2,600,625)</u>
Total		\$6,068,125
<b>Spaces Off Site</b>		
Annual Demand (spaces) (2)		178,791
Total Parking Revenue	\$20 per day	\$3,575,821
<b>San Francisco Parking Tax</b>		
Parking Tax Allocation to Gen'l Fund/Special Prc	25% of annual revenue	\$2,410,987
Parking Tax Allocation to Municipal Transp. Fund	20% of tax proceeds	\$482,197
	80% of tax proceeds	\$1,928,789

(1) Based on parking revenue of \$25 a day net of parking taxes.

(2) Reflects parking demand generated by the Multi-Purpose Venue visitors only in excess of onsite capacity it is likely that additional revenue will be generated by parking demand resulting from other Project components, such as commercial space.

Sources: GSW and Economic & Planning Systems, Inc.

**Table A-9**  
**Daily Parking & Transit Demand Estimate**  
**Multi-Purpose Venue**

Events	Event Turnstile Attendance	Average per Car	Daily Event Pkg. Demand (1)	Annual Events	Annual Parking Space	Daily Event Muni Ridership (2)	Annual Ridership (round trip)
Basketball Games	17,000	2.5	3,740	41	153,340	4,080	167,280
GSW Preseason	11,000	2.5	2,420	3	7,260	2,640	7,920
Concerts	12,000	2.8	2,357	30	70,714	2,880	86,400
Concerts Theater	3,000	2.8	589	15	8,839	720	10,800
Other Sporting Events	7,000	2.8	1,375	30	41,250	1,680	50,400
Family Shows	5,000	4.0	688	55	37,813	1,200	66,000
Fixed Fee Rentals/Miscellaneous	9,000	1.5	3,300	31	102,300	2,160	66,960
Total				205	421,516		455,760

(1) On average, 55% of the visitors are assumed to be arriving by car.

(2) Muni ridership assumed to be 60% of transit ridership, which is projected to be 40% of turnstile attendance.

Sources: Golden State Warriors; EPS review of AT&T Park modal split survey (MTA); EPS review of Travel Demand Summary.

**Table A-10**  
**Stadium Admissions Tax**  
**Multi-Purpose Venue**

Item	Total
Annual Multi-Purpose Venue Ticket Sales (1)	
Warriors Games	772,508
Other Events	1,298,889
Average Admission Tax (2)	
Warriors Games	\$2.10
Other Events	\$2.25
	\$2.00
<b>Total Annual Admission Tax (3)</b>	<b>\$4,335,920</b>

(1) Paid attendance; excludes fixed fee rental events.

(2) Reflects a range of ticket prices with "other events" assumed at \$2 per ticket (assumes 15% of the tickets below \$25, 85% above \$27) and the Warriors games assumed at \$2.25 per ticket (applies to tickets exceeding \$27 in value). Combines regular admission and supplemental admission tax.

(3) Historically, a share of the revenue was allocated to recreation and parks; this analysis assumes the revenue is fully captured by the General Fund.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-11**  
**Gross Receipts Tax Estimates**  
**Multi-Purpose Venue**

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax	Gross Revenue Tier			Gross Receipts Tax
			up to \$1m	\$1m - \$2.5m	\$2.5m - \$25m	
Multi-Purpose Venue (1)	\$67,593,667	\$67,593,667	0.285%	0.285%	0.300%	\$202,406
Golden State Warriors (2)	\$160,000,000	\$97,582,418	0.300%	0.325%	0.400%	\$371,330
Retail (3)	\$25,312,500	\$25,312,500	0.075%	0.100%	0.160%	\$25,313
Office (3) (4)	\$415,917,440	\$374,325,696	0.400%	0.460%	0.510%	\$1,721,898
Parking	\$8,668,750	\$8,668,750	0.075%	0.100%	0.160%	\$10,578
Office/Retail Rent (3)	\$35,001,000	\$35,001,000	0.285%	0.285%	0.300%	\$99,753
Subtotal	\$712,493,356	\$608,484,030				\$2,431,277
Off-Site Impacts						
Parking	\$3,575,821	\$3,575,821	0.075%	0.100%	0.160%	\$3,702
Off-site Hotels	\$11,907,230	\$11,907,230	0.300%	0.325%	0.400%	\$38,448
Subtotal	\$15,483,051	\$15,483,051				\$42,151
Total Gross Receipts	\$727,976,408	\$623,967,081				\$2,473,428
Project Construction						
New Taxable Value (5)	\$942,000,000	\$942,000,000				
Direct Construction Cost (6)	\$659,400,000	\$659,400,000	0.300%	0.350%	0.400%	\$2,953,050

(1) Includes concessions and merchandise sales during events and ticket sales for non-Warrior games assuming an average ticket sale price of \$30; Warriors ticket sales are captured under the Warriors revenues.

(2) Assumes that 61% (50% of player salaries and 100% of support staff) of the maximum tax potential would be generated to the City given that players would not be subject to the tax for games played outside of San Francisco.

(3) Based on the tax rate in the 3rd tier since the number of tenants and associates receipts per tenant are not known.

(4) Based on the IMPLAN-derived factor of \$213,500 per office employee; 90% of gross receipts are assumed to be subject to the tax as businesses with receipts below \$1 million and employment outside of San Francisco will be exempt.

(5) See Table A-4; rounded.

(6) Hard costs have not been estimated for the entire project; as a planning estimate, roughly 30% of costs are assumed to be planning and engineering costs.

Sources: City of San Francisco; Economic & Planning Systems.

**Table A-12**  
**Utility User Tax Estimates**  
**Multi-Purpose Venue**

Item	Assumption	Total
<u>Arena Utility Cost (1)</u>		\$1,490,000
<u>Other Uses</u>		
Retail	\$2.87 per sq.ft.	\$322,875
Office (including Event Management and Team Operations)	\$2.87 per sq.ft.	<u>\$1,569,890</u>
Total Annual Commercial Utility Cost		\$3,382,765
Utility User Tax	7.5% of commercial utility cost	<b>\$253,707</b>

(1) Based on the existing annual cost for the Warriors arena in Oakland; this estimate is conservative relative to costs incurred by other comparable arenas across the country.

**Exhibit B**  
**MTA Resolution**

**SFMTA Board of Directors Resolution for the Golden State Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32**

*[Note: Add introductory recitals and put into MTA Resolution form]*

WHEREAS, The SFMTA Board of Directors has reviewed and considered the information contained in the Final Environmental Impact Report ("FEIR") for the Golden State Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32 (the "Event Center Project"); and,

WHEREAS, The SFMTA Board of Directors has also reviewed and considered a Transportation Services Plan, Local/Hospital Access Plan, and Designated Dual Event Strategies, all as further described below *[Note: may move up definitions to recitals]*, and other measures, including measures by the Event Center Project's sponsor, to address transportation conditions relating to the Event Center Project; and,

WHEREAS, The SFMTA Board of Directors acknowledges that the Board of Supervisors will consider an ordinance (the "Fund Ordinance") amending the Administrative Code to establish a special reserve fund within the General Fund (the "Fund") to pay for City services and capital improvements addressing transportation and other needs of the community in connection with events at the Event Center Project; and,

WHEREAS, The SFMTA Board of Directors expects that monies available in the Fund, together with revenues generated by the Event Center Project that are dedicated to the SFMTA under the Charter, will more than cover the SFMTA's operating costs and capital costs associated with implementing the Transportation Services Plan, the Local Hospital Access Plan, and the Designated Dual Event Transportation Strategies; and,

WHEREAS, The SFMTA Board of Directors further acknowledges that through the proposed Fund Ordinance the Board of Supervisors may create an Advisory Committee to be the central City-sponsored community advisory body charged with providing input to the Board of Supervisors, the SFMTA, the Department of Public Works ("DPW"), the San Francisco Police Department ("SFPD") and decision makers regarding use of monies in the Fund, and that the Advisory Committee shall perform the following functions as needed:

(a) Collaborate with the SFMTA on prioritizing the community improvement projects for required uses of the Fund and identifying implementation details as part of the SFMTA's budget process;

(b) Recommend to the SFMTA uses of the Designated Dual Event Reserve established through the Fund Ordinance;

(c) Collaborate with the SFMTA, DPW, SFPD, and decision makers in the monitoring of the required uses of the Fund, including expenditure of the Designated Dual Event Reserve, for the purpose specified in the Fund Ordinance; and

(d) Review travel time data collected by the SFMTA for routes to the Event Center to determine if traffic conditions associated with the Event Center, especially when there are weekday evening dual events with large attendance at the Event Center and AT&T Park, should entail additional City actions and expenditures from the Fund or the Designated Dual Event Reserve, and make recommendations to the SFMTA on such actions and expenditures; now, therefore, be it



RESOLVED, That the SFMTA Board of Directors adopts all of the following as they relate to the transportation impacts of the Event Center Project identified in the FEIR for the Event Center Project:

(a) findings under the California Environmental Quality Act (California Public Resources Code sections 21000 et seq.), which are attached to this Resolution as Attachment A and incorporated by reference as though fully set forth (the "CEQA Findings");

(b) the mitigation measures, or designated portions of such measures, and the improvement measures, identified in Exhibit \_ to the CEQA Findings, including, but not limited to, the Designated Dual Event Transportation Strategies that are described in Attachment E to this Resolution and incorporated by reference as though fully set forth (collectively the "SFMTA Mitigation and Improvement Measures");

(c) the Statement of Overriding Consideration in the FEIR for the Event Center Project, which is attached to this Resolution as Attachment A and incorporated by reference as though fully set forth; and

(d) the Mitigation Monitoring and Reporting Plan (the "MMRP"), which is attached to this Resolution as Exhibit 1 to Attachment A, and incorporated by reference as though fully set forth; and, be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute an Agreement between the Office of Community Investment and Infrastructure, successor to the San Francisco Redevelopment Agency ("OCII") and the SFMTA, in which OCII designates the SFMTA as OCII's representative for the required monitoring and reporting of applicable transportation-related mitigation measures in the MMRP for the Event Center Project, including the SFMTA Mitigation and Improvement Measures, and agrees to reimburse the SFMTA for such services; and, be it further

RESOLVED, That, subject to the funding and provisions of this Resolution, the SFMTA Board of Directors approves those elements of the Event Center Project that are under SFMTA jurisdiction, including:

(a) the transportation service plan that is part of the project description of the Event Center Project in the FEIR (the "Transportation Services Plan"), and the capital expenditures to procure four light rail vehicles, extending and raising the northbound passenger platform or the variant for a center platform (as determined by the Director of Transportation, in his or her discretion), and constructing crossover tracks, among other capital expenditures; all as identified in the letter dated May 15, 2015 (the "May 2015 Director Letter") from the Director of Transportation to OCII, which letter is attached to this Resolution as Attachment B and is incorporated by reference as though fully set forth; and

(b) the Local/Hospital Access Plan, which is attached to this Resolution as Attachment D and is incorporated by reference as though fully set forth (the "the Local/Hospital Access Plan"), to facilitate movement within the Mission Bay area for residents and non-Event Center employees and for University of California at San Francisco hospital employees and patients during the pre-event period for weekday evening Warriors games and other events with anticipated attendance of more than 12,500 persons that occur on the same evenings as a Giants game at AT&T Park; and be it further

RESOLVED, That the SFMTA Board of Directors agrees to seek and expend funds for transportation related capital and operating costs for the Transportation Services Plan projects discussed in the May 2015 Director Letter, as well as the Local/Hospital Access Plan, the

SFMTA Mitigation and Improvement Measures, and other measures, in accordance with the Expenditure Plan that is attached to this Resolution as Attachment C and incorporated herein as though fully set forth, which Expenditure Plan updates and modifies the expenditure plan set forth in the May 2015 Director Letter, provided that implementation of such Expenditure Plan shall be subject to SFMTA's obtaining sufficient funding to pay for such costs consistent with this Resolution and the Fund Ordinance; and, be it further

RESOLVED, That the SFMTA Board of Directors recommends that the Board of Supervisors approve the Fund Ordinance substantially in the form on file with the SFMTA Board of Directors, with any such changes as the SFMTA Director of Transportation may, in his or her discretion, concur in as they affect SFMTA jurisdiction; and be it further

RESOLVED, That the SFMTA Board of Directors accepts the terms and conditions of the proposed Fund Ordinance that apply to the SFMTA, including, but not limited to, coordinating with DPW and SFPD, in budgeting funds for the Event Center Project, holding a public hearing on the proposed Event Center Project budget in conjunction with the hearing on the SFMTA's regular two-year budget, considering recommendations of the Advisory Committee established under the proposed Fund Ordinance, and expending funds consistent with the Expenditure Plan and the purpose of the Fund Ordinance; and be it further

RESOLVED, That the SFMTA Board of Directors directs the Director of Transportation, in consultation with the City Traffic Engineer and the Advisory Committee, to monitor and manage the flow of transit and traffic surrounding the Event Center, including using funds in the Designated Dual Event Reserve and also any balance in the Fund that is not then budgeted for other purposes, to prevent any considerable additional traffic congestion from occurring in the pre-event peak period during weekday evenings when there is an event - other than a Warriors game - with more than 12,500 people at the Event Center and a Giants game at AT&T Park, consistent with the Designated Dual Event Transportation Strategies; and, be it further

RESOLVED, That if the Advisory Committee determines, based on review of travel time data collected by the SFMTA for routes to the Event Center, that traffic congestion affecting access to the University of California at San Francisco hospitals at Mission Bay occurs in the pre-event peak period during weekday evenings when there is an event - other than a Warriors game - with more than 12,500 people at the Event Center and a Giants game at AT&T Park, as a result of the delay metric (the "Delay Metric") identified in the Improved Hospital Access Dual Event Transportation Strategies attached to this Resolution as Exhibit F and incorporated by reference as though fully set forth (the "Improved Hospital Access Strategies") and the Advisory Committee recommends using, in addition to the Designated Dual Event Reserve, any balance in the Fund that is not budgeted for other purposes under this Resolution and the Fund Ordinance, for services or capital projects to address such occurrence, then the Director of Transportation shall consider approving such recommendations, which approval the Director shall not unreasonably withhold or delay so long as such recommendations are consistent with the Improved Hospital Access Strategies, and, as an improvement measure for the Event Center Project, the Director shall take such actions as are necessary to seek any required approvals and implement such recommendations; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to approve any modification to the Delay Metric if the Advisory Committee recommends such modification under the Improved Hospital Access Strategies based on SFMTA data collection and experience in using various strategies to address traffic conditions; and, be it

RESOLVED, That the SFMTA Board of Directors delegates to the Director of Transportation, or designee, in his or her discretion and in accordance with the uses set forth in the Designated Dual Event Transportation Strategies, the authority to expend monies in the

Designated Dual Event Reserve, including, but not limited to, executing contracts using such monies, up to the amount in the Designated Dual Event Reserve at the time of the expenditure, and requests that the Director of Transportation provide an annual written report to the SFMTA Board of Directors on expenditures from the Designated Dual Event Reserve; and be it further

RESOLVED, That the SFMTA Board of Directors requests that the Director of Transportation consult with the Advisory Committee regarding expenditures from the Fund and the Designated Dual Event Reserve and send an explanatory report to the SFMTA Board of Directors if the Director determines not to follow particular recommendations of the Advisory Committee; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to direct staff to continue to seek to obtain any further approvals and carry out actions needed to implement the Event Center Project, including, but not limited to, implementing the Transportation Services Plan, Local/Hospital Access Plan and Designated Dual Event Transportation Strategies and providing administrative support and staffing for the Advisory Committee referenced above.

*List of Attachments [for reference only]:*

*Attachment A – CEQA Findings and Statement of Overriding Considerations  
Exhibit 1 to Attachment A – MMRP*

*Exhibit 2 to Attachment A – SFMTA Mitigation and Improvement Measures  
Attachment B – the May 2015 Director Letter*

*Attachment C – Expenditure Plan*

*Attachment D – Local/Hospital Access Plan*

*Attachment E – Designated Dual Event Transportation Strategies*

*Attachment F – Improved Hospital Access Dual Event Transportation Strategies*

**Exhibit C**  
**Unacceptable UCSF Traffic Condition**

During each calendar year with respect to every San Francisco Giants game starting after 6pm on Monday, Tuesday, Wednesday, Thursday or Friday other than a MOU Dual Event, the City shall measure, or the parties shall cause to be measured, the travel time for vehicles traveling during the period between 6pm and 7pm south from the intersection of 10<sup>th</sup> Street and Folsom Street, north from the intersection of 3<sup>rd</sup> Street and Cesar Chavez Street, and east from the intersection of 16<sup>th</sup> Street and Potrero Avenue in each case to the UCSF parking garage located at 1835 Owens Street (the "**Routes**") to determine the median travel time with respect to each Route for such calendar year (each such median travel time, a "**Baseline Travel Time**").

With respect to each MOU Dual Event, the City shall measure, or the parties shall cause to be measured, the median travel time for vehicles traveling on each Route during the period between 6pm and 7pm (each such median travel time, a "**MOU Dual Event Travel Time**").

Unless there has been a Force Majeure (as defined below), an "**Unacceptable Traffic Condition**" shall be deemed to have occurred if the MOU Dual Event Travel Time for any Route is (a) twice as long and (b) at least fifteen (15) minutes longer than the prior calendar year's Baseline Travel Time for such Route.

As used herein, the term "**Force Majeure**" shall mean any act of God, war, riot, natural disaster (including, but not limited to, an earthquake), flood, fire, act of terrorism or sabotage, blockade, embargo, strike or other labor difficulty, major accident or interruption to transportation, act of governmental authority, or other similar event or circumstance beyond the Warriors reasonable control.

Notwithstanding anything to the contrary set forth herein, UCSF and the Warriors, by written mutual agreement of the parties, may (and if technology makes such analysis impossible, UCSF and the Warriors shall) change the beginning or end points of the Routes in order to better track the travel time of employees and patients to the Hospital.

**Exhibit D**  
**Examples of Potential Strategies and Improvements**

1. Maintaining Pier 80 as a location for offsite parking in connection with EIR Dual Events
2. Additional PCOs
3. Expanded Local/Hospital Access Plan
  - a. Street closures
  - b. Vehicle badge (rearview hanger, sticker, etc) for local/hospital use
4. Additional SFMTA buses
5. Additional private shuttle buses
6. 16<sup>th</sup> street ferry/water taxi landing
7. Expanded bike infrastructure: east-west connections on Mariposa
8. Expanded secure and/or bike valet parking
9. Expanded Vision Zero treatments to other nearby intersections
10. Bundle roundtrip MUNI fare into cost of ticket for events at the Event Center
11. Provide free shuttles to regional transit hubs
12. Subsidize pedicabs/Uber/Lyft
13. Remove/reconfigure parking lane on 7<sup>th</sup> Street
14. HOV/carpool/vanpool parking
15. Coordinate parking pricing
16. Green "no drive" events
17. Congestion pricing
18. Provide GSW-branded Clipper Cards
19. Incentivize alternate modes of transportation by offering priority access (e.g., fast-track security line) or discounts on merchandise or concessions to
20. Market alternate modes of transportation in connection with Event Center tickets and ticketholder emails
21. Provide website transit info and real-time updates
22. Coordinate with TMAs

**Exhibit E**  
**Joint Press Release**

**FOR IMMEDIATE RELEASE:**

Tuesday, October 6, 2015

Contact: Mayor's Office of Communications, 415-554-6131

UCSF Public Affairs, Jennifer O'Brien, 415-476-8432 or [Jennifer.obrien@ucsf.edu](mailto:Jennifer.obrien@ucsf.edu)

Golden State Warriors, PJ Johnston, 415-260-8417, [pj@pjcommunications.com](mailto:pj@pjcommunications.com)

\*\*\* PRESS RELEASE \*\*\*

**MAYOR LEE, UCSF & GOLDEN STATE WARRIORS ANNOUNCE AGREEMENTS  
THAT CLEAR WAY FOR UCSF ENDORSEMENT OF PROPOSED MISSION BAY  
EVENT CENTER & ARENA**

*Mayor's Office, UCSF & Warriors Reach Preliminary Agreement on Mission Bay Plans;  
City to Create Special Transportation Improvement Fund for Neighborhood; Warriors Agree to  
Limit on Events in Special Circumstances*

**SAN FRANCISCO, CA**—Today Mayor Edwin M. Lee, the University of California San Francisco (UCSF) and the Golden State Warriors announced several preliminary agreements related to the proposed sports and entertainment complex in Mission Bay, which the Warriors plan to privately finance and build on a vacant lot near the new UCSF Medical Center at Third and 16th Streets.

If, after completing an environmental impact report (EIR) for the Warriors' proposed Event Center and associated development and conducting a robust public hearing process, the City's Office of Community Investment and Infrastructure (OCII) ultimately approves the project and various City Commissions and the Board of Supervisors take actions on the project, the preliminary agreements will take effect and address traffic and other access issues to UCSF's satisfaction.

"I'm happy to announce that we've reached a consensus on the most critical issues, and now we're ready to move forward – together," said Mayor Lee. "For residents and visitors alike, San Francisco is already one of the world's greatest cities. With these agreements and solid working partnerships in motion, Mission Bay will now be home to UCSF, one of the finest medical institutions in the world, *and* the world-champion Golden State Warriors at a state-of-the-art, privately funded events center."

UCSF announced qualified support for the Warriors arena plan in July, saying the project would be a "win-win" – if the City and the team were able to adequately address the university's

concerns, mostly around traffic, access to the hospitals, and overlapping events at nearby AT&T Park. Since that time, Mayor Lee has convened a series of discussions among all the parties to resolve those concerns.

The three parties reached preliminary agreement on a variety of measures to effectively manage traffic and facilitate access to the hospital, thereby protecting patient safety. As a result, UCSF now officially endorses the Warriors' proposed plan and project.

"Our focus from Day 1 has been to protect hospital access and patient safety," said UCSF Chancellor Sam Hawgood. "Together, these agreements — one creating a dedicated transportation improvement fund, the other a 'special circumstances cap' requiring last-resort limitations on certain dual events should traffic reach unmanageable levels — will provide the safeguards UCSF needs to fully endorse the Warriors' Arena project. We believe they represent a win-win."

As part of the preliminary agreements, Mayor Lee introduced legislation Tuesday at the Board of Supervisors to establish a Mission Bay Transportation Improvement Fund. The new Fund — which will be paid for and fully funded solely by new revenues from the Warriors project itself — is designed to guarantee that resources will be in place to manage the flow of visitors, traffic and transit in the area around the arena, once it opens. The Board of Supervisors must next consider and hear public comment on this legislation.

The Warriors arena is already set to generate more than \$27 million in upfront funds for transportation and infrastructure improvements in Mission Bay (along with \$125 million for parks, open space and affordable housing). The new Mission Bay Transportation Improvement Fund will ensure that at least another \$10 million will be available annually to spend on traffic mitigations, for the life of the arena.

That money will go to things like:

Four new light rail cars to be dedicated to serving the arena, and available at other times to augment general Muni light rail service;

- A new, expanded light rail platform serving the arena and all of Mission Bay;
- A "Local/Hospital Access Plan" designed to keep certain streets clear of event traffic to allow UCSF, local businesses and residents smooth access at all times;
- Increased bus and light rail service before and after arena events, including more than a quadrupling of service on the T-Third Muni Metro line;
- Up to 28 traffic control officers deployed before and after games and events, more than currently serve Giants games (which games seat four times as many attendees as the average arena event);

- Enhanced police foot patrols and street cleaning operations on event days to ensure orderly arrivals and departures; and
- Studying the feasibility of new or enhanced transportation options, such as dedicated ferry service, for the neighborhood.

All funds for this effort will come from new revenues generated by the Warriors sports and entertainment center.

The Fund legislation – which is co-sponsored by 10 members of the Board of Supervisors (Board President London Breed and Supervisors David Campos, Julie Christensen, Malia Cohen, Mark Farrell, Jane Kim, Eric Mar, Katy Tang, Scott Wiener and Norman Yee) – also establishes an Advisory Committee with representatives from UCSF, the Warriors, neighborhood businesses and residents to advise the city on how to improve service and keep traffic flowing.

The “special circumstances cap” is an unprecedented agreement between the Warriors and UCSF that calls for a limitation on the number of events in special circumstances if traffic on key hospital access routes violates a predetermined standard. It works like this: If, despite the efforts described above, certain traffic problems persist involving overlapping events (meaning weeknight Giants home games and certain arena events of more than 12,500 attendees), the Warriors will cap such overlapping events at 12 per year. A preliminary agreement between the Warriors and UCSF proposes a methodology for this special circumstances cap. No other NBA arena operates under such conditions.

“We believe the dedicated funding for traffic management and transportation and the special circumstances event cap will help protect patient safety in the near-term,” said Chancellor Hawgood. “But the real test for UCSF, the Warriors and other businesses and residents in the Southeast quarter of the city is to continue to work together to bring planned transportation improvements on line and champion new ones to address continued growth in the Third Street corridor. The agreements we’ve completed today are a great start.”

“We know if we work together, we’ll be able to achieve everyone’s goals,” said Warriors President Rick Welts. “We’ve got the measures in place to keep the neighborhood moving, to make sure it works for residents, workers and visitors alike. But we’re prepared to go the extra mile – to guard against worst-case scenarios – because we know it’s important to UCSF and the folks that live in Mission Bay. That’s part of being a good neighbor.”

The Warriors purchased an option on the private property at Third and 16th Street in 2014, and have spent the past year and a half participating in a public planning process. Environmental review is expected to be completed this fall; the team plans to open the new arena in time for the 2018-19 NBA season.



"The Warriors are investing in our city to the tune of more than a billion dollars," said Mayor Lee. "They're creating thousands of good-paying, union jobs. They're bringing energy and vitality to a neighborhood that needs it. And they're the only sports team in America doing all this with private funds, on private land, with no public subsidy. Talk about a win-win!"

The land in Mission Bay, a vacant lot on a former redevelopment area, has been slated for development since 1998.

The Warriors arena will play host to NBA basketball, as well as small and large concerts, family shows, conventions and a variety of other attractions. Of the top 25 cities in the U.S., by population, San Francisco is the only one without an indoor arena of 12,000 seats or more.

The 18,050-seat arena will anchor 11 acres of restaurants, cafes, offices, public plazas and other amenities the neighborhood currently lacks, and will trigger the development of a five-and-a-half-acre public park on the waterfront.

The arena will be located on a major Muni Metro rail line with easy links to BART and other transit options.

#### About UCSF

UC San Francisco (UCSF) is a leading university dedicated to promoting health worldwide through advanced biomedical research, graduate-level education in the life sciences and health professions, and excellence in patient care. UCSF is San Francisco's second-largest employer with more than 23,000 employees. The new \$1.5 billion UCSF Medical Center at Mission Bay, which includes UCSF Benioff Children's Hospital San Francisco, the Betty Irene Moore Women's Hospital and the Bakar Cancer Center, is projected to treat 130,000 patients in its first year. For more information, go to: [www.ucsf.edu](http://www.ucsf.edu).

###



the agreements contemplated hereby and carry out and perform all the terms and covenants of this MOU and the agreements contemplated hereby to be performed by such party.

7. **Modification; Waiver.** This MOU may only be modified by a written instrument executed by the parties asserted to be bound hereby. No waiver of any right, obligation or default shall be implied, but must be in writing, signed by the party against whom the waiver is sought to be enforced. Any particular waiver of any right, obligation or default shall not be construed as a waiver of any subsequent or other right, obligation or default.

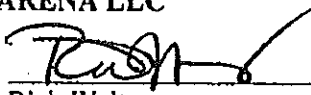
8. **Governing Law.** This MOU shall be governed by and construed in accordance with the laws of the State of California (without regard to principles of conflicts of laws).

9. **Counterparts.** This MOU may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

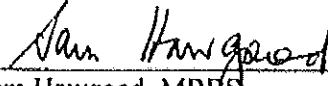
10. **Press Release.** UCSF and the Warriors agree to promptly issue a joint press release to announce the Warriors' acceptance of the foregoing event limitations and UCSF's support of the Project (a copy of which is attached hereto as Exhibit E).

IN WITNESS WHEREOF, this Memorandum of Understanding has been duly executed as of the date first above written.

GSW ARENA LLC

By:   
Name: Rick Welts  
Title: President

UNIVERSITY OF CALIFORNIA SAN FRANCISCO

By:   
Name: Sam Hawgood, MBBS  
Title: Chancellor, Arthur and Toni Rembe Rock  
Distinguished Professor, UCSF

