34th America's Cup Update

March 13, 2012

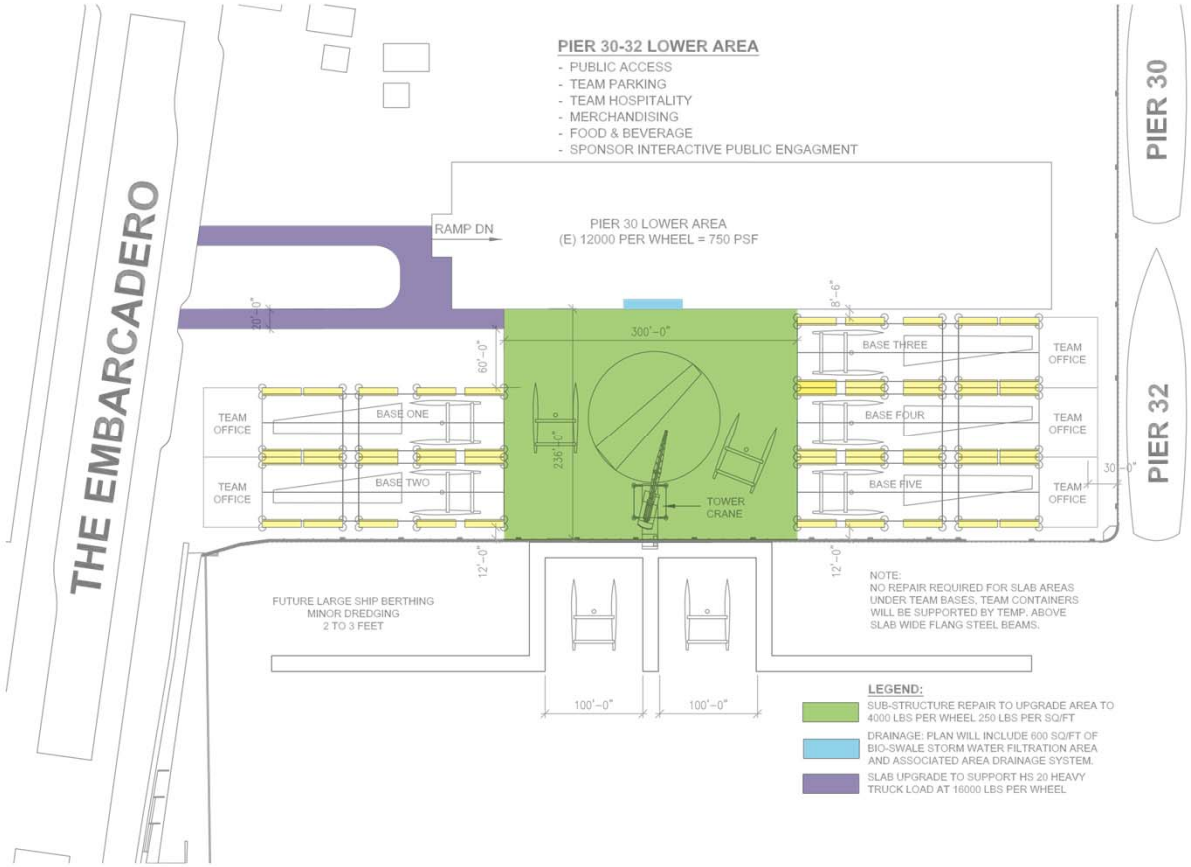
February 27, 2012

- America's Cup Event Authority and Mayor Lee announced that the Event will continue as planned, with Team Bases in 2013 proposed at Pier 80.

- Development portion of deal will not proceed.

- Port will undertake required improvements to Piers 27-29 facilities (Pier 29 substructure, Pier 29 end wall, and storm water improvements) and regulatory requirements that require capital improvements to Port property.

Port is exploring Piers 30-32 Option - $7-8 M



Potential Port Event-Related Financial Obligations

Project Title	Total Cost	Useful Life	Comments
Pier 19 South Apron	$3,000,000	30 years	BCDC requirement, public access, maritime berthing
Pier 29 End Wall	$800,000	30	Historic preservation requirement
Pier 64 Removal	$900,000	NA	BCDC and Water Board requirement
Pier 23 Handrail	$700,000	30	BCDC requirement, public access
Pier ½ Removal	$700,000	NA	BCDC and Water Board requirement
Pier 27-29 North Park Stormwater Imp	$2,000,000	30	Water Board requirement; park and provisioning area
Pier 27 Shoreside Power Relocation	$2,000,000	15	Necessary for cruise terminal
Pier 29 Substructure Repairs	$800,000	30	Necessary for Event, and future public access and cruise provisioning
Total	**$10,900,000**		

Debt Capacity is Sufficient to Finance Event Related Obligations

	Old Deal (Feb 14,2012)	Potential New Deal	Difference
Short Term Venues	P80, P30-32, SWL 330, P26, P28, P19-23, P27, P29, and P29.5	P80, P19-23, P27, P29, P29.5, and P30-32	Tenant relocations from 77 to 32, and use of Piers 26 and 28 as relocation sites
Long Term Rent Loss Per Year	$3.9 M	$0	No significant investment requiring reimbursement
Bonding Capacity	$65 M	$89 M	$24 M from returned piers (2x coverage without adjustment for useful life)
Un-programmed Bonding Capacity	$14 M	$38 M	2012 issuance of $24M for Pier 27 Cruise Terminal and Pier 70 Shoreside power 2014 issuance of $27M for revenue generating projects and passenger facility charge

Next Steps

- Complete negotiations with Event Authority on reduced Event footprint
- Consult with regulatory partners; BCDC hearing on Thursday, March 15
- File revised Lease Disposition Agreement with Board of Supervisors
- Board of Supervisors proposed action, as early as March 27
- Port Commission action on March 27 or April 10