



September 16, 2021

Carla Short
Interim Director
San Francisco Public Works
49 South Van Ness Avenue
San Francisco, CA 94103

Re: Mission Rock Project (“Project”) - Request for Plan Revision Pursuant to Mission Rock - Phase 1 Public Improvement Agreement to Implement Conditions of Approval for Instructional Bulletin (IB) #3 (dated March 10, 2021) and IB#3 Revision 1 (dated March 19, 2021) Proposing Amendments to the Mission Rock Phase 1 Improvement Plans Street Improvement Permit (hereafter collectively “IB#3”)

Dear Interim Director Short:

Mission Rock Horizontal Sub (Phase 1), LLC (“Subdivider”) is a party to that certain Public Improvement Agreement (Mission Rock - Phase 1) recorded on June 12, 2020, as Document No. 2020-K940619 in the Official Records of the City and County of San Francisco (“Official Records”) as amended by that certain First Amendment to Public Improvement Agreement (Mission Rock - Phase 1A), recorded December 2, 2020 as Document No. 2020-061907 of the Official Records (hereafter collectively “PIA”). By this letter, and based on the information below and appended hereto, Subdivider requests approval of a “Plan Revision” to the PIA as defined in Section 4(c) of that agreement.

Pursuant to Section 4(c)(iii) of the PIA:

Any Plan Revision shall be accompanied by (A) a statement explaining the need for or purpose of the proposed revision; (B) drawings and specifications and other related documents showing the proposed Plan Revision in reasonable detail, consistent with the original Plans and Specifications; and (C) revised construction cost estimates.

Each of these requirements is addressed below.

(A) “a statement explaining the need for or purpose of the proposed revision”

The purpose of the requested Plan Revision is to implement conditions of approval associated with IB#3.¹ IB#3 authorizes Subdivider to construct a 12-kilovolt electrical line to provide power to the Project site (“12-kV Line”). The 12-kV Line will be used to provide San Francisco Public Utilities Commission (“SFPUC”) power at first to construction equipment and trailers, and ultimately to two commercial office buildings and two residential apartment buildings within the Project’s initial development phase. Subdivider has completed the installation of the 12-kV Line, including all conductors, transformers, poles and substructures. The permit drawings for the 12-kV Line are appended hereto as Attachment 1. Per the conditions of approval to IB#3, Subdivider is required to offer the 12-kV Line for acceptance by the City as a discrete public improvement separate from other “City Improvements” as defined in the Agreement and conditioned upon Subdivider’s agreement to remove the 12-kV Line. In satisfaction of the conditions of approval for IB#3, Subdivider will replace the 12-kV Line with the permanent underground electrical line (“Permanent Power Line”), consistent with the Infrastructure Plan and the SFPUC’s Rules and Regulations for Electric Service, and remove the 12-kV Line, at Subdivider’s sole cost, no later than the date that is ninety (90) days after the date the SFPUC has determined that the Permanent Power Line has been electrified and all other electrical service facilities to the 12-kV Line have been disconnected from the 12-kV Line and transferred to the Permanent Power Line.

Pursuant to the conditions of approval for IB#3, Subdivider will offer the 12-kV Line for acceptance by the City and County of San Francisco pursuant to an irrevocable offer of dedication of improvements. The Project’s master developer submitted separate requests for approval of exceptions from the Subdivision Code, the Subdivision Regulations, and the conditions of approval in Public Works Order No. 202,368, and for authorizations from SFPUC pursuant to its Rules and Regulations for Electric Service, to allow for City acceptance of the 12-kV Line notwithstanding that it will be built partially overhead and not within a dedicated public street or utility easement. The conditions of approval for IB#3 contemplate that SFPUC and Public Works will work together to introduce legislation to provide for the City’s acceptance of this facility separate from other public improvements within the Project’s initial phase.

The requested Plan Revision includes the following proposed amendments to the PIA as required by the conditions of approval for IB#3:

1. A revised Exhibit A-1 to the PIA that includes reference to IB#3 and a description of the related work. (See Attachment 2.)
2. A revised Exhibit C to the PIA that includes updated construction cost estimates. (See Attachment 6.)
3. A revised Exhibit D (see Attachment 3) that includes the following:
 - a. Reference to IB#3 and the associated Public Works Permit
 - b. Reference to Instructional Bulletin (IB) #1 Revision 3 (dated 6/14/2021) Proposing Amendments to the Mission Rock Phase 1 Improvement Plans Street Improvement Permit No. 20IE-00486, Approved on July 12, 2021; and
 - c. New Irrevocable Offer of Dedication of Improvements for the 12-kV Line.

¹ The conditions of approval for IB#3 require Subdivider to provide a “written request for a Plan Revision as defined in the PIA (which includes revisions, modifications, and amendments to the Plans and Specifications /Street Improvement Permit) and the rationale for same.

4. A revised Exhibit F-1 that includes reference to a separate agreement between the Port of San Francisco (“Port”) and SFPUC pursuant to which SFPUC may own, operate, and maintain the 12-kV Line on the Property, and which does not require SFPUC to compensate the Port for the right to occupy Port property. (See Attachment 4.)

(B) “drawings and specifications and other related documents showing the proposed Plan Revision in reasonable detail, consistent with the original Plans and Specifications”


As described above, Public Works approved IB#3, including modifications to the approved Street Improvement Permit, subject to the subsequent satisfaction of a series of conditions, including a requirement for developer to submit this request for a Plan Revision. The approved permit drawings are appended to this request as Attachment 1.

(C) “revised construction cost estimates”

Attachment 5 hereto is a revised engineer’s cost estimate from BKF Engineers, dated June 23, 2021, that estimates the cost of completing all outstanding improvements contemplated by the PIA, including modifications to the Phase 1 Street Improvement Permit authorized by the Instructional Bulletins. As indicated by Attachment 5, the modified Phase 1 street improvements, including the 12kV Line, have a total estimated cost of \$29,055,421 to complete. Subdivider previously provided performance bonds for Phase 1 street improvements in the amount \$28,788,421 (refer to Exhibit C of the PIA), and the 12kV line is now complete. As such, the total amount of security needed to ensure Subdivider’s completion of outstanding Phase 1 street improvements and to guaranty Subdivider’s warranty obligation specific to the 12kV Line (i.e., 10% of the estimated cost of \$585,000 to complete that line) is \$28,528,921. Thus, the outstanding Phase 1 street improvements and 12kV Line guaranty are covered by existing security.

Thank you in advance for your consideration of this request. Subdivider looks forward to expeditiously completing the Second Amendment to the PIA to address the above-described Plan Revision with the cooperation of Public Works and the Port.

Sincerely,



Julian Pancoast
Mission Rock Horizontal Sub (Phase 1), L.L.C.

cc Phil Williamson, Port
Shawna Gates, Public Works - Infrastructure Task Force
Christopher Tom, City Attorney’s Office
Molly Petrick, SFPUC

Attachment 1

(Approved Permit Drawings)

Attachment 2

(Revised Exhibit A-1 to PIA)

EXHIBIT A-1

Approved Street Improvement Permit Plans and Specifications

1. Public Works Street Improvement Permit (SIP) No. 20IE-00486 (October 1, 2020)2. Mission Rock Phase 1 Street Improvement Plans and Specifications prepared by BKF Engineers, including “Technical Specifications for Seawall Lot 337 / Mission Rock Phase 1 Street Improvement Plans” (dated September 25, 2020 and approved October 1, 2020 pursuant to SIP No. 20IE-00486)
3. Instructional Bulletin (IB) #3 (dated March 10, 2021) and IB#3 Revision 1 (dated March 19, 2021) Proposing Amendments to Public Works Street Improvement Permit (SIP) No. 20IE-00486, Conditionally Approved on March 19, 2021
4. Instructional Bulletin (IB) #1 Revision 3 (dated June 14, 2021) Proposing Amendments to the Public Works Street Improvement Permit No. 20IE-00486, Approved on July 12, 2021

Attachment 3

(Revised Exhibit D)

EXHIBIT D

Documentation Required for Public Improvement Agreement

1. Public Works Street Improvement Permit No. 20IE-00486 (October 1, 2020)
2. Irrevocable Offer of Dedication of Improvements (recorded June 12, 2020 as Document No. 2020K940595)
3. Payment and Performance Bonds and Monument Bonds
4. Maintenance Matrix
5. Master Homeowner Association Covenants, Conditions and Restrictions (applies only if Final Map authorizes residential condominiums)
6. Bonding to complete the Mission Rock Improvements
7. Instructional Bulletin (IB) #3 (dated March 10, 2021) and IB#3 Revision 1 (dated March 19, 2021) Proposing Amendments to Public Works Street Improvement Permit (SIP) No. 20IE-00486 (“IB#3”), Conditionally Approved on March 19, 2021
8. Instructional Bulletin (IB) #1 Revision 3 (dated June 14, 2021) Proposing Amendments to the Public Works Street Improvement Permit No. 20IE-00486, Approved on July 12, 2021
9. Irrevocable Offer of Dedication of Improvements (Power Facilities described in IB#3)

Attachment 4

(Revised Exhibit F-1)

EXHIBIT F-1

List of Documents Required by City in Order to issue a Notice of Completion

1. Subdivider's Letter Requesting Notice of Completion
2. Contractor Substantial Completion Letter
3. Civil Engineer Completion Notice
4. Geotechnical Engineer Completion Letter
5. Landscape Architect Completion Notice
6. Construction Manager Completion Notice
7. Record of City's approval of all required infrastructure testing including but not limited to SS/SD post-construction CCTV, SS/SD vacuum/pressure tests, LPW/AWSS hydrostatic tests, mandrel tests, in place density/compaction tests, concrete and LCC tests, irrigation tests, rolling straight edge tests, etc.
8. City's Confirmation that Final Punch-List Items Have Been Completed
9. Utility Conformance Letter
10. As-Built Plan Approval Letter
11. Final Draft of Notice of Completion (to be recorded)
12. Survey Monuments
13. Test Reports
14. Joint Trench Conduits Mandrel Test
15. Confirmation of Removal of all Non-Compliance Reports ("NCR")
16. Confirmation from City that all Change Orders/Instructional Bulletins have been approved
17. Confirmation from City that all required spare parts have been provided
18. Confirmation from City that Infrastructure satisfies all requirements of Public Works Order No. 203,636 and Public Works Order No. 203,637
19. Confirmation from City that all conditions of SIP have been satisfied
20. Operation and Maintenance Manuals
21. Executed Corporate Guaranty for the Extended Warranty Acceptable to the City (due at the time of first request for the final NOC within Phase 1A; Subdivider shall submit a final completed form of the Corporate Guaranty, including all parties and terms, with its first request for any NOC)
22. Final Form of Master Encroachment Permit(s) sufficient for consideration by the Board of Supervisors and associated agreement for Private Utility Improvements and other non-standard public or private improvements in the right-of-way
23. NOC Recommendation from Public Works
24. Agreement between the Port and SFPUC pursuant to which SFPUC may own, operate and maintain the 12-kilovolt electrical line authorized by Instructional Bulletin (IB) #3 (dated March 10, 2021) and IB#3 Revision 1 (dated March 19, 2021) Proposing Amendments to Public Works Street Improvement Permit (SIP) No.20IE-00486 ("IB#3"), and which does not require SFPUC to compensate the Port for the right to occupy Port property. **This**

requirement applies only to issuance of an NOC for the 12-kilovolt line authorized by IB#3, and not to other improvements contemplated by this Public Improvement Agreement.

Attachment 5

(June 23, 2021 Letter from BKF)

Attachment 6

(Revised Exhibit C)

EXHIBIT C

ESTIMATED COSTS

<u>Exhibit</u>	<u>Description of Improvements</u>	<u>Estimated Costs</u>
Exhibit A-1	Street Improvement Plans	\$28,528,921
Exhibit A-2	Pump Station Plans	\$838,800