




## MEMORANDUM

October 6, 2023

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Willie Adams, Vice President  
Hon. Gail Gilman  
Hon. Ed Harrington  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request Authorization for the Port to enter into an Agreement with the Office of Community Investment and Infrastructure (OCII) and the Recreation and Parks Department (RPD) for the Port and RPD to maintain and operate certain Mission Bay Parks that will be funded by Community Financing District # 5 (CFD #5) revenues until 2044.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 23-44

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### EXECUTIVE SUMMARY

The Port, OCII and Recreation and Parks Department (RPD) have been collaborating on a parks management and operations agreement ("Agreement") for the Mission Bay Parks system. The Port and RPD will take over management of the Parks consistent with the State of California's requirement for OCII to divest itself of assets and asset management as required by the dissolution of Redevelopment authority.

At the June 13th Port Commission meeting<sup>1</sup>, the Port Commission authorized staff to enter into a temporary agreement with OCII for the operations and maintenance of certain Mission Bay Parks using CFD #5 funds. That temporary agreement was entered into

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<sup>1</sup> [Second Bond Issuance Informational \(sfport.com\)](https://www.sfport.com)

because staff needed additional time to resolve issues and seek approval of the Agreement from all three agencies' commissions and the Board of Supervisors. It was intended that such a temporary agreement would be replaced by a long-term agreement.

Working with RPD staff, the agencies have aligned on which parks will be managed by each of the Port and RPD. The Port and RPD have developed a logical division of the Mission Bay parks for operations and maintenance, which is not strictly limited to City and Port jurisdiction but aligns with the user experience, operational efficiencies, and systems management. Additionally, the agencies have been working with San Francisco Public Works on the vacation of the right-of-way overlay on the built Mission Bay Parks.

The transfer of Mission Bay Parks to the Port and City has always been anticipated; however, because of the dissolution of the Redevelopment authority and the State's mandate to divest from assets, the management and operation of the parks will go to the Port and City earlier than expected. Under the Agreement, the Port and RPD have agreed on a method to identify how available CFD #5 funds are distributed between the two agencies. However, as discussed at the June 13th Port Commission meeting, the Port anticipates total park operating costs to exceed available CFD #5 funds in approximately five years, such that the Port will only be partially reimbursed for its costs.

## **STRATEGIC OBJECTIVE**

Management of Mission Bay Parks on Port lands supports the Port's Strategic Plan goals:

### Sustainability:

Advance environmental stewardship to limit climate change and protect the Bay.

### Evolution:

Evolve the waterfront to respond to changing public and Port needs.

### Engagement:

Engage constituents and the public on Port functions and activities.

## **BACKGROUND**

In 1998, the Port Commission and Board of Supervisors approved the Redevelopment Plans for Mission Bay North and South<sup>2</sup> which provide for, among other things, the development of parks on City lands, including both Port and non-Port lands (see *Attachment 1 for a parks map*). The parks on non-Port lands are currently under the jurisdiction of the City's Real Estate Division (RED). The parks were constructed on City and Port lands under the direction of the former Redevelopment Agency ("Former Agency"), which has been dissolved and is now managed by the Office of Community Investment and Infrastructure ("OCII"). The parks were built by the Mission Bay Development Group, utilizing Tax Increment and Mello-Roos funds, and are maintained by

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<sup>2</sup> See Board of Supervisors Ordinance No. 327-98 (Oct. 26, 1998) and Ordinance No. 335-98 (Nov. 2, 1998); as well as Port Commission Resolutions 98-86 through 98-98.

OCII contractors utilizing CFD #5 funds collected from parcel owners. Parklands were leased to the developer during construction, then upon completion and acceptance by the City, the ground lease with the developer was terminated and the parklands transferred into a Master Ground lease with the Former Agency. The termination of the Master Ground lease between RED, the Port, and OCII, was always anticipated to occur, but was not expected to occur until approximately 2044 and will now occur with the execution of the Agreement.

The California Redevelopment Dissolution Law requires OCII to dispose of the Former Agency's real property interests, including the park's Master Ground Lease. The California Department of Finance has approved a long-range property management plan for OCII that requires, among other things, OCII to terminate its leasehold interests in the Mission Bay Parks but acknowledges OCII's continuing administration of CFD #5 maintenance funds, which are authorized under state authority separate from the Redevelopment Dissolution Law.

## **AGREEMENT OVERVIEW**

The Agreement between OCII, RPD, and the Port includes provisions describing:

- a) the terms of the agreement and each agency's role;
- b) identifies the areas of parks to be managed by each of the Port and RPD;
- c) includes a process for developing an operations plan and anticipated budget;
- d) describe how and when the Port and RPD will be reimbursed for its cost from the CFD #5 maintenance funds;
- e) sets forth indemnification obligations;
- f) outlines methods to coordinate maintenance and operational issues with both RPD and OCII;
- g) recognizes the jurisdiction of necessary park rules, regulations, and enforcement;
- h) recognizes the use regulations consistent with the Public Trust and Bay Conservation and Development Commission permit requirements;
- i) describes the process for the design and development of future Mission Bay Parks; and
- j) identifies the process to terminate or amend the Agreement.

OCII will continue to manage the CFD #5 funds collected for park maintenance and operations and distribute them to the Port and RPD quarterly. The park parcel ownership is currently divided between the Port and RED, which includes Port park parcels generally along the Bay and along the Mission Creek shoreline and RED park parcels generally being inland park parcels. Some of the park parcels are split jurisdiction partially on Port lands and partially on RED lands. Port and City staff have been working to divide park maintenance and operations management between the Port and RPD. Specifically, the Port will manage and operate park parcels P18, P19, P21, P22, P23, and P24 (see *Attachment 1- Mission Bay Parks- Port Maintenance*) all of which are on Port lands along the Bayside edge. RPD will manage all other parcels, including parks P1, P2, P8, and P15, which are split jurisdiction on both Port and City lands, and P17, which is entirely on Port

lands. While RPD will manage some Port park parcels, this is recommended to support ease of use by park visitors and recognize efficiencies of management and operations.

In order to have only the Port Code or the City Park Code apply to the Mission Bay parks so park enforcement can occur under the applicable Municipal Code and each respective agency can issue permits for use of the parks/open spaces, the Board of Supervisors will need to vacate the public right-of-way status that exists on the park parcels. The street vacation also will terminate the application of the Public Works Code. The City created the public right-of-way status for the parks/open space in the Mission Bay Redevelopment Plans to allow the San Francisco Public Works Department to issue permits to construct the parks and bring legislation to the Board of Supervisors to “accept” the improvements, including PUC utilities. The public right-of-way is no longer needed on built parks/open spaces and applying the Port and RPD codes for use and enforcement is recommended for the appropriate and efficient administration and management of the parks/open spaces.

### **COMMUNITY OUTREACH**

The Port, RPD, and OCII have met on several occasions with the Mission Bay Citizens Advisory Committee (Mission Bay CAC) and the Port’s Southern Advisory Committee to review the approach outlined above to transfer Mission Bay Parks back from OCII management to the Port and RPD. Moving forward the Port and RPD will both make themselves available at Mission Bay CAC and other CACs to keep the public apprised of park operations.

### **NEXT STEPS**

The Agreement also needs to be approved by the OCII and RPD Commission and the Board of Supervisors. The approval action is being heard by both the OCII and RPD Commission in late October and the Board of Supervisors will consider the Action in November and December with the desire to have the agreement executed in late December.

Prepared by:

David Beaupre,  
Deputy Director for Planning and Environment

Attachment 1 - Park Maintenance and Operations division of responsibility

# ATTACHMENT 1

## Mission Bay Parks - Port Maintenance



**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 23-44**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and
- WHEREAS, The San Francisco Office of Community Investment and Infrastructure (OCII) is required to divest its assets and management of public assets including the Mission Bay parks consistent with the State of California's requirement of Redevelopment dissolution; and
- WHEREAS, In 1998 the San Francisco Board of Supervisors, and many other agencies including the Port, approved the Mission Bay Redevelopment Plans North and South, which included agreements between the Redevelopment Agency and certain City agencies; and
- WHEREAS, The Mission Bay Redevelopment Area and associated agreements, required that certain lands within Mission Bay under the jurisdiction of the Port be improved and maintained by OCII using Tax Increment and Mello Roos funds and maintenance funds through a Community Financing District (CFD #5); and
- WHEREAS, The Mission Bay Redevelopment Plan anticipated that the parks on Port lands would eventually return to the Port for maintenance and operations; and
- WHEREAS, The Port, OCII, and Recreation and Park Department (RPD) have developed an Agreement for Maintenance and Operations of Mission Bay Parks and Open Spaces, which is on file with the Commission Secretary that outlines the maintenance, operations and funding of Mission Bay parks; and
- WHEREAS, The cost of management and maintenance for the parks and open spaces will be funded through the CFD #5 through 2044; and
- WHEREAS, The Port, RPD and OCII recognize that revenues from CFD #5 will likely not adequately cover such management and maintenance costs in approximately five years; and
- WHEREAS, The San Francisco Public Works right-of-way overlay on the parks will be vacated so the Port and RPD can issue permits and enforce rules and regulations under the Port and Park Codes; and
- WHEREAS, The Port, RPD and OCII will coordinate operations, and management,

including park rules, regulations, security and public outreach and communications; and

WHEREAS, The Port, RPD and OCII have done extensive outreach with the Mission Bay Citizen Advisory Committee, Port Southern Advisory Committee and the Parks and Recreation Open Space Advisory Committee; now, therefore it be

RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to enter into the Agreement for Maintenance and Operations of Mission Bay Parks and Open Spaces with OCII and RPD for the operations and maintenance of certain Mission Bay Parks.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 10, 2023.***

DocuSigned by:

*Jenica Lin*

Secretary

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