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July 14, 2022

Carla Short
Interim Director
San Francisco Department of Public Works
Bureau of Streets and Mapping
49 South Van Ness Avenue, Suite 1600
San Francisco, CA 94103

Re: Potrero Power Station Mixed-Use Development Project – *Subdivider Letter Request for Deferral and Conditions of Deferred Compliance*

Dear Interim Director Short:

This firm represents California Barrel Company LLC (“Project Sponsor” or “Subdivider”), sponsor of the Potrero Power Station Mixed-Use Development Project (the “Project”) and party to that certain Development Agreement between Project Sponsor and the City, approved by Board of Supervisors Ordinance No. 0062-20, File No. 200040 (the “Development Agreement”).

Project Sponsor is the applicant of that certain “Tentative Final Map 10714”, being a 35 Horizontal Lot and 13 Vertical Lot Subdivision, and authorizing up to 1,419 Residential Condominium Units, up to 110 Commercial Condominium Units, and up to 3,625 Parking Units (“Tentative Map”). The Tentative Map was approved by Public Works (“PW”) Order No. 205501, subject to certain requirements and conditions contained in the Director’s Conditions of Approval dated October 4, 2021 (the “Conditions of Approval”).¹

Project Sponsor has since submitted that certain phased “Final Map 10714”, being a twenty-three (23) lot subdivision with lots intended for residential, commercial, open space, public right-of-way uses, private streets, and future development, including up to 772 residential condominium units and 70 commercial condominium units (“Final Map”). Pursuant to Section IV.F of the 2015 Subdivision Regulations, Subdivider’s application for the Final Map included a Deferred Materials Submittal, including a tracking spreadsheet addressing each of the Conditions of Approval.

¹ We note that the Conditions of Approval were modified pursuant to PW Order No. 206798 in a manner that does not relate to deferral of certain conditions requested herein.

Also pursuant to Section IV.F of the 2015 Subdivision Regulations, Subdivider now hereby requests continued deferral of certain Conditions of Approval (the “Requested Deferrals”). The Requested Deferrals, along with terms for each requested deferral are included in Exhibit A hereto.

We appreciate your attention to this request and are available to answer any questions you might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick W. Roosevelt". The signature is fluid and cursive, with a prominent initial "N" and a long, sweeping underline.

Nicholas W. Roosevelt

ATTACHMENT

- Exhibit A – Requested Deferrals

EXHIBIT A
Requested Deferrals

Condition of Approval Item No.	Conditional of Approval	Current Status	Applicable Term(s) for Requested Deferral
SFPUC General Conditions			
1.	Prior to the earlier of Subdivider’s submission of a final map or execution of any infrastructure permitting agreement, the SFPUC must approve the utility configuration of the proposed western terminus of Humboldt Street (the portion of Humboldt Street west of Georgia Lane) (the “Humboldt Terminus”).	The Humboldt Terminus is part of Phase 2 and not depicted within the Phase 1 Street Improvement Permit (“SIP”) or Phase 1 Final Map.	SFPUC must approve the utility configuration of the Humboldt Terminus in the earlier of the final map submission or SIP for the development phase in which the Humboldt Terminus is located.
8.	Prior to the earlier of Subdivider’s submission of any Phased Final Map or execution of any subdivision improvement agreement, Subdivider and SFPUC shall execute an agreement or agreements granting the SFPUC all necessary land rights within the Phased Final Map area or as necessary to serve the phase/permit area for any facilities outside public rights-of-way that SFPUC agrees to own, at no cost to the SFPUC, including rent, licensing fees or other ongoing costs. If the necessary rights cannot be granted to the SFPUC in a manner satisfactory to the SFPUC, Subdivider will need to be responsible for maintenance and liability of the utilities, or submit a new Master Tentative Map with revised utility layouts, unless the revised layouts are deemed in substantial conformance with the approved Master Tentative Map by the City Engineer.	Satisfaction of this condition is evidenced on Final Map No. 10714, except for the Northern Connection Implementation Agreement (described in Recital M of PIA) and the Amended Humboldt Street Waterline Easement Agreement (shown on Sheet 9 of the Final Map). City review of Northern Connection Implementation Agreement and Amended Humboldt Street Waterline Easement Agreement is on-going.	Subdivider and SFPUC (and, in the case of the Northern Connection Implementation Agreement, the San Francisco Port Commission and Brookfield) shall finalize the form and execute the Northern Connection Implementation Agreement within 60 calendar days of the Board of Supervisors motion approving the Final Map. The Amended Humboldt Street Waterline Easement Agreement shall be finalized and executed prior to occupancy of first building in Phase 1 Final Map area.

16.	<p>Prior to the earlier of Subdivider's submission of an applicable Phased Final Map or issuance of the applicable subdivision improvement agreement, Subdivider shall indicate whether it intends to request SFPUC to operate public utility facilities prior to those facilities being accepted by the Board of Supervisors. The SFPUC will require that Subdivider either: (a) have a plan to connect the facilities without SFPUC's operation and maintenance (e.g., backflow preventers and/or master meters), or (b) enter into an agreement with the SFPUC (e.g., a utility license) allowing the SFPUC to use, operate and maintain any Subdivider-owned utility facilities that are expected to be accepted by the City. Any such agreement between SFPUC and Subdivider shall be consistent with Section 14.24 of the Development Agreement. In addition to any other conditions that the City deems appropriate, Subdivider shall be responsible for all costs related to operation, maintenance and liability for each utility facility subject to the license agreement until those improvements are accepted by the City. Any such license agreement shall be executed prior to the earlier of approval of the applicable check print Phased Final Map or execution of the applicable subdivision improvement agreement. The use, operation and maintenance by the City under the license shall not change, impact, or otherwise modify Subdivider's obligation to request NOC for complete and functional street segments, Subdivider's warranty of the improvements, which shall begin at the issuance of the NOC for the complete street, or the City's</p>	<p>Subdivider has indicated intent to enter into an interim operating agreement with SFPUC. SFPUC review of draft Interim Operating Agreement proposed by Subdivider is on-going.</p>	<p>Subdivider and City shall finalize the form and execute the Interim Operating Agreement(s) within 60 calendar days of the Board of Supervisors motion approving the Final Map.</p>
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	discretion to accept the improvements. Subdivider shall not request any reduction of bonding for the utilities subject to the license prior to requesting NOC for the complete and functional street segment encompassing the utilities.		
SFPUC Wastewater Enterprise			
12.	The applicable subdivision improvement agreement under the first Phased Final Map shall require that Subdivider permit and construct the Sanitary Sewer Pump Station located within the Master Tentative Map area, or connect to the Pier 70 sewer system and 20th Street Pump Station within the first phase of horizontal improvements.	The Phase 1 Street Improvement Permit plans depict the connection to the Pier 70 sewer system and the PIA requires Subdivider to construct such connection and provide security for completion. City review of the Northern Connection Implementation Agreement described in Recital M of the PIA is on-going.	Subdivider, SFPUC, Port, and Brookfield shall finalize the form and execute the Northern Connection Implementation Agreement within 60 calendar days of the Board of Supervisors motion approving the Final Map.
15.	Subdivider may not construct a sewer connection to Pier 70, unless the Port and SFPUC execute an MOU allowing the project's sewer flows into the 20th Street pump station prior to the earlier of the Subdivider's submission of the first Phased Final Map or issuance of an infrastructure permitting agreement. Subdivider shall also obtain an agreement with Brookfield defining roles and responsibilities for the pump station upsizing work and sewer connection work on Maryland Street between Craig Lane and 22nd Street; submit (or ensure that Brookfield has submitted) an amended Infrastructure Plan(s) (or other agreement) which obligates Subdivider and/or Brookfield to construct (or pay for) the upsizing of the 20th Street Pump	Draft Northern Connection Implementing Agreement for utility connection has been drafted by Subdivider and is being reviewed by Brookfield, Port, and SFPUC. Concurrently, the Port and SFPUC are finalizing required MOU.	The Northern Connection Implementation Agreement and MOU shall be finalized and executed within 60 calendar days of the Board of Supervisors motion approving the Final Map.

	<p>Station for both the project flows and full build-out and the upsizing required to achieve zero discharges in a typical year (as generally provided in modeling SFPUC Final Hydraulic Modeling Evaluation for 20th Street Pump Station dated 12/16/20), other agreements that may become necessary based on the proposed work, and, if applicable, a cost sharing agreement between Subdivider, Brookfield, and the City.</p>		
16.	<p>As detailed in the sewer master plan, the site has two sewer system types—combined sewer (CS) and a separated sanitary sewer/storm drain (SS/SD). Each lot’s lateral connection point informs the corresponding sewer system’s performance and the lot’s compliance with the differing obligations of the SMO in CS areas vs. MS4 areas. In boundary lots—where a parcel may adjoin the two different sewer system types—lateral connections points (where “points” means “to sewer system type”) must be constructed per the sewer system master plan. Concurrent with submission of each Phased Final Map, Subdivider shall prepare and arrange for the recording of parcel-specific declarations of restrictions to inform the required connection type (CS or SS/SD).</p>	<p>For Phase 1 Final Map, condition applies only to Lot 6. City has proposed deferral of this condition to issuance of Phase 1 SIP.</p>	<p>Issuance of Phase 1 SIP contingent upon preparation and recording of declarations of restrictions for Lot 6.</p>

SFPUC Water Enterprise

5.	<p>The existing water main easement in the private portion of 23rd Street shall be either replaced with a new easement or be amended/restated on SFPUC's modern form. Prior to approval of any Street Improvement Permit that includes this water line, Subdivider shall obtain approval of this new or amended easement from PG&E and the SFPUC. The easement shall be 25' wide centered on the pipe and appurtenances, unless otherwise allowed by the SFPUC. The existing water line within the PG&E property in the private portion of Humboldt Street cannot be accepted for ownership by the SFPUC. Prior to the earlier of Subdivider's submission of the Phased Final Map or infrastructure permitting agreement for any facilities that rely on this water line connection, Subdivider shall enter into an agreement with the SFPUC for the operation of this water pipe. Negotiation of this agreement will be preceded by in-depth design coordination with SFPUC staff, to determine how the connection will be made. The design coordination may involve meters, rebuilding the existing pipe, backflow prevention, changing the pipe layout shown in this Master Tentative Map, and or other considerations. The SFPUC shall determine the final design of this connection in consultation with Subdivider.</p>	<p>The 23rd Street amended waterline easement is complete.</p> <p>For the Humboldt Street waterline, SFPUC has determined an Amended Humboldt Street Waterline Easement Agreement with PG&E is necessary prior to finalizing and executing an Interim Operating Agreement.</p>	<p>Amended Humboldt Street Waterline Easement Agreement and Interim Operating Agreement shall be finalized and executed prior to occupancy of first building in Phase 1 Final Map area.</p>
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San Francisco Municipal Transportation Agency			
3.	Subdivider shall record a restriction or enter into an appropriate agreement to allow for the bus loading and waiting area within the private portion of 23rd Street, consistent with the Project's D4D, Transportation Demand Management program, and transportation analysis in the EIR.	City has determined that two distinct notices of special restrictions are necessary: (1) a notice of special restriction permitting SFMTA use of private 23 rd Street for bus access and passenger loading, a draft of which has been submitted by Subdivider and is under review by the City; and (2) a notice of special restriction regarding certain passenger loading and waiting facilities and restroom facilities for SFMTA bus drivers, the substance of which can only be finalized upon refined detail of the Vertical Improvements for Block 12.	Subdivider and City shall finalize, execute, and record the notice of special restriction permitting SFMTA use of private 23 rd Street for bus access and passenger loading within 60 calendar days of the Board of Supervisors motion approving the Final Map. Subdivider and City shall finalize, execute, and record the notice of special restriction regarding passenger loading and waiting facilities and restroom facilities for SFMTA bus drivers prior to DBI issuance of the first addendum of the site permit for Block 12 permitting commencement of construction of Vertical Improvements

Public Works – BUREAU OF STREET USE AND MAPPING (BSM) PERMITTING DIVISION			
2.	Subdivider shall provide easements or other form of recorded notice needed for pedestrian access in a form acceptable to the City for any public infrastructure located on private property.	City review of a City-required notice of special restriction for Private Open Space Access on portions of Lots 6, 7, 8, 11, 12, N, X, Y, Z, and AC is on-going.	Subdivider and City shall finalize and record the referenced notices for Private Open Space access within 60 calendar days of the Board of Supervisors motion approving the Final Map.
City Attorney			
4.	No later than the first applicable Phased Final Map or first subdivision improvement agreement, Subdivider shall offer fee title to the City (in the form of Exhibit S to the Development Agreement) for the portion of Lot AA to be improved with the cul-de-sac terminus of Humboldt Street (as shown on the Master Tentative Map). The grant deed shall specify that Subdivider has the power of termination (under California Civil Code sections 885.010-885.070), effective if the portion of Humboldt Lane (as shown in the Infrastructure Plan) within the PG&E Sub-Area becomes subject to the Development Agreement (by execution of the joinder attached to the Development Agreement or other instrument approved by the City) and becomes subject to an applicable Phased Final Map for the extension of Humboldt Street to Illinois. The grant deed shall specify that Subdivider may exercise the power of termination by written notice to the City and no action by the Board of Supervisors shall be required to approve such termination. Subdivider's power of termination shall not extend beyond the term of the Development Agreement (as extended by the joinder or other cause as permitted by the Development Agreement).	The Humboldt Terminus is not within the Phase 1 areas.	Offer of fee title shall be offered as part of the phased final map that contains the Humboldt Terminus.