

1 [Real Property Lease Amendments - Seawall Lot 337 Associates, LLC - Mission Rock Parcels  
2 A, B, F, and G and Form Lease]

3 **Resolution approving certain amendments to the form of the Parcel Lease between the**  
4 **Port and Seawall Lot 337 Associates, LLC, a subsidiary agreement under the**  
5 **Disposition and Development Agreement for the Mission Rock Project; approving**  
6 **certain amendments to the Leases for Parcel A, Parcel B, Parcel F, and Parcel G with**  
7 **affiliates of Developer; adopting findings under the California Environmental Quality**  
8 **Act; and to authorize the Executive Director of the Port to enter into amendments or**  
9 **modifications to the First Amendment to Parcel Lease that do not materially increase**  
10 **the obligations or liabilities to the City and are necessary to effectuate the purposes of**  
11 **the Resolution.**

12  
13 WHEREAS, California Statutes of 1968, Chapter 1333 (as amended, the “Burton Act”) and Charter, Sections 4.114 and B3.581, empower the City and County of San Francisco, acting through the San Francisco Port Commission (“Port”), with the power and duty to use, conduct, operate, maintain, manage, regulate and control lands within Port jurisdiction; and

17 WHEREAS, The Port owns approximately 28 acres of real property along San Francisco’s Central Waterfront comprised of (1) Seawall Lot 337, bounded by Third Street on the west, a .3-acre strip of land immediately south of Seawall Lot 337 known as “Parcel P20” and Mission Rock Street on the south, Pier 48 to the east, and China Basin Park on the north; (2) Pier 48; (3) China Basin Park; (4) the marginal wharf between Pier 48 and Pier 50; and (5) Parcel P20 (collectively, the “Site”); and

23 WHEREAS, In May 2010, by Resolution No. 10-32, the Port Commission awarded to Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Developer”), through

1 a competitive process, the opportunity to negotiate exclusively for the mixed-use development  
2 of the Site (collectively, the “Project” or the “Mission Rock Project”); and

3 WHEREAS, On March 8, 2013, by Resolution No. 13-10, the Port Commission  
4 endorsed the Term Sheet for the Project; and

5 WHEREAS, In May 2013, by Resolution No. 142-13, the Board of Supervisors found  
6 the Project fiscally feasible under Administrative Code, Chapter 29, and endorsed the Term  
7 Sheet for the Project; and

8 WHEREAS, Port and Developer entered into that certain Disposition and Development  
9 Agreement dated August 15, 2018 (as amended, the “DDA”), a copy of which is on file with  
10 the Clerk of the Board of Supervisors in File No. 180092 and is incorporated in this resolution  
11 by reference, and related transaction documents that are incorporated into the DDA and  
12 provide the overall process for development of the Project, including a Financing Plan, an  
13 Infrastructure Plan, a Housing Plan, a Transportation Plan, a Transportation Demand  
14 Management Plan, a Workforce Development Plan, an LBE Utilization Program, and forms of  
15 an interim Master Lease, a Vertical Disposition and Development Agreement, and a Parcel  
16 Lease; and

17 WHEREAS, The Port and Developer entered into the Mission Rock Master Lease -  
18 Lease No. L-16417, dated as of August 15, 2018, for portions of the Site comprising the  
19 Project (as amended, the “Master Lease”); and

20 WHEREAS, The form Parcel Lease sets forth the terms and conditions under which  
21 vertical developers may ground lease development parcels for a term of 75 years; the form  
22 Parcel Lease may be modified, as described in the DDA, to address circumstances unique to  
23 the development of individual parcels; and

24 WHEREAS, Parcel A, was removed from the Master Lease and leased to Mission  
25 Rock Parcel A Owner, L.L.C., a Delaware limited liability company, by that certain Lease No.

1 L-16703 (Mission Rock - Phase 1, Parcel A/Lot 1) dated as of October 6, 2020 (the "Parcel A  
2 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
3 and recorded in the Official Records of the City and County of San Francisco (the "Official  
4 Records") on October 7, 2020 as Document Number 2020027130 (the "Memorandum of  
5 Parcel A Lease"); and

6 WHEREAS, Parcel B was removed from the Master Lease and leased to Mission Rock  
7 Parcel B Owner, L.L.C., a Delaware limited liability company, by that certain Lease No. L-  
8 16704 (Mission Rock - Phase 1, Parcel B/Lot 2) dated as of October 6, 2020 (the "Parcel B  
9 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
10 and recorded in the Official Records on October 7, 2020 as Document Number 2020027137  
11 (the "Memorandum of Parcel B Lease"); and

12 WHEREAS, Parcel F was removed from the Master Lease and leased to Mission Rock  
13 Parcel F Owner, L.L.C., a Delaware limited liability company, by that certain Lease No. L-  
14 16706 (Mission Rock – Phase 1, Parcel F/Lot 4) dated as of October 6, 2020 (the "Parcel F  
15 Lease"), as evidenced by that certain Memorandum of Lease, dated as of October 6, 2020  
16 and recorded in the Official Records on October 7, 2020 as Document Number 2020027143  
17 (the "Memorandum of Parcel F Lease"); and

18 WHEREAS, Parcel G was removed from the Master Lease and leased to Mission Rock  
19 Parcel G Owner, L.L.C., a Delaware limited liability company (referred to collectively, with  
20 Mission Rock Parcel A Owner, L.L.C., Mission Rock Parcel B Owner, L.L.C., and Mission  
21 Rock Parcel F Owner, L.L.C., as the "Developer Affiliates" for purposes of this resolution), by  
22 that certain Lease No. L-16705 (Mission Rock – Phase 1, Parcel G/Lot 3) dated as of June  
23 25, 2020 the "Parcel G Lease"), as evidenced by that certain Memorandum of Lease, dated  
24 as of June 25, 2020 and recorded in the Official Records on June 26, 2020 as Document  
25 Number 2020-K944596-00 (the "Memorandum of Parcel G Lease"); and

1           WHEREAS, The Port and Developer, on behalf of Developer Affiliates, desire to amend  
2 the form Parcel Lease and to amend the Parcel A Lease, the Parcel B Lease, the Parcel F  
3 Lease, and the Parcel G Lease, to revise the definitions of “Net Refinancing Proceeds,”  
4 “Tenant’s Purchase Price,” and “Total Development Costs,” each as set forth in the form of  
5 First Amendment to Parcel Lease (the “First Amendment to Parcel Lease”), a copy of which is  
6 in Board File No. 231116 and is incorporated in this resolution by reference; and

7           WHEREAS, On October 10, 2023, by Resolution No. 23-46, the Port Commission  
8 concluded that the amendments in the First Amendment to Parcel Lease are commercially  
9 reasonable and in the best interest of the Project, and approved the amendments; and

10           WHEREAS, The actions contemplated in this resolution are within the scope of the  
11 project for which the Board adopted Resolution No. 036-18 that affirmed the Planning  
12 Commission’s certification of the Final Environmental Impact Report for the Seawall Lot 337  
13 and Pier 48 Mixed-Use Project (“FEIR”) and mad findings in accordance with the California  
14 Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.) and  
15 Administrative Code, Chapter 31; and

16           WHEREAS, A copy of Resolution No. 036-18 is on file with the Clerk of the Board of  
17 Supervisors File No. 171286 and is incorporated herein by reference; now, therefore, be it

18           RESOLVED, That the Board of Supervisors approves the First Amendment to Parcel  
19 Lease; and, be it

20           FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
21 Director of the Port or the Executive Director’s designee to revise the form Parcel Lease and  
22 to enter into a First Amendment to the Parcel A Lease, the Parcel B Lease, the Parcel F  
23 Lease, and the Parcel G Lease, as approved by the City Attorney and in substantially the form  
24 on file with the Clerk of the Board of Supervisors in File No. 231116, and to provide notice of  
25 such amendment by executing and recording amendments to the Memorandum of Parcel A

1 Lease, Memorandum of Parcel B Lease, Memorandum of Parcel F Lease, and Memorandum  
2 of Parcel G Lease; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
4 Director of the Port to enter into any additions, amendments or other modifications to the First  
5 Amendment to Parcel Lease (including, without limitation, preparation and attachment of, or  
6 changes to, any or all of the exhibits and ancillary agreements) that the Executive Director, in  
7 consultation with the City Attorney, determines when taken as a whole, are in the best  
8 interests of the Port, do not materially increase the obligations or liabilities of the Port or City  
9 or materially decrease the public benefits accruing to the Port, and are necessary or advisable  
10 to complete the transactions contemplated and effectuate the purpose and intent of this  
11 resolution, such determination to be conclusively evidenced by the execution and delivery by  
12 the Executive Director of any such documents; and be it

13 FURTHER RESOLVED, That within thirty (30) days of entering into a First Amendment  
14 to the form Parcel Lease and to each Parcel A Lease, Parcel B Lease, Parcel F Lease, and  
15 Parcel G lease, the Port shall provide copies of each document to the Clerk of the Board for  
16 inclusion into the official file.

17  
18 RECOMMENDED

19  
20  
21 \_\_\_\_\_ /s/

22 Elaine Forbes, Executive Director  
23 Port of San Francisco

24  
25