



February 7, 2025

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Gail Gilman, Vice President
Hon. Willie Adams
Hon. Stephen Engblom
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director

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SUBJECT: Informational presentation to consider and possible action to: 1) authorize Port staff to accept public infrastructure and improvements including streets, sidewalks, parks, and open spaces constructed by Seawall 337, LLC ("Developer") and its affiliates at Seawall Lot 337, the "Mission Rock Project" bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay; 2) approve a lease and loan agreement and a management agreement with SWL 337, LLC and its affiliates; 3) approve multiple utilities licenses and agreements related to the operation and maintenance of Port-owned public spaces in the Mission Rock Project, subject to further approval by the Board of Supervisors; 4) approve a sponsorship agreement with an affiliate for the SF Giants Commemorative Paver program in China Basin Park; and 5) recommend that the Board of Supervisors (i) take certain actions to accept public infrastructure and improvements including streets, sidewalks, and other City infrastructure at the Mission Rock Project and (ii) approve execution of the various agreements authorized by this Resolution.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolutions Nos. 25-05 and 25-06

EXECUTIVE SUMMARY

The Mission Rock project (the “Project”) is a 28-acre site located at Seawall Lot 337 and bounded by China Basin Channel, Third Street, Mission Rock Street, and the San Francisco Bay. The Port’s development partner for the Project is Seawall Lot 337 Associates, LLC, a partnership between the San Francisco Giants and Tishman Speyer (collectively with its affiliates, the “Developer”). The Project is governed by its Disposition and Development Agreement (DDA), Master Lease, and related agreements between the Port and the Developer. Under the DDA, MRP is required to construct horizontal improvements, including parks, streets, and utilities, as well as four buildings consisting of two primarily multi-family residential buildings and two commercial office/life science buildings. The Developer commenced construction of Phase 1 (see Exhibit A, Site Map) in 2019 and has completed construction over the last several months.

The newly constructed Phase 1 streets, utilities, and public open spaces have opened to the public under the Master Lease. The Developer has also received approvals for two critical milestones in the acceptance process: a Schedule of Performance (“SOP”) conditional compliance determination from the Port, and issuance of a Notice of Completion (“NOC”) for Phase 1 Assets by the Department of Public Works. The SOP and NOC approvals document that the team has generally completed final commissioning and inspections. The Port and other receiving City agencies have deemed Phase 1 horizontal infrastructure ready for acceptance, subject to the completion of certain deferred improvements anticipated to be complete in Spring 2025.

The SOP and NOC approvals also mark the beginning of sequential Port and City legislative processes through which the Port Commission and Board of Supervisors (“BOS”) formally accept ownership of Phase 1 horizontal infrastructure constructed at Mission Rock. In passing the legislative package presented in this report, the Port Commission will authorize Port staff to formally assume ownership, liability, and maintenance responsibilities for Port-owned infrastructure (“Port Assets”). This includes infrastructure constructed in Port open spaces (“Port Open Space Assets”), and City right-of-way (“Port ROW Assets”). The City’s respective legislative process through which the BOS authorizes City staff to accept ownership of City-owned horizontal infrastructure (“City Assets”) constructed in the public right-of-way (“ROW”) will commence soon afterward and is anticipated to be completed in spring of 2025.

At the March 12, 2024, Port Commission meeting, Port staff gave an informational presentation outlining the Port’s and City’s respective acceptance processes and summarizing the various land use agreements the Port and City would need to approve through the Phase 1 acceptance process (see item 7A). The required Port Commission actions are summarized in the list below:

- Accept ownership of Port Open Spaces by removing areas from the Master Lease between Port and Developer;
- Accept ownership of Port ROW Assets and recommend the BOS accept City Assets by removing areas from the Master Lease between Port and Developer;

- Approve various land rights agreements required to facilitate operations and maintenance of new Port Assets at Mission Rock including:
 - A lease and loan agreement with an affiliate of the Developer, (expected to be Mission Rock Commons or “MRC”) to operate, program, and maintain China Basin Park,
 - A management agreement enabling MRC to maintain the Mission Rock Paseos, open spaces, and Port-owned improvements in the City ROW,
 - A license agreement granting Mission Rock Utilities, Inc. (“MRU,” a private utility operator serving the development) the right to operate and maintain their facilities within China Basin Park and Port open space,
 - License agreements granting PG&E the right to operate and maintain gas lines serving two buildings and an electrical line serving the 3rd Street Bridge Pilot House with an accompanying Absolving Services Agreement governing electrical service,
 - An Interagency Master Encroachment Permit (“IMEP”) issued by the Department of Public Works to the Port documenting the Port’s obligations for Port Assets in City ROW,
- Approve a sponsorship agreement between the SF Giants and MRC for the installation, maintenance, and removal of Commemorative Pavers in the pedestrian portion of the Bay Trail in China Basin Park; and
- Recommend that the BOS accept City infrastructure and approve the land rights agreements described above.

Staff now request the Port Commission's approval of these acceptance-related actions.

STRATEGIC OBJECTIVES

Acceptance of completed Phase 1 Horizontal infrastructure will meet the following Port Strategic Objectives by helping to advance the implementation of development within the Mission Rock Special Use District (“Mission Rock SUD”):

- **Productivity:** Attract and retain tenants to build an economically successful and vibrant waterfront.
- **Resilience:** Reduce seismic and climate change risks to protect the waterfront.
- **Sustainability:** Advance environmental stewardship to limit climate change and protect the Bay.
- **Evolution:** Evolve the waterfront to respond to changing public and Port needs.

PROJECT UPDATE, BACKGROUND, AND CONTEXT

Project Overview

The entitled Mission Rock project, upon completion of all phases, anticipates approximately 1,100 units of rental housing, 1.4 million square feet of new commercial and office space, the rehabilitation of historic Pier 48, as well as space for small-scale manufacturing, retail, neighborhood services, waterfront parks, and public infrastructure.

The mixed-use Project is located on approximately 28 acres, including SWL 337 and Pier 48.

Approved in 2018, the Project reflects fourteen years of effort, led by the Port Commission, Port and City staff, and Mission Rock Partners, a partnership between the San Francisco Giants and Tishman Speyer.

Phase 1 currently includes the following program elements:

- 537 Apartment units, including 161 affordable units
- 550,000 gross square feet office
- 52,000 gross square feet of retail
- District Energy System (heating and cooling) located in Parcel A which will serve all of Mission Rock
- District-scale non-potable water recycling plant located in Parcel B, which will serve all of Mission Rock's indoor and outdoor non-potable water needs

Key public benefits include affordable housing, parks and open space, implementation of sustainability strategy goals, and achievement of workforce and local hire requirements and goals agreed upon in the Project's DDA and Development Agreement (DA).

LOCAL BUSINESS ENTERPRISE (LBE) UPDATE

During the final months of the construction phase, Mission Rock Partners realized a minor decrease in overall LBE participation for the 2Q24 reporting period. In addition to decreased construction activity, as the project team processes closeouts for Parcel F and the Horizontal scope of the project, the anticipated LBE participation is slightly less, noting a difference of -\$431,938 from 1Q24. Currently, LBE contracts amount to a cumulative total of \$170,328,839 in LBE awards, or 18.22% LBE Participation, while increasing contract dollars awarded to women-owned local businesses.

The equity efforts through 2Q 2024 have resulted in a cumulative \$113,459,492 LBE value awarded to minority-owned and woman-owned companies, equal to approximately 66.7% of LBE contract values awarded.

CUMULATIVE: ALL AWARDS (THRU 1Q 2024)	BY QUARTER: ALL AWARDS* (2Q 2024)	CUMULATIVE: ALL AWARDS* (THRU Q2 2024)
<ul style="list-style-type: none"> ● LBE VALUE: \$170,760,777 ● NON-LBE AWARDS: \$752,895,464 ● OVERALL: \$923,656,241 ● LBE PARTICIPATION: 18.49% 	<ul style="list-style-type: none"> ● LBE VALUE: -\$431,938 ● NON-LBE AWARDS: \$11,382,011 ● OVERALL: \$10,950,794* ● LBE PARTICIPATION: -.27% 	<ul style="list-style-type: none"> ● LBE VALUE: \$170,328,839 ● NON-LBE AWARDS: \$764,278,196 ● OVERALL: \$934,607,035* ● LBE PARTICIPATION: 18.22%
<p>Overall Vendor Count:</p> <ul style="list-style-type: none"> o 467 Vendors Overall (+30 added); including 105 LBE Vendors (+2 added) o 66 woman-owned businesses contracted (+0 added); maintaining 34 woman-owned LBE's (+0 added) o 84 minority-owned business contracted (+0 added); maintaining 61 minority-owned LBE's (+0 added) 		

**Note that the dollars reported above are dollars under contract as of June 30, 2024. The Developer has also voluntarily reported to the Port that its contracts with the general contractors (GCs) at Mission Rock include "LBE Pipeline" values which are subcontracted values in prime subcontracts that are contractually committed to LBE businesses. The Developer reports that an additional \$179,162 of these LBE Pipeline values are in place, through the end of Phase 1. This combined LBE Value of LBE Awarded + LBE Pipeline increases LBE Participation to 18.25%.*

Of note, the LBE participation percentages are subject to fluctuation from quarter to quarter given several factors, including the timing of awards and separate parcel schedules. Mission Rock Partners continues to work closely with the Port of San Francisco, the San Francisco Contract Monitoring Division (CMD), and General Contractors to ensure LBE and project equity goals are met. Several barrier mitigation strategies have been implemented throughout this phase to support better businesses and increase opportunities for business owners from historically underrepresented communities.

Mission Rock Development Contract Awards Through June 30, 2024

Amount Awarded	\$934,810,888	Percentage
Awarded to Small & Micro LBE	\$158,643,966	16.97%
Awarded to SBA LBE (incl. Graduated)	\$11,684,872	1.25%
Awarded to Non-LBE	\$764,482,050	81.78%

LBE Award by Size	\$170,328,838	Percentage
Awarded to Micro LBE	\$77,938,546	8.34%
Awarded to Small LBE	\$80,705,420	8.63%
Awarded to SBA-LBE (incl. Graduated)	\$11,684,872	1.25%

LBE Award by Type	\$170,124,984	Percentage
Awarded to MBE-LBE	\$73,117,597	7.82%
Awarded to WBE-LBE	\$40,341,895	4.32%
Awarded to OBE-LBE	\$56,665,492	6.06%

Mission Rock Development Contract Awards to Minority-Owned Companies Through June 30, 2024

Minority-Owned: LBE's	Amount Awarded	% of MBE	% of LBE	% of All
African-American	\$37,820,056	44.44%	23.84%	4.05%
Arab-American	\$151,807	0.18%	0.10%	0.02%
Asian-American	\$15,528,976	18.25%	9.79%	1.66%
Latino-American	\$31,600,341	37.13%	19.92%	3.38%
Native American/ Indigenous People	\$--	0.00%	0.00%	0.00%

Minority-Owned: All	Amount Awarded	% of All
African-American	\$39,233,958	4.20%
Arab-American	\$2,004,906	0.21%
Asian-American	\$22,700,381	2.43%
Latino-American	\$35,565,120	3.80%
Native American/ Indigenous People	\$3,600,756	0.39%

PHASE 1 VERTICAL IMPROVEMENTS

Phase 1 vertical construction includes four buildings: two primarily residential (totaling 537 rental units) and two commercial office/life science. All four buildings have received either a Certificate of Final Completion and Occupancy (CFCO) or a Temporary Certificate of Occupancy (TCO). With apartment leasing having commenced in June 2023, the two residential buildings, Canyon and Verde, have leased a significant number of market rate and below-market rate units, activating the Project site with new residents as a complement to the tenants now occupying the office spaces.

With regard to retail activation, the Project team has had success leasing ground floor storefronts to a variety of businesses, including Ike's Sandwiches, Proper Foods, Ariscault Bakery, Flour + Water Pizza, a full-service restaurant from the staff behind Che Fico, and LuxeFit gym. These businesses offer on-site residents, office tenants and the surrounding community the types of services that together are creating a vibrant new waterfront neighborhood at Mission Rock.

PHASE 1 HORIZONTAL IMPROVEMENTS READY FOR ACCEPTANCE

Horizontal improvements proposed for acceptance by the Port or City, and approval to remain in Port- or City-accepted space, fall within five broad categories: 1) Port Park and Open Space Assets, 2) private assets owned by the Developer and 3rd party utility operators in Port open space, 3) City-standard assets within City ROW; 4) non-standard Port-owned assets within City ROW; 5) private assets owned by third-party utility operators within City ROW. Table 1 below summarizes key information for each of the five categories of acceptance assets.

Table 1. Horizontal Improvements for Acceptance

	Improvements Included	Entity that Owns, Maintains, & Holds Liability	Master Permitting Agency
Category 1 Port Open Space Assets	Most assets within China Basin Park, Channel Street, Mission Rock Square, and the Dr. Maya Angelou and Bridgeview Paseos	Port	Port
Category 2 Private Assets in Port Open Space	Private Assets in Port open space (e.g. third-party utilities such as Mission Rock Utilities (“MRU”) and PG&E facilities, electric line serving retractable bollards in Paseos)	MRU, PG&E, Mission Rock Owners’ Association	Port
Category 3 City Assets (<i>Standard items in City ROW</i>)	Standard streetscape components of all other blocks constructed within the Phase	Public Works: Standard Paving, curbs, road base, etc. SFMTA: Traffic Signals, signage, striping, etc. SFPUC: Streetlights, electrical infrastructure, wet utilities, etc.	Public Works
Category 4 Port ROW Assets (<i>non-standard items in City ROW</i>)	Non-standard items within Public Works ROW (e.g. custom paving, trash cans, bike racks, and benches; understory plantings; Public Art, etc.)	Port	Public Works
Category 5 Private Assets in Public Works ROW	Utility systems owned by third parties such as Mission Rock Utilities, PG&E and Comcast	Third-Party Utility Operator	Public Works

This framework is memorialized in the Jurisdictional Memorandum of Understanding between the Port and other city departments that was approved by the Port Commission May 26, 2020 via Resolution No. 26-20 (Jurisdictional MOU). The Port’s obligations relative to Port Acceptance Items located in City ROW are also memorialized in the IMEP between the Port and Public Works to be approved by the Port Commission and BOS.

Port Open Space Assets

With the exception of limited third-party utility systems, the Port will own all improvements constructed within Port open space. The Port will contract with MRC to perform the maintenance and operation of this space through a lease and loan agreement for China Basin Park and a management agreement for other areas (each described more fully in the Maintenance section of this memorandum). For a detailed list of Port Open Space Assets, see Exhibit B.

Private Assets in Port Open Space

Third party utilities in Port open spaces include various utility systems owned by Mission Rock Utilities, PG&E gas lines in Mission Rock Square and the Bridgeview Paseo, a PG&E electric line in China Basin Park serving the Third Street Bridge Pilot House, and private electrical cable linking retractable bollards in the Bridgeview and Dr. Maya Angelou Paseos to Mission Rock's security and operations center in Building B (the Port owns the conduit housing this electrical cable). Access rights for private utilities in Port open space are granted via license agreements between the Port and third-party utility operators.

City Assets

While the Port will continue to own fee title to the land underneath the newly constructed Phase 1 streets and sidewalks after acceptance due to its public trust obligations, standard infrastructure constructed within ROWs such as street curbs and gutters, asphalt roadways, traffic signals, traffic signage, and utility systems (collectively, the "City Assets"), will be owned and maintained by the customary City agencies (Public Works, DT, SFFD, SFMTA, SFPUC). Accordingly, Public Works served as the lead permitting agency for streets and sidewalks constructed at Mission Rock and will continue in this role pursuant to the Jurisdictional MOU after the streets are accepted. The Phase 1 Public Works ROWs are shown in Exhibit A.

Port ROW Assets (non-standard Port Items in City-accepted Port ROW)

As established in the project's maintenance matrix (an exhibit to the Mission Rock Interjurisdictional MOU), the Port accepts most non-standard items ("Port Acceptance Items"). As such, the Port will own, maintain, and have liability for these items. This arrangement will be memorialized in the IMEP between Public Works and the Port. For a comprehensive list of Port ROW Assets, see Exhibit C.

Private assets in City ROW

MRU owns several utility systems within the City-accepted ROWs. As MRU does not have a utility franchise operating license with the State, Public Works will issue MRU a General Master Encroachment Permit (GMEP) allowing them to operate within City rights-of-way. The Port is not a party to this agreement. Other utilities will operate within City-accepted ROWs in accordance with pre-existing agreements, such as franchise rights.

MAINTENANCE OF PORT ACCEPTANCE ITEMS

The Port Commission approved Resolution 19-39 on September 24, 2019, which recommended a third-party management approach to facilitate the day-to-day operation of

the Mission Rock parks and open spaces. Implementation of this approach involves entering into a series of agreements, including a lease and loan agreement, management agreement, and several licenses. Collectively, these agreements limit the Port's liability and operational burden while ensuring that the spaces are well-maintained and remain open to the public. The Port will retain ownership of the assets and assert indirect control of the parks and open space areas through Developer affiliates that are well-positioned to provide focused, on-site management and immediate neighborhood engagement.

Port staff have negotiated the following agreements in conjunction with the acceptance process:

1. China Basin Park Lease and Loan Agreement ("Park Lease")
2. Paseo and Open Space Management Agreement ("Management Agreement")
3. Licenses for gas lines to Parcels F and G and an electric line in China Basin Park with PG&E
4. License with MRU for utility infrastructure in Port-owned spaces

The Port is also finalizing negotiations for a license for electric lines to retractable bollards within the acceptance areas, and a license for ground settlement monitoring equipment sited within Port open space and will return to the Port Commission at a future date to request approval of these land agreement(s).

China Basin Park Lease Loan Agreement

The China Basin Park Lease and Loan Agreement ("Park Lease") directly leases China Basin Park to MRC for operations and programming. The lease structure allows MRC flexibility in programming and the ability to use sponsorships of the park to generate revenues for operations, which is why China Basin Park is under a separate agreement.

The initial term of the Park Lease is 15 years with three five-year extension options for a total potential term of 30 years. The Port receives no rent for China Basin Park, but MRC will fund the maintenance, operations, and programming of the Park through various revenue sources. As tenant, MRC is also responsible for the Port's obligations under the Water Purchase Agreement with Mission Rock Utilities, whereby the Port purchases recycled water for irrigation in China Basin Park and other uses within Port-owned spaces. The Port will approve an operating budget and capital budget on an annual basis. The operating budget for the first year of the Park is shown in Exhibit E. As the Park is newly constructed, there is no capital budget for the first year. As part of the Lease, MRC must have an independent consultant conduct a capital needs assessment for the Park to inform future capital needs and budgets.

The most significant revenue source for the Park is payments from the Mission Rock Owners' Association paid in lieu of the Mission Rock Contingent Services Special Tax. The Owners' Association must pay an amount equal to the portion of the maximum Services Special Tax that would go to the Park if it was fully levied. If MRC collects less than this equivalent amount, the Port may direct the Community Facilities District ("CFD") Administrator to collect the difference to pay for Park operations and maintenance. The

Contingent Services Special Tax will also serve as a source of funds if the Park Lease terminates at any time, and the Port must operate and maintain the Park.

To fund early start-up operations of the Park, the Port proposes to provide a loan of up to \$800,000 facilitated by the San Francisco Recreations and Parks Department (“RPD”) to support operations as China Basin Park starts up and the Tenant seeks sponsorships for the Park. This loan will provide up to \$300,000 per year for each of the first three years of operations (up to a maximum of \$800,000) for core maintenance and operations costs of the Park (e.g., landscaping, cleaning, hardscape maintenance, bathrooms). The Tenant will repay the loan at 0 percent interest with all excess revenues after the Tenant has filled a \$100,000 emergency reserve. The Tenant must repay the loan in full prior to the end of the 15-year term of the Lease.

Paseo and Open Space Management Agreement

The Paseos and Open Space Management Agreement (Management Agreement) covers all other Port-owned assets and open spaces in the Mission Rock area, including the paseos, berms, and non-standard improvements in the City ROW.

The initial term of the Management Agreement is 15 years with three five-year options for the Port to extend the term for a total potential term of 30 years. As manager, MRC receives a set fee of \$10,000 annually (subject to CPI increases) and reimbursements for operations and maintenance costs from various sources. In total these costs will equal 25% of the maximum Contingent Services Special Tax Amount. The operating budget for the first year of the Management Agreement is shown in Exhibit E. The Mission Rock Owners’ Association revenues provide the primary source for these expenses, and similar to the Park Lease, the Port could levy the Contingent Services Special Tax to pay MRC if the Owner’s Association failed to provide adequate funds.

The Management Agreement is a Qualified Management Agreement under IRS rules, which is a requirement for the agreement because tax-exempt bonds funded these improvements as public infrastructure. Port staff will work with the City Attorney and bond counsel throughout the term of the Management Agreement to ensure it complies with all Qualified Management Agreement rules. This oversight includes monitoring and approving retail/restaurant use of sidewalks and open space to ensure they do not exceed private use rules under the tax-exempt bonds.

PG&E and MRU Licenses

PG&E and MRU operate private utilities within accepted Port-owned spaces. The Port has negotiated licenses to cover each of these utilities that allows the relevant party to operate within Port space and maintain their infrastructure.

PG&E operates gas lines to Building G (Visa) and Building F (Verde) and an electric line to the Third Street Bridge Pilot House that runs through China Basin Park. The Port and PG&E have negotiated two license agreements (one for both gas lines and one for the

electrical line) that allow PG&E to operate and maintain these lines while limiting liability to the Port. The license is a no-fee agreement with a 66-year term. As a condition to the electric line license, PG&E requires that the Port and City sign an Absolving Services Agreement that acknowledges PG&E may discontinue electric service if the license is revoked or terminated, and the City and Port affirmatively indemnify PG&E from claims or liability “connected with such discontinuance of service.” The Port and Public Works would agree to the agreement subject to approval by the City’s Risk Manager in accordance with S.F. Administrative Code section 1.24.

MRU operates a non-potable recycled water system and district energy system for all of Mission Rock, including China Basin Park and Port-owned public spaces. The Port and MRU have negotiated a license agreement that allows MRU to operate and maintain these lines while limiting liability to the Port. The license is a no-fee agreement with a 66-year term.

Table 2 below summarizes key terms for the key lease, management agreement, and licenses.

Table 2. Summary of Agreements and Key Terms

AGREEMENT	KEY TERMS
China Basin Park Lease and Loan Agreement (“Park Lease”)	<ul style="list-style-type: none"> • Parties: Port and Mission Rock Commons • Term: 15 years with three (3) five-year extension options that MRC may exercise • Requires BOS approval • Transfers maintenance and liability obligations for China Basin Park from Port to Park Tenant • Permits sponsorships and event programming to generate sufficient revenues to support first-class operation of the public park • Park Tenant assumes obligations of the Recycled Water Services Agreement • Sets forth Port approval process for annual budgets and reporting requirements • Sets forth maintenance and operational standards and requirements • Provides start up loan of \$300,000 annually during the first three years of operations up to a maximum of \$800,000
Paseos and Open Space Management Agreement (Management Agreement)	<ul style="list-style-type: none"> • Parties: Port and Mission Rock Commons • Term: 15 years with three (3) five-year extension options that Port may exercise • Requires BOS approval

	<ul style="list-style-type: none"> • Qualified management agreement designating Manager to operate and maintain open space and Port Assets (excluding China Basin Park) • Transfers liability obligations for paseos and open space from Port to Developer affiliate to the extent allowed for a qualified management agreement • Sets forth maintenance and operational standards and reporting requirements
PG&E Licenses and Absolving Services Agreements	<ul style="list-style-type: none"> • Parties: Port and PG&E • Term: 66 years • Requires BOS approval • Permits PG&E access rights for repair and maintenance of utility lines that run through Port-owned land, which serve Parcel F and Parcel G (two gas lines) and the 3rd Street Pilot House (electrical line) • Acknowledges electric service to Pilot House is contingent upon electric line license • Port and City would indemnify PG&E against claims and liability “connected with such discontinuance of service”
MRU License Agreement	<ul style="list-style-type: none"> • Parties: Port and MRU • Term: 66 years • Requires BOS approval • Permits MRU access rights for repair and maintenance of private infrastructure (Sanitary sewer, recycled water and district energy lines) which run throughout the Project and service the open space and building parcels

Per the DDA, the Developer is responsible for maintenance of Port Acceptance Items until they are accepted by the Port Commission. These maintenance activities are currently happening under the Developer’s Master Lease. Without the above agreements, the Port would have to maintain the horizontal improvements upon acceptance with funding from the Mission Rock Community Facilities District (“CFD”) Contingent Services Special Tax. However, the Developer and its affiliates will privately maintain and operate Port Assets with funding from the Mission Rock Owners Association dues (similar to homeowner association dues). Under this arrangement, the Contingent Services Special Tax levy is \$0. If the Developer affiliate fails to operate and maintain public spaces or collects insufficient dues from the Mission Rock Owners Association, then the Port has the ability to collect Contingent Special Services Taxes and/or maintain the spaces directly. However, if the Port collects Contingent Special Services Taxes in excess of the Mission Rock Owners Association dues while the Park Lease or Management Agreement are in effect, MRC has the ability to terminate those agreements.

SF GIANTS COMMEMORATIVE PAVERS CAPITAL IMPROVEMENT SPONSORSHIP

To align with the 25th anniversary of the opening of Oracle Park, the Giants have agreed to a Capital Improvement Sponsorship with MRC to construct a Commemorative Paver walkway in the pedestrian portion of the Bay Trail in China Basin Park. The Giants would fund the construction of the capital improvement and dedicate any excess revenues to China Basin Park for the maintenance and operations of the Park.

Exhibit D shows the area of the Bay Trail contemplated for the Commemorative Paver improvements and a conceptual design for the pavers themselves. Pending approval of the sponsorship, the Giants plan to commence construction in late February and target late March/early April for completion. These improvements would be completed under the Master Lease as deferred infrastructure and then maintained under the Park Lease. The Port is also negotiating a “springing” license with the SF Giants for maintenance and liability of the Commemorative Pavers that would go into effect if the Park Lease terminated. Staff will return at a future Port Commission date to request approval of this license.

PHASE 1 ACCEPTANCE PROCESS

MRP commenced construction in October of 2019 upon issuance of a Street Improvement Permit (SIP) by San Francisco Public Works. Construction of China Basin Park commenced in April of 2021 after the Port issued the China Basin Park permit.

Upon completion, public open spaces, streets, sidewalks, and associated utility systems, are all candidates for acceptance by the Port Commission and BOS. Before the Port Commission can accept Port-owned improvements, the Mission Rock DDA requires the Chief Harbor Engineer to make a determination that work has been completed as designed within the timeframes specified in the Schedule of Performance (“SOP”) attached to the DDA. Within 45 days after the Chief Harbor Engineer’s determination of compliance (the “SOP Compliance Determination”), the Port must calendar a Commission hearing to consider acceptance of horizontal improvements that will transfer to Port ownership.

China Basin Park was deemed substantially completed on April 4, 2024, when the Port issued a Temporary Certificate of Occupancy for the park’s restroom building. Mission Rock Partners’ request for SOP Compliance Determination was submitted by the Developer on November 29, 2024 conditionally approved by the Acting Chief Harbor Engineer Uday Prasad on January 29, 2025. Phase 1 horizontal improvements constructed through the SIP were found to be substantially complete on November 21, 2024 with the issuance of a Notice of Completion by the Department of Public Works. Port and City Assets were constructed via the SIP permit and are now ready to be accepted by the Port and City.

The SOP conditional Compliance Determination establishes the Developer has completed certain Phase 1 horizontal improvements and that these improvements are ready for acceptance by the Port Commission. Acceptance of Port Assets will be conditioned on completion of deferred infrastructure and future actions by the BOS. Acceptance will not

take effect until after the subsequent completion of the BOS legislative process. The BOS legislative process is expected to start in February 2025 and take effect in spring of 2025.

Acceptance of the improvements is governed by three documents previously approved by the Port Commission. These include (1) the project's Interagency Cooperation Agreement, which outlines the acceptance process for City-owned infrastructure in the public ROW approved by the Port Commission on January 26, 2018 via Resolution No. 18-07; (2) the DDA which outlines the City and Port's respective acceptance process also approved by the Commission on January 26, 2018 by Resolution No. 18-03 ; and (3) the Interjurisdictional MOU, which details obligations regarding permitting, ownership, and maintenance of public infrastructure constructed at Mission Rock for the Port and other City agencies (SFMTA, Public Works, SFPUC, DT) approved by the Commission on May 26, 2020 by Resolution No. 20-30.

The acceptance process, which takes several months to complete, broadly includes the following steps:

1. **City Notice of Completion (“NOC”) Process.** The NOC process is a multi-step process led by the City that takes several months to complete. When the Developer believes it has substantially completed construction of improvements under a Street Improvement Permit, the Developer submits documentation to the City that all permits have been closed out, infrastructure has been certified, and relevant warranties have been assigned. Upon concurrence by the City, Public Works issues a NOC. For the Mission Rock Phase 1 improvements, Public Works issued an NOC to Mission Rock Partners for the Phase 1 improvements on November 21, 2024.
2. **Port SOP Compliance Process.** The SOP Compliance Determination process is similar to the City's NOC process, except it is a determination that the Developer has completed the infrastructure within the timeframes specified in the DDA and in accordance with applicable project and regulatory requirements. The Developer submitted an SOP Compliance Determination request to the Port on May 29, 2024. The request (outlined in DDA Exhibit B9) included documentation that all Port permits have been closed out, warranties have been assigned and required access rights have been granted. The SOP submittal also included statements by key project stakeholders such as the Engineer and Landscape Architect of Record and third-party utility operators that work has been installed as designed and permitted. The Port conditionally approved the Developer's SOP Compliance Determination on January 29, 2025.
3. **Operations and Management Documents Finalized.** Documents memorializing operations, management ownership, and liability of City-owned and Port-owned infrastructure are finalized by the Port, City, and Developer. Primary documents included in this grouping are the Interjurisdictional MOU and the IMEP.

4. **Port Commission Resolution Accepting Port Acceptance Items.** Soon after the SOP Compliance Determination is approved, staff must calendar a Port Commission hearing to consider acceptance of the Port Acceptance Items.
5. **Board of Supervisors Legislation Accepting City-Owned Infrastructure.** The Board of Supervisors holds a series of hearings approving legislation to accept City-owned infrastructure. Port staff anticipates BOS approval will take effect in Spring 2025.

ANTICIPATED PORT COMMISSION ACTIONS

The Port Commission must consider taking several actions related to the Phase 1 Port Acceptance Items to facilitate the City’s acceptance process and approve various agreements related to the leasing, management, and access to Mission Rock Port-owned spaces. Some actions solely apply to Port open space, whereas other actions will apply to City streets and sidewalks constructed in Phase 1 (the Port Commission needs to take actions related to Public Works ROWs because fee ownership of the underlying land remains with the Port). The Commission must also take actions related to the MMEP and the DDA Amendment, Park Lease, Management Agreement, and various other licenses. Table 3 below outlines these actions:

Table 3. Summary of Port Commission Actions

#	Port Commission Actions	Port Items	City Items
1	The Commission finds the Port Assets are functional and constructed in conformity with project and regulatory requirements.	X	
2	The Commission accepts Offers of Improvement from the Master Developer.	X	X
3	The Commission accepts the Port Assets and City Assets for public use.	X	X
4	The Commission dedicates the Port ROW Assets and City Assets Items for street and sidewalk purposes.	X	X
5	The Commission accepts the Port Assets Items for maintenance and liability purposes.	X	
6	The Commission approves the China Basin Park Lease and Loan Agreement, Paseo and Open Space Management Agreement, PG&E Gas License, PG&E Electric License and Absolving Services Agreement, and MRU License to allow for management, maintenance, and operations of Port spaces and assets and private infrastructure in Port property.	X	
7	The Commission recommends the Board of Supervisors accept the City Assets.		X
8	The Commission recommends the Board of Supervisors approve the Park Lease and other land use agreements.	X	

9	The Commission approves the IMEP, authorizes the Executive Director to execute the IMEP, and recommends the Board of Supervisors approve the IMEP.	X	X
10	The Commission accepts the Port Assets Items for maintenance and liability purposes, subject to the BOS approval of the Park Lease and other land use agreements, and delegates to the Executive Director or her designee to accept any deferred infrastructure at a later date.	X	
11	The Commission authorizes and directs the Executive Director or her designee to execute and record a Partial Release of Master Lease to transfer ownership of accepted Port Accepted or Deferred Infrastructure.	X	

NEXT STEPS

Subject to the Port Commission’s approval of the attached resolutions, legislation for acceptance of City assets will be introduced at the BOS imminently and is anticipated to be completed in spring 2025. Upon BOS approval, and satisfaction of any conditions to acceptance, the Port and City Acceptance Items will transfer to Port and City, the land rights agreements described above will be executed between the Port and the respective parties, and the streets, open space, and China Basin Park will continue to be available for public use.

Prepared by: Paul Chasan
Project Manager, Engineering

Carrie Morris
Mission Rock Project Manager

Wyatt Donnelly-Landolt
Waterfront Development Manager

For: Scott Landsittel
Deputy Director, Real Estate and Development

Wendy Proctor
Acting Deputy Director, Engineering

- Exhibits: A - Site Map
B - Port Open Space Assets
C - Port ROW Assets
D - Bay Trail Commemorative Paver Design Concept and Proposed Location
E - China Basin Park and Paseo and Open Space First Year Operating Budget

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

RESOLUTION NO. 25-05

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, In January 2018, by Resolution No. 18-03, the Port Commission approved the terms of a Disposition and Development Agreement (“DDA”), between the Port and the Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Developer”), and related transaction documents that are incorporated into the DDA, for the development of approximately 28-acres located along the Port’s Central Waterfront and commonly referred to as “Mission Rock” (the “Project”), comprised of (1) Seawall Lot 337, bounded by Third Street on the west, 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

WHEREAS, In February 2018, the Board of Supervisors approved the DDA by Resolution No. 42-18, and approved the Development Agreement for the Project by Resolution No. 33-18; and

WHEREAS, In a letter dated February 6, 2025, the Planning Department found that the actions contemplated in this resolution are within the scope of the Project’s final environmental impact report prepared under the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) and are, on balance, in conformance with the General Plan and the eight priority policies of Planning Code Section 101.1. A copy of the Planning Department letter is on file with the Commission Secretary and is incorporated herein by reference; and

WHEREAS, Under the Disposition and Development Agreement (“DDA”) and other transaction documents that the Port and Developer have negotiated, at full build-out, the Project will include: (1) 1.1 million to 1.6 million gross square feet (“gsf”) of new residential uses (an estimated 1,000 to 1,950 new residential units), at least 40% of which will be on-site housing affordable to a range of low- to moderate-income households as described in the Housing Plan in the DDA; (2) 972,000 to 1.4 million gsf of new commercial and office space; (3) 241,000 to 244,800 gsf of active retail and production uses on 11 proposed development blocks on Seawall Lot 337 in buildings that would range in height from 90 to 240 feet, consistent with Proposition D, passed by the voters of San Francisco in November 2015, which increased building

height limits on the Site up to 240 feet; (4) the rehabilitation and reuse of Pier 48, a significant contributing resource to the Port of San Francisco Embarcadero Historic District; (5) up to approximately 1.1 million gsf of above- and below-grade parking in one or two garages; (6) transportation demand management on-site and payment of impact fees that the Municipal Transportation Agency will use to improve transportation service in the area; (7) approximately 5.4 acres of net new open space for a total of approximately 8 acres of new and expanded open space, including an expansion of China Basin Park, a new central Mission Rock Square, and waterfront access along the shoreline; (8) public access areas, assembly areas, and an internal grid of public streets, shared streets, and utilities infrastructure; and (9) on-site strategies to protect against sea level rise; and

WHEREAS, Under the DDA, the Developer is required to construct public Horizontal Improvements (as defined in the DDA) serving the Project, including parks, streets, and utilities, which the Port or City, as applicable, will accept for ownership, maintenance and liability purposes; and

WHEREAS, The Port, Public Works, and Developer's affiliate, Mission Rock Horizontal Sub (Phase 1) L.L.C., a Delaware limited liability company, entered into a Public Improvement Agreement dated as of June 12, 2020 (the "PIA") governing the construction of the Horizontal Improvements as part of the final subdivision map process for Phase 1 of the Project; and

WHEREAS, The Developer substantially commenced construction of a portion of the Horizontal Improvements serving Phase 1 of the Project on October 10, 2020, upon issuance of a street improvement permit (the "Street Improvement Permit") by the City. The horizontal scope of work under the Street Improvement Permit included installation of utilities, including auxiliary water supply mains, low-pressure water mains, combined sewer mains, combined sewer storage, non-potable water mains, electricity and gas infrastructure, private utility systems, surface improvements along 3rd Street, Bridgeview Way, Dr. Maya Angelou Way, Toni Stone Crossing, surface improvements within Port open spaces (Bridgeview Paseo, Dr. Maya Angelou Paseo, a portion of the future Mission Rock Square), and subsurface portions of the China Basin Park Promenade; and

WHEREAS, The Developer substantially commenced construction of Horizontal Improvements serving Phase 1 within China Basin Park of the Project in April 2021 upon issuance of permit Number B-2021-0061 (the "China Basin Park Permit") by the Port. The horizontal scope of work under the China Basin Park Permit included installation of utilities, low-pressure water lines, non-potable water lines, electricity 12kV electrical lines, and surface improvements; and

- WHEREAS, On April 4, 2024, the Port issued a Notice of Completion to the Developer signaling that construction of China Basin Park approved under Port Permit Number B-2021-0125 was substantially complete; and
- WHEREAS, On May 3, 2024, the Developer submitted a request for the City to issue a Notice of Completion to San Francisco Public Works seeking confirmation that Horizontal Improvements approved under the Phase 1 Street Improvement Permit (permit number 201E-00486) of the Project which are completed and are ready for acceptance; and
- WHEREAS, On November 21, 2024, Public Works issued a Conditional Notice of Completion to the Developer signaling that construction of Phase 1 Horizontal Improvements approved under the Street Improvement Permit was substantially complete and the Horizontal Improvements were ready for acceptance; and
- WHEREAS, The DDA requires the Port’s Chief Harbor Engineer to make a determination that the Horizontal Improvements have been completed as designed within the timeframes specified in the Schedule of Performance (as defined in the DDA) (the “SOP Compliance Determination”); and
- WHEREAS, Horizontal Improvements built to City standards will be owned, maintained, and permitted by the City (Public Works, SFMTA, SFPUC, Department of Technology) (“City Acceptance Items”); Non-standard improvements built within the public ROW will be owned by the Port (“Port Encroachments”), as more particularly described in the IMEP, defined below; improvements built within Port open space will also be owned by the Port (“Port Open Space Assets”); Port Encroachments and Port Open Space Assets are collectively referred to as “Port Assets”; once the acceptance process is complete, the Port will release the Port Assets and City Acceptance Items from the Master Lease premises; and this framework is memorialized in the Interjurisdictional MOU and DDA and further detailed in the memorandum to the Port Commission accompanying this resolution; and
- WHEREAS, The Developer’s request for SOP Compliance Determination was submitted on December 16, 2024, and conditionally approved by the Acting Chief Harbor Engineer on January 29, 2025. In issuing the Conditional SOP Compliance Determination the Acting Chief Harbor Engineer determined (1) Port Assets to be complete and construction of those Horizontal Improvements to be in accordance with applicable project and regulatory requirements, (2) that the Port Assets are ready for their intended use, and (3) the Developer’s compliance with the outside date set forth in the SOP for the completion of certain Phase 1 Horizontal Improvements, subject to additional inspection documentation and completion of certain installations and the acceptance process. Accordingly, it signals certain of these

improvements are ready for acceptance by the Port, and others by the City; and

WHEREAS, Acceptance of improvements is governed by (i) the ICA, (ii) the jurisdictional memorandum of understanding between the Port, SFPUC, Public Works, SFMTA, and San Francisco Fire Department approved by the Port Commission via Resolution No. 20-39 (the “Interjurisdictional MOU”), (iii) the DDA, and (iv) the PIA; and

WHEREAS, Per the DDA, the Developer is responsible for maintenance of Port Assets until they are accepted by the Port Commission; upon Port Commission acceptance, an affiliate of Developer will utilize dues from the Mission Rock Owners Association to fund ongoing maintenance of these items, provided however that contingent services special taxes from the Mission Rock Community Facilities District (“CFD”) may be levied if the Port or City needs to maintain such assets directly; and

WHEREAS, The Port and Public Works have negotiated an Interagency Master Encroachment Permit (“IMEP”), to be approved by the Port Commission and Board of Supervisors, pursuant to which Port will accept maintenance and liability responsibility of the Port Encroachments; and

WHEREAS, Pursuant to the PIA, the Developer provided an irrevocable offer of improvements for both Port Assets, and City Acceptance Items to the Port and City (the “Offer of Improvements”). The Developer may also provide a quit claim deed, subject to the Conditional Assignment of Warranties (defined below) to the Port for Port Assets located outside of City rights-of-way on Port jurisdictional property; and

WHEREAS, Public Works is preparing a Public Works Order (the “Public Works Order”), in which and as specified in the Public Works Order: (1) Public Works determines that the City Acceptance Items and the Port Encroachments are ready for their intended use, following Public Works’ inspection of the Port Encroachments and the City Acceptance Items, and the City Engineer’s issuance of a series of Conditional Notices of Completion, and its determination that these improvements have been completed in substantial conformity with the approved plans, specifications, and applicable City regulations governing the applicable infrastructure improvements; (2) the Public Works Director recommends that the Board of Supervisors approve legislation to accept the City Acceptance Items for maintenance and liability purposes and dedicate the same to public use and designate the same as open public right-of-way for street and roadway purposes subject to specified conditions; (3) the Public Works Director recommends that the Board of Supervisors approve legislation to set the public right-of-way widths, sidewalk widths, and street grades; (4) the Public Works Director recommends that the Board of Supervisors approve amendments to the Public Works Code to

memorialize the Port's exercise of permitting authority for certain retail activations on City sidewalks and that the Board approve amendments to the Public Works Code to ensure that any excavation of or in proximity to lightweight cellular concrete ("LCC") in the Mission Rock Special Use District be performed according to Public Works standards and requirements and according to permits issued by Public Works, including for excavation work that can be completed within 24 hours; (5) the Public Works Director recommends that the Board of Supervisors authorize the Public Works Director to execute an absolving service agreement with Pacific Gas and Electric; (6) the Public Works Director recommends that the Board of Supervisors approve a Master Encroachment Permit for Mission Rock Utilities ("MRU") to permit MRU to maintain the custom improvements and other encroachments in the public right-of-way; (7) the Public Works Director recommends that the Board of Supervisors approve the Port Encroachment IMEP and delegate to the Public Works Director authority to allow assignment to a maintenance contractor or the owners' association responsibility and liability for compliance with Public Works Code Section 706, provided that the Port also approve such assignment and subject to the condition that if allocated to an Owners' Association, the maintenance responsibilities must be addressed in the CC&Rs as a binding requirement on the owners' association and its successors; and (8) the Public Works Director recommends that the Board of Supervisors approve a major encroachment permit to enable the Developer to maintain LCC monitoring instrument encroachments for the Project; and

WHEREAS, Pursuant to the PIA, the Developer will conditionally assign all warranties and guarantees to the City and Port, as applicable, related to the construction of Horizontal Improvements pursuant to that certain Conditional Assignment of Warranties and Guarantees dated May 9, 2022 (the "Conditional Assignment of Warranties"). With respect to any warranties and guaranties that by their term expired prior to acceptance of the Port and City Acceptance Items, the Developer has assumed performance of those warranties pursuant to the DDA (the "Self-Warranties"). A copy of the Conditional Assignment of Warranties, the Self-Warranties, and the draft Public Works Order are on file with the Commission Secretary and are incorporated herein by reference; now, therefore be it

RESOLVED, The Port Commission adopts as its own the environmental findings and the General Plan and Planning Code Section 101.1 consistency findings in the Planning Department letter, as referenced above, in connection with the actions specified in this resolution; and be it further

RESOLVED, That the Port Commission finds that the Port Assets described in the accompanying memorandum are functional and constructed in conformity with the Project Requirements and Regulatory Requirements, each as defined in the DDA; and be it further

RESOLVED, That the Port Commission delegates authority to the Executive Director or the Executive Director's Designee to accept the Amended and Restated Irrevocable Offer of Improvements for the Port Assets; and be it further

RESOLVED, That, subject to (i) the DDA, (ii) the Conditional Assignment of Warranties and/or the Self-Warranties, (iii) execution of the Public Works Order, (iv) entry into the IMEP, and (v) entry into a license with Developer or Developer affiliates for private utilities in China Basin Park, the Bridgeview Paseo, and the Dr. Maya Angelou Way Paseo to be accepted by the Port, (vi) acceptance of City Acceptance Items, (xi) dedication of the applicable Port Assets and City Acceptance Items for public use, (xii) designation of the applicable Port Assets and City Acceptance Items on all City and Port public rights-of-way for street and roadway purposes, (xiii) dedicates Port Assets on public open spaces for public open space purposes, the Port Commission accepts the Port Assets for maintenance and liability purposes; and be it further

RESOLVED, That the Port Commission delegates authority to the Executive Director or the Executive Director's Designee to acknowledge and accept the Conditional Assignment of Warranties related to the construction of the Port Assets, substantially in the form on file with the Commission Secretary and incorporated herein by reference; and be it further

RESOLVED, That the Port Commission recommends that the Board of Supervisors (i) accept ownership of the City Acceptance Items, (ii) dedicate such City Acceptance Items to public use, (iii) designate the City Acceptance Items in the City public right-of-way for street and roadway purposes; and (iv) accept City Acceptance Items for maintenance and liability purposes; and be it further

RESOLVED, That the Port Commission delegates to the Port Director, or the Port Director's designee, the authority to accept any Port Assets identified as deferred infrastructure in, and when compliance with, the Public Works Order and Conditional SOP Compliance Determination; and be it further

RESOLVED, That the Commission authorizes and directs the Port Director, or the Port Director's designee, to execute an Amendment to the Master Lease, a Memorandum of Amendment to the Master Lease, and to record a signed, acknowledged Partial Release from the Master Lease, each substantially in the form on file with the Commission Secretary, to release the Port Assets and City Acceptance Items from the Master Lease, upon acceptance of the City Acceptance Items by the Board of Supervisors and contingent upon approval by the Board of Supervisors, in their sole discretion; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director, in consultation with the City Attorney, to take any and all actions that may be necessary or advisable to effectuate the purpose and intent of this resolution, including but not limited to (1) amending the Conditional Assignment of Warranties, (2) entering into and/or amending the IMEP and exhibits thereto, (3) entering into additional master and/or major encroachment permits, (4) accepting deferred infrastructure, (5) revising the Interjurisdictional MOU, and (6) executing and recording a signed, acknowledged Partial Release from the Master Lease releasing Port Assets and City Acceptance Items from the Master Lease upon acceptance by the City of the City Acceptance Items, which are in the best interests of the Port and City, and that do not materially increase the obligations or liabilities of the Port or materially reduce the rights of the Port, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of the documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 11, 2025.

DocuSigned by:

Jenica Liu

Secretary

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

RESOLUTION NO. 25-06

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, In January 2018, by Resolution No. 18-03, the Port Commission approved the terms of a Disposition and Development Agreement (“DDA”), between the Port and the Seawall Lot 337 Associates, LLC, a Delaware limited liability company (“Developer”), and related transaction documents that are incorporated into the DDA, for the development of approximately 28-acres located along the Port’s Central Waterfront and commonly referred to as “Mission Rock” (the “Project”), comprised of (1) Seawall Lot 337, bounded by Third Street on the west, 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

WHEREAS, Developer and its affiliate, Mission Rock Horizontal Sub (Phase 1) L.L.C., a Delaware limited liability company, provided that certain Amended and Restated Irrevocable Offer of Improvements dated as of February 6, 2025 to the Port regarding certain infrastructure and improvements associated with Port parks and opens spaces including China Basin Park, Dr. Maya Angelou Paseo, Bridgeview Paseo, and Channel Street, and associated with City rights-of-way including Toni Stone Crossing, Bridgeview Way, and Dr. Maya Angelou Lane (collectively, the “Port Assets”), all as more particularly described in the memorandum to the Port Commission and its attachments accompanying this resolution; and

WHEREAS, At its February 11, 2025 meeting, the Port Commission accepted the Port Assets subject to certain conditions, including the execution of certain land use agreements with Developer affiliates and/or utility providers to facilitate the ongoing operation and maintenance of Port Assets; and

WHEREAS, In a letter dated February 6, 2025, the Planning Department found that the actions contemplated in this resolution are within the scope of the Project’s final environmental impact report prepared under the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) and are, on balance, in conformance with the General Plan and the eight priority policies of Planning Code Section 101.1. A copy of the Planning Department letter is on file with the Commission Secretary and is incorporated herein by reference; and

WHEREAS, The Port Commission approved Resolution 19-39 on September 24, 2019, adopting a Parks Plan for the Project that contemplated that the Port could work with a partner to conduct the day-to-day management of Project parks and open spaces while allowing the Port to retain ownership of Project parks and open spaces and ensure that the spaces remain public, welcoming, and inviting to all; and

WHEREAS, Port staff negotiated: (a) a lease and loan agreement, (b) management agreement, and (c) a series of licenses to further the goals and approach contemplated in the Park Plan and Resolution 19-39; and

WHEREAS, Port and Developer affiliate have negotiated the China Basin Park Lease and Loan Agreement (the "Park Lease and Loan"), through which Port would (a) provide a zero-rent lease of China Basin Park to a Developer affiliate for management, maintenance, activation, and programming for public park purposes for a term of fifteen years, plus three Developer affiliate options to extend for five years each for a total potential term of thirty years, including certain indemnities benefiting the Port and City, and (b) subject to appropriation by the Port Commission and Board of Supervisors, provide a zero interest loan of up to Eight Hundred Thousand Dollars over three years for baseline maintenance and operations purposes, subject to repayment prior to the conclusion of the initial fifteen-year term, as described in the memorandum to the Port Commission accompanying this resolution, which Park Lease and Loan requires approval by the Board of Supervisors. A copy of the Park Lease and Loan is on file with the Commission Secretary; and

WHEREAS, The Park Lease and Loan Agreement contemplates certain delegations of authority by the Port Commission to the Port Executive Director for certain administrative functions, including the abilities to (a) revise the China Basin Park leased premises to facilitate construction of future park improvements, (b) approve certain sponsorship agreements that do not exceed ten years, and (c) approve future annual budgets that fall within the Permitted Variance of the prior year's Budget, all without seeking additional Port Commission approval and each as more particularly described in the Park Lease and Loan; and

WHEREAS, Port and Developer affiliate have negotiated the Mission Rock Paseos and Open Space Management Agreement ("Management Agreement"), requires a Developer affiliate to maintain and operate (a) the Port paseos as public open space, to (b) Port Assets subject to and in accordance with conditions included in Public Works' Interagency Master Encroachment Permit ("IMEP"), (c) other Port Assets in the Project area, and (d) assist Port with any associated claim, while the Port retains full control of this property as public space funded with tax-exempt bond proceeds in accordance with Internal Revenue Service ("IRS") laws and regulations for a term of fifteen years plus

three Port options to extend for five years each for a total potential term of thirty years, as described in the memorandum to the Port Commission accompanying this resolution, which Management Agreement requires approval by the Board of Supervisors. A copy of the Management Agreement is on file with the Commission Secretary; and

WHEREAS, A Developer affiliate is best positioned to operate, maintain, and program China Basin Park and other Port-owned spaces and Port Assets in Mission Rock as an affiliate of the Master and Vertical Developers, because the primary funding mechanisms for the Park Lease and Loan Agreement and to pay the management fee and reimburse managers costs under the Management Agreement is contributions from the Mission Rock Owners Association, which is anticipated to receive dues and distribute funds in lieu of levying the Contingent Services Special Taxes under the Mission Rock Community Facilities District, accordingly, the Developer affiliate will be able to more easily administer funding for management and maintenance operations and benefit from economies of scale by leasing China Basin Park and managing Port Assets under the Management Agreement; and

WHEREAS, Because the Port cannot provide Pacific Gas and Electric (“PG&E”) with an easement or other permanent land rights, Port and PG&E have negotiated (a) one no-fee license agreement allowing PG&E to enter Port property to operate and maintain gas pipelines located in Port open space that serve buildings on Lot 3 and Lot 4 of the Project, and (b) one no-fee license agreement allowing PG&E to enter Port property to operate and maintain an electric line located in China Basin Park to serve the Third Street Bridge “Pilot House,” each for a term of sixty-six years subject to approval by the Board of Supervisors, and each protecting the Port from certain liability related to PG&E’s utility infrastructure and activities, and for which PG&E requires an Absolving Services Agreement (“ASA”) that acknowledges the expiration or termination of the electric line license may result in electric power service termination to the Pilot House and in which the Port and City expressly indemnify PG&E from liability, claims, and damages connected with such discontinuance of service. A copy of the PG&E licenses and ASA are on file with the Commission Secretary; and

WHEREAS, Port and Mission Rock Utilities, Inc., a Delaware corporation (“MRU”) that will own and operate district utilities, have negotiated a no-fee license agreement to enter Port property to operate and maintain private utilities including district heating and cooling, recycled water treatment and distribution, and sanitary sewers while protecting the Port from certain liability related to MRU’s utility infrastructure and activities, which license requires approval by the Board of Supervisors. A copy of the MRU license is on file with the Commission Secretary; and

WHEREAS, Pursuant to Port Permit Number B-2025-0002 and subject to the proposed Park Lease and Loan Agreement, China Basin Ballpark Company LLC (the SF Giants) and Developer affiliate have negotiated an agreement for the SF Giants to install, maintain, and remove upon termination a Commemorative Paver program within a portion of the pedestrian path of the Bay Trail in China Basin Park as a capital improvement sponsor, through which the SF Giants will pay for the Commemorative Paver program and dedicate any excess revenues from the capital improvement sponsorship to the maintenance and operations of China Basin Park, which sponsorship would require Port Commission approval under the proposed terms of the Park Lease and Loan Agreement as a sponsorship agreement with a term in excess of ten years that includes a Major Physical Element as defined the Park Lease and Loan Agreement. A copy of Port's consent to the sponsorship agreement is on file with the Commission Secretary; now, therefore be it

RESOLVED, That the Port Commission approves (a) the Park Lease and Loan Agreement and Delegations of Authority to the Port Executive Director described in this resolution, (b) the Management Agreement, (c) the PG&E licenses and ASA, (d) the MRU license, and (e) Port's consent to the sponsorship agreement between Developer affiliate and the SF Giants, each in substantially the same form as is on file with the Commission Secretary, and subject to the approval by the Board of Supervisors; and be it further

RESOLVED, That the Port Commission recommends the Board of Supervisors approve (a) the Park Lease and Loan Agreement, (b) the Management Agreement, (c) the PG&E licenses and ASA, and (d) the MRU license, and delegate authority for the Port Director, or the Port Director's designee, to execute such agreements, subject further to approval and execution of the ASA by the San Francisco Public Works Director or the Director's designee; and be it further

RESOLVED, In consideration for funding both (a) operations, maintenance, and activations of China Basin Park and (b) management services under the Management Agreement, through direct Mission Rock Owners Association contributions to Developer affiliate in lieu of levying the Contingent Services Special Taxes under the Mission Rock CFD, and the economies of scale that may be achieved by one entity leasing China Basin Park and managing Port Assets under the Management Agreement, the Port Commission recommends that Port staff, in consultation with the City Attorney's Office, seek Board of Supervisors' approval to waive any applicable requirements of the City's policies regarding competitive bidding and competitive solicitations for the Park Lease and Loan Agreement and the Management Agreement; and be it further

RESOLVED, Upon approval of such waivers and of the agreements by the Board of Supervisors, Port staff shall proceed to execute the Park Lease and Loan Agreement and the Management Agreement, each with substantially the same terms as, and under the authority set forth in, this resolution and accompanying memorandum to the Port Commission; and be it further

RESOLVED, That the Port Commission approves the Port consent to SF Giants Commemorative Paver program sponsorship agreement as described in this resolution and the accompanying memorandum to the Port Commission; and be it further

RESOLVED, That if the Mission Rock Owners Association does not annually provide contributions for the operation and maintenance of China Basin Park or other Port Assets and open spaces pursuant to the Park Lease and Loan Agreement and the Management Agreement that are equal to the Maximum Contingent Services Special Tax Amount under the Mission Rock CFD for that year, then the Port will direct the Administrator of the Mission Rock Special Tax District to levy the Contingent Services Special Tax in the amount of any shortfall; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director, in consultation with the City Attorney and Bond Counsel, to take any and all actions necessary to amend, revise, or restate the Management Agreement and all other agreements authorized in this resolution to ensure spaces financed with tax-exempt bond proceeds comply with applicable IRS laws and regulations, and further remain well-maintained, open, available, and a benefit to the public; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director, in consultation with the City Attorney, to take any and all actions reasonably necessary or advisable to effectuate the purpose and intent of this resolution, including but not limited to amending any of the approved agreements and exhibits thereto, which actions are in the best interests of the City and Port, and that do not materially increase the obligations or liabilities of the Port or materially reduce the rights of the Port, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 11, 2025.

DocuSigned by:

Jenica Lin

Secretary

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EXHIBIT A Site Map



-  City-Accepted Port Right-of-Way Phase 1
-  China Basin Park Phase 1
-  Other Port Open Space Phase 1
-  Vertical Development Site Phase 1
-  Master Developer's Master Lease Area
-  Mission Rock Phase 1 Boundary

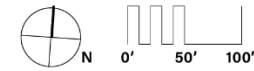


EXHIBIT B

Port Open Space Assets

Port Open Space Assets

With the exception of limited 3rd party utility systems, all improvements constructed within Port open space will be owned and maintained by the Port. Assets in Port open space include:

- Canopy trees, turf grass, landscaped planting areas, and associated irrigation systems;
- A central rain garden used to treat stormwater runoff for the entire Phase 1 development (Port open spaces, city rights-of-way, and vertical development parcels), and associated boardwalk;
- A dog run and dog relief area;
- Lightweight fill (used to elevate the site to mitigate against future sea-level rise);
- A public restroom building, and assorted hardware and fixtures;
- A sandy “beach” area;
- Surface paving;
- Two sculptural art installations;
- Three stormwater lift stations and associated infrastructure used to convey stormwater to and from the central rain garden;
- Ramps, staircases, and assorted railings,
- Retaining walls;
- Site lighting elements;
- Site furnishings (e.g. benches, picnic tables, movable seating and tables);
- Underground utility systems;
- Wayfinding and site information signage;
- Interim site features that will be removed in future phases needed to ensure the site performs safely and functionally (the cul-de-sac at the southern terminus of Bridgeview Street, and Sloped berms to conform the elevated Phase 1 site safely meet existing grade

EXHIBIT C

Port ROW Assets

Port ROW Assets

As established in the maintenance matrix attached as an exhibit to the Interjurisdictional MOU, most non-standard items within the City ROWs are Port Acceptance Items. As such, the Port will own, maintain, and have liability for these items. This arrangement will be memorialized via the IMEP between Public Works and the Port upon approval by the BOS, which is anticipated early next year. Port ROW Assets include:

Furniture and Vertical Elements

- Three sculptural public art installations 1 (Toni Stone)
- Custom benches
- Custom waste receptacles
- Custom wayfinding signage
- Two retractable bollards operation pedestals and associated electrical conduit used by the San Francisco Fire Department to lower the retractable bollards and gain access to the Bridgeview and Dr. Maya Angelou Paseos
- Tree grates
- Sidewalk landscaping areas and associated irrigation systems

Unique Design Features on Dr. Maya Way

- Flush Electrical Outlets, and associated infrastructure (electrical conduit, junction boxes, etc.)
- Stone Blocks (Streetlight Protection Elements on Dr. Maya Angelou Way)
- A Trench Drain running the length of the street
- Trapezoidal Tactile Delineators in lieu of curbs to ensure people with vision to ensure people with vision impairments can safely navigate the roadway
- Fire Lane Markers defining the roadway
- Custom surface paving

Miscellaneous Items

- Non-standard concrete paving within the Toni Stone / Dr. Maya Angelou Way intersection
- Unit pavers installed in the Bridgeview Street sidewalk furnishing zone
- Interim surface features in the Channel Lane / Dr. Maya Angelou Way intersection that will be removed when Phase 2 is constructed
- Two underground storm drain mains connecting the Bridgeview and Dr. Maya Angelou Paseos to the SFPUC storm drain main in Toni Stone Crossing
- Underground electrical conduit serving China Basin Park connecting the Bridgeview Paseo to SFPUC 12-kV electrical infrastructure on Toni Stone Crossing
- Custom “deepened curbs” adjacent to planting areas
- Nonstandard curb wrapping around PG&E manhole and associated railing on 3rd Street fronting China Basin Park

**EXHIBIT E
CHINA BASIN PARK AND PASEO AND OPEN SPACE
FIRST YEAR OPERATING BUDGET**

[Attached as separate document]