

LEGISLATIVE DIGEST

[Port Park Lease and Loan, Management Agreement, and Utilities Licenses and Absolving Services Agreement - Mission Rock]

Ordinance approving and waiving competitive solicitation obligations for a Port Commission Park Lease and Loan for China Basin Park and for a Management Agreement for adjacent public and open spaces between the Port and an affiliate of Seawall Lot 337 Associates, LLC, Developer of the Mission Rock Project bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay (“Project”); approving a Port Commission License with Mission Rock Utilities, Inc., a private utility provider servicing the Project; and approving two Port Commission Licenses and an Absolving Services Agreement with Pacific Gas and Electric Company to facilitate gas service to private property in the Project area and electric power service to the Third Street Bridge Pilot House; and affirming the Planning Department’s determination under the California Environmental Quality Act, and its findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

Charter Section 9.118 requires approval by the Board of Supervisors of contracts or agreements having a term in excess of ten years.

Administrative Code Sections 2.6-1, 21.1, and 23.33 require competitive procurement processes for leases and certain agreements.

Amendments to Current Law

The Ordinance does not amend existing law. The ordinance waives competitive procurement obligations and approves various property agreements between the Port of San Francisco (“Port”) and other parties as summarized: the China Basin Park Lease and Loan Agreement between Port and a Developer (defined below) affiliate that will operate, maintain, and program the park as public open space for up to 30 years; the Mission Rock Paseos and Open Space Management Agreement between Port and a Developer affiliate that will operate and maintain public assets and public open space within the Mission Rock development for up to 30 years; two licenses for up to 66 years between Port and Pacific Gas and Electric Company, which will operate and maintain gas pipelines serving buildings in the Project area and an electric line that serves the Third Street Bridge “Pilot House” and regarding which the Port and City will enter an Absolving Services Agreement addressing service disruption if the electric line license is terminated; and, a 66 year license between Port and Mission Rock Utilities, Inc., which operates private utilities including district heating and cooling, recycled water treatment and distribution, and sanitary sewers serving the Project area.

Background Information

An existing Disposition and Development Agreement (“DDA”) and Development Agreement (“DA”) between Port and Seawall Lot 337 Associates, LLC (“Developer”) and Developer’s affiliate approve and govern the development of the Mission Rock “Project,” a multi-phase, mixed-use development generally bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay.

The legislation accompanies acceptance legislation regarding Developer’s completion of Phase 1 of the Project and the proposed dedication to and acceptance by Port and City of public improvements. At its meeting on February 11, 2025, the Port Commission adopted Resolution 25-06 approving the agreements subject to approval by the Board of Supervisors.

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