

# Mission Rock Acceptance of Phase 1 Horizontal Infrastructure, Approval of Lease and Loan Agreement and Management Agreement, and Approval of Various Land Agreements

## *Port Commission Informational & Possible Action Item 12A*

February 11, 2025

**Presented By:**  
Wyatt Donnelly-Landolt  
Carrie Morris  
Paul Chasan



# Agenda

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- Site Overview & Context
- Project Update
- Port Acceptance Process
- Port Acceptance Items
- Acceptance Documentation & Land Rights Agreements
- Next Steps

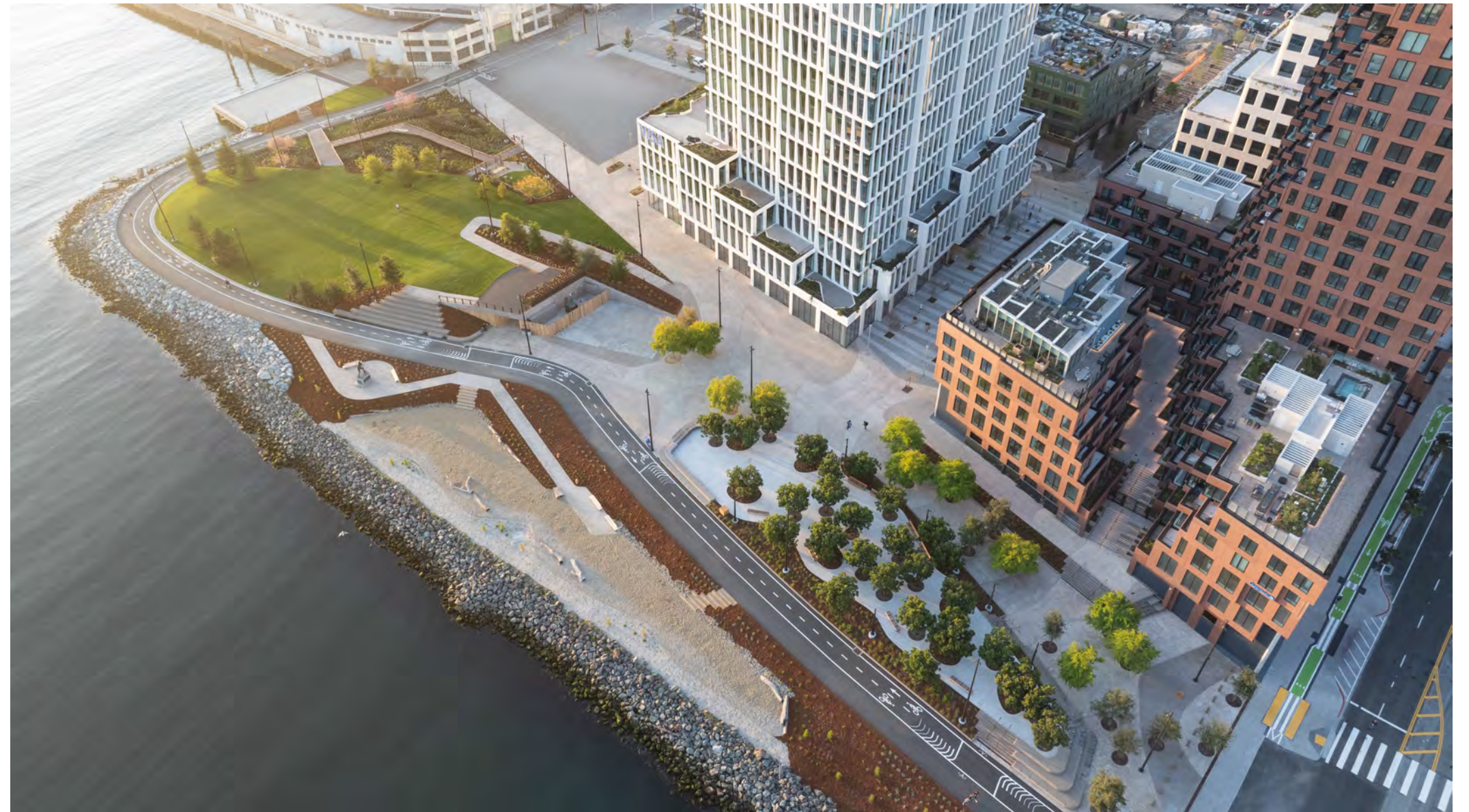


Photo by Jason O'Rear

# Site Overview & Context – Phase 1

Housing: 2 buildings

- 537 units total, 161 affordable

Commercial Office: 2 buildings

- 550,000 gross square feet

Ground Floor Retail

- 52,000 square feet

China Basin Park, 5 Acres

District Energy + Non-potable Blackwater Systems

Infrastructure

- Phase 1 streets, sidewalks, associated improvements, utilities, public open spaces/paseos



# Project Update

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## Vertical Progress

- The Canyon (Parcel A): 86% Leased
- Verde (Parcel F): 51% leased
- Visa Global Headquarters (Parcel G): 100% leased and occupied
- Building B: Golden State Warriors
- Retail 70% leased: LuxFit, Arsicault, Flour+Water, Proper Food, Ike's Love & Sandwiches, Quik Dog, Back Home Hospitality

## Local Business Enterprise (as of Q2 2024)

- \$170.3M of \$934.6M awarded (18.22%)
- 105 LBE Vendors of 467 Total Vendors (22.5%)

## Horizontal Project Budget

- Approved Phase 1 Budget: \$218,470,355
- As of June 30, 2024: On budget, \$3M remaining in contingency

## City Costs

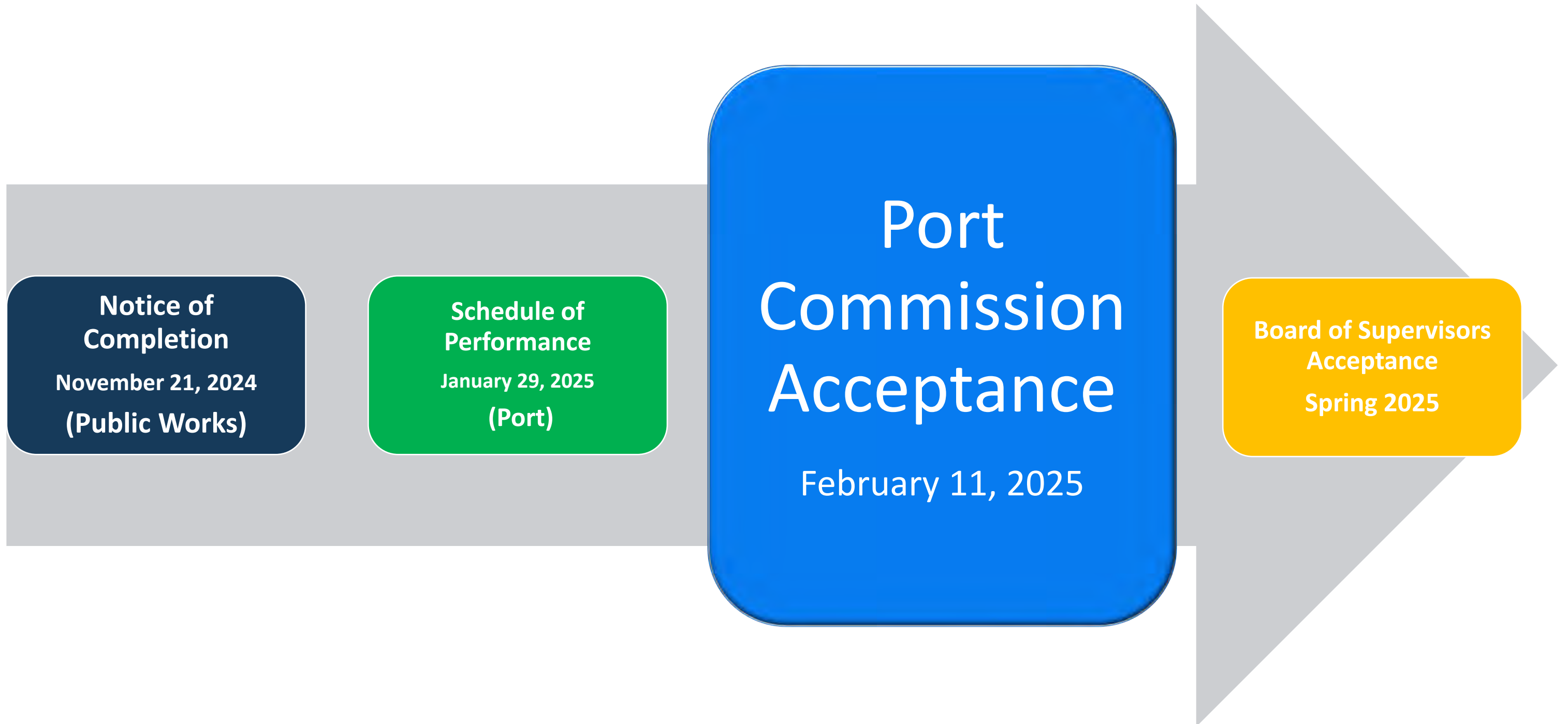
- Approved budget: \$19,577,000
- Currently on budget



Photo by Jason O'Rear

# Acceptance Process

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# Acceptance Process - Port Commission's Role

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Photo by Jason O'Rear

- Determine improvements to be functional and in conformance with project and regulatory requirements
- Accept improvements from horizontal developer for:
  1. Public use
  2. Maintenance and liability purposes for *certain* improvements on Port-owned property
- Dedicate improvements for street and sidewalk purposes
- Approve third-party agreements for management and operations

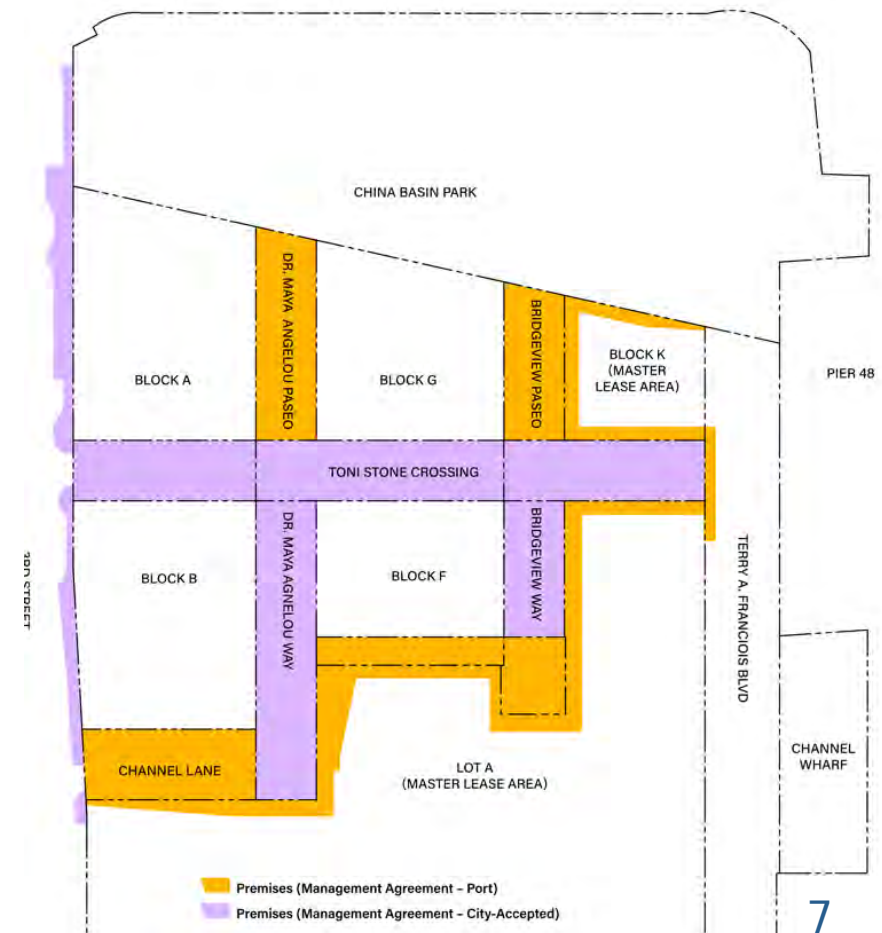
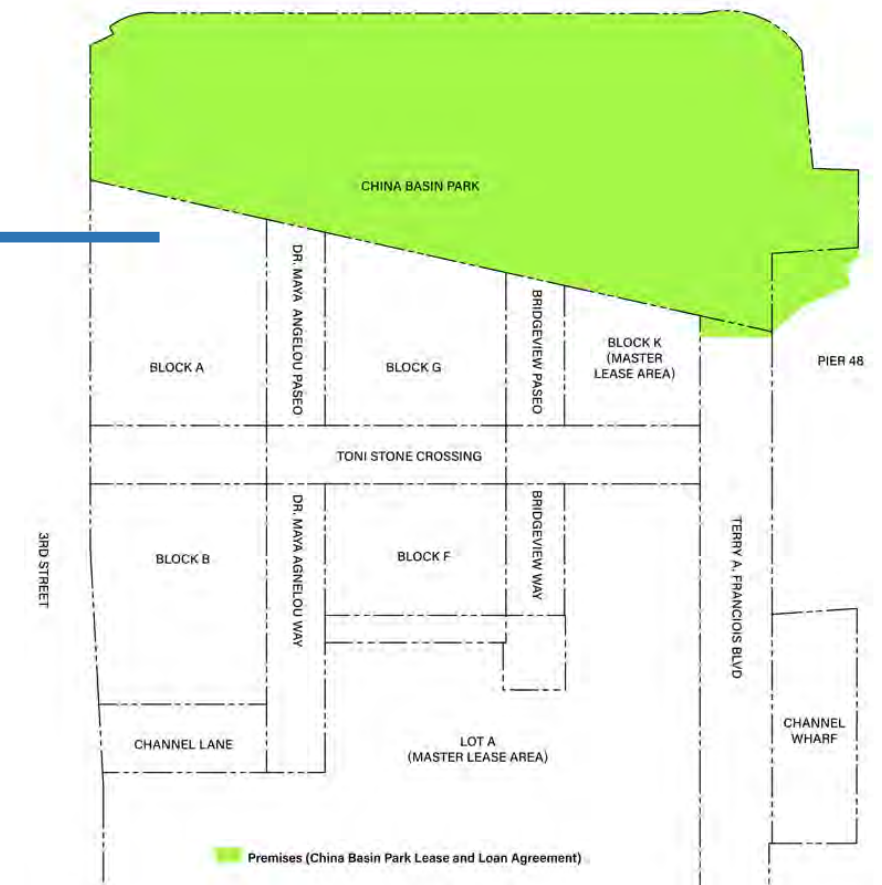
# Port Acceptance Items

## China Basin Park / Port Open Spaces – All Assets

- Plantings: Landscaping, trees, stormwater garden, irrigation systems, paving
- Spaces: Dog run, public restrooms, “beach”, seat walls, plazas
- Utilities: Lighting furnishings, bollards, water fountains, utilities systems

## City-Accepted Port Streets – Only Non-Standard Assets

- Surface features: Custom benches & trash cans, public art, landscaping
- Shared Public Way features: Special paving, stone bollards, trench drain, fire lane markers, flush curbs
- Utilities: Port electrical system in DMA for activation, irrigation systems, utility connections to Port open space



# Acceptance Documentation

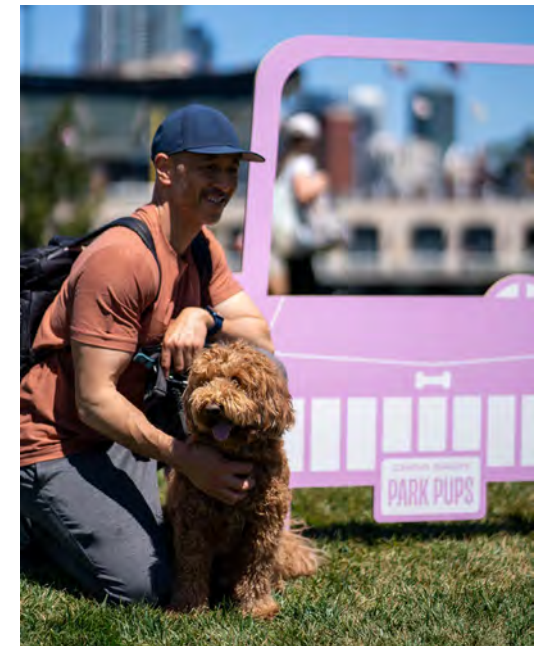
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## Interagency Master Encroachment Permit (IMEP)

- Permit issued by Public Works to Port for all Port-owned, non-standard assets in City Rights of Way
- Port to assign all IMEP maintenance obligations to MRC via Paseos Management & Open Space Management Agreement (*described further later in presentation*)

## Jurisdictional Memorandum of Understanding & Maintenance Matrix (JMOU)

- MOU between Port and City Agencies documenting each agency's maintenance obligations for specific Mission Rock assets





# Acceptance Documentation

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## DDA and Master Lease Partial Release

- Removes completed Phase 1 horizontal infrastructure that is being accepted by Port and other City Agencies from the DDA and Master Lease

## Master Lease Amendment

- Adjusts and amends description and definition of "Premises" to remove completed Phase 1 horizontal infrastructure



Photo by Jason O'Rear

# Lease, Management, and Land Rights Agreements

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1. China Basin Park Lease & Loan Agreement (“Park Lease”)
2. Paseos & Open Space Management Agreement (“Management Agreement”)
3. PG&E Gas Licenses
4. PG&E Electric License and Absolving Services Agreement
5. Mission Rock Utilities License



Photo by Jason O'Rear

# China Basin Park Lease & Loan Agreement

- Lease of China Basin Park to affiliate of Mission Rock Partners for operations, maintenance and programming
- 15-year term with three, 5-year extension options
- Transfers maintenance and liability obligations for China Basin Park from Port to Tenant
- Tenant funds maintenance through Master Association dues, Contingent Special Services Tax serves as a backup
- Tenant will obtain sponsorships and create programming to generate revenues for operations
- Port approves annual budgets, receives quarterly and annual reporting, and reviews major sponsorships
- Provides start up loan facilitated by RPD of \$300k annually during the first three years up to a maximum of \$800,000



Photos by Jason O'Rear

# Paseos & Open Space Management Agreement

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- Qualified management agreement designating Manager to operate and maintain open space and Port Assets (excluding China Basin Park)
- 15-year term with three, 5-year extension options
- Manager receives \$10,000/year management fee and reimbursement for maintenance and operations costs
- Master Association provides revenues with Contingent Special Services Tax as a secondary option
- Transfers liability obligations for paseos and open space from Port to Developer affiliate to the extent allowed for a qualified management agreement
- Strict limitations on private uses (e.g., retail sidewalk seating) to be set by master agreement with review of City Attorney and Bond Counsel



# Land Rights / Access Agreements

## PG&E Licenses, Absolving Services Agreement

- Grants access rights to PG&E for:
  1. Maintenance and repair of two gas lines to Building G (Visa) and Building F (Verde)
  2. Electric line through China Basin Park to the 3<sup>rd</sup> Street Bridge Pilot House
- 66-year term with no fee
- Electric license requires Absolving Services Agreement

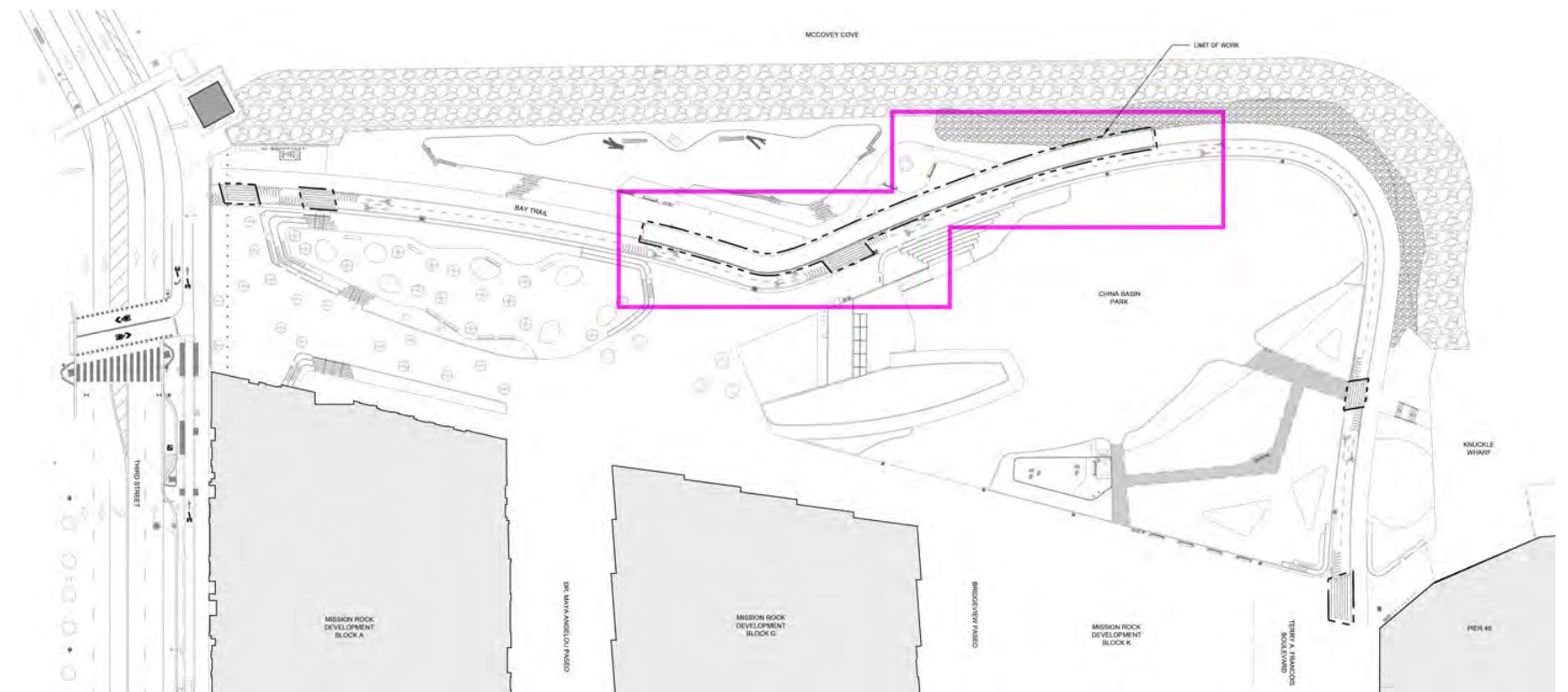
## Mission Rock Utilities License

- Grants access rights to MRU for District Energy System and Blackwater Recycling System infrastructure
- 66-year term with no fee



# San Francisco Giants' Commemorative Paver Sponsorship

- Capital Improvement sponsorship to construct commemorative pavers in pedestrian portion of Bay Trail through China Basin Park and place 13 plaques at trees in park
- Potential for expansion in future phases
- Requirement to remove pavers and restore to original condition upon Park Lease termination, if Port requires



# Today's Actions

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- 1. Approve Acceptance Documentation and Agreements**
  - IMEP
  - DDA & Master Lease Partial Release, Master Lease Amendment
  - China Basin Park Lease, Paseos & Open Space Management Agreement
  - PG&E Gas and Electric Licenses
  - MRU License
  - Consent to SF Giants' Paver Sponsorship
- 2. Accept Port Infrastructure**
  - CBP, Port Open Spaces, IMEP Assets
  - Dedicate for public purposes



Photo by Jason O'Rear

# Next Steps

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## Late Feb/Early March

- Introduce legislation at Board of Supervisors

## Late March/Early April

- Acceptance Items at Land Use Committee
- Park Lease, Management Agreement, and other Port agreements at Budget Committee

## April

- Full Board Vote

## May/June

- Acceptance Complete and Agreements Executed



Photo by Jason O'Rear



**Questions?**

# Reference

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1. Phase 1 Overview / Site Plan
2. Phase 1 + Full Project Buildout Maps
3. Phase 1 Public Art
4. Mission Rock Project Buildout Overview

# Phase 1 Overview / Site Plan

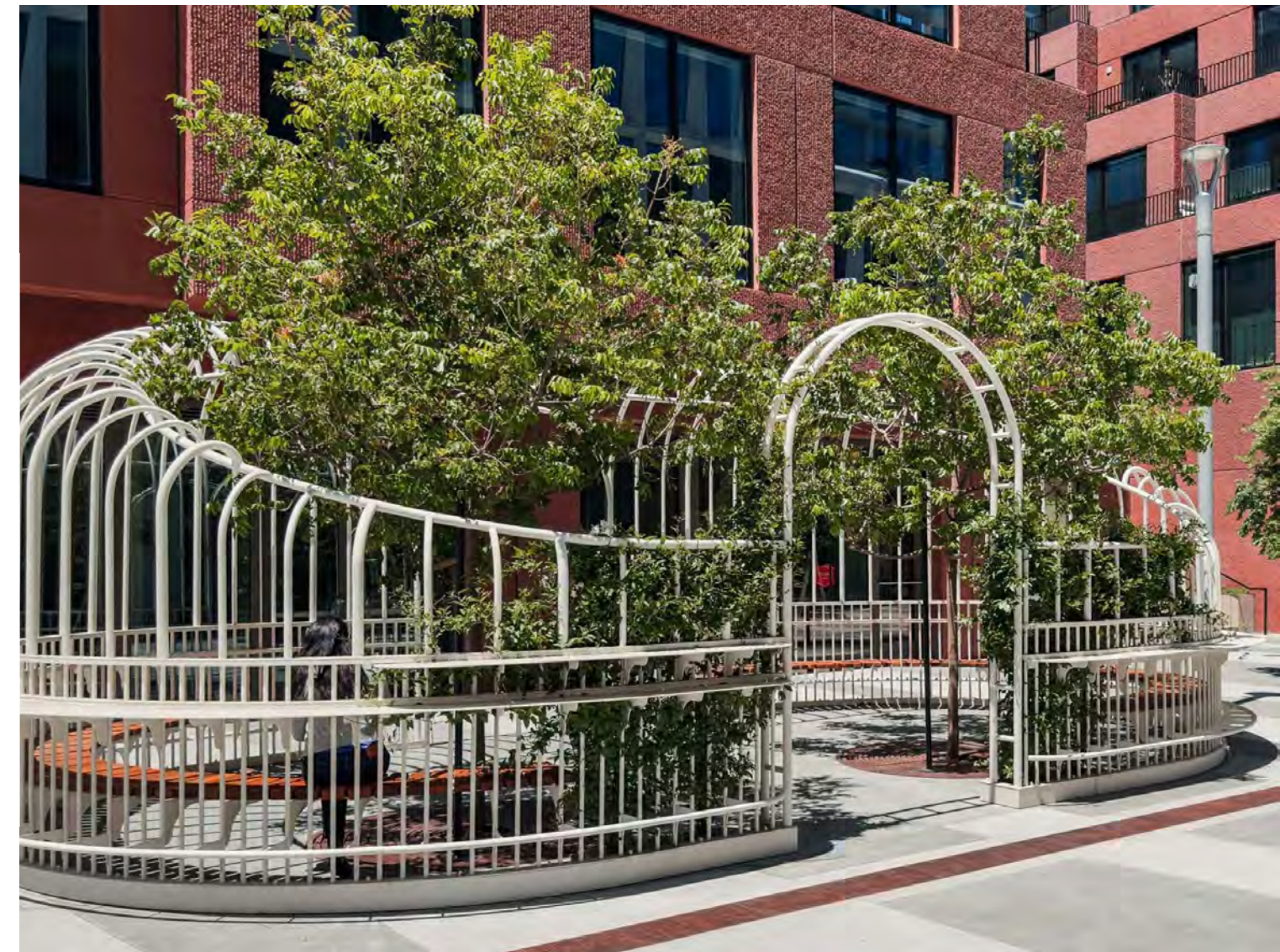
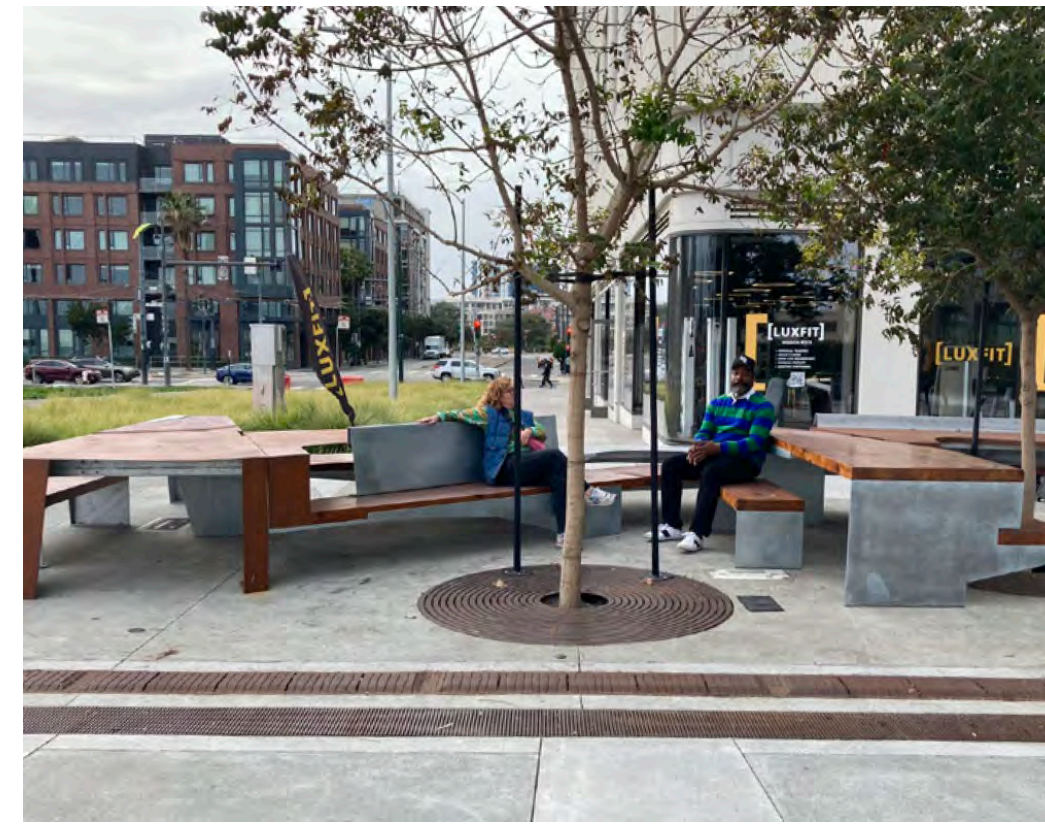


-  City-Accepted Port Right-of-Way Phase 1
-  China Basin Park Phase 1
-  Other Port Open Space Phase 1
-  Vertical Development Site Phase 1
-  Master Developer's Master Lease Area
-  Mission Rock Phase 1 Boundary

# Phase 1 + Fully Project Buildout



- City-Accepted Port Right-of-Way Phase 1
- City-Accepted Port Right-of-Way Future Phase
- China Basin Park and Future Parks
- Other Port Open Space Phase 1
- Vertical Development Site Phase 1
- Vertical Development Site Future Phase
- Mission Rock Phase 1 Boundary



## Phase 1 Public Art & Street Rooms

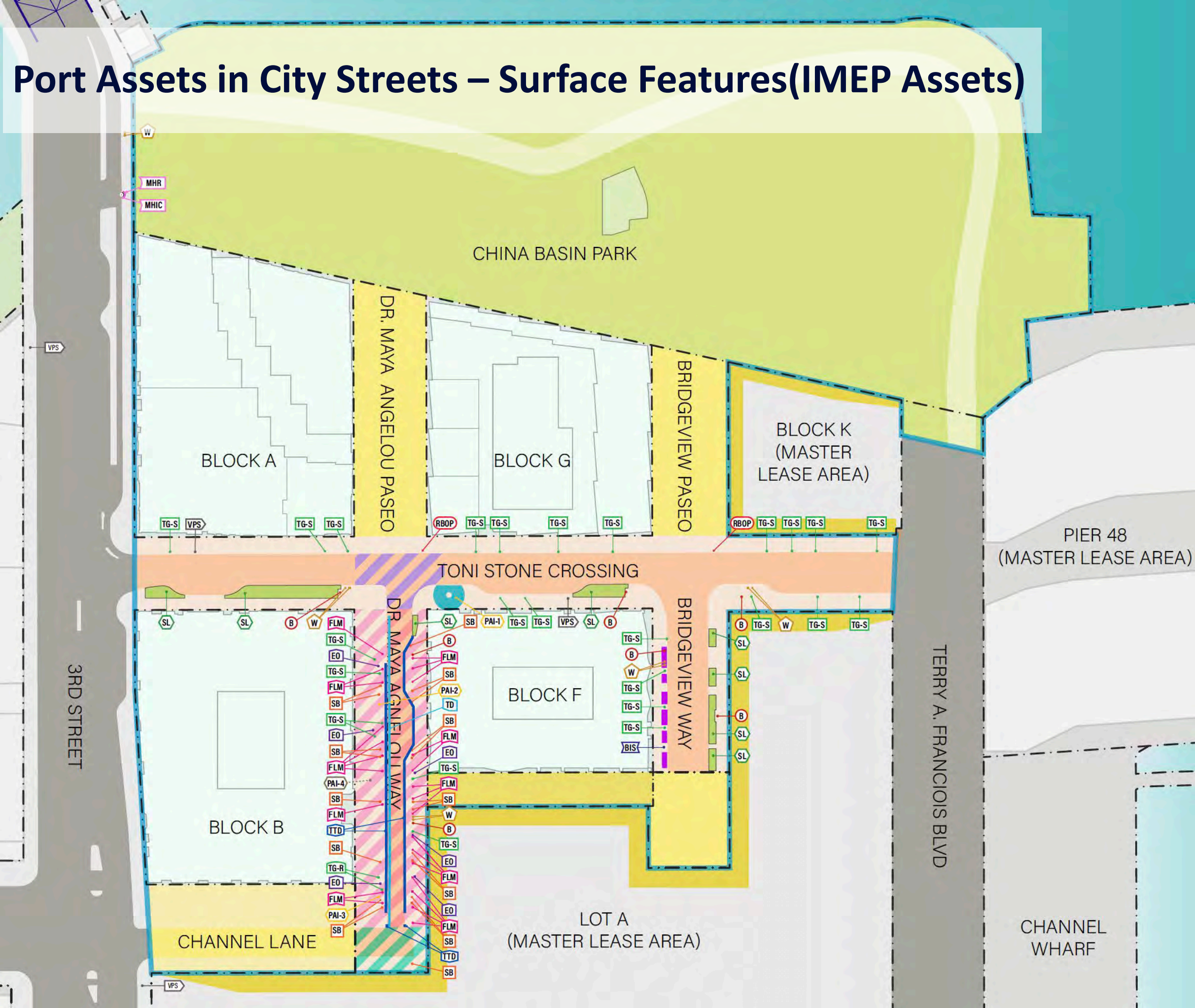
Top Left: Toni Stone Statue by Dana King

Top Middle: Pop Rocks by Terrain Work (Image: Terrain Work)

Top Right: Open Table by Oyster Wu

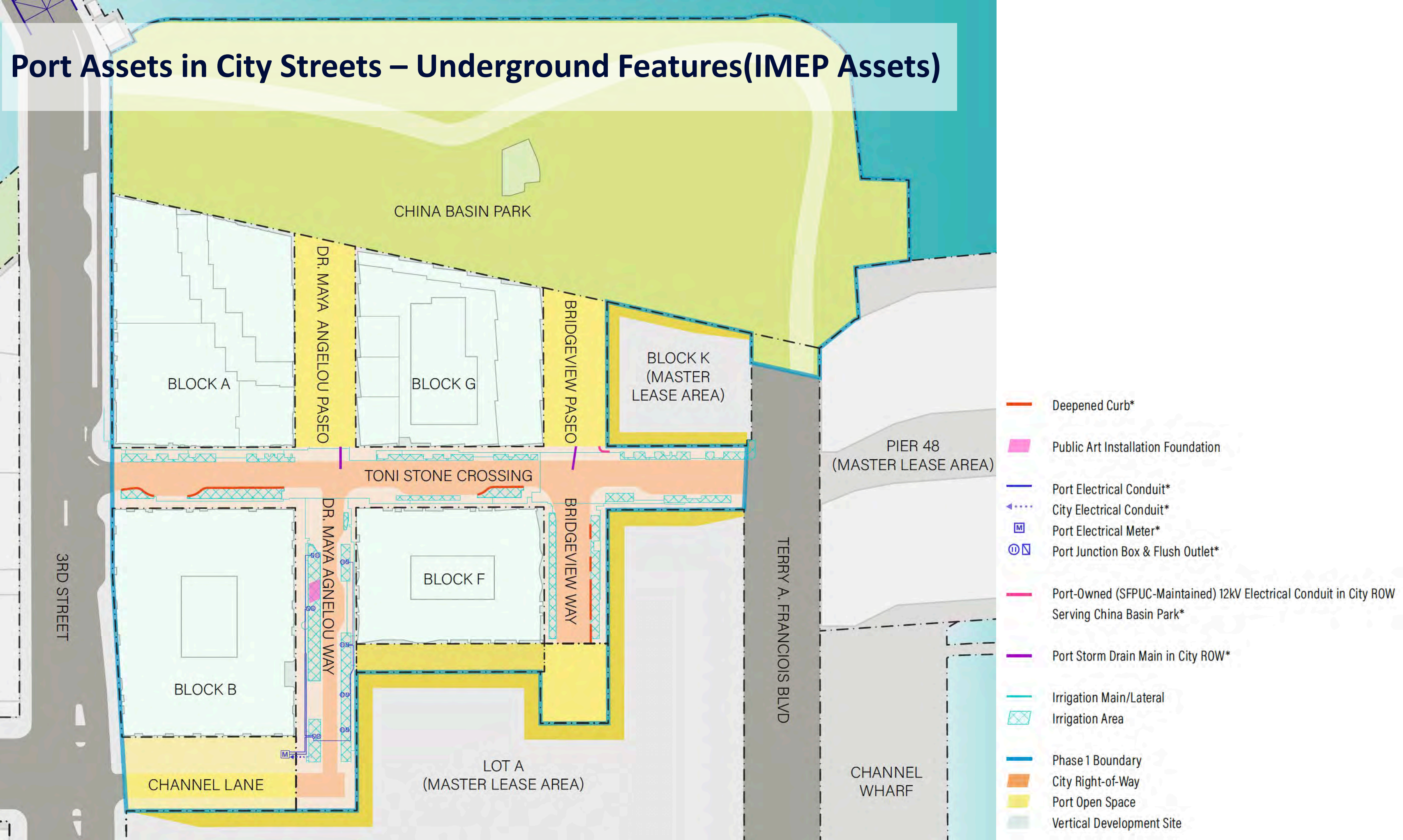
Bottom Right: Garden Party by Min Design (Image: Min Design)



# Port Assets in City Streets – Surface Features (IMEP Assets)



- PAI-1** Public Art Installation 1 ("Toni Stone")
- PAI-2** Public Art Installation 2 ("Pop Rocks")
- PAI-3** Public Art Installation 3 ("Open Table")
- PAI-4** Deferred Public Art Installation 4 ("Lounge")
- B** Bench
- W** Waste Receptacle
- SB** Stone Block (Streetlight Protection Element)
- RBOP** SFFD Raptor Bollard Operating Pedestal\*
- FLM** Fire Lane Marker\*
- EO** Flush Electrical Outlet
- TTD** Tactile Trapezoidal Delineators\*
- TD** Trench Drain\*
- TG-R** Round Tree Grate
- TG-S** Square Tree Grate
- SL** Sidewalk Landscaping
- MHR** 3rd St. Manhole Railing
- MHIC** 3rd St. Manhole Inverted Curb
- PAT** Pedestrian Amenity Totem (None in Phase 1)
- PDT** Pedestrian Directional Totem
- BIS** Bike Informational Sign
- PD** Public Dock Sign (None in Phase 1)
- TPS** Bay Trail | Pub. Shoreline Sign (None in Phase 1)
- VPS** Vehicular Parking Sign
- Public Art Special Paving**
- Bridgeview Furnishing Zone Unit Pavers**
- Intersection Special Paving**
- Dr. Maya Angelou Way Special Paving\***
- Interim Surface Features**
- Phase 1 Boundary**
- City Right-of-Way**
- China Basin Park**
- Other Port Open Space**
- Vertical Development Site**

# Port Assets in City Streets – Underground Features (IMEP Assets)



-  Deepened Curb\*
-  Public Art Installation Foundation
-  Port Electrical Conduit\*
-  City Electrical Conduit\*
-  Port Electrical Meter\*
-  Port Junction Box & Flush Outlet\*
-  Port-Owned (SFPUC-Maintained) 12kV Electrical Conduit in City ROW Serving China Basin Park\*
-  Port Storm Drain Main in City ROW\*
-  Irrigation Main/Lateral
-  Irrigation Area
-  Phase 1 Boundary
-  City Right-of-Way
-  Port Open Space
-  Vertical Development Site