MEMORANDUM

July 7, 2017

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. Leslie Katz
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Informational presentation regarding the Transportation Plan, Infrastructure Plan and Sustainability Strategy for the Mission Rock Development Project at Seawall Lot 337 and Pier 48, bounded by China Basin Channel, Third Street, Mission Rock Street and San Francisco Bay (AB 8719/Lot 002; AB 9900/Lots 048, 048H, & 62)

DIRECTOR'S RECOMMENDATION: Information Only; No Action Required

EXECUTIVE SUMMARY

Port and City staff, working with Seawall Lot 337 Associates, LLC ("Developer"), are together developing proposed amendments to the Planning Code to add a Mission Rock Special Use District ("SUD") that will allow for the development of the Mission Rock mixed-use project at Seawall Lot ("SWL") 337 and Pier 48 (the "Project).

At the June 13, 2017 Port Commission meeting, Port staff and Developer provided an overview of the proposed Mission Rock Design Controls, the design standards and guidelines for the Project subject to future Port and Planning Commission approval and which City staff will then utilize to guide development of the Project.

This staff report describes three other transaction documents that will guide development of the Mission Rock site: the Transportation Plan; the Infrastructure Plan; and the Sustainability Strategy. Developer has prepared these plans in consultation with City staff from multiple departments in accordance with adopted City policies. Port and Office of Economic and Workforce Development staff are grateful to staff at the San Francisco Planning Department, San Francisco Public Works, San Francisco Municipal Transportation Agency, San Francisco Public Utilities Commission and San Francisco Fire Department for their professional support developing these plans.

THIS PRINT COVERS CALENDAR ITEM NO. 12C

TRANSPORTION PLAN

The Mission Rock Transportation Plan will create safe access within the SUD area for all modes of transportation, with special emphasis on pedestrian, bicycle and transit access. The Transportation Plan sets forth a framework for achieving these goals through:

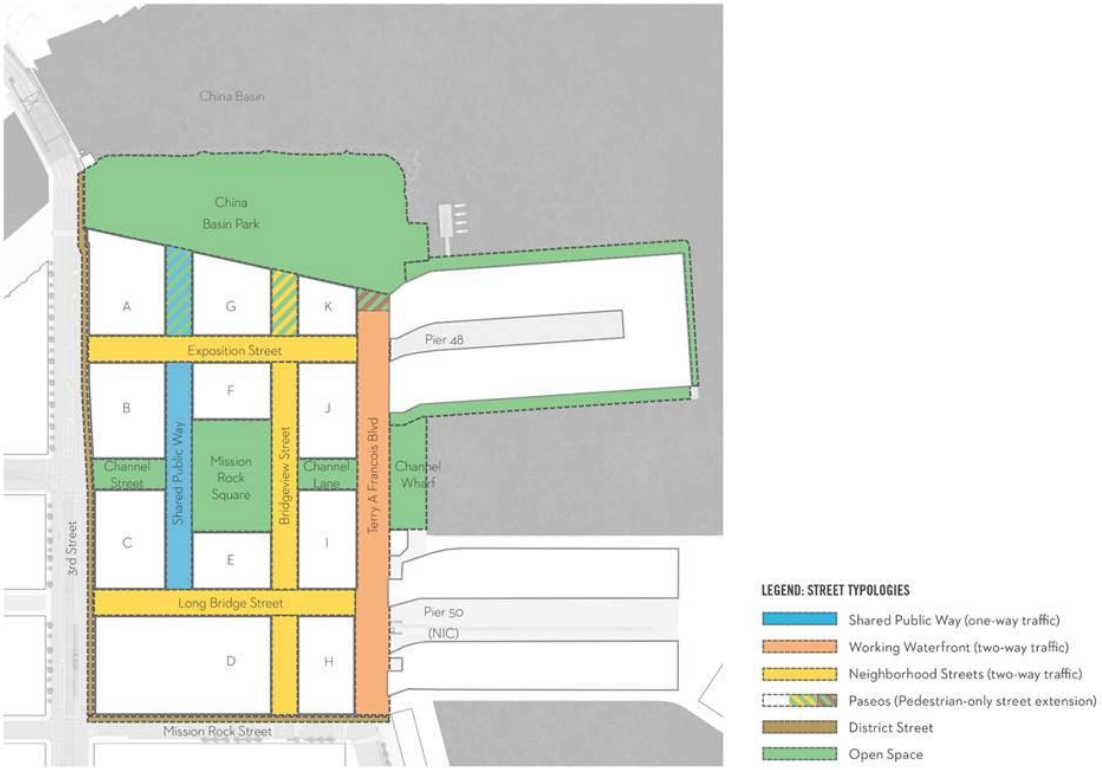
1. site design,
2. neighborhood-wide transit, pedestrian, and bicycle facilities, and
3. Transportation Demand Management (TDM) measures to reduce the number of automobile trips.

Each of these is summarized below.

1. Site Design

Proposed Roadway Network. The Project is accessible by 3rd Street, Mission Rock Street and Terry Francois Blvd. The new Mission Rock neighborhood incorporates and accepts Channel and Bridgeview Streets from the adjacent Mission Bay grid. The Project team purposefully created additional streets to further break down the scale of the neighborhood grid and create smaller, more walkable block sizes when compared to Mission Bay. These three new streets, currently named Exposition, Long Bridge, and Shared Public Way, serve to open up the site and invite bicyclists and pedestrians into the neighborhood. Figure 1 below shows the proposed street types in the Project.

Figure 1: Mission Rock SUD Street Network



Automobile Parking. Parking at Mission Rock will be primarily concentrated in a single structure at the Project's southern end. There will be a very limited number of spaces (approximately 10 per building) in each of the project's commercial and residential structures to allow for deliveries and similar building service needs. In addition, the SUD has no on-street parking in an effort to further prioritize pedestrian and bicycle use.

Commercial Truck Access. The Project's core area is generally designed for parcel delivery trucks and other similarly-sized delivery vehicles. The reconstructed leg of Terry Francois Blvd. on the east side of the site, the existing 3rd Street to the west and Mission Rock Street to the south, will all accommodate large trucks, buses and equipment that will continue to support the maritime and industrial uses of the working waterfront, including Piers 48 and 50.

2. Neighborhood-wide Transit, Pedestrian and Bicycle Facilities

Transit Facilities Serving the Project. The Transportation Plan describes the existing transit facilities that serve the SUD. Many of these facilities are undergoing significant changes that will improve access to the Project, most notably:

- **Muni T Third Street Line**. The Central Subway, including a passenger platform at 3rd and Mission Rock Streets, will further increase headways to downtown, and is scheduled to open to riders in 2019.

- **Caltrain Electrification**. Electrification of the Caltrain Corridor, including increased service of up to six Caltrain trains per peak hour, is planned to be complete by 2020.

- **Mission Bay Street Ferry Landing**. The Port is in the design and permitting stages for a ferry terminal in Mission Bay, approximately one-half mile from the Project at the terminus of 16th Street in the new Bayfront park, anticipated to be operating in 2020.

Bicycle Improvements. As shown in Figure 2 below, the Project will include a complete bicycle network, serving as the starting point for the Blue Greenway along the shoreline and including designated bicycle routes for internal circulation. Commercial and residential buildings will provide bicycle parking and showers as will the parking structure.

Pedestrian Improvements. The Project's street designs will encourage pedestrian travel throughout the site and its open spaces will also include a network of pathways to further encourage walking. The Project will connect to the surrounding Mission Bay neighborhood, with a new traffic signal at Exposition and 3rd Streets and a new crosswalk from China Basin Park connecting to the Mission Bay park system on the south side of Mission Creek.

Figure 2: Bicycle Network

3. Transportation Demand Management

The Project will implement TDM measures designed to discourage the use of private automobiles, particularly single-occupancy vehicles, among residents, employees, and visitors. Key TDM measures include:

- Clipper Card vending or add-value machines onsite,
- Transit passes for residents,
- Bicycle maintenance services and a bicycle repair station,
- Unbundled parking,
- Individualized transportation plans for any specific events, and
- An onsite coordinator to administer and maintain the Project's TDM program

Achieving TDM Targets. The Disposition and Development Agreement between the Port and Developer (the "DDA"), and the Development Agreement between the City and Developer will require implementation of the Transportation Plan.

The DDA, Development Agreement, and the Mitigation, Monitoring, and Reporting Program (the "MMRP") that the Port Commission and the Board of Supervisors will be asked to adopt in connection with approval of the Project, will require Developer to implement TDM measures to reduce one-way vehicle trips by 20 percent below anticipated levels. The Transportation Coordinator will prepare annual monitoring reports citing progress towards this goal for review and approval by the Planning Department. If monitoring results demonstrate that TDM measures are not achieving the target reductions, TDM adjustments will be made in consultation with the Planning Department.

INFRASTRUCTURE PLAN

The Mission Rock Infrastructure Plan is a concept-level design for roadways, parks and open space, site grading, shoreline improvements, dry utility infrastructure, including "joint trench" (electricity, natural gas, and telecommunications), and wet utility infrastructure including water, wastewater, and stormwater management facilities. The Developer created the plan through studies and site investigations of existing conditions and supplemental studies, in consultation with the Port, SFDPW and SFPUC. A noteworthy outcome of these studies and investigations was the decision to proceed with pile-supported street infrastructure as well as pile-supported buildings, as a strategy to avoid the negative impacts of differential settlement as experienced in nearby developments also located on bay fill.

The Infrastructure Plan describes the horizontal improvements the Developer will be obligated to construct to serve and support the Project. The Infrastructure Plan will govern the Developer's obligations with respect to building new utility systems, roadways, streetscapes, and parks in the Project.

Phasing and Existing Conditions. The cost to deliver the new horizontal improvements in the Project financial pro-forma is estimated at $165 Million in constant dollars. The DDA, which includes a Financing Plan and a form of Acquisition Agreement, describes the process by which Developer will initially finance and be repaid for construction of horizontal improvements, and City agencies will inspect and approve the horizontal improvements.

The Infrastructure Plan is based upon Developer's thorough investigation to determine the condition of existing public facilities at the site, including the capacity of an existing sewer pump station, overhead electrical distribution systems and underground gas lines.

The Developer has proposed that the Project will be completed in several Phases subject to the approval process outlined in the DDA. Each Phase will include development parcels and associated infrastructure to serve the incremental build-out of

the Project. Phase infrastructure will be defined in improvement plans for each Phase to be approved by the City and Port before the Developer will be permitted to file final subdivision maps for each Phase, which is necessary for construction of buildings to begin.

Codes, Regulations and Standards. The Infrastructure Plan relies on the Subdivision Code and underlying regulations as the basis for design standards, criteria, and specifications for the infrastructure. Where specific provisions of the Infrastructure Plan differ from the Subdivision Regulations, the Developer will request a design modification from the Port and the agency (typically the SFPUC) that will accept the infrastructure and have it approved before relying upon such provisions.

As a condition to the Developer's performance under the Infrastructure Plan, the Developer will obtain approvals of final infrastructure design in accordance with the DDA and Interagency Cooperation Agreement which describes how City agencies will review infrastructure design and inspect and accept infrastructure.

The table below describes the governing code and agency with oversight of the respective infrastructure elements.

Infrastructure Element	**Governing Standards**	**Agency Oversight**
Subdividing land; creating easements; defining parcels	California Subdivision Map Act; San Francisco Subdivision Code; Subdivision Regulations	Public Works; County Surveyor
Gas and telecommunications facilities	Calif. PUC general orders; PG&E requirements;	PG&E; telecommunications companies
Electrical distribution facilities	Calif. PUC general orders; SFPUC requirements	SFPUC
Roadways	San Francisco Subdivision Regulations	Public Works or Port
Water, storm drainage, sewerage systems	San Francisco Subdivision Regulations	SFPUC
Demolition and grading	Port Building Code; SF Public Health	Port
Abatement of hazardous materials management	Risk Management Plan	Port and Public Health
Sewer and Stormwater Pump Station	Subdivision Regulations; PUC requirements	SFPUC
Street Lights	SFPUC requirements	SFPUC
Traffic and transit facilities	Subdivision Regulations; SFMTA standards	SFMTA
Trees and landscaping	Public Works Code	Public Works or Port

Conceptual Planning and Infrastructure Design. The Developer has engineered the infrastructure elements to a conceptual level of design. The concepts will guide future schematic and final designs of utility systems and streets. The City will approve the

final street and utility designs as a condition to the Chief Harbor Engineer's issuance of street and utility construction permits.

Subdividing the Land and Creating Parcels. The mapping, street vacations, property acquisition, dedication and acceptance of streets and other infrastructure improvements will occur through the subdivision map process in accordance with the San Francisco Subdivision Code and Subdivision Regulations. Except as otherwise noted, infrastructure described in this Infrastructure Plan will be constructed within the public right-of-way or dedicated easements within public open space areas to provide for access and maintenance of infrastructure.

Generally, the subdivision process includes the Developer's submittal of a tentative subdivision map application to the City describing proposed development parcels, street alignments, and infrastructure plans. City staff will review proposed tentative maps and impose conditions of approval on the map. The tentative map will allow the Developer to submit Phased Final Maps that will allow for conveyancing, financing and development of parcels in the subject Phase. The Developer will be permitted to commence its infrastructure construction under an approved tentative map, including site grading, subject to posting performance and payment bonds securing its infrastructure obligations under both the Subdivision Regulations and the Disposition and Development Agreement. Prior to conveyance of a development parcel to vertical developers, Developer will obtain approval of a final map for each block, which requires the approval of City agencies and the Board of Supervisors in order to secure rights to develop parcels and associated infrastructure.

Certain public utilities will be installed in accordance with applicable City regulations for public acquisition and acceptance within dedicated public service easement areas, including provisions for maintenance access. Certain portions of Phase infrastructure may rely upon existing infrastructure that is required to be replaced in a subsequent Phase provided that the existing infrastructure adequately serves the subject's Phase demands.

City Acceptance of Improvements. With the notable exception of the pile supported structure that is proposed beneath the Project's streets, the City will accept full, complete and functional improvements designed to serve the needs of development for purposes of City maintenance and liability. Within the public right of way, complete and functional streets will include the aerial, surface, and subsurface public improvements necessary to safely operate the public street. The City will accept these streets in segments. The Port will accept and retain responsibility for the pile-supported structures noted above.

After the City accepts streets and associated infrastructure, City departments will be responsible for maintenance. The Project will include a community facilities district special tax to fund maintenance of parks, streets, and other public facilities.

SUSTAINABILITY STRATEGY

The Mission Rock Sustainability Strategy summarizes how the Project will attain high levels of performance in social, economic, and environmental sustainability, with a focus on equity, resilience and climate protection. The Sustainability Strategy assumes that sustainability is not an isolated feature of the Project, but rather a way of thinking, designing, and implementing the Project that will be integrated into many elements of its neighborhood, from the way structures are designed to how water is used, from the provision of multi-modal transportation choices to landscape design.

These approaches are integrated throughout the Project's key planning documents, including the SUD Design Controls, Transportation Plan, and Infrastructure Plan. The Sustainability Strategy acts as a reference document which consolidates and summarizes all of the sustainability elements into one place.

- **Livability.** The Project will bring people together through an inviting and welcoming balance of uses including grocery, restaurants, laundry, childcare, space for artists and makers, 8 acres of open space; and through events such as open air markets, concerts, films and other special events.

- **Prosperity.** The Project aims to support employment and innovation onsite over the long-term. It sets targets of an estimated 10,900 direct, indirect and induced permanent jobs and projected 13,500 direct, indirect and induced construction jobs, with at least 30% of the construction jobs utilizing our local workforce under the City's Local Hire Policy for Construction. It also targets a robust mix of commercial office, residential, retail and arts uses, and light industrial/PDR space at full build-out.

- **Health & Wellness.** The Project aims to support active lifestyles through walking, bicycling, paddling, and active recreation opportunities. The Project will include parks and open space adjacent to each residential building.

- **Ecosystem and Resource Stewardship.** The Project aims to improve and enhance the extent and quality of ecosystem services, habitat connectivity and biodiversity present on the site. Strategies such as low impact design ("LID"), green roofs, and use of rainwater, in addition to the Project's proposed greywater system, will manage stormwater and reduce water usage onsite. Street trees and greenery on streets, in parks and on rooftops, will improve air quality, provide expanded habitat area, and provide opportunities for residents and visitors to connect with nature.

- **Climate Protection & Energy Efficiency.** Objectives of the Sustainability Strategy are the construction of buildings and infrastructure that achieve top-performing energy efficiency ratings; greenhouse gas emission reductions from energy use on-site; and reduction of urban heat island effects. Developer will also explore the use of a site-wide district energy system appropriate for San Francisco's mild climate,

such as a thermal distribution network where building heating and cooling systems of each building would be linked together via a single, site-wide shared loop.

Achieving Sustainability Targets. As a reference document, the Sustainability Strategy will not be formally adopted by any City commission or board. Every aspect required under the Sustainability Strategy will be included in regulatory documents that will be formally adopted, including the DDA, Infrastructure Plan, and Design Controls. The targets in the Sustainability Strategy will form the basis for regular monitoring.

CONCLUSION

The Mission Rock Project's Transportation and Infrastructure Plans and aggressive yet achievable Sustainability Strategy each contribute to a vibrant, accessible, environmentally thoughtful approach to building a new neighborhood. These tools will together help the City and region grow responsibly while supporting the financial and functional needs of an active, working maritime waterfront.

NEXT STEPS & ANTICIPATED PROJECT SCHEDULE

Port staff recommends the following schedule of Port Commission informational hearings leading up to Port Commission consideration of the Mission Rock transaction documents.

August 8	Presentation regarding public finance framework
September 12	Presentation regarding Staff analysis of the Mission Rock transaction
Fall	San Francisco Planning Commission, certification of the Seawall Lot 337 and Pier 48 Mixed-Use District Project Final EIR and consideration of Design Controls, recommendations for Planning Code and General Plan amendments, and related actions
October 10	San Francisco Port Commission consideration of the Mission Rock CEQA findings, Mitigation, Monitoring and Reporting Program ("MMRP"), Design Controls, transaction documents, and related actions (subject to Planning Commission issuance of the FEIR)
October	Board of Supervisors consideration of the Mission Rock CEQA findings, MMRP, Planning Code and General Plan amendments, transaction documents, and related actions (subject to its consideration of any appeals as to the adequacy of the Final EIR under CEQA)

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Exhibit A: Mission Rock Site