

EXHIBITS

September 20, 2019

Mission Rock Item No. 7A

List of Exhibits Attached

1. DDA Excerpts
2. Port Revenue Projection
3. Illustrative Phase 1 Housing Rental Rates Mix
4. Mission Rock Jobs Housing Equivalency Fee
5. Parks Plan
6. Affordable Housing Subsidy Plan
7. Phase Submittal Summary
8. Economic Consultant Phase 1 Budget Technical Memorandum
9. Cost Estimator Technical Memorandum
10. San Francisco Public Utilities Commission Letter of Support for the Formation of a Nonprofit District Utilities Management Entity

Exhibit 1. Relevant Sections of Mission Rock DDA.

2.3. Phase Budget.

(a) **Budget Guidelines.** With each Phase Submittal, Developer will submit a proposed Phase Budget in a form reasonably acceptable to the Port. Each proposal for a Phase Budget or revised Phase Budget will be a refinement of the Phase Proforma, consistent with the Funding Goals, Project Requirements, and the Budget Guidelines, and include:

(i) The proposal will include actual dates and amounts of Soft Costs paid, listed by line item up to a specified date before submitting the Phase Budget, with detailed line item estimates of additional Soft Costs that Developer expects to incur over the Estimated Construction Schedule.

(ii) The proposal will provide line item estimates of Hard Costs that Developer expects to incur over the Estimated Construction Schedule based on design information then available. Estimates will include an allowance for inflation and include contractor contingency consistent with **Article** “Construction Generally”.

(iii) The proposed Developer Contingency for Hard Costs and Soft Costs will be supported by information used to develop the amounts, including commercially reasonable assumptions for unknown conditions, further design development, concealed subsurface conditions, escalation, and Force Majeure.

(iv) Based on projected spending dates, Estimated Construction Duration, and Estimated Construction Schedule, the proposal will include reasonable projections of:

(1) Developer Return (separately estimating Allowed Developer Return, Additional Developer Return, and Alternative Developer Return), Peak Developer Equity, and Minimum Phase Return; and

(2) Interest on DRP Advances and, if Port Capital Advances are anticipated, Port Return (separately estimating Allowed Port Return, Additional Port Return, and Alternative Port Return).

(v) Any unpaid Developer Balance and Port Balance from Prior Phases will be included.

(vi) The proposal for any Phase after Phase 1 will include, if applicable, Alternative Return Rent Credits to be applied to the Phase 1 Overage under the Master Lease in accordance with *FP § 2.6 (Phase 1 Cost Containment)*.

(vii) Based on pre-Phase consultations, Developer will include projected amounts and dates that the following Public Financing Sources will be available:

(1) proceeds of Mello-Roos Bonds issued in the Phase, subject to Port and City discretion under the Financing Plan; and

(2) any other Project Payment Sources reasonably anticipated, including anticipated “pay-as-you-go” Public Financing Sources not pledged or required to pay debt service on Bonds.

(viii) The proposal must provide for:

(1) Parcel DRPs that, together with other Project Payment Sources, are sufficient to pay estimated Capital Costs; and

(2) Project Payment Sources that are not subject to the Interest Cost Limitation sufficient to fund all Additional Return through the end of the Phase.

(b) Budget Narrative. Each Phase Budget proposal will include a narrative statement covering at least the following:

(i) a discussion of any material updates to assumptions underlying the most recent Phase Proforma or Phase Budget for that Phase;

(ii) any proposed changes to the land uses designated for Development Parcels in the Phase, and, if Developer expects to exercise its Option for any Flex Parcel, the proposed land use for the parcel;

(iii) a proposed Phase Schedule that specifies the Estimated Construction Duration and Estimated Construction Schedule, accounting for any Site Preparation, construction of other Horizontal Improvements, and phasing of Development Parcels and Horizontal Improvements based on commercially reasonable assumptions for unknown conditions;

(iv) an estimate of the aggregate Fair Market Value of each Development Parcel in the Current Phase;

(v) projections of the Jobs/Housing Equivalency Fees payable on Commercial Parcels in the Phase, the minimum amount payable on each Commercial Parcel in accordance with *DA § 5.4(b)(ii) (Jobs/Housing Equivalency Fee)*, and any proposed variances from the approved Affordable Housing Subsidy Plan; and

(vi) if applicable, a proposal to limit in the Phase Budget the amount of Project Payment Sources generated by the Current Phase that will be applied to unpaid Capital Costs of any Prior Phase that would otherwise have priority over Capital Costs of the Current Phase, which the Port Commission may approve or disapprove in its sole discretion.

2.5. Phase Budget Review Process.

(a) Staff Review. In general, Port staff will have 15 days after the Port finds Developer's Phase Submittal to be complete to review the Phase Budget. If Developer resubmits a Phase Budget to reflect revisions required in other parts of the Phase Submittal, Port staff will have 30 days to review the Phase Budget. Port staff will provide responses to Developer on the following issues.

(i) Port staff will indicate whether the proposed Phase Budget fails to comply with the requirements of **Section 3.3** (Phase Budget) and, if pertinent, measures Developer must take to satisfy those requirements.

(ii) Port staff will indicate whether they believe that Developer's estimate of Horizontal Development Costs and Estimated Construction Schedule in the proposed Phase Budget are commercially unreasonable or inconsistent with the Project Requirements and, if so, the basis for that belief.

(iii) After consulting with the Controller, the Port will address any proposed revisions to the timing and amount of any Bond issuance.

(iv) The Port will make a nonbinding statement of intent to make Port Capital Advances during the Phase or update any previous statement made during progress meetings under **Subsection 3.1(a)** (Progress Meetings).

(b) Port Commission Approval. Each Phase Budget will be subject to approval by the Port Commission in accordance with **Subsection 5.3(c)** (Port Commission Meetings), but Port staff will not be required to submit a proposed Phase Budget to the Port

Commission unless staff has found that the proposed Phase Budget complies with **Section 3.3** (Phase Budget). The Port Commission's resolution may delegate authority for the Port Director to approve specific Phase Budget line items, within specified parameters.

(c) Deferral of Port Commission Action.

(i) Developer may elect to submit a preliminary Phase Budget and other information regarding Site Preparation and defer Port Commission consideration of a complete Phase Budget to a date closer to Developer's anticipated commencement of construction of Phase-specific Improvements.

(ii) The Port may elect to issue a construction permit authorizing Developer to begin Site Preparation before the pertinent Phase Approval in accordance with **Section 14.2** (Site Preparation).

(d) Port Commission Schedule. Subject to **Subsection 7.2(a)** (Phase 1 Election), Port staff will submit the proposed Phase Budget for approval at the Port Commission's next available meeting if any of the following circumstances apply.

(i) Developer has exercised one or more Options for Development Parcels in the Current Phase.

(ii) The Port intends to exercise its Put Option with respect to any Development Parcels in the Current Phase.

(iii) Developer is requesting Port Commission approval of a Phase Budget with contingencies for certain line items intended to allow Developer to respond quickly to changes in market conditions affecting the Current Phase.

(iv) Developer is requesting Port Commission approval of increases or other material modifications to a previously approved Phase Budget.

(e) Criteria for Approval. The Port Commission will approve the Phase Budget or modification if it reasonably finds that the Phase Budget or modification:

(i) is consistent with the Funding Goals and Project Requirements and satisfies the Budget Guidelines;

(ii) is based on reasonable projections;

(iii) provides for sources sufficient to fund the Phase and any carryover from Prior Phases;

(iv) would not adversely affect Project Payment Sources available to satisfy the Project Payment Obligation for any Later Phases and the Project as a whole; and

(v) would not impair the Port's fiduciary obligations under Applicable Port Laws.

(f) Resubmission. The Port Commission's failure to approve a proposed Phase Budget or modification will be without prejudice to Developer's right to resubmit a revised proposal under this Section.

(g) Reserve Rent. The Port Commission's approval of a Phase Budget will not waive the Port's right to decline to enter into a Parcel Lease for an Option Parcel under which Annual Ground Rent is less than its Reserve Rent Allocation, unless explicitly approved in the Phase Budget.

(h) Phase Budget Updates and Revisions.

(i) With its submittal of Phase Quarterly Reports, Supplements, and Acquisition Price Updates, Developer will update the Phase Budget, subject to

Subsection 2.5(i) (Effect of Phase Budget Approval), to reflect the application of Developer Contingency to:

- (1) current market conditions and projections; and
- (2) contract prices as they are procured under **Article 13** (Construction Generally).

(ii) At any time, Developer may submit a request for Port Commission approval of a revised Phase Budget to respond to changed circumstances. Each request will describe any material modifications to any of the information previously submitted under **Section 3.3** (Phase Budget). The Port will review each request in accordance with **Section 3.5** (Phase Budget Review Process) and approve revisions necessary to authorize payment of Horizontal Development Costs reasonably required to implement this DDA.

(i) Effect of Phase Budget Approval. The Port Commission's approval of a Phase Budget will have the effects described below.

(i) The approval will establish the benchmarks for the Phase Schedule, including the Outside Date for Developer to finally complete Phase Improvements, which will be the last day of the Estimated Construction Schedule, subject to **Subsection 1.1(b)** (Term) and **Article 4** (Excusable Delay).

(ii) Unless the Parties agree otherwise, the Port will be obligated to submit a Port FY Budget for each City Fiscal Year during the Phase that is consistent with the approved Phase Budget. Nothing in this clause will limit the Port's discretion regarding the issuance of Bonds under *FP art. 5 (Mello-Roos Bonds)*. If the Phase Budget includes Port Capital Advances, Port Commission approval will be the Port's binding commitment to make one or more Port Capital Advances in the amounts and on the dates in the Phase Budget except to the extent the Parties later agree otherwise.

(iii) The Chief Harbor Engineer and the Director of Public Works will be authorized to issue construction permits to Developer for approved Phase Improvements in accordance with **Article 12** (Improvement Plans) and approved Improvement Plans approved under the ICA, subject to **Article 14** (Horizontal Development) and **Article 4** (Excusable Delay).

(iv) The Phase Budget, including all allowances, contractor contingencies, Developer Contingency, and approved amendments, will establish the upper limit of spending by Developer that will be authorized for reimbursement under the Financing Plan.

(v) If the Port Commission approved Developer's proposal under **clause (v)** of **Subsection 2.3(b)** (Budget Narrative), the Phase Budget will limit the amount of Project Payment Sources generated by the Current Phase that will be applied to unpaid Capital Costs of any Prior Phase that would otherwise have priority over Capital Costs of the Current Phase.

Exhibit 2. Port Revenue Projection, Phases 1-4

Port Revenue Metrics	Net Present Value @ 6% (2012 \$s, millions)		Nominal total over 75 years	
	Project Approvals Estimate	Current Estimate	Project Approvals Estimate	Current Estimate
Unrestricted Base+ Participation Rent	\$59.4	\$64.3	\$620.3	\$641.1
Transfer Fees	\$5.6	\$5.6	\$10.9	\$10.9
Shoreline Taxes	\$35.4	\$34.9	\$534.0	\$460.3
Port Land Repayment	\$58.1	\$40.3	\$268.5	\$242.4
Other IFD Pledged Development Tax Through Year 45	\$25.5	\$30.6	\$364.8	\$396.6
JHLF	(\$0.2)	--	(\$0.4)	--
Pier 48 Rev	<u>\$13.9</u>	<u>\$13.9</u>	<u>\$16.4</u>	<u>\$16.4</u>
Total	\$197.7	\$189.5	\$1,814.6	\$1,767.8

Exhibit 3: Illustrative Rental Rates by Area Median Income & Size

Type of Unit	Unit Size (sf)	AMI Level	Estimated Rent (\$ per month)
Studio	424	Market Rate	2,840
Studio	424	90% AMI	1,811
Studio	424	120% AMI	2,434
Studio	424	150% AMI	2,840
1 Bedroom	640	Market Rate	3,710
1 Bedroom	640	90% AMI	2,067
1 Bedroom	640	120% AMI	2,777
1 Bedroom	640	150% AMI	3,487
2 Bedroom	946	Market Rate	5,770
2 Bedroom	946	90% AMI	2,313
2 Bedroom	946	120% AMI	3,111
2 Bedroom	946	150% AMI	3,911
3 Bedroom	1252	Market Rate	6,635
3 Bedroom	1252	90% AMI	2,555
3 Bedroom	1252	120% AMI	3,444
3 Bedroom	1252	150% AMI	4,331

Exhibit 4: Mission Rock Potential Jobs Housing Equivalency Fee

Item	Parcel				Total
	A	B	F	G	
Parcel Size (SF)	43,413	41,101	25,110	33,055	142,679
Residential Unit Count	294	0	266	0	560
BMR Residential Unit Count	118		106		224
Office SF	48,969	265,205	0	270,241	584,415
Range of JHEF - Paid by Commercial					
Typical Citywide Fee		\$7.6		\$8.1	\$15.7
Proposed Minimum Fee (1)		\$74.9		\$60.4	\$135.4
Proposed Maximum Fee		\$90.2		\$91.1	\$181.3
Affordable Housing Subsidy Received - Received for BMR Production					
Typical Citywide Fee	\$7.4		\$8.3		\$15.7
Proposed Minimum Fee	\$59.7		\$75.7		\$135.4
Proposed Maximum Fee	\$77.7		\$103.6		\$181.3

(1) Minimum fee for Parcels B and G is set as shown in this table, pursuant to Development Agreement section 5.4(b)(ii)(3) which states that “Developer’s Phase Submittal will include an estimate of the Jobs/Housing Equivalency Fee payable for each Commercial Parcel and each Flex Parcel expected to be developed for commercial use. Through the Phase Budget process, the Port and Developer will establish the minimum Jobs/Housing Equivalency Fee payable for those parcels, even if the use of the designated parcels later changes.”

Exhibit 5 Parks Plan

Mission Rock Parks Plan

Table of Contents

I.	Executive Summary	3
II.	Port Strategic Plan Alignment	4
III.	Equitable Parks and Programming	4
IV.	Mission Rock Parks Goals & Objectives.....	5
V.	Overview of Spaces	5
A.	China Basin Park.....	6
B.	Mission Rock Square	6
C.	Channel Street and Channel Lane.....	6
D.	Channel Wharf	6
E.	Pier 48 Apron	7
VI.	Park Rules and Standards	7
A.	Public Access & Hours of Operation	7
B.	Public Use, Input, and Information	8
C.	Other Rules	9
D.	Park Standards	9
VII.	Management Approach.....	9
VIII.	Management Entity	9
IX.	Operations and Maintenance.....	10
A.	Operations Plan.....	10
B.	Maintenance Plan	12
C.	Horticulture/Tree Maintenance and Management Plan	14
X.	Concessions	15
XI.	Budget and Funding.....	15
A.	Projected Sources	16
B.	Projected Expenses	16
C.	Summary of Revenue and Expenses (Preliminary Estimate).....	17
D.	Revenue Allocation	18
XII.	Programming, Events, and Activation	18
A.	Vision and Strategy	18
B.	Anticipated Visitors.....	19
XIII.	Event Definitions & Limitations.....	20
A.	Event Definitions.....	20

- B. Size and Limitations 21
- C. Maximum Number of Events and Activations 21
- D. Event Conditions: 21
- XIV. Approvals and Permitting 21
 - A. Port Approvals..... 21
 - B. Other Approvals 22
- XV. Appendices 23
 - A. Site Overview 24
 - B. Park Maintenance Standards 25
 - C. Detailed Maintenance Tables 26
 - D. BCDC Permit 0

I. Executive Summary

San Francisco is known for the beauty of its public waterfront lands and vistas; from the beaches and bluffs along the Pacific Ocean, to the urban shoreline along San Francisco Bay. From Aquatic Park in Fisherman’s Wharf to Heron’s Head Park near India Basin. The Port of San Francisco (“the Port”) oversees 7½ miles of these waterfront lands in public trust for the use and enjoyment of the people of California. San Franciscans and visitors from throughout the country and the world enjoy a wide range of experiences along the San Francisco waterfront.

On January 30, 2018, the Port Commission approved a mixed-use development project known as Mission Rock at Seawall Lot 337 and Pier 48 (the “Project”). Subsequently, on February 13, 2018, the San Francisco Board of Supervisors approval the Project, and on August 15, 2018, Mayor Farrell signed all Project-related documents, including the Development Agreement (DA) and the Development and Disposition Agreement. In June 2018, the Bay Conservation and Development Commission (BCDC) issued a permit for improvements along the shoreline, including significant parks and open spaces (see permit No. 2017.004.00). Section 5.8(g) of the DA describes the Mission Rock public space as to be “designed and operated with the primary goals of broad public access and a robust program of public activation”. The DA also requires that the Port Commission adopt a Parks Plan describing management, operating budget, park rules, and event limitations, among other sections. This Parks Plan responds to the DA requirement.

The 8 acres of Parks and Open Space at Mission Rock are located at an important intersection of the San Francisco Waterfront – they are at the southern edge of the Embarcadero Historic District – the only collection of historic finger piers in the United States - and the northern edge of San Francisco’s Blue Greenway – a 13-mile networks of parks, trails, and open spaces beginning from the China Basin Channel and evolving as projects are implemented all the way to the southern boundary of San Francisco.

As such, the Mission Rock spaces play an important role in transitioning users from the Bay experience adjacent to the array of historic finger piers, fronting the Embarcadero promenade to the diverse network of pedestrian and bike trails and open spaces beginning from China Basin Park. Mission Rock parks and open spaces will provide a network of distinct spaces that will enrich the community experience at the waterfront. A defining component of the Mission Rock Parks and Open Space will be the intimate areas spread across the site to support a lively and vital street life. The variety of public experiences integrated with active ground-floor building design and uses will create an inviting and memorable urban neighborhood.

This network includes a waterfront park, a working wharf, a publicly accessible pier and apron; a neighborhood square, a waterfront gateway, and a neighborhood gateway. These diverse spaces will be carefully integrated with the ground-floor and massing strategies of the blocks and buildings to inspire a warm, welcoming, and vibrant set of spaces.

The key public features of Mission Rock are China Basin Park, situated on China Basin at the mouth of Mission Creek as it meets the Bay; Mission Rock Square, the heart of the neighborhood; Channel Lane, an intimate open space that will link Mission Rock Square to the Bay edge; and Channel Wharf, which will serve active maritime use and public access to the Bay. See Appendix A for site plan. All these spaces will be connected and accessible through a series of pedestrian paths and bicycle circulation.

Full buildout out of the Mission Rock Parks and Open Space is anticipated in 2028. When complete, the Parks and Open Space will be operated with the goal of broad public access and a robust program of public activation.

This Parks Plan (the Plan), outlines goals and objectives for the Mission Rock Parks and Open Space, providing an overview of the spaces, and describes the plans for operation and management.

II. Port Strategic Plan Alignment

The Port's Strategic Plan outlines work priorities, projects, programs, partnerships and stewardship to advance the Port's mission and achieve the Port Commission's policy objectives for the waterfront through the year 2023. Delivery of Mission Rock Parks and Open Space accomplishes many of the objectives outlined in the plan:

- #1.3.b Define strategies for managing and activating Pier 70 and Mission Rock open spaces by 2019
- #1.3.c Work with the community and stakeholders to identify Port-Wide programming and park activation uses, and an implementation plan by 2020
- #3.2 Partner with City departments and government agencies, Port tenants, and stakeholders to educate and promote waterfront projects, activities, and special events at least four times per year
- #4 Ensure Port activities advance equity and public benefit, and attract a diversity of people to the Waterfront

III. Equitable Parks and Programming

The Port Commission highlighted its ongoing commitment to diversity and equity by including a new equity goal, to “ensure Port activities advance equity and public benefit and attract a diversity of people to the waterfront,” in its Strategic Plan. During the Waterfront Plan update process, public meeting and workshop participants likewise called for more diverse and equitable opportunities to work, visit, and play along the waterfront. Policies throughout the 2019 Draft Waterfront Plan supports the Port's goal of advancing equity through open space.

The Port strives to provide inclusive and equitable parks, open space, natural habitats, and public facilities. While providing equitable access to parks and open spaces is critical, it is of equal importance that the types of programs offered within these public spaces are culturally and economically diverse, and ultimately attract people from all walks of life. Creating a welcoming environment for meaningful social interactions have great benefits for the community as a whole. The Mission Rock Parks Plan outlines how equitable access and inclusive programming to further enrich the civic fabric of San Francisco.

IV. Mission Rock Parks Goals & Objectives

The goals of the Parks and Open Space are to:

- Deliver vibrant, well-managed, and beautiful Parks and Open Space that will be activated and well-used, with a variety of public programming and amenities to enhance the appeal of Parks and Open Space to all.
- Generate and maintain real estate value at the Port.
- Achieve financial viability by controlling operating expenses and generating revenues, making the Parks and Open Space as financially self-sufficient as possible.
- Form a governance structure for the Parks and Open Space to clearly assign and coordinate decision-making and operating responsibilities among the various public and private entities, foster responsiveness to stakeholder concerns, and sustain the success of the Parks and Open Space in perpetuity.

Objectives for the Parks and Open Space include the following:

- Manage and maintain parks and open space parks and streets to world-class standards, in a way that is consistent with or exceeds other open spaces throughout San Francisco.
- Provide a parks and open space that is safe, secure, welcoming, and always feels public to all residents and visitors.
- Activate parks and open space public realm with events and activities to create a vibrant and safe environment at all times of the day and throughout the week and the year.
- Create a parks and open space public realm that meets the needs of the neighborhood and appeals and attracts a diverse audience beyond the borders of the neighborhood.
- Create a parks and open space public realm that generates public benefit for the greater community and the region.
- Engage the waterfront and create a great place to be along the waterfront.
- Establish a public realm that balances maintenance expenses with open space revenue generation to achieve long-term financial sustainability.
- Comply with Waterfront Policies as amended from time to time.

V. Overview of Spaces

The parks and open space network will be a fundamental part of the urban design and definition of the Mission Rock Neighborhood. Five Parks and Open Spaces, located along the waterfront and at the core of Mission Rock, will provide a comprehensive variety of recreational opportunities.

The Mission Rock Development will include a network of waterfront spaces A.) China Basin Park, B.) Mission Rock Square, C.) Channel Street and Channel Lane, D.) Channel Wharf, and E.) the Pier 48 Apron

(names of spaces are used for interim identification purposes prior to development). As shown in the Site Overview attached as Appendix A , these spaces will be designed to take advantage of views, access to waterfront, sunlight, and adjacent active ground-floor uses.

The arrangement of these spaces will also establish destinations within the Development that anchor the Parks and Open Space. These destinations will maximize the variety of landscape-based experiences and create memorable landmarks within Mission Rock’s pedestrian network.

Parks and Open Space at Mission Rock will be consistent with Public Trust Uses and will conform to State Lands Commission and BCDC requirements. All Parks and Open Space will provide active, curated programs to attract visitors and create a lively network of popular spaces for San Francisco’s waterfront.

A. China Basin Park

China Basin Park will be a vibrant and active park, with a strong relationship to the China Basin public waterfront. China Basin Park will be designed to accommodate small to large events and will have not only a city-wide, but a regional reach. Programming, daily amenities, and events will focus on a robust food and beverage program (a park café, food kiosks, and potentially food festivals), waterfront specific uses (watercraft rental kiosk, watercraft launch, waterfront multi-use trail), play fields, and family play opportunities. China Basin Park will take advantage of its unique views and waterfront setting with programming.

B. Mission Rock Square

Mission Rock Square, centrally located and neighborhood oriented, will be the community centerpiece for Mission Rock, functioning as an “urban living room.” Mission Rock Square will be constructed and managed so that it can facilitate a variety of events, which will be a draw for the neighborhood and beyond. Mission Rock Square will accommodate zones with varying levels of activation. The edges along Block F and/or Block E will likely incorporate outdoor sidewalk dining, retail, food, and beverage uses. The square will be highly activated with larger events, festivals, markets, performances, fitness activities, as well as space for unprogrammed gatherings.

C. Channel Street and Channel Lane

Channel Street and Channel Lane will be important corridors for circulation while offering smaller scale spaces for more intimate gatherings, street performances, and coffee or food carts. Active edges with ground floor retail, food, and beverage will help further activate these corridors. Examples of other small programs that could help enliven these lanes are bike repair workshops, a bike rental kiosk, a dog run, or an evening DJ.

D. Channel Wharf

The Channel Wharf will celebrate the character of the industrial wharf, tie the development to its past history as a working waterfront, while providing public access and views to the water. These distinctive waterfront industrial environments logical

places for a public art program, interpretive signage of historical features, waterfront dining, and maritime uses such as boat mooring, loading and unloading of materials.

E. Pier 48 Apron

The Pier 48 Apron will be rehabilitated to provide public access and berthing capabilities, likely as part of a larger Pier 48 rehabilitation. The potential for maritime and industrial activity will bring new life to Mission Rock and Mission Bay by providing a waterside approach to the site, anchoring the historic pier as a key element in the transformation of the central waterfront. The future use of Pier 48 will play a large part in determining the program of the Pier 48 Apron.

VI. Park Rules and Standards

A. Public Access & Hours of Operation

Access to the Parks and Open Space will be generally available to the public for unrestricted walking, bicycling, sitting, viewing, fishing, picnicking, boat launching, swimming, and related purposes.

Park hours shall be from 6am to 10pm

Restroom hours from 8am to 8pm

General Public Access may be modified for specified Ticketed Public Events and Private Events, as permitted by the Port. Areas along the Bay Trail/Blue Greenway and major pedestrian and bicycle routes will remain open or will be re-routed in the event of construction, maintenance, or special events to allow for pedestrian and bicycle thru traffic and circulation. After-hours access will be enforced by security patrols who will monitor the Parks and Open Space 24 hours a day 7 days a week.

Prohibited Activities

- Camping.
- Sleeping when the park or open space is closed, unless associated with a public or private event at a reserved facility and within a designated area.
- Smoking.
- Drug use.
- Consuming alcohol or carrying open containers, unless associated with a public or private event at a reserved facility and within a designated area, or at a permitted establishment.
- Climbing or affixing items to buildings, trees, lawn, or furniture, except as otherwise permitted.
- Using amplified sound, unless associated with a public or private event at a reserved facility and within a designated area.
- Panhandling.

- Disorderly conduct, including fighting, yelling, disturbing other park patrons, or defying directions from management staff.
- Peddling and vending merchandise without a permit.
- Lighting fires or cooking except in any designated areas or with a permit.
- Littering or dumping waste.
- Graffiti, placing stickers, posting flyers, or otherwise defacing property.
- Removing or damaging plants, soil, furnishings, or other fixtures from the parks or open spaces.
- Feeding or harassing animals or harming their natural habitat.

B. Public Use, Input, and Information

The public will be welcome to freely use Mission Rock’s Parks and Open Space and the amenities offered therein available on a first-come, first-served basis. To maintain “two way” communication with the public, the Port and/or Management Entity at a minimum will:

1. Maintain a website that may include, but is not limited to:
 - i. Park maps, description of facilities and amenities, nearby attractions, retail and dining opportunities, etc.
 - ii. Calendar of events and periodic public meetings hosted by the Management Entity
 - iii. Clear instructions, rates, and reservation system for reserving space for events
 - iv. Email addresses and phone numbers where members of the public can register complaints or requests
 - v. Link to Port website
2. Develop and maintain method for notifying neighbors of upcoming Events.
3. At the Port’s request, provide appropriate link from City websites related to parks and events to the Parks and Open Space website, facilitating a seamless experience for the public seeking information on other City parks, and events.
4. Host at least one (1) public meeting every 4 months in a meeting space accessible to the public, with noticing, agenda, public comment, and notetaking consistent with the Port’s Advisory groups.
5. Maintain records of communications and all key documents related to the Operations, Management, and Concessions Agreement (“the Agreement”) including but not limited to requests for proposals or qualifications, executed contracts, written communication, and email communication pertaining to the Agreement

between Port, staff members of the Management Entity and outside parties for examination by Port Staff and members of the public.

6. Provide presentations and information to the Port Commission, as requested.
7. Receive, respond to, and follow up on “311” calls or alerts.
8. Create a hotline number for the public to contact with questions, concerns, and suggestions.

C. Other Rules

Dogs and other Animals. All dogs or other animals must always be under the control of its owner or companion. Dogs must be kept on-leash, except in any designated off-leash areas. Persons with dogs are responsible for removing and properly disposing of dog waste. Dog walkers are limited to eight dogs.

Temporary Structures. No trailer, tent, shack, or other outbuilding, or structure of a temporary character, will be allowed on any portion of the parks at any time, except for construction or in connection with public or private events, temporary exhibitions, special events, reservations, or programming.

D. Park Standards

The Port is currently developing Park Standards for all Parks and Open Space within Port Jurisdiction and anticipates having Standards published mid-2020. If Port Park Standards are not established by the opening of Phase 1 Parks and Open Space, all Parks and Open Space shall be subject to Park Maintenance Standards established by the City Controller’s and Recreation and Park Department. For detailed information please refer to Appendix B

VII. Management Approach

Partnering with a single Management Entity is ideal in optimizing day to day management of the Parks and Open Spaces. This approach allows for strategic activation of the Mission Rock Parks, focused on-site management, and immediate neighborhood engagement. This approach also allows the port to retain ultimate control of the Parks and Open Spaces, while ensuring that it remains a public park welcoming and inviting to all. This will allow for a cohesive and collaborative management, while leveraging outside investment to ensure that our Parks and Open Spaces are provide broad public access and a robust public activation program.

VIII. Management Entity

The Mission Rock’s Parks and Open Space will be a world-class facility, maintaining the highest levels of safety, security, and cleanliness, along with providing great amenities, beauty, and robust public programming for all to enjoy. Contracting with a Management Entity, either for the entire management

of the Parks and Open space or for segments of the work, is ideal in optimizing the management of the Parks and Open Space. Utilizing a Management Entity is also advantageous in the delivery of security, sanitation, maintenance, horticulture, programming, events, leasing, and marketing as described in following sections.

The Management Entity will be responsible for managing and generating revenue to support the Parks and Open Space operations. The Management Entity shall be the Port's exclusive operator, manager, and concessionaire for the Parks and Open Space. The Management Entity shall be responsible for interfacing with the public. Responsibilities for operations, management, and concessions of the Parks and Open Space may include, but are not limited to:

- Updating Annual Operations and Management Plans and Schedules
- Updating Annual Operating Budgets
- Generation of Revenue for the operations, management, programming, and activation of the Parks and Open Space
- Implementing and executing all necessary tasks to successful operate, manage, program, and activate the Parks and Open Space
- Reporting on performance
- Conducting appropriate community outreach and engagement

The Management Entity will be a non-profit and shall be governed by a board of directors.

IX. Operations and Maintenance

The following sections outline how operations and management will be conducted.

A. Operations Plan

Mission Rock's Parks and Open Space will be managed and operated to ensure safety, security, and cleanliness is maintained at acceptable levels for a Port park. The following sections outline plans for such operations. In order to deliver appropriate management of the Parks and Open Space for all to enjoy, the Developer has proposed and Port staff agree that the Master Entity will employ approximately eight (8) staff members, that may include the following positions with the following FTE allocations:

Table 1 Managerial Staffing (Preliminary Estimate)

Position	# of Staff	% FTE	Total FTE Allocation
Facilities Engineer	1	50%	50%
Parks & Facilities Director	1	100%	100%
Sitewide General Manager	1	10%	10%
Programming Director	1	100%	100%
Special Events Coordinator	1	100%	100%
Community Relations & Communications Director	1	100%	100%
Programming Hosts/Park Ambassadors	2	100%	200%
TOTAL	8		6.6 FTEs

Parks Oversight

Management and coordination of all activities in the Parks and Open Space will be overseen by a Parks and Facilities Director, with partial oversight by a Sitewide General Manager in order to ensure coordination between the residential, commercial, and retail activities at the site. The Parks and Facilities Director will lead all capital improvements, coordination with contractors, oversee all Management Entity staff, and be responsible for all annual budgeting and regular communication with the Port.

Budgeting

The Management Entity will be responsible for generating revenue in addition to CFD Services/Master Association Dues to support the Parks and Open Space operations. This relationship will be memorialized through the Operation, Management, and Concession Agreement between Mission Rock Management Entity and the Port. The Agreement will grant the Management Entity, in accordance with the agreed to annual operating budget, control of all revenue generated in the Parks and Open Space.

Security Plan

A security presence will greatly enhance Mission Rock's Parks and Open Space. The proposed rules for Mission Rock Parks and Open Space are stated in Section 5 of this Plan. An abbreviated version of those rules will be posted around the Parks and Open Space to help regulate enforcement and provide clear expectations on acceptable activities and behaviors.

The rules will be enforced by security staff. The posted Parks and Open Space rules will include enforced hours of operations, which will combat overnight camping, crime, and vandalism. The rules will also include reminders to obtain a permit for certain gatherings and activities.

A dedicated security department will enforce the rules and be stewards of the Parks and Open Space. The security department is not a police force and will be unarmed; the San Francisco Police Department should be called to address criminal activity. The security staff is not tasked with badgering patrons, though the security staff is in charge of

enforcing rules and ensuring a safe experience for everyone. The security staff should be thought of as ambassadors for the Parks and Open Space. Individuals, including the homeless population, will be treated with respect and will be allowed to use Parks and Open Space as long as those individuals respect the rules that have been set out, including the ban on overnight camping and rules on temporary structures. The goal is to make the Parks and Open Space welcoming and comfortable for all populations and members of the public, during the hours of operation.

During large events (big festivals, musical performances, large markets, or sporting events) the individual spaces of the Parks and Open Space may need to employ additional security staff as well as parking attendants.

Table 2 Security Staffing (Preliminary Estimate)

<u>Security</u>		# of Staff	% FTE	FTE Allocation
Security Shift 1: 8:00 AM - 4:30 PM	Contractor	2	100%	2.00
Security Shift 2: 4:00 PM - 12:30 AM	Contractor	2	100%	2.00
Security Shift 3: 12:00 AM - 8:30 AM	Contractor	2	100%	2.00
Supervisor	Contractor	1	25%	0.25
TOTAL		7		6.25

Leasing

The Management Entity will manage the concessions, including selecting the appropriate tenants for the kiosks, café spaces, pop-up spaces, and any other retail within the Parks and Open Space. The Management Entity will focus on a tenant mix that supports the Parks and Open Space goals, focuses on local businesses, delivers on financial objectives, and supports the needs of the park patrons and neighborhood.

Marketing and Communication

Marketing for the Parks and Open Space will include a dedicated website that is frequently updated with news and happenings of the Parks and Open Space. The website and social media accounts will be the best ways for visitors to find out about programs and events happening in the Parks and Open Space network. The online presence will serve as a tool for customer service, a guide for private event permitting, a place to receive inquiries, comments, and complaints.

B. Maintenance Plan

The Maintenance Plan consists of a variety of work categories. Work in these areas vary in frequency from annual maintenance to daily maintenance. For more detailed information on maintenance activities please refer to Appendix C. Maintenance Plan Detailed Tables

Sanitation Plan

By appropriately staffing the sanitation crew and having more than one shift in the day, restrooms can be checked, cleaned, and resupplied often. Trash cans can be emptied multiple times a day, litter can be picked up regularly by hand, graffiti can be immediately removed, and other small issues can be addressed in a timely manner. Sanitation staff should clean restrooms before and/or after opening hours.

In particular, restrooms should be kept clean, functioning, and welcoming. They should meet regulatory and disability design standards and should be stocked with toilet paper and soap and have appropriate levels of lighting. Fastidiously cleaned restrooms have an enormous effect, making parks and open spaces inviting to all.

Concession staff should augment sanitation staff concession areas. Concession staff should regularly wipe tables, pick up trash, empty trash cans, and straighten chairs. Concession areas have heavy use and require special attention and should be addressed by concession workers.

Trash, recycling, and compost bins should be located at regular intervals throughout the Parks and Open Space so that the public does not have any trouble finding a receptacle. The three cans should always be located together so that trash does not end up in recycling, and vice versa. Trash, recycling, and compost should be emptied from cans multiple times a day and taken to a designated collection point, then moved off-site at least once a day.

The sanitation staff should take care of minor repairs such as repainting over graffiti, tightening a leaky faucet, or patching a hole in the concrete. Larger maintenance and repair projects will be undertaken by the capital projects staff and contractors.

Large events may incur the need for additional sanitation staff to clean restrooms, pick up trash, and empty trash and recycling.

Table 3 Sanitation Staffing (Preliminary Estimate)

Sanitation		# of Staff	% FTE	FTE Allocation
Shift 1: 7:00 AM - 3:30 PM	Contractor	2	100%	2.00
Shift 2: 11:30 AM - 8:00 PM	Contractor	2	100%	2.00
Supervisor	Contractor	1	25%	0.25
TOTAL		5.00		4.25

Repairs/Maintenance Plan

Maintenance issues will be addressed through a streamlined process, one that is not burdened with moving through many chains of command or requiring excess paperwork. As stated above, a part-time Facilities Engineer will be on staff, that staff person should be able to fix problems promptly and effectively upon observation of an issue. It is anticipated that this will be supported by as-needed specialty contracted labor.

Furnishings and other items need to be checked frequently and repaired upon the first sign of an issue. This will ensure broken items do not get worse and more difficult to fix. Fixing them right away also shows the public that furnishings and facilities in the Parks and Open Space are cared for and looked after. If visitors observe a well-maintained Parks and Open Space, they are more likely to follow suit and take good care of the furnishings and facilities themselves.

The Sanitation staff will address smaller issues such as replacing broken trash cans, cleaning out the drains of drinking fountains, screwing in a door hinge, replacing light bulbs, and painting over graffiti. The Management Entity's Park Director (or equivalent position), working with facilities engineering staff, will oversee capital projects, major repairs, and horticultural upkeep, and manage third-party contractors to take care of larger maintenance and repair needs such as fixing plumbing issues, repairing broken stairs, making electrical repairs, keeping Parks and Open Space buildings maintained, among others.

During major repairs, trees and plant materials will be protected with fences or other barriers to prevent damage. Heavy equipment should not be left or stored under trees, as this can cause root damage.

C. Horticulture/Tree Maintenance and Management Plan

Trees, lawns, and the understory require attention on a consistent and on-going basis. The landscape maintenance crew should have proven experience in the maintenance of commercial landscape projects of similar size and scope and come with owner references. The crew should have demonstrated experience with integrated pest management, turf management, pest control, soils, fertilizers, and plant identification.

Assuming proper installation, the trees and understory will need regular inspection by a certified arborist/horticulturalist to ensure proper growth. Pruning weak branches and shaping tree crowns will help sustain long-term health, growth, and appearance.

As trees and plant material are put in the ground, the crew should install flow meters that monitor all irrigation hydrozones for appropriate water application across the site. Regular maintenance by the grounds crew includes checking tree rootball moisture and shrub and groundcover surrounding soil moisture weekly, then adjusting watering cycles accordingly. The crew should also keep watering records for all site trees and perform a yearly water audit to track the amount of water applied. With this information, the crew can determine appropriate water application for site trees after the three-year establishment period ends, in consultation with a certified arborist's review of tree health on the site. Irrigation systems will need frequent inspection and cleaning to ensure the system is running properly and will need to be adjusted based on rainfall and temperatures at varying times of the year.

Crews should weed planting beds frequently, maintain the depth of mulch to reduce evaporation and inhibit weed growth, and apply fertilizers as needed. Crews will employ principles of Integrated Pest Management to prevent plant pests and diseases.

Lawn areas will require frequent irrigation and monitoring of moisture. Crews will mow lawns regularly to a height of 2-3 inches, fertilize as needed, and remove grass clippings. Where bare or damaged, lawn areas should be reseeded or re-turfed. During the rainy winter months or after heavy use lawns will on occasion need to be closed to ‘rest’ when a lawn starts to show signs of heavy wear and tear.

Landscape maintenance should be performed during regular work hours so as to not disturb the nearby residents with noise.

Table 4 Horticulture Staffing (Preliminary Estimate)

Horticulture/Trees (2x/Wk)		# of Staff	% FTE	FTE Allocation
Shift 1: 7:00 AM - 3:30 PM	Contractor	2	100%	2.00
TOTAL		2		2

X. Concessions

The Parks and Open Space will include opportunities for retail and other concessions. While the Development as a whole will have roughly 200,000 square feet of retail space, the retail and concessions within the Parks and Open Space will total up to 7,000 square feet. There will be up to two (2) restaurant spaces totaling 3,000-6,000 square feet (depending on number of public restroom facilities), up to four (4) food kiosks of up to 200 square feet each, and one (1) kayak rental kiosk totaling 200 square feet. All concession agreements shall require the use of a point of sale system reasonably approved by the Port. The leasing of the concession space shall be aligned with the greater Retail Strategy of the Mission Rock Development.

XI. Budget and Funding

The Management Entity will be responsible for generating the revenue to support operations of the public realm. This relationship would be memorialized through an Operation, Management, and Concession Agreement (the “Agreement”) between the Management Entity and the Port. The Agreement would grant the Management Entity control of all net revenue generated in the Public

Spaces, with surplus revenue due to the Port. It is projected that a budget of approximately \$5 million will be required to operate, manage, program, and maintain the Mission Rock Parks and Open Space. Tables 5 and 6 outline the proposed budget

A. Projected Sources

Master Association Dues/ Community Facilities District (CFD) Taxes. Master Association assessments will be levied against the participating building parcels. A portion of the assessments will help fund Parks and Open Space management costs. The amount of these assessments will be determined during the implementation of the first phase of the Project. The Project will establish a Maintenance Community Facilities District (“CFD”). Special taxes collected through the CFD will form a contingency tax stream and will be assessed only if either the Management Entity fails to draw sufficient revenue from Master Association dues or the Operation, Management, and Concession Agreement is terminated. The money collected through this revenue source will primarily fund operations and maintenance expenses. The amount of these assessments and the specific uses of the CFD taxes will be defined in the CFD formation documents.

Sponsorships. The Management Entity, either directly or through a contract with a third party, will seek to generate sponsorships and partnerships as an additional revenue stream for the Parks. Current projections anticipate netting more than \$900,000 annually at full buildout.

Event Usage Revenue. The Parks and Open Space can receive revenue from fees paid by event permit holders. Fees will be paid on a sliding scale based on the user, size, duration, and complexity of the event.

Restaurants, Kiosks, and Concessions. There are great opportunities for new restaurant spaces within the Parks and Open Space, both in terms of revenue generation and also as an amenity. Revenue would come from the restaurant/kiosk base rent and/or as a percentage of revenue including alcohol sales and catering.

Specialty Markets. The Management Entity, either directly or through a contract with a third party, will curate specialty markets. Markets may include, but are not limited, to food markets, farmers markets, and art markets, etc.

B. Projected Expenses

The Mission Rock Parks and Open Space expense budget may include funding allocated for sanitation and maintenance, security, landscaping, insurance, utilities, and capital maintenance.

Operations and Maintenance The operation and maintenance budget may include regular staffing and labor (salaries, benefits, insurance, etc), specialized labor (electrician, plumbing, special repairs, etc), replacement parts, supplies, equipment, uniforms, and vehicles. Landscaping expenses may include staffing and labor, specialized labor (arborist, horticulturalist), plant replacement materials, lawn maintenance

equipment and supplies (moving, fertilization, reseeding), irrigation maintenance equipment and supplies, pest control equipment and supplies, tree and shrub maintenance equipment and supplies, and vehicles. Capital maintenance expenses may include specialized labor, replacement and repair costs for furnishings and lighting, hardscape upkeep, bathroom repairs, and park building repairs.

Utilities The utilities budget may include electric, gas, and water utilities on site, as well as the upkeep and maintenance of the utility infrastructure on site.

Security The security budget may include regular staffing and labor, supplies, equipment, uniforms, and vehicles.

General & Administration The general and administration budget may include regular staffing and labor for proposed staff. It may also include expenses related to insurance, marketing, office rent, accounting and payroll expenses, among others.

C. **Summary of Revenue and Expenses (Preliminary Estimate)**

Table 5 Projected Revenue

Projected Revenue	Full Buildout	%
Concessions, Restaurants & Retail	\$ 718,000	15%
Specialty Markets	\$ 72,000	1%
Public Realm Sponsorships	\$ 945,000	19%
Park Event Usage	\$ 888,000	18%
SUBTOTAL	\$ 2,623,000	
CFD or Association Fees	\$ 2,405,757	48%
SUBTOTAL	\$ 2,405,757	
TOTAL	\$ 5,028,757	100%

Table 6 Projected Expenses

Projected Expenses	Full Buildout	%
Operations & Maintenance	\$ 1,194,763	24%
Utilities	\$ 530,625	11%
Security	\$ 679,144	14%
Programming	\$ 1,098,300	22%
General & Administration	\$ 697,826	14%
Contingency	\$ 396,997	8%
Annual Reserve	\$ 431,102	9%
TOTAL	\$ 5,028,757	100%

The Projected Revenue and Expenses outlined above are for illustrative purposes. Each year the Port will approve an annual budget.

D. Revenue Allocation

All Revenue (including but not limited to Association Fees and/or CFD Funds; Concessions, Restaurants, & Retail; Specialty Markets; Sponsorships; or Other Revenue generated on or through the management of the premises) shall be expended:

1. First to approved annual operating, maintenance, and programming expenses
2. Second to operating reserves;
3. Third to budgeted capital repair reserves; and
4. Fourth, so long as capital repair reserves are sufficiently funded, to Port Harbor Revenue Fund.

XII. Programming, Events, and Activation

A. Vision and Strategy

Programming is key to the success of Mission Rock's Parks and Open Space network. In order to create a world-class urban environment, the spaces need to feel active and vibrant. The goal of programming is to bring people to the space, to extend their stays once there, and to provide reasons to return again and again. A dense schedule of programming with a wide array of activities that appeal to different groups of people will help to bring people to the spaces who otherwise may not spend time there, as well as stagger activation at varying times of the day. The more visitors a space draws and retains, the more it is seen as inviting by other potential users; a lively space feels safer. Overall, active programming fosters emotional investment and a community sense of ownership.

In addition to serving the immediate neighborhood, programming and events will help create a regional draw, bringing people to Mission Rock who may not otherwise have a reason to come. It is particularly important to generate rich programming and amenities to serve populations in the region that lack sufficient open space and services. Free and easily accessible programming that represents a wide variety of interests and cultural traditions is essential in supporting Mission Rock's goal to be socially equitable and inclusive.

Increasing the "dwell time" of Parks and Open Space visitors will make all parts of the Parks and Open Space appear busier and safer, in turn generating more new visitors in response to the crowd scene. High quality food options, park amenities like free Wi-Fi, movable chairs, sports and games, episodic musical performances, and unique waterfront programs are some of the offerings that can keep people in Mission Rock's Parks and Open Space longer than they may stay in other public spaces.

A robust schedule of daily programming and amenities will be the primary focus of activation at Mission Rock's Parks and Open Space. Small scale, daily programming will draw consistent visitors to a space and create an intimate connection between the user and the space. Programming activities will be planned seasonally and reflect public input.

Events in the Parks and Open Space will be separate and distinct from Programming. Whereas programming is regular, can be facilitated by Programming Staff, generally smaller scale, and designed to activate various areas of the park on a day to day basis, events are unique experiences which are most likely not facilitated by the Management Entity. Events are “one-time” in nature (though may occur annually or over several days) and intended to draw larger crowds from the greater region. Whereas programming is intended to be free, events may or may not be free and third-party event holders will be charged a fee in order to use to use the Park facilities. Fees will be charged on a sliding scale dependent on the user (i.e. non-profits may pay a lower fee than a large corporation), duration, and complexity of the event. Event holders will cover all incremental event costs, including supplemental sanitation and security.

B. Anticipated Visitors

Tables 7 & 8 depict snapshots of visitor potential at various times of the day and days of the week at full buildout:

Table 7 Weekend Snapshot

Snapshot of Likely Visitors on Weekends	
Source of Visitors	Potential Visitor Contribution
Residents	16,759
Local Employees	8,200
Tertiary Uses	694
Total Visitors	25,653

Table 8 Weekday Snapshot

Snapshot of Likely Visitors at 6pm on Weekday	
Source of Visitors	Potential Visitor Contribution
Residents	15,712
Local Employees	24,621
Tertiary Uses	2,604
Total Visitors	42,937

XIII. Event Definitions & Limitations

BCDC issued Permit No. 2017.004.00 with conditions that Mission Rock Parks and Open Space programming/events are required to adhere to. The BCDC Permit is attached as Appendix D. Below in Table 9 is a summary of event limitations as prescribed in the BCDC Permit and the Development Agreement.

Table 9 Event Limitations Matrix

	Public Events			Private Events	Promotional Events
Size	Small	Medium	Large	Small to Medium	Small
Exclusivity	Open to Public (may require ticket or registration)			Not Open to Public (Invitation Only)	Open to Public (no ticket or registration)
China Basin Park	Unlimited free event days	Up to 100 event days per calendar year; no more than 4 weekend days per month; up to 24 can be paid ticketed event days	Not permitted	Up to 18 event days per calendar year throughout (private events are counted toward the 100 medium events)	Up to 50 event days per calendar year; limited to 5,000 SF in total size; no more than 4 locations within a Public Space
Mission Rock Square	Unlimited free event days	Up to 100 event days per calendar year; no more than 6 weekend days per month; up to 24 can be paid event days		Up to 18 event days per calendar year throughout (private events, are counted toward the 100 medium/large events)	Up to 50 event days per calendar year; limited to 5,000 SF in total size; no more than 4 locations within a Public Space

A. Event Definitions

Free Public Event: An event that is (1) open to the general public at no cost and (2) may require a ticket of registration to manage the number of attendees.

Ticketed Public Event: An event in a Parks and Open Space that is open to the general public and requires the purchase of a ticket for entry.

Private Event: An event in a Parks and Open Space that is not open to the general public and may or may not require the purchase of a ticket for entry.

Promotional Events: Activations in Parks and Open Space that promotes one or more products that are not sold on-site.

B. Size and Limitations

Small Event: A single event or related events occupying less than 10,000 square feet in the footprint of a space.

Medium Event: An event occupying more than 10,000 square feet, but less than 30% of the footprint of a space.

Large Event: An event occupying at least 30%, but no more than 70% of the footprint of a space.

C. Maximum Number of Events and Activations

1. Public Events

i. Small Events

- a. All spaces - Unlimited number of event days

ii. Medium to Large Events

- a. China Basin Park – Not to exceed 100 Event Days per calendar year, up to 24 which can be ticketed
- b. Mission Rock Square - Not to exceed 100 Event Days per calendar year, up to 24 which can be ticketed

2. Private Events

i. Small to Large Events

- a. China Basin Park – Not to exceed 18 event days (inclusive of the Medium to Large 100 Event Days).
- b. Mission Rock Square – Not to exceed 18 event days (inclusive of the Medium to Large 100 Event Days).

3. Promotional Events

i. Small Events

- a. Up to 50 Event days (but only 5,000 sf/year; no more than four locations within a space)

D. Event Conditions:

- The total number of ticketed public and private events shall not exceed the number of free public events in the same fiscal year
- Medium to large events are generally limited in duration of 10 consecutive days including set-up and take-down
- No medium event in China Basin Park may occupy more than 57,500 square feet
- No more than two unrelated small events that collectively occupy more than 10,000 square feet of any given public access area may occur simultaneously

XIV. Approvals and Permitting

A. Port Approvals

The Port will diligently work to achieve streamlining of necessary approvals where possible. Discussions regarding the approval process will commence upon submittal of Phase 1 Parks Schematic Design.

B. Other Approvals

The Management Entity or permittee shall (depending on the entity which requires a permit), at its sole cost and expense, obtain all necessary permits and approvals issued by other governmental agencies, including the City. Proof of permits and approvals shall be submitted to the Port for review prior to first day of load in for each Event. Parties agree to identifying timelines for submittals of proof of permits and approvals through a to-be-formed Approvals and Permitting Process prior to execution of the Agreement.

Should the Management Entity's or permittees fail to submit to the Port the necessary permits and approvals by the dates specified in the Approvals and Permitting Process, the Port may, at its sole discretion disallow a specific Event or Event(s).

Examples of other necessary permits and approvals may include, but are not limited to:

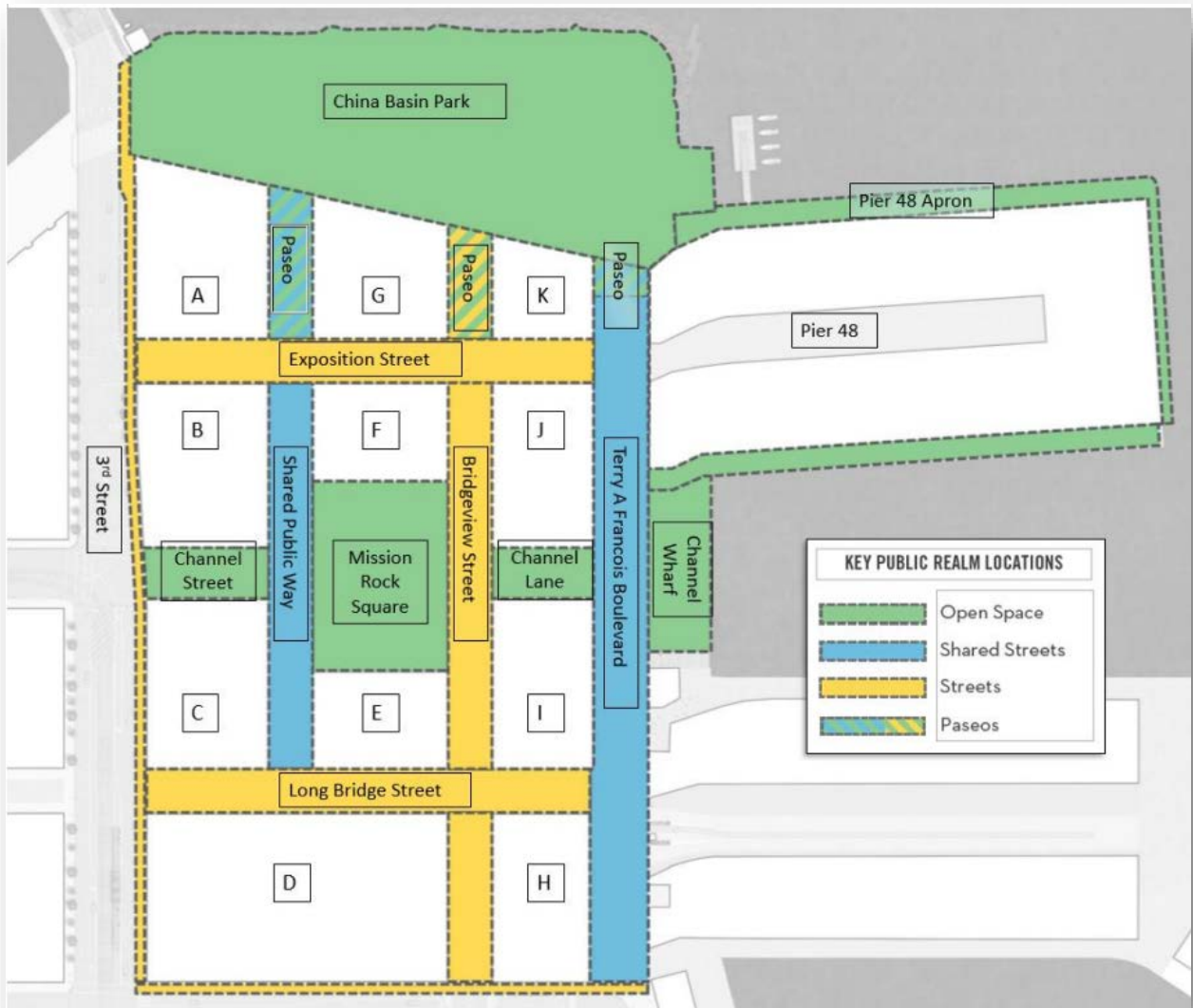
1. Building/Encroachment Permit from Port Building Department
2. Temporary Change of Occupancy Permit from Port Building Department;
3. Fire Permit, Fire Watch and Temporary Place of Assembly Permit from the San Francisco Fire Department (SFFD);
4. Security Plan from the San Francisco Police Department (SFPD);
5. Traffic Plan from the San Francisco Police Department (SFPD);
6. Ride Share Drop Off and Pick Up Plan from the San Francisco Police Department (SFPD)
7. Emergency Medical Plan from the Department of Public Health (DPH);
8. Alcoholic Beverage Control License (ABC) from the California Alcohol Beverage Commission;
9. Food Permit from the Department of Public Health (DPH);
10. Entertainment Related Permit(s) from the San Francisco Entertainment Commission;
11. Any other permit or approval deemed necessary by the Port of San Francisco and/or any City Agency.

Management Entity or permittee must cause the removal of all items brought onto the Premises at the end of each Event, including but not limited to: temporary structures, tables, chairs, stages, audio/visual, lighting, rigging, cameras, speakers, trusses, pipe and drape, generators, monitors, cameras, banners, decorations, portable restrooms, handwashing stations, barricades, and trash and recycling receptacles

XV. Appendices

- A. Site Overview
- B. Park Maintenance Standards, link provided
- C. Maintenance Plan – Detailed Frequency Tables
- D. BCDC Permit No. 2017.004.00, link provided

A. Site Overview



B. Park Maintenance Standards

Link provided below for fiscal year 2018 annual report, as may be updated from time to time:

<https://sfrecpark.org/wp-content/uploads/Annual-Park-Maintenance-Standards-Report-FY18.pdf>

C. Detailed Maintenance Tables

General Maintenance							
Litter Control	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Control litter	X						Multiple times per day. Focus concentrated around food areas
Empty trash receptacles	X						Multiple times per day. Focus concentrated around food areas
Control litter after events						X	Additional janitorial staff will be hired to manage litter during and after events.
Pavement (colored asphalt, concrete, pavers)	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Sweep	X						
Clean up spills							Immediately
Steam Clean (excluding pavers)						X	
Buff Clean – Pavers						X	With stone scrubber machine
Inspect for lifts/cracks			X				Provide condition report to Property Mgr. on monthly basis
Walls and Interior/Exterior Surfaces	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Clean Surfaces	X						
Remove postings/graffiti	X						
Clean glass (park buildings)	X						
Wipe fingerprints on doors	X						
Site furniture	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Cleaned	X						Wipe down park tables, especially after food/drink spills
Clean light fixtures			x				
Clean drinking fountains	x						
Count movable tables/chairs			x				
Signage	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						

Remove postings/graffiti						X	
Clean			X				
Interior spaces	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Storage room			X				Tidy and inventory
Mechanical Room				2X			Tidy and inventory
Other incidental spaces			X				Tidy and inventory
Empty trash receptacles	X						Multiple times per day.
High and low cleanings			X				
Rest rooms	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Cleaned	X						Multiple times per day.
Stocked	X						Multiple times per day.
Landscaping Maintenance							
Lawn Care	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Leaf Litter Removal		2X					
Clipping Removal		2X					
Neat Appearance		2X					
Weed Control - Hand Pull		2X					
Irrigation Programming		2X					
Irrigation Check				X			
Fertilize					4X		Various areas will be performed each week
Pest Control						X	
Monitor		2X					
Treat turf					4X		Treat turf with Fertilizer including Dimension
Mow		X					Remove grass clippings
Edge		X					
Aeration					4X		Spot aeration of turf areas after events as needed. Lawn repair costs will be included as part of event costs for third party permittees
Dethatch						X	
Resod/reseed						X	Lawn repair costs will be included as part of event costs for third party permittees
Overseed turf after events						X	Lawn repair costs will be included as part of event costs for third party permittees
Ground Cover Care	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments

Leaf Litter Removal		2X					
Trash Removal		2X					
Neat Appearance		2X					
Weed Control - Hand pulling		2X					
Irrigation Programming						X	
Irrigation Check				X			
Fertilize					4X		
Pest Control						X	
Monitor		2X					
Snails					4X		
Other Treatments					4X		
Prune						X	
Edge						X	
Cultivate						X	
Replace ground covers						X	
Tree & Shrub Care	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Leaf Litter Removal		2X					
Trash Removal		2X					
Neat Appearance		2X					
Weed Control - Hand pulling		2X					
Irrigation Programming		2X					
Irrigation Check				X			
Check tree rootball moisture		2X					
Supplemental hand water						X	
Fertilize					4X		
IPM							
Monitor		2X					
Snails					4X		
Other Treatments					3X		
Pruning-Size						X	
Pruning-Tree Roots						X	
Inspect shrubs		2X					
Raise plants that have						X	
Replace trees and shrubs						X	
Maintain mulch depth						X	

Stake or reset trees/plants that area leaning							X	
-----------------------------------------------	--	--	--	--	--	--	---	--

Specialty Repairs & Hardscape							
Pavement	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect for lifts/cracks			X				
Repair						X	Per Specifications
Hardscape pathways	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair						X	Immediately
Preventative maintenance					4X		
Colored Asphalt	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair						X	As soon as possible
Preventative maintenance					4X		
Pavers	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair							As soon as possible
Preventative maintenance					4X		
Bike racks	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair						X	
Walls and Exterior Surfaces	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Clean glass block surfaces				X			
Inspect	X						
Touch-up or repaint						X	
Site Furniture	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Maintain			X				
Replace						X	
Inspect	X						
Lighting and Electrical	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inventory all light bulbs and build stock				X			Initially and an ongoing basis
Replace lamps						X	As necessary
Clean fixtures						X	As necessary
Inspect for maintenance					4X		Per manufacturers recommendations
Routine Maintenance			X				

Perform a preventative maintenance program for mechanical & lighting						X	
Plumbing	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect drains				X			
Backflow device testing					1X		
Inspect water meters				X			
Inspect water pumps	X						
Service water pumps	X						
Inspect all restroom faucets & toilets	X						
Repair all restroom faucets & toilets						X	Immediately
Storm System, Sanitary System, City Water & Fire Loop	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect to ensure working order	X						
Repair breaks/damage						X	Immediately
Clear pipes and clean outs				X			
Clear lines				X			As necessary
Inspect and clean roof drainage/gutter systems					1X		Prior to rainy season
HVAC Maintenance Bldg.	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect condenser coils			X				
Maintain					4X		
Replace filters					2X		
Irrigation Oversight							
Maintenance						X	
Clean filters						X	

Inspect subcontractors maintenance				X			
Signage	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Replace						X	
Repair						X	
Sports Courts Equipment	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair						X	
Boat Launch (including gate, railings walkway and dock)	Daily	X/Wk	Weekly	Monthly	X/Year	As Needed	Comments
Inspect	X						
Repair						X	Per specifications

D. BCDC Permit

As described in BCDC permit number 2017.004.00, described in staff report here:

<https://bcdc.ca.gov/cm/2018/0621MissionRockRec.pdf>

EXHIBIT 6

MISSION ROCK PROJECT AFFORDABLE HOUSING SUBSIDY PLAN

This **AFFORDABLE HOUSING SUBSIDY PLAN** (the "**Subsidy Plan**") is adopted pursuant to Section 3.2 of the Disposition and Development Agreement dated for reference purposes as of August 15, 2018 (the "**DDA**") between the City and County of San Francisco (including its agencies and departments, the "**City**"), acting by and through the San Francisco Port Commission (the "**Port**" or the "**Port Commission**"), and Seawall Lot 337 Associates, LLC ("**Developer**"). Refer to the Appendix to the DDA, for a glossary of defined terms. Certain additional terms are defined below.

1. OVERVIEW

DA §5.4(b)(ii) (Jobs/Housing Equivalency Fee) states that each Vertical DDA for nonresidential use (a "**JHEF Project**") will require the Vertical Developer to pay to the Port a Jobs/Housing Equivalency Fee. Port will administer and use the Jobs/Housing Equivalency Fee for purposes specified in the Housing Plan in consultation with MOHCD. *FP §2.8 (Jobs/Housing Equivalency Fees)* provides that the Port Commission approved Phase Budget will specify the Minimum JHEF payable for each Development Parcel and that the Vertical Developer will be required to pay the greater of: (i) the Minimum JHEF established in the Phase Budget; and (ii) the amount of the Jobs/Housing Equivalency Fee that would otherwise be due for each use area specified in a Vertical Developer's construction permit.

DDA §3.2(b) (Phase Submittal) requires that the Phase 1 Submittal include an Affordable Housing Subsidy Plan to establish the methodology for allocating Jobs/Housing Equivalency Fees to Residential Developers through the Phase Approval process. As provided in *FP §2.8(d) (Affordable Housing Subsidy)*, the intention is to balance the Affordable Housing Subsidy allocated to each Residential Project with projected Jobs/Housing Equivalency Fees generated by commercial/retail uses in the Project.

2. AFFORDABLE HOUSING SUBSIDY DETERMINED IN PHASE BUDGET

Each Phase Approval will specify (i) the Inclusionary Units to be provided in each Residential Project in such Phase in accordance with the Housing Plan, and (ii) the Affordable Housing Subsidy payable to each Residential Project in such Phase. Consistent with *DDA §3.5(b) (Port Commission Approval)*, the Port Commission, in its approval of the Phase Budget, may delegate authority for the Port Director to approve specific Phase Budget line items, within specified parameters, and such authority may include authority to adjust within specified parameters the Inclusionary Units to be provided in and the Affordable Housing Subsidy payable to each Residential Project. Because the unit mix will be finalized through the design process, the specific allocation for the Inclusionary Units to be provided at each applicable AMI level cannot be specifically determined in advance. Instead, this Subsidy Plan sets forth guidelines for the allocation of the Affordable Housing Subsidy among the Residential Projects, but the specific amount of Affordable Housing Subsidy to be provided to each Residential Project will be determined through the Phase Budget for each Phase. This Subsidy Plan is proposed for adoption in connection with the approval of the Phase 1 Budget, and may be modified in connection with approval of the Phase Budgets for future Phases.

DEFINITIONS

In addition to the terms defined in the Appendix, the following capitalized terms used in this Subsidy Plan have the meanings set forth below:

"First Construction Document" shall mean the first building permit issued for a JHEF Project or, in the case of a site permit, the first building permit addendum issued or other document that authorizes construction of the JHEF Project. First Construction Document shall not include permits or addenda for demolition, grading, shoring, pile driving, or site preparation work.

"Foundation Completion Date" means the date of submission by a Vertical Developer of a Residential Project of evidence reasonably satisfactory to the Port that the Vertical Developer has completed the foundation of the Residential Project pursuant to a building permit (or foundation addendum to site permit) issued by the Port.

"JHEF Project" means the vertical improvements on any Development Parcel that will include any non-residential uses for which Jobs/Housing Equivalency Fees are payable (a "JHEF Project").

3. ALLOCATION GUIDELINES

The following guidelines shall govern the allocation of Jobs/Housing Equivalency Fees among the Residential Projects in the Project.

(a) Generally, Jobs/Housing Equivalency Fees are to be allocated among Residential Projects in proportion to the relative economic impact of the specific requirement for provision of Inclusionary Units to be provided within each such Residential Project as proposed by Developer and approved by Port, in consultation with MOHCD. Generally, relative economic impact shall be determined by calculating the net present value of the difference between fair market rents and allowable rents for the Inclusionary Units to be provided in each Residential Project.

(b) Where possible, the Parties will endeavor to balance the Affordable Housing Subsidy allocated to each Residential Project within a particular Phase with projected Jobs/Housing Equivalency Fees generated by JHEF Projects in that Phase.

(c) If the Minimum JHEF for any JHEF Project is increased in accordance with the provisions of subparagraph (v) *FP §2.8(d) (Calculation of Minimum JHEF)*, the Minimum JHEF so established shall be allocated solely among the Residential Projects in that Phase, and the Phase shall not be considered to result in either an Affordable Housing Overage or Affordable Housing Shortfall.

4. Payment of Job/Housing Equivalency Fees by JHEF Projects

The Vertical DDA for each JHEF Project shall require payment of the Jobs/Housing Equivalency Fees for the applicable Development Parcel to the Port upon the earlier of (a) issuance by Port of the First Construction Document (which payment will be a condition to issuance by the Port of the First Construction Document) for the JHEF Project on that

Development Parcel; or (b) by the date 30 days after notice from the Port that the Vertical Developer of any Residential Project in the Current Phase has completed the foundation of its Residential Project pursuant to a building permit (or foundation addendum to site permit) issued by the Port. As to any JHEF Project, the failure by the Vertical Developer to pay any JHEF when due, which failure continues for five (5) business days following written notice from Port, shall constitute an Event of Default under the Parcel Lease as to which the Port shall have a right of termination. Under *FP §2.8(c) (Deposit of Jobs/Housing Equivalency Fees)*, the Port will deposit these funds into the Affordable Housing Fund held by the Special Fund Trustee.

5. Payment of Job/Housing Equivalency Fees to Residential Projects

The Vertical DDA for each Residential Project will provide, in substance, as follows:

(a) Subject to the provisions of subparagraphs (b) and (c) below, the Port shall direct the Special Fund Trustee to disburse from the Affordable Housing Fund to the Vertical Developer of the applicable Residential Project, the amount of the Affordable Housing Subsidy allocated to such Residential Project within 30 days following the Foundation Completion Date.

(b) If there are insufficient funds in the Affordable Housing Fund to pay the Affordable Housing Subsidy to a particular Residential Project as of the Foundation Completion Date, (i) the Port shall direct the Special Fund Trustee to make a partial payment of the Affordable Housing Subsidy to the extent of the funds available in the Affordable Housing Fund, and (ii) the Port shall direct the Special Fund Trustee to make additional payments on account of the outstanding Affordable Housing Subsidy within 30 days of receipt of funds by the Special Fund Trustee for deposit in the Affordable Housing Fund, until the Affordable Housing Subsidy has been fully paid. If at any time payments are due to more than one Residential Project on account of the Affordable Housing Subsidy, payment shall be made to each Residential Project in proportion to the outstanding balance of the Affordable Housing Subsidy then due to all such Residential Projects to the extent of the funds available for disbursement in the Affordable Housing Fund.

(c) The obligation of the Port for payment of any Affordable Housing Subsidy is a special and limited obligation of the Port and is restricted strictly to funds deposited in (or required to be deposited in) the Affordable Housing Fund. The Vertical DDAs will make clear that the Port shall have no obligation to make any payment of any Affordable Housing Subsidy from any other source other than funds deposited in (or required to be deposited in) the Affordable Housing Fund.

EXHIBIT 7. Phase Submittal Summary

Mission Rock Phase 1 Overview

Submitted 7/2/2019 by Mission Rock Partners

Context

After more than a decade of planning and community outreach, an election and unanimous project approvals, the Port of San Francisco (the “Port”) and Mission Rock Partners, LLC (“Developer”) are ready to begin construction work related to the 28-Acre Site at Seawall Lot 337 (“The Project”). The Project Site is bounded by 3rd Street to the west, China Basin (McCovey Cove) to the north, San Francisco Bay to the east, and Mission Rock Street to the south. It contains 11 parcels, the historic rehabilitation of Pier 48, China Basin Park, Mission Rock Square, and a network of public open spaces, streets and pedestrian facilities. As envisioned, the mixed-use Project will include market-rate and affordable residential uses, commercial uses, retail uses, parking, shoreline improvements, infrastructure development and street improvements, and public open spaces.

The Phase 1 submittal (submitted on December 4, 2018 and revised on April 24, 2019) includes the development of the first 4 parcels A and F (2 residential parcels) and B and G (2 commercial parcels). Since the summer of 2018 four design architects have been working together with the Mission Rock Partners (a Joint Venture between the San Francisco Giants and Tishman Speyer) and alongside a landscape architecture team, to develop the concept design phase of the first 4 buildings constituting Phase I.

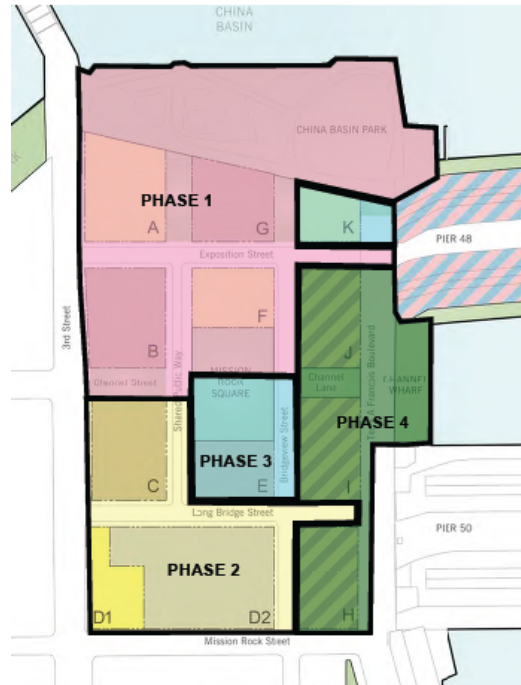
Phase 1

The first phase of Mission Rock will encompass four buildings: A and F (2 residential parcels) and B and G (2 commercial parcels), adjacent streets and infrastructure, and the grand waterfront China Basin Park. We believe the first phase must bring a strong sense of neighborhood from the beginning. This will be achieved not only by the design of and tenants inside each building, but also by the parks and intended programming elements of public space. We have proposed a change in the make-up of Phase 1 buildings from: A, B, G, and K to A, B, G, and F, per the figure below.

ORIGINAL PHASE 1



PROPOSED PHASE 1



Reasons for this change:

- Accelerate our delivery of critical affordable units. The change from K to F increases the number of residential units in the first phase by approximately 100 units, a corresponding increase in affordable units of approximately 40 units.
- A four sided intersection instead of a linear alignment creates a safer, more enjoyable, and livelier pedestrian and retail experience.
- The four corner grid layout creates a more complete mini-neighborhood that the tenants and visitors of the first phase can comfortably enjoy even during construction of the future phases.

Proposed Land Use

Parcel	Proposed Land Use
A	Residential
B	Commercial
G	Commercial
F	Residential

Site Improvements

To prepare the site for vertical construction and proposed infrastructure improvements, the Project will require utility infrastructure considerations and site wide grading. The Site Improvement Plans, detailing the design of these improvements, were submitted to the city on June 17, 2019.

Geotechnical and Grading

A Geotechnical Investigation focused on the proposed parks and streets has been developed by Langan. Grading designs have been refined and vertical curve calculations developed in collaboration with the City. In response to solutions for mitigating anticipated differential settlement at the site, lightweight concrete fill is proposed to compensate for added weight of raising site grades. Stone columns are identified as the preferred method to mitigate lateral spreading and liquefaction.

Streets and Utilities

The team has received input from DPW-DAC on the street designs, passenger loading configurations, and raised intersections. The stormwater management approach based on feedback from SFPUC. The team has incorporated SFFD requirements for truck turning.

Streetscape designs have been refined since the Design Controls to ensure that street tree and streetlight spacing meets City requirements and ensure that soil composition, volume, and irrigation will support healthy and enduring trees while minimizing the meters required in the streetscape. Class II bicycle parking has been distributed across Phase 1 to support retail and open space access.

Parking & Transportation

Phase 1 does not include the construction of any new parking facilities. Portions of Lot A will continue to be used for vehicle parking, serving both on-site uses and Oracle Park. Space permitting, we anticipate that some supply will be made available to other Mission Bay tenants and visitors, including those associated with the Chase Center.

Public Benefits

Housing Elements of Phase One

The two residential parcels in Phase 1 will be A and F. These are both 240' buildings, and together will deliver approximately 560 units. These buildings will deliver the applicable share of the affordable housing commitment, in conformance with the Housing Strategy set forth in the Mission Rock Development Agreement. The current projection for Phase 1 affordable housing units is expected to be between approximately 35% and 40%, of total units delivered. We are proposing to include a range of AMI levels within the first Phase, as outlined in the Housing Data Table below. Since architectural design has not yet been completed for these buildings, the below numbers are indicative only and show the intended unit ranges per building:

Phase 1 -Housing Data Table						
Residential Parcel	Total Residential Units	Total Inclusionary Units	Number of Inclusionary Units @ 90%	Number of Inclusionary Units @ 120%	Number of Inclusionary Units @ 150%	Anticipated Date of Completion (2)
Parcel A (1)	294	102	10	54	38	[2022]
Parcel F (1)	266	100	13	56	31	[2023]
Phase 1 Total	560	202	23	110	69	

1) Total unit counts and inclusionary units are the best estimate as of April 2019, and subject to change with continuing building designs and approvals

2) Anticipated date of completion does not replace outside date requirements in the documents

In keeping with the Housing Strategy, the residential buildings will deliver a range of size and unit types, from studios to three-bedrooms. The architectural design of the buildings is not yet complete enough to share a specific unit mix, but Phase 1 intends to include approximately 55-65% studios and one-bedroom units, and 35-45% two-bedroom and three-bedroom units.

Commercial Elements of Phase 1

Buildings B and G will together deliver approximately 550,000 square feet of office space. The developer is also exploring the inclusion of additional office space in Parcels A and/or F.

All four buildings will include neighborhood serving retail, totaling approximately 60,000-70,000 square feet. The retail is spread throughout the project at the ground floor level, with significant deliveries in later phases as well. The ground floors in Phase 1 have been configured to maximize retail space.

Phase 1 will also include two key elements of the Infrastructure and Sustainability Plans: a Central District Energy System (DES) and a Blackwater Treatment System. We have tentatively planned for the Central DES to be in Parcel A due to its large footprint, and the Blackwater Treatment system to be in Parcel B.

Parks

China Basin Park will be a major public benefit associated with Phase 1. It is a five acre waterfront resource that will be open to the public year round. China Basin Park is planned to include ample recreation and health/wellness opportunities, a new section of the Blue Greenway / Bay Trail, and programming elements. In addition to China Basin Park, several smaller public spaces will be created as part of Phase 1:

- A pedestrian paseo in between Parcels A and G
- Two interim pedestrian plazas south of Parcels B and F
- Wide and safe sidewalks and pedestrian infrastructure
- Public Art will be delivered in the parks
- A bicycle network will also be included in Phase 1
- Sustainability elements such as storm water gardens

Transportation

Mission Rock's will intend to promote and facilitate efficient and safe and green transportation for all constituents. Post Phase 1 will include and integrate into the existing infrastructure with the below improvements and programs:

- ***Phase 1 Multimodal Circulation***

The project will complete all aspects of Exposition Street, including the roadbed, a westbound bicycle lane, eastbound bicycle route, curbside loading areas, sidewalks, and streetscape. It will also complete the Shared Public Way and Bridgeview Street paseos north of Exposition Street. Portions of Shared Public Way fronting Blocks B and F, south of Exposition Street, will also be completed in this phase.

Several streets will be given interim treatments (Bridgeview Street and Channel Street).

The portion of the Bay Trail/Blue Greenway completed in Phase 1 will couple with a temporary treatment on Terry A. Francois Boulevard to provide the main bicycle route through the site during Phase 1.

Existing transit lines serving the site include the T-Third light rail line, the N-Judah, the 22-Fillmore, the 30-Stockton and 45-Union-Stockton and the 10-Townsend will constitute the closest high-capacity transit connection into the core of San Francisco. Caltrain's 4th and King Terminus is also a six-minute walk from the site. BART will continue to offer connections to the northern Peninsula and the East Bay, with its Embarcadero, Montgomery, and 16th Street/Mission stations a short local transit ride from the site.

- ***Managing On-Site-Event-Related Travel Demand***

In partnership with City agencies, transportation/event operations staff at Oracle Park, and with the staff at Chase Center, the Mission Rock team will use a range of transportation demand management (TDM) and traffic management tools to achieve the goals described in the introduction (Mission Rock Website and/or Mobile App / Event-Specific E-mails and Other Communications / Neighborhood Constituent Communication / Wayfinding / Bicycle Valet, Parking / Incentives-Based Demand Management / Lane Adjustments / Navigation Apps / Traffic Control Personnel / Parking Control Officers etc.)

- ***Private Vehicle Parking***

Phase 1 does not include the construction of any new parking facilities. Portions of Lot A will continue to be used for vehicle parking, serving both on-site uses and Oracle Park. Space permitting, we anticipate that some supply will be made available to other Mission Bay tenants and visitors, including those associated with the Chase Center. Anticipated capacity is noted below:

Pier 48: As many as 750 to 1,000 spaces, pending demand and the use of valet operations.

Lot A (Remainder of Seawall Lot 337) will be the main parking supply for Oracle Park event attendees and, outside of event times, Mission Rock visitors. Pending construction activity on future phases, the lot could continue to accommodate 1,000 to 1,500 vehicles.

Construction vehicle circulation and logistics are being developed with the Horizontal GC, who was onboarded in June 2019.

Workforce

The Project Team is committed to making a good faith effort to contract with professional services consultants certified as LBEs and has partnered with the City of San Francisco Contract Monitoring Division ("CMD") to provide LBE's with meaningful opportunities to participate on this project. Across all scopes, the team will seek to, whenever practicable, engage contracting teams to reflect the diversity of the City and include participation of both businesses and residents from the City's most disadvantaged

communities including, but not limited to the Bayview/Hunters Point, Chinatown, Mission, South of Market, Tenderloin, Visitation Valley and Western Addition neighborhoods.

The project has an agreed upon goal of 10% for Pre-Construction Services (20% for construction), overall and per discipline, and the Developer is encouraging all respondents to achieve a much higher percentage of fee and scope.

MMRP

As set forth by the Environmental Impact Report (EIR) a Mitigation Monitoring and Reporting Program has been established to regulate the measures required for Mission Rock. The following mitigation and monitoring measures will be put in place during the first phase:

Measure
Cultural Resources (Archeological Resources) Mitigation Measures
M-CP-2: Archeological Testing
Consultation with Descendant Communities
Archeological Testing Program (ATP)
Archeological Monitoring Program (AMP)
Archeological Data Recovery Program (ADRP)
Final Archeological Resources Report (FARR)
M-CP-3: Treatment of Human Remains
M-CP-4: Tribal Cultural Resources Interpretive Program
Transportation and Circulation Mitigation Measures
M-TR-3: Parking Garage and Intersection Queue Impacts
M-TR-4.1: Provide Fair-Share Contribution to Improve 10 Townsend
M-TR-4.2: Provide Fair-Share Contribution to Improve 30 Stockton Line
M-TR-6: Parking Garage and Intersection Queue Impacts on Transit Delay
M-TR-9: Install Traffic Signals / Improvements at 4th & Mission Rock St. / Long Bridge St.
M-TR-10: Bicycle-Truck Interface at Pier 48
M-TR-11.1: Commercial Loading Supply
M-TR-11.2: Delivery Coordination w/ Tenant Moving Activities

Mission Rock Illustrative Summary Schedule

As of August 2019

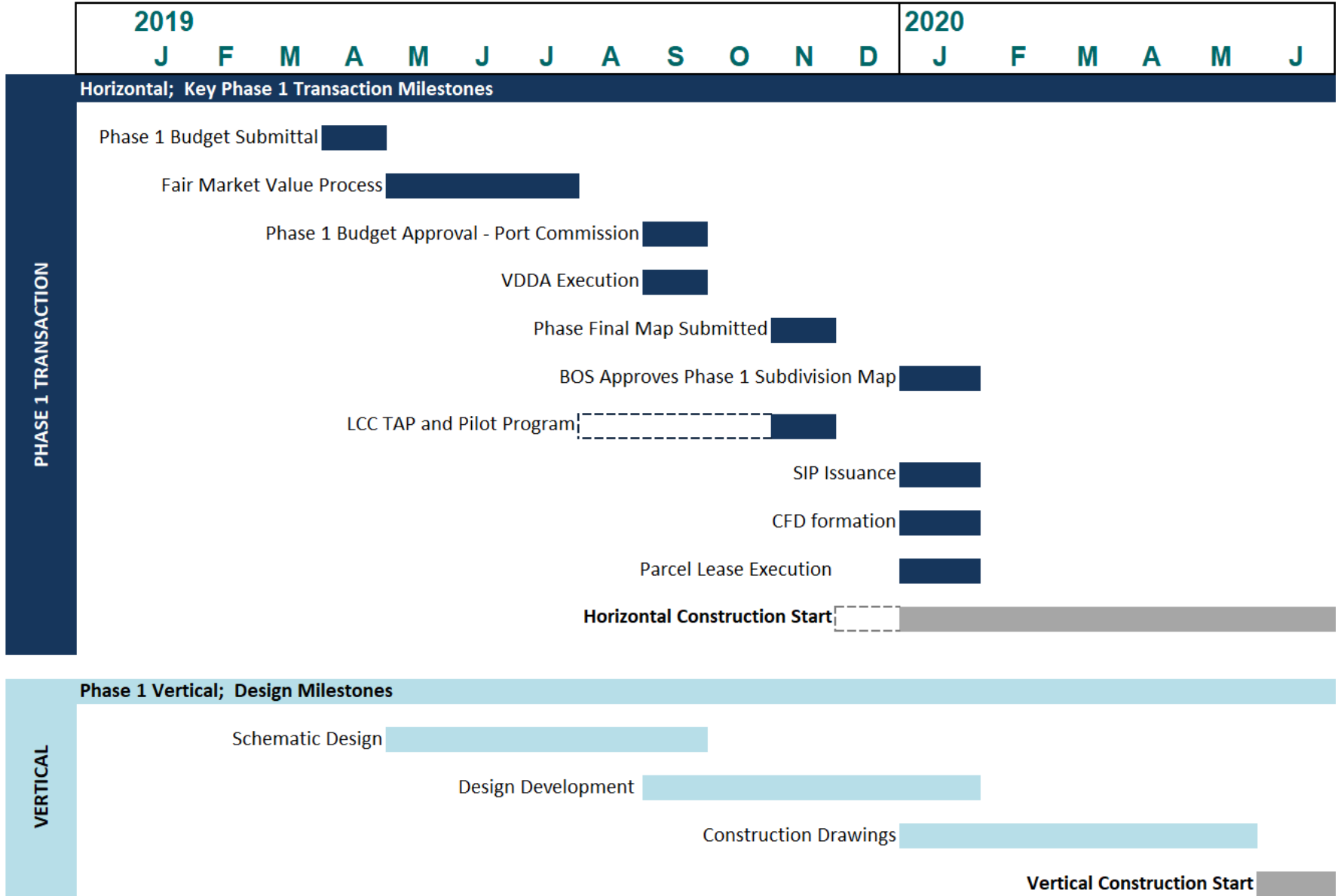


EXHIBIT 8. Economic Consultant Phase 1 Budget

Technical Memorandum

To: Rebecca Benassini and Raven Anderson
Port of San Francisco

From: Economic & Planning Systems, Inc.

Subject: Mission Rock Underwriting Review and Findings;
EPS #161182

Date: September 13, 2019

The Economics of Land Use



This memorandum provides a summary of the underwriting review prepared for development of the Mission Rock site (the Project) by Tishman Speyer and San Francisco Giants (jointly the Project Sponsor) and their consultants. The Port of San Francisco engaged Economic & Planning Systems (EPS) to provide an overview of development economics based on the most recent Project underwriting and assumptions submitted by the Project Sponsor to the Port of San Francisco (the Port).

EPS has been involved in helping the Port with negotiation of the deal terms and review of prior underwriting over the last several years. Per the deal terms of the Disposition and Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC a Project Sponsor is subject to an 18 percent internal rate of return and an equity multiple of 1.5 or above for each of the four development phases. It also requires the Port achieves a minimum annual ground rent of \$3.5 million. While this review is focused on development economics of Phase 1, it also considers the broader economics of the remaining three phases, as required for approval under the Disposition and Development Agreement criteria.

Key Findings

- 1. While the updated Phase 1 cost budget has increased substantially relative to prior estimates, the Project Sponsor's underwriting estimates sufficient sources to fund Phase 1, including entitlement spending.** Entitlement spending has been limited to \$29.3 million. The Phase 1 budget is based on actual contractor cost bids that reflect current infrastructure design detail. The sources of funds for Phase 1 include payments confirmed by independent appraisal. The underwriting also shows adequate sources and uses for the later phases. Project cost estimates for Phase 2 through Phase 4 reflect less design detail. A number of other variables, including market factors, could affect Project economics in the longer term.

Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612-3604
510.841.9190 tel
510.740.2080 fax

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

2. ***The Project financial model reveals that the Phase 1 budget will not adversely affect Project payment sources available to satisfy Project obligations for the later phases, if the Project Sponsor's assumptions in the underwriting are realized.*** Performance of those later phases is subject to a number of risk factors. Key risk factors in the underwriting include land value revenues (including the allocation between development rights payments used to reimburse the Project sponsor and annual ground rent revenue going to the Port), special tax rates and public financing proceeds, bond timing and amounts, future development cost, and development timing of future Project phases.
3. ***A shift of 10 affordable units from 150 percent of area median income (AMI) to 55 percent of AMI makes Phase 1 infeasible.*** At the Port's request, EPS analyzed the effect of an affordability shift resulting in the \$7.5 million land value reduction. Given the existing architecture of the model, this change reduces the Phase 1 internal rate of return (IRR) below the minimum 18 percent threshold, as shown in **Table 1**.

Port Revenue Forecast Summary

EPS has prepared a revenue forecast for the Port. The forecasted cash flow is prepared through 2094 and consists of a range of sources that are included in the Project Sponsor's underwriting as well as additional estimates generated by EPS. The cash flow summary is shown in **Table 2** and is estimated to result in nominal dollar revenue of \$1.77 billion, equivalent to \$190 million in net present value terms discounted at 6 percent.

Port revenue consists of ground rent, annual retail percentage rent and port transfer fees, Port horizontal participation, repayment for the land value and other IFD pledged development over a 45-year period, resiliency special tax pay-go revenue, other CFD special tax pay-go payments, and Pier 48 revenue. This revenue nets out developer participation estimated at about \$262 million in nominal dollars, a net present value of \$28.3 million assuming a discount rate of 6 percent.

Caveats

- While EPS is familiar with the financial deal structure and reviewed the Project Sponsor's most recent underwriting provided on August 27, EPS has not completed a full independent analysis and has not audited the underwriting framework.
- As part of the review, EPS has not conducted a market analysis and has not reviewed the underwriting for accuracy and consistency with market data from San Francisco. Market information has informed independent appraisals for the four Phase 1 parcels.
- With the exception of the affordable housing scenario described above, EPS has not conducted any sensitivities or stress testing of the updated model structure. EPS's review of the underwriting was limited to one meeting with the Developer team and reporting of the model outputs to the Port staff with the primary purpose of establishing a revenue forecast for the Port.

Table 1 Underwriting Sensitivity Results by Phase (affordable housing shift scenario)

Developer and Project Metrics	Entitlement	Phase 1	Phase 2	Phase 3	Phase 4	Total
Leveraged IRR	41.5%	14.9%	34.2%	29.8%	31.6%	21.7%
Horizontal Sponsor Equity Multiple	1.58x	1.76x	1.50x	1.50x	1.50x	1.64x
Peak Equity	\$29.3	\$93.8	\$18.9	\$19.8	\$24.7	\$186.5

Table 2 Port of San Francisco Annual Revenue Forecast from Mission Rock Development

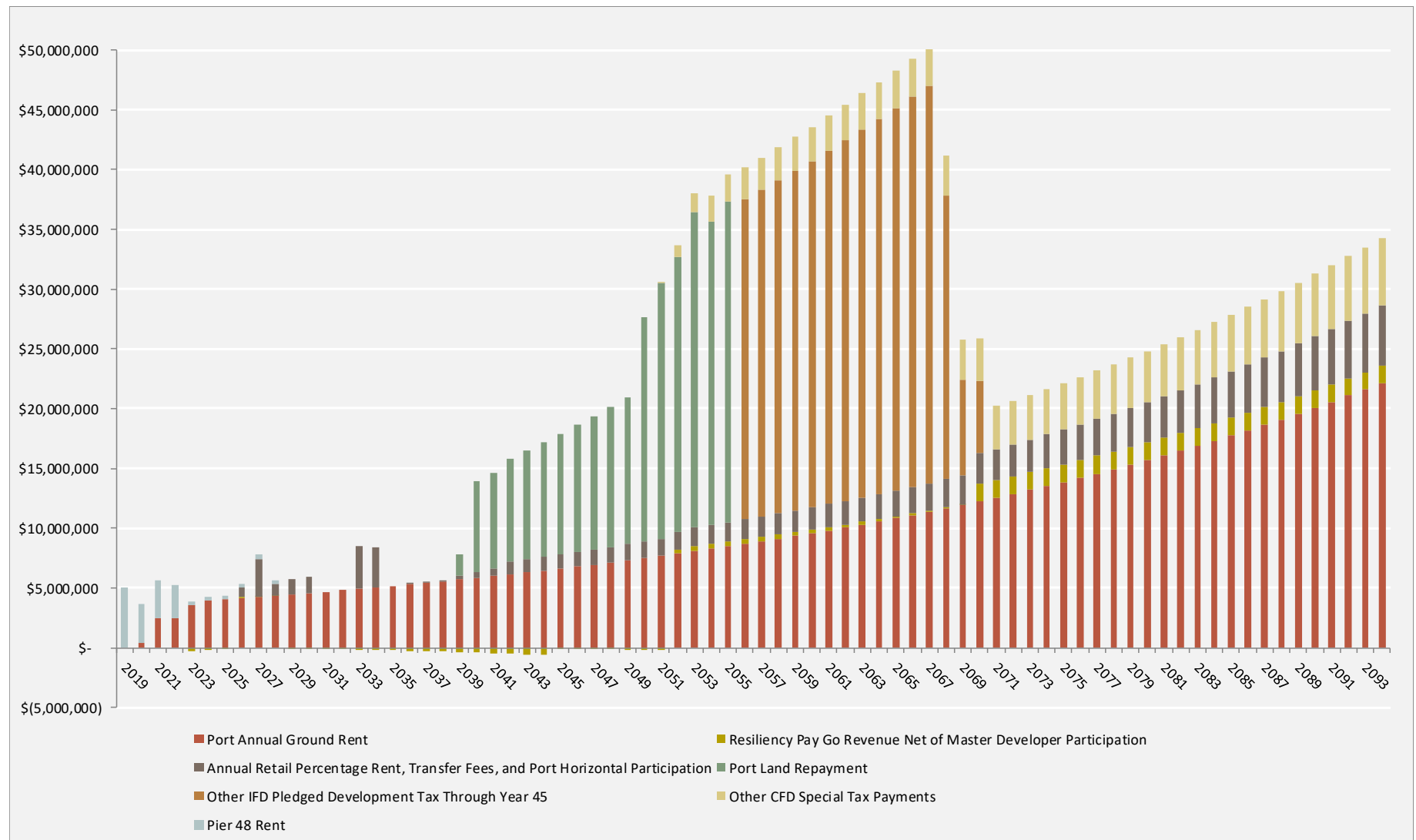


Exhibit 9. Cost Estimator Technical Memorandum

M LEE CORP

**SEAWALL LOT 337 -MISSION ROCK DEVELOPMENT
SAN FRANCISCO, CA**

**PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE
PER REVISED BUDGET AS OF AUGUST 2019**

**OWNER:
PORT OF SAN FRANCISCO**

**DEVELOPER:
SEAWALL LOT 337 ASSOCIATES, LLC**

Prepared for:
SEIFEL CONSULTING INC
369 Pine Street, Suite 350
San Francisco, CA 94104
Attn: Libby Seifel
Attn: Pierre Capeder

Prepared by:
M LEE CORPORATION (Subconsultant to Seifel Consulting Inc.)
Construction Management & Consulting
Cost Estimating & Scheduling
601 Montgomery Street, Suite 2040
San Francisco, CA 94111
Attn: Martin Lee, PE, CPE, CQS
Certified Professional Estimator
Professional Civil Engineer, Chartered Quantity Surveyor

Dated: 09/19/2019 r2

file: 1042 SWL 337

**SEAWALL LOT 337 -MISSION ROCK DEVELOPMENT
SAN FRANCISCO, CA**

**PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE
ON PHASE ONE HORIZONTAL BUDGET DATED 4/2019**

Table of Contents:	Page No.
Cover & Contents	1-2
Estimate Review/Evaluation Report	3-11
Developer's Proposed Budget/Estimate, Attached	12-13
Layout Plan	14
Attached-Reviewer Profile	15

Dated: 09/19/2019 r2

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

1) This Estimate Review Report Covers the Following Key Areas:

- 1.1 Scope: To evaluate if the estimate scope matches the scope of the defining documents. Any variations will be listed with a rough-order-of magnitude estimate.
- 1.2 Quantities: To evaluate if the quantities are reasonably in line with the defining documents.
Major items will be checked against the available documents. Any variations will be listed with a rough-order-of magnitude estimate.
- 1.3 Unit Rates: To comment if the pricing matches with the quality of work, current market conditions, working conditions and other special requirements of the project. Any variations will be listed with a rough-order-of magnitude estimate.
- 1.4 Extensions: To check the math for accuracy
- 1.5 Basis of Estimate: To comment on the assumed market conditions, markups and other assumptions and qualifications.

Please note that :

- 1.6 This Estimate Review should not be considered as an independent cost estimate (it is just for checking purposes).
- 1.7 Our findings and conclusions are compatible with the time limit allocated to this "Estimate Review " effort.
- 1.8 Our review is on the total scope and not on individual quantities for each phase.
- 1.9 The estimated cost impacts has been prepared using accepted estimating practices and it represents our opinion of probable construction costs based on a fair-market competitive bidding situation. Since we have no control over market conditions and other factors which may affect the bid prices, we cannot and do not warrant or guarantee that the bid or final cost will not deviate from our estimated cost.

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

2) Basis of Estimate Review Report-Defining Documents:

Our Estimate Review has been based on the following:

- 2.1 Mission Rock Phase 1 Horizontal Hard Cost Budget dated Aug 6, 2019 based on the Revised Estimate by Granite Construction (July 18, 2019).
filename: 190806 MR Horizontal_HC Budget r07.1 Granite update for ProForma - TO PORT
- 2.2 Mission Rock_Phase 1 SIP plans, dated 6/17/2019, a total of 283 sheets.
- 2.3 Mission Rock_Phase 1 Specifications, dated 6/17/2019, a total of 375 pages.
- 2.4 190628_CBP SD Pricing Package, dated 6/28/2019, a total of 27 sheets.

3) In coming up with our estimate review comments or questions, we have performed the following major tasks:

- 3.1 Review the documents listed above for cost impacts.
- 3.2 Check the scope of work, quantities and unit prices contained in the Estimate, focusing on major cost items.
- 3.3 Review unit prices, assumptions, qualifications and exclusions contained in the Estimate.

Note the following terms:

Developer or Proposer refers to Tishman Speyer

CM/GC or Contractor refers to Granite Construction

4) REVIEW DETAILS

General - The following table summarizes the proposer's Phase 1 Horizontal Hard Costs Draft Budget as of August 2019 per Developer's Summary to Port (see attached)

<u>SITE</u>	<u>DESCRIPTION</u>	<u>TOTAL \$</u>
000	PREP & GRADING	\$13,744,835
001	UTILITIES	\$13,413,225
002	STREETSCAPE	\$4,123,109
003	INTERIM FINISHES	\$1,124,588
004	CHINA BASIN PARK	\$27,397,300
<hr/> SUBTOTAL		<hr/> \$59,803,058

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
 PHASE 1 HORIZONTAL HARD COSTS
 REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

*ADDITIONAL ITEMS	\$3,909,273
GENERAL CONDITIONS	\$3,232,549
GENERAL REQUIREMENTS	\$1,431,182
<hr/>	
TOTAL DIRECT COST OF WORK	\$68,376,061
INDIRECT COSTS & MARK-UPS	
CONTINGENCY	\$4,762,473
OH&P (FEE)	\$6,837,606
BONDS & INSURANCE	\$46,518
GRT	\$34,555
<hr/>	
SUBTOTAL INDIRECT	\$11,681,152
TOTAL GMP HARD COSTS	\$80,057,213
OWNER DIRECT	\$5,164,835
OWNER CONTINGENCY	\$4,261,102
<hr/>	
TOTAL HARD COSTS	\$89,483,150

*Additional Items Include Staging, LCC Pilot, Temporary Power, Surfacing, Potholing, LBE, BIM Modeling

4.1 Scope

The scope listed in Developer's estimate generally matches the scope of the defining documents except for the following items, which should be checked and adjusted if needed:

- 4.1.1 NPW system is shown on the drawings but not included in the estimate. From the drawings, we come up with a total of 1,200 LF of 8" NPW pipe. Assuming a unit cost of \$120/LF, cost impact is \$144,000.

Estimated cost impacts: (144,000)

- 4.1.2 Where is the Gate Valve for utilities other than LPW? Total quantity from our quantity take off is 19. Assuming a unit cost of \$3,000/ea, cost impact is \$57,000.

Estimated cost impacts: (57,000)

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
 PHASE 1 HORIZONTAL HARD COSTS
 REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

- 4.1.3 Where is the 2" conduit for communication in the budget? Total quantity from drawings is 1,990 LF. Assuming a unit cost of \$15/LF, cost impact is \$34,000.
- Estimated cost impacts: (34,000)
- 4.1.4 Where is the E5 street lighting? Total quantity is 9. Assuming a unit cost of \$12,000/ea, cost impact is \$108,000.
- Estimated cost impacts: (108,000)
- 4.1.5 Where is the 8" PCC underneath the paver? Total quantity is about 74,000 SF. Assuming a unit cost of \$400/CY (= \$9.88/SF), cost impact is \$731,000.
- Estimated cost impacts: (731,000)

(A) Subtotal Due to Scope Variance (\$1,074,000)

4.16 Note: Disposal of excavated material at \$2,047,500 for 80,000 ton which is equal to only \$26/ton appears very low. The bids received from all 5 bidders ranges from \$5.7 million to \$8.8 million. The estimate from Granite is \$7.7 million. According to Developer (Steve Minden) during a negotiation with CM/GC, Developer has agreed to exclude any disposal of contaminated soil (i.e. not part of the GMP hardcost budget). Any disposal of contaminated soil will be extra to contractor outside the GMP budget. The \$26/ton is thus for disposal of clean soil, which appears to be reasonable.

4.2 Quantities

4.2 The quantities in Developer's estimate are generally in line with the referenced documents except the following items:

4.2.1 Stone column at development parcels - Developer's budget of \$3.4 million appears to be from 80,000 LF @ \$40/LF. CM/GC has 113,000 LF for a total of \$4.4 million, or at about \$38.67/lf. Our rough quantity take off shows 89,000 LF. Assuming CM/GC is going to buy out the work at their proposed budget, then the cost impact would be \$1 million short from Developer's budget. Please check.

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
 PHASE 1 HORIZONTAL HARD COSTS
 REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

	Estimated cost impacts:	(\$1,000,000)
4.2.2	LCC Above elev. 99.5 Class III closed cell - CM/GC has 23,000 CY, whereas our rough quantity take off shows only 14200 CY. Please check.	
	Estimated cost impacts: 8,800 CY @ \$84.86 =	\$747,000
4.2.3	Planter strips with structural soil - CM/GC has 3500 CY, whereas our quantity take off shows only 3000 CY. Please check.	
	Estimated cost impacts: 500 CY @ \$189.64 =	\$95,000
4.2.4	4" conduits - CM/GC has 9,400 LF, whereas our quantity take off shows only 5,300 LF. Please check.	
	Estimated cost impacts: 4,100 LF @ \$8.12 =	33,000
4.2.5	Street lighting E1 - CM/GC has 35 whereas our quantity take off shows only 17. Please check.	
	Estimated cost impacts: 8 @ \$10,137.06 =	182,000
4.2.6	Street lighting E2 - CM/GC has 11 whereas our quantity take off shows 40. Please check.	
	Estimated cost impacts: -11 @ \$9,187.82 =	(266,000)
4.2.7	Street lighting E3 - CM/GC has 7 while it is not shown on the drawings. Please check.	
	Estimated cost impacts: 7 @ \$3553.30 =	25,000
4.2.8	16" BCW (Bay Condenser Water) piping - CM/GC has 1,262 LF, whereas our quantity take off shows only 800 LF. Please check.	
	Estimated cost impacts: 462 LF @ \$250.66 =	\$116,000
4.2.9	8" RW (Recycled Water) main - CM/GC has 1,262 LF, whereas our quantity take off shows 3,409 LF. Please check	
	Estimated cost impacts: -2147 LF @ \$211.78 =	(\$455,000)
4.2.10	Joint trench - CM/GC has 2,350 LF, whereas our quantity take off shows only 1,280. Please check.	

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
 PHASE 1 HORIZONTAL HARD COSTS
 REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

Estimated cost impacts: 1070 LF @ \$225.00 = \$241,000

(B) Subtotal Due to Quantity Variance (\$282,000)

4.3 Unit Rates/Prices

The pricing in Developer's estimate generally matches with the type of project, quality of work and current market conditions except those items listed below:

4.3.1 Lightweight Cellular Concrete 60,000 CY at \$70/CY-unit cost appears low. We would expect it be in the order of \$80/CY. Please check.

Estimated cost impacts: 60,000 SF @ \$10.00 = (\$600,000)

4.3.2 Street Lighting at \$1,005,281 appears high. CM/GC has 53 street lights of various type while our quantity take off from the drawings shows a total of 66 lights. Given the average cost of \$12,000 each, the total cost should be \$792,000.

Estimated cost impacts: \$1,005,000-\$792,000 \$213,000

(C) Subtotal Due to Unit Price Variance (\$387,000)

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
 PHASE 1 HORIZONTAL HARD COSTS
 REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

4.3 Direct Cost Summary:

Total Direct Cost per Developer's Estimate	\$68,376,061
Total Estimate Variance for Direct Cost (A+B+C)	(\$1,743,000)

Percentage of variance	-2.55%
------------------------	--------

This variance of 2.55% for identifiable scope, quantiles and unit costs in the estimate is considered to be within a reasonable and acceptable range at this early phase of the project.

4.4 Extensions:

We checked the math in the estimate and have not found any math errors.

4.5 Markups

4.1.1 The markups (or Indirect) as a percentage of Direct Cost are tabulated below:

TOTAL DIRECT COST OF WORK	\$68,376,061
INDIRECT COSTS & MARK-UPS	
CONTINGENCY	7.0%
OH&P (FEE)	10.0%
BONDS & INSURANCE	0.1%
GRT	0.1%
<hr/>	
SUBTOTAL INDIRECT	17.1%

The above markups (Indirect Costs) appear to be fair and reasonable except for the Bond & Insurance. We would expect it be in the order of 0.5% to 1.0% with OCIP. According to Developer, the amount is from CM/GC. Developer is going to check this item with CM/GC.

4.5.2 Contingency & Allowances

There are two items for Contingency listed:

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

a) Contingency as part of the Indirect Cost at 7% of total Direct Cost. This appears low due to higher risk working underground work. We suggest increasing it to 10%.

b) Owner's Contingency at 5% of Total GMP Hard Cost for scope outside of GMP - This appears to be low. We suggest increasing it to 8%, or an additional of \$2.1 Million.

4.5.3 Cost Escalation - Time Value for Money

The total hard cost budget of \$89,483,150 does not include any cost escalation from current cost of 2019. Instead Developer has included an escalation at 0.25% per month escalation in its Pro Forma to account for projected year of expenditure (YOE) dollars.

We believe cost escalation in construction in the next 2 to 3 years will continue to be a big concern as the construction industry has been booming. An escalation at 0.25% per month equals to amount 3% per year. Based on the current and projected construction market in the next 2 to 3 years, this appears to be in the low end of escalation. A more likely projection is 4% to 5% per year.

Note: our review does not include the review of the Pro Forma. The review of Pro Forma is expected to be done by others.

4.6 Basis of Estimate

4.6.1 Reference Documentation

See Section 2 above

4.6.2 Basis for Pricing

Per Budget Estimate from Developer with filename:
190806 MR Horizontal_HC Budget r07.1 Granite update for
ProForma - TO PORT.xls

4.6.3 Exclusions

The following items are specifically excluded from Developer's estimate/budget:

4.6.3.1 Escalation cost (all prices for the Hard Costs are in 2019 dollars)

**SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE**

Dated: 09/19/2019 r2

- 4.6.3.2 In China Basin Park, no mitigation of liquefaction, lateral spread, slope stability
- 4.6.3.3 Extra underground conditions
- 4.6.3.4 Abatement of contaminated soils including disposal cost

The above exclusions should be further evaluated by Developer, and if needed, appropriate allowances should be carried in the budget.

5) CONCLUSIONS AND RECOMMENDATIONS

Based on our review as listed above, it is our opinion that we do not believe that Developer's estimate of Horizontal Development Costs in the proposed Phase Budget is commercially unreasonable or inconsistent with the Project Requirements.

We recommend that Developer and Owner to review the above review especially with respect to the escalation exposure, excluded items and allowances and resolve any outstanding items as soon as possible.

Mission Rock - Phase 1 Horizontal Hard Costs

Draft Budget

As of August 2019

Item	Updated Phase 1 Phase Budget	Comment
Prep & Grading		
Demolition and Prep work	\$ 641,243	To be Updated
Excavation (incl. shoring & dewatering)	2,547,929	To be Updated
Disposal of excavated material	2,027,500	To be Updated
Stone Columns	3,369,540	To be Updated
Lightweight Cellular Concrete	4,494,884	To be Updated
Planter Strips	663,740	To be Updated
Subtotal Prep & Grading	\$ 13,744,835	
Utilities		
Storm Drain	\$ 1,926,244	To be updated
SS	1,429,138	To be updated
LPW	1,298,683	To be updated
AWSS	1,767,204	To be updated
RW	413,205	To be updated
Joint Trench	536,811	To be updated
Electrical	479,767	To be updated
Gas	478,176	To be updated
Comm	101,912	To be updated
Street Lighting	1,005,281	To be updated
District Energy piping	2,901,826	To be updated
Other	1,074,979	
Subtotal Utilities	\$ 13,413,225	
Streetscape		
Curb, & Gutter, PCC & AC paving	\$ 1,193,735	To be Updated
Pedestrian Paving	1,846,794	To be Updated
Street Trees	718,503	To be Updated
Street Furnishings	364,076	To be Updated
Subtotal Streets	\$ 4,123,109	
Interim Finishes		
Temporary Facing and Guardrail at Future Block	\$ 333,995	To be Updated
Temporary Paving , Ramp & Traffic Control	130,003	To be Updated
Temporary Bleachers & Finishes @ MRS	495,589	To be Updated
Temporary Street Lighting	165,000	To be Updated
Subtotal Interim Finishes	\$ 1,124,588	

Mission Rock - Phase 1 Horizontal Hard Costs

Draft Budget

As of August 2019

Item	Updated Phase 1 Phase Budget	Comment
China Basin Park		
Prep, & Grading	\$ 7,783,135	To be updated
Utilities	2,597,548	To be updated
Landscape & Hardscape Finishes	12,740,658	To be updated
Food Pavilion	1,400,000	To be updated
Small Boat Launch	0	To be updated
Rental Kiosk	300,000	To be updated
Lighting	2,575,959	To be updated
Subtotal China Basin Park	\$ 27,397,300	
Additional Items	\$ 3,909,273	Staging, LCC Pilot, Temporary Power, Surfacing, Potholing, LBE, BIM Modeling
General Conditions	3,232,549	To be updated
General Requirements	1,431,182	To be updated
SUBTOTAL DIRECT COST OF WORK	\$ 68,376,061	
Indirect Costs & Mark-ups		
Contingency	\$ 4,762,473	To be updated
OH&P (Fee)	6,837,606	To be updated
Bonds & Insurance	46,518	To be updated
GRT	34,555	To be updated
Subtotal Indirects	\$ 11,681,152	
TOTAL GMP HARD COSTS	\$ 80,057,213	
Owner Direct	\$ 5,164,835	
Owner Contingency	\$ 4,261,102	To be updated
TOTAL HARD COSTS	\$ 89,483,150	

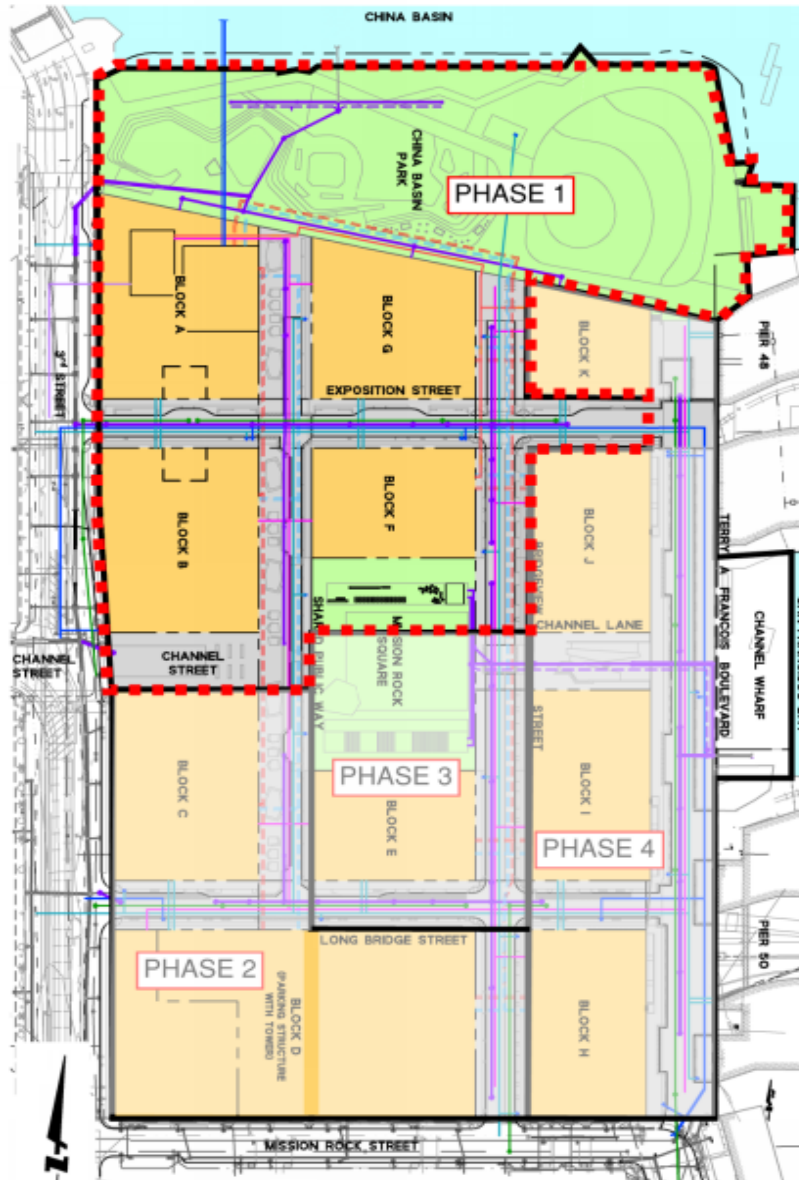
SEAWALL LOT 337 - MISSION ROCK DEVELOPMENT
PHASE 1 HORIZONTAL HARD COSTS
REVIEW OF DEVELOPER'S PHASE BUDGET ESTIMATE

Dated: 09/19/2019 r2

EXHIBIT 2A

Project Scope: Phasing Diagram – Phase 1

Please review the following project scope information for overall Project Phasing.



M LEE CORPORATION

Construction Management & Consulting
Estimating & Scheduling
Since 1992

M Lee Corporation

M Lee Corporation was established in the San Francisco Bay Area in 1992 to provide quality construction cost estimating, scheduling and construction, program and project management support services. Since its incorporation, M Lee Corporation has provided professional construction services for over 1,300 projects with an estimated value of over \$30 billion, spanning all services and disciplines, scopes and sizes. Having worked in the San Francisco Bay Area over the last 26 years, our knowledge of the local construction market has proved to be a valuable asset to our clients.

Key Professionals

Martin Lee

Founding principal and chief estimator of M Lee Corporation, Martin is a professional civil engineer (PE), chartered quantity surveyor (CQS), and certified professional estimator (CPE) by ASPE with over 35 years of practical experience in construction cost management and consulting services in the San Francisco Bay Area. Prior to establishing M Lee Corporation, Martin gained extensive experience working with a renowned general contractor/construction management firm and an international cost consulting firm. Working on over 1,300 projects with an estimated construction value of over \$30 billion, Martin is knowledgeable of local construction practice and pricing. He enjoys and excels in construction cost and schedule management.

Franklin Lee

Principal and project manager/senior cost estimator of M Lee Corporation, Franklin is a professional civil engineer (PE), LEED accredited professional and certified estimating professional (CEP) by AACE. Franklin holds a B.S. in Civil and Environmental Engineering from University of California, Berkeley and a M.S. in Construction Engineering and Management from Stanford University. Prior to joining M Lee Corporation Franklin worked for a nationally renowned general contractor/construction management firm. He has provided cost estimating, scheduling and project management services on over 500 projects in the San Francisco Bay Area over the past 10+ years.

Contacts

Martin Lee, PE, CPE, CQS

Office: (415) 693-0236

Mobile: (415) 298-2136

Email: mlee@mleecorp.com

601 Montgomery Street, Suite 2040

San Francisco, CA 94111

Franklin Lee, PE, CEP, LEED AP

Office: (415) 693-0236

Mobile: (415) 999-5629

Email: flee@mleecorp.com

601 Montgomery Street, Suite 2040

San Francisco, CA 94111

Exhibit 10.



525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

September 19, 2019

Via e-mail communication

Elaine Forbes, Executive Director
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Re: Mission Rock Project and Mission Rock Utilities, Inc.

Dear Ms. Forbes:

A new mixed-use neighborhood is being developed within the City of San Francisco called the Mission Rock Project, which will include market and affordable rental housing, parks and open space that will be owned by the Port of San Francisco, and public waterfront access, as well sea level rise resiliency and adaptation features and historic rehabilitation of Pier 48 (the "Mission Rock Project" or the "Project"). The SFPUC understands that the owner of the common areas under this Project will be a master association, which will be formed in conjunction with the Project.

As with all new commercial, multi-family, and mixed-use development projects of 250,000 square feet or more, the Mission Rock Project must comply with the Onsite Water Reuse for Commercial, Multi-family, and Mixed-Use Development Ordinance, commonly known as the Non-potable Water Ordinance ("Ordinance"), and codified in Article 12C to the San Francisco Health Code. Onsite water reuse systems help support efforts to implement sustainable water practices in San Francisco and to reduce burdens on the San Francisco Public Utilities Commission ("SFPUC") water supply.

Under Article 12C, the Mission Rock Project is required to install and operate an onsite non-potable water system to treat and reuse available rainwater, graywater, and foundation drainage for toilet and urinal flushing and irrigation. The SFPUC understands that the Mission Rock Project is planning a district-scale blackwater treatment system to comply with the Ordinance. The proposed district-scale blackwater treatment system is anticipated to be sized for a total capacity of 50,000 gallons per day and will serve all toilet flushing, irrigation, and cooling demands for the Project, including the common areas within the Project.

London N. Breed
Mayor

Ann Moller Caen
President

Francesca Vietor
Vice President

Anson Moran
Commissioner

Sophie Maxwell
Commissioner

Tim Paulson
Commissioner

Harlan L. Kelly, Jr.
General Manager

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



For district systems, Section 12C.4(c)(4) of Article 12C requires:

“the ongoing operation and maintenance responsibilities of the Responsible Party to be held by the owner of the common areas within the District Development Project, and may be transferred to a homeowners association or similar entity that maintains the common areas within the District Development Project.”

The SFPUC further understands that: (1) the developer is the Responsible Party for the Mission Rock Project; (2) the responsibility for the ongoing operation and maintenance of the planned blackwater system will be transferred to a master association, which will be formed in conjunction with the Project; (3) a new nonprofit corporation, to be known as Mission Rock Utilities, Inc., will be formed to operate and maintain the blackwater treatment system; and (4) a service agreement will be executed between the master association and Mission Rock Utilities, Inc. The Mission Rock Project will provide SFPUC a copy of the agreement(s) setting forth each of the parties’ obligations, rights, and authority related to the Project and acknowledging that the owner of the common areas (i.e. master association), not Mission Rock Utilities, Inc., is responsible for complying with the Ordinance for the life of the development.

The SFPUC agrees that sustainability, water conservation and renewable energy goals for the Mission Rock Project can be met through the formation of a new nonprofit entity to assist the developer and its successors in fulfilling their responsibilities to the Mission Rock Project and the City’s water supply sustainability goals.

Sincerely,



Michael P. Carlin
Deputy General Manager/Chief Operating Officer
San Francisco Public Utilities Commission