

## MEMORANDUM

January 7, 2016

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

**FROM:** Monique Moyer  
Executive Director

**SUBJECT:** Request approval of Memorandum of Understanding (MOU) between the Port of San Francisco (Port) and the San Francisco Public Utilities Commission (SFPUC) for technical review of utility plans and assistance during the pre-development period for the Pier 70 28-Acre Site and Illinois Street Parcels

**DIRECTOR'S RECOMMENDATION:** Approve Attached Resolution

---

### Executive Summary

This staff report requests Port Commission approval for Port Executive Director Monique Moyer to enter a Memorandum of Understanding (MOU) with the San Francisco Public Utilities Commission (SFPUC) for review of utility plans for the new neighborhood planned for Pier 70.

This item supports the Port's Strategic Plan *Renewal* strategy, as follows:

*Prioritize three projects for 2020 – Pier 70, Seawall Lot 337/Pier 48 and the Blue Greenway – to create vibrant new neighborhoods for residents, commercial and industrial/PDR businesses and employees. Incorporate major new waterfront parks and public access while maintaining the integrity of industrial maritime berthing and ship repair operations.*

### Background

On May 28, 2013, the Port Commission adopted Resolution 13-20 endorsing a Term Sheet between the Port and Forest City Development California, Inc. ("Forest City" or "Master Developer") for the mixed use development of the 28 acre Pier 70 Waterfront

**THIS PRINT COVERS CALENDAR ITEM NO. 10D**

Site<sup>1</sup> (the “Waterfront Site”). On June 11 2013, the Board of Supervisors adopted Resolution 201-13 by 11-0 endorsing the Term Sheet between the parties.

On January 14, 2014, the Port Commission adopted Resolution 14-03 approving the First Amendment to the Exclusive Negotiating Agreement (ENA), authorizing reimbursement of Port and City transaction costs, among other changes to the ENA.

On March 25, 2014, Forest City presented its Pier 70 Waterfront Site waterfront parks design concept to the Port Commission. The design concept outlined strategies, program elements and design details for a series of parks, playgrounds and recreation spaces that will become a new amenity for the City’s central waterfront.

On June 3, 2014, San Francisco voters approved Proposition B, “Voter Approval for Waterfront Development” (59-41%), requiring voter approval for any increase in heights for property under the jurisdiction of the San Francisco Port Commission. In response to Proposition B, Forest City sought and obtained voter approval for Proposition F on the November 4, 2014 ballot (73-27%).

On November 17, 2014, Forest City submitted its Environmental Evaluation Application to the Planning Department, fulfilling its First Performance Benchmark for Phase 2 of the project.

Concurrent with environmental review of the proposed project under the California Environmental Quality Act, Forest City is now undertaking conceptual planning for Pier 70 sitewide infrastructure, including streets, parks and utilities to support the planned new neighborhood at Pier 70. This infrastructure planning work requires review of other City departments, including the SFPUC.

SFPUC and Port staff negotiated the terms of the proposed MOU for the pre-development period of the proposed project. After project approval, City department costs associated with the proposed project will be recovered through permit fees and through an Interdepartmental Cooperation Agreement (ICA) approved by participating City departments. A copy of the proposed MOU is on file with the Port Commission Secretary.

### **Proposed Port-SFPUC MOU Terms**

Term: The term shall begin October 1, 2015 and end when the Port Commission approves the DDA and the SFPUC approves the Pier 70 Development Agreement (Pier 70 DA).

---

<sup>1</sup> A copy of the Port Commission staff report, associated exhibits, and Resolution 13-20 is available at: <http://www.sfport.com/index.aspx?page=2295>

Purpose: SFPUC will provide technical review and assistance of the Master Utility Plans and other utility-related documents developed as part of the Pier 70 Disposition and Development Agreement (DDA) and Pier 70 DA.

Project Area: The proposed Pier 70 Mixed-Use District Project Site is an approximately 35-acre area bounded by Illinois Street to the west, 20<sup>th</sup> Street to the north, San Francisco Bay to the east, and 22<sup>nd</sup> Street to the south. The project site is south of Mission Bay South, east of the Potrero Hill and Dogpatch neighborhoods, and within the northeastern portion of San Francisco's Central Waterfront Plan Area. In addition, the majority of the project site is located within the 69-acre Pier 70 area.

Budget: The Budget for the SFPUC technical review of pre-ICA utility-related documents, including Master Utility Plans for the Proposed Project is up to \$200,000, including time and materials. This Budget is an allocation for work performed by SFPUC, including its staff and consultants, including direct support from other City departments. SFPUC staff can only perform work as long as budget is available.

Description of Technical Assistance:

1. Attend project related meetings.
2. Perform technical review of utility-related documents.
3. Review Public Power feasibility.
4. Provide technical assistance on special issue areas including, but not limited to the following topics:
  - Storm Drain Design
  - Stormwater Design Guidelines  
Grading & Drainage
  - Sanitary Sewer Design
  - Potable Water Design
  - Regulatory and Permitting  
Requirements
  - Recycled Water Systems
  - Fire-Suppression Requirements
  - Placement of Underground  
Utilities
  - Subdivision Regulations
  - Infrastructure Phasing
  - Infrastructure Acquisition  
Processes
  - Power-Related Infrastructure
  - Street Lighting
  - Stormwater BMP Maintenance
  - Ongoing Maintenance
  - Project Sustainability Goal

All MOU-related costs will be eligible for cost-recovery from Forest City under the ENA between Forest City and the Port.

**Recommendation**

Ports staff recommends that the Port Commission approve and authorize the Executive Director or her designee to execute an MOU between the Port and SFPUC for Pier 70 utility review as described in this report.

Prepared by: Brad Benson  
Director of Special Projects

For: Byron Rhett  
Deputy Director of Planning and Development

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

**RESOLUTION NO. 16-04**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco (City); and
- WHEREAS, The Port owns approximately 28 acres at the Pier 70 Waterfront Site, bordered generally by 20th Street, Michigan Street, 22nd Street, and the San Francisco Bay (the “28 Acre Site”), which is the subject of an Exclusive Negotiating Agreement between Forest City Development California, Inc. (“Forest City”) and Port approved by the Port Commission by Resolution 11-49 (the “Original ENA”); and
- WHEREAS, The Port intends to rehabilitate or redevelop significant portions of Pier 70 and has selected Forest City to act as master developer for the 28-Acre Site, to initiate rezoning and development of design standards and controls for a multi-phased, mixed-use development for a Special Use District encompassing the 28-Acre Site and 7 acres of adjacent parcels owned by the Port and Pacific Gas & Electric along Illinois Street (“Illinois Street parcels”) (collectively, the “Project Site”); and
- WHEREAS, As envisioned, the proposed Pier 70 Mixed-Use District Project (“Proposed Project”) on the Project Site would include market-rate and affordable residential uses, commercial-office, retail, light industrial-arts use, parking, infrastructure development, including street improvements, and public open space; and
- WHEREAS, With the adoption of Board of Supervisors Resolution 201-13 endorsing the project term sheet (“Term Sheet”), Forest City as master developer successfully completed Phase 1 of the Original ENA; and
- WHEREAS, The Port Commission approved Resolution 14-03 on January 10, 2014, establishing new milestones for the Proposed Project and authorizing reimbursement of Port and City transaction costs from Forest City, among other changes to the ENA; and
- WHEREAS, On November 17, 2014, Forest City submitted its Environmental Evaluation Application to the Planning Department, fulfilling its First Performance Benchmark for Phase 2 of the Proposed Project; and
- WHEREAS, Concurrent with environmental review of the proposed project under the California Environmental Quality Act (“CEQA”), Forest City is now

undertaking conceptual planning for Pier 70 sitewide infrastructure, including streets, parks and utilities to support the planned new neighborhood at Pier 70; and

WHEREAS, This project infrastructure planning work requires review by other City departments, including the San Francisco Public Utilities Commission (“SFPUC”); and

WHEREAS, The Port and SFPUC staff have negotiated the terms of a proposed Memorandum of Understanding (“MOU”), a copy of which is on file with the Port Commission Secretary, providing for SFPUC cost-recovery from the Port not to exceed \$200,000, including staff time and consultant costs, for review of planned infrastructure improvements for the project during the pre-development period until the project is approved by the Port Commission and the Board of Supervisors, on terms consistent with those described in the staff Memorandum accompanying this resolution; and

WHEREAS, The costs associated with SFPUC infrastructure review under the proposed MOU would be recoverable by the Port from Forest City under the ENA, as amended; now, therefore, be it

RESOLVED, That the Port Commission hereby approves the proposed MOU between the Port and SFPUC on terms substantially consistent with those described in the attached Memorandum; and be it further

RESOLVED, That following approval by the General Manager of the SFPUC, the Port Commission hereby authorizes the Executive Director of the Port, or her designee, to execute the proposed MOU on terms substantially consistent with those described in the attached Memorandum; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the MOU that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents; and be it further

RESOLVED, That the Port Commission will not take any discretionary actions committing the Port to implement the Proposed Project unless and until the Port Commission and the Planning Commission have reviewed and considered environmental documentation prepared in compliance with CEQA for the Project and the Project has been approved.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 12, 2016.***

---

Secretary