

**Mission Bay Open Space
Joint Community Facilities Agreement
Agency Lease Termination**

November 7, 2023



Requested Commission Action

- **Approval of Joint Community Facilities Agreement and Agency Lease Termination:**
 - Recreation and Parks Department (“RPD”) and
 - Port of San Francisco (“Port”)



Overview

- Background on Mission Bay Open Space
- Community Facilities District No. 5 (CFD No.5)
- Dissolution\Property Management Plan
- Department of Finance (DOF) required Ground Lease Termination
- Joint Community Facilities Agreement
- Maintenance and Operational Standards
- Community Outreach
- Next Steps
- Questions



MB Open Space Background

- Mission Bay open space (41.5 acres) is developed under the Redevelopment Plan and Owner Participation Agreement (OPA). Expires in 2028.
- Community Facilities District (CFD) #5 was created to fund maintenance and operations of the Mission Bay open space. Expires in 2044.
- City and Port own Mission Bay open space parcels which are ground leased to OCII. Expires in 2046 (latest).
- June 6, 2023. OCII Commission approved MOAs with RPD and Port to manage Mission Bay Open Space for 6 months while Lease Termination and Agreement were finalized.



Mission Bay Open Space

- Port owned = ~ 13.2 acres
- City owned = ~ 28.3 acres

- Owner Participation Agreement (“OPA”) obligates Master Developer to provide **41.5 acres of Open Space**



- Under Construction
- Complete
- Future
- Port Owned

*All other Parcels owned by City

Community Facilities District No. 5 (CFD No. 5)

- One of three Mello-Roos special tax districts in Mission Bay
 - CFD #5 MBN & MBS Open Space Maintenance
 - CFD #4 MBN Infrastructure
 - CFD #6 MBS Infrastructure
- CFD 5# ends 2044
- CFD funds can only be spent in Mission Bay

CFD No. 5 continued

- The annual assessment amount increases at lesser of CPI or 5.5%
- Annual CFD assessments have covered the cost of operation and maintenance of the completed parks.
 - 24 acres out of 41.5 acres have been built.
- FY 2023-24 the budget exceeds the annual CFD assessment.
 - Additional Parks
 - City Labor costs
 - General cost inflation
- Fund balance covers shortfalls until 2029.

Dissolution/Property Management Plan

- State mandated Dissolution of the Redevelopment Agency requires OCII to terminate its ground lease with the City and Port.
- Long Range Property Management Plan (“PMP”) created framework and timeline to terminate the ground lease
- PMP Workshops/Approvals
 - Commission and CAC workshops and approvals Aug & Oct 2013
 - Oversight Board Approvals Nov. 2013 and Nov. 2015
 - DOF Approval Dec 2015



Termination of the Ground Lease

- Working with RED, RPD, the Port and DPW
- Master Developer, FOCIL-MB, provided consent on 10/20/23
- OCII still responsible for oversight of the development of future parks

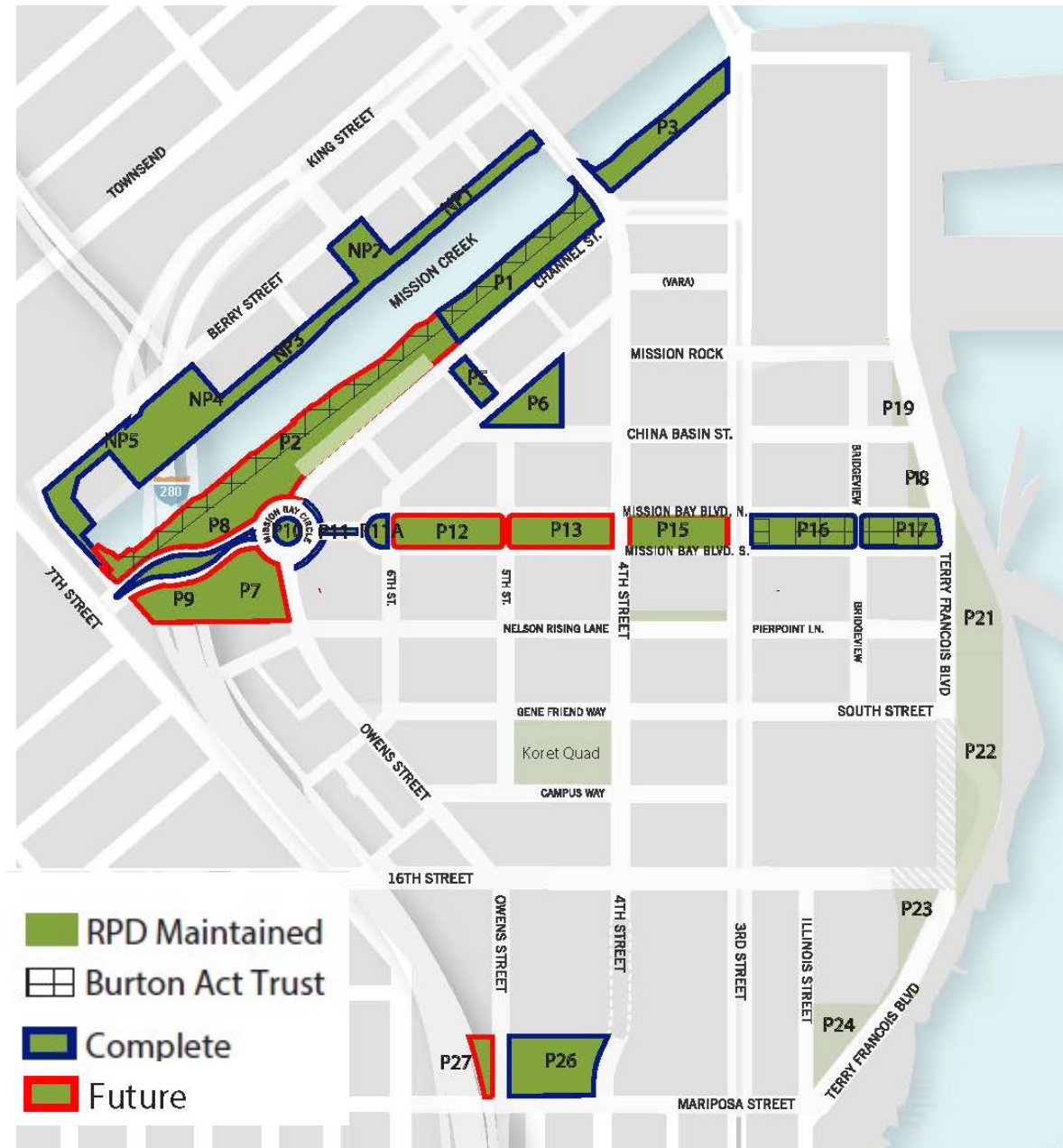


Joint Community Facilities Agreement

- CFD #5 funding administered by OCII
 - Annual CFD #5 budget approved by OCII Commission
- Designates Parks to be managed
- Term – 2044 when CFD #5 ends
- Maintenance and Operational Standards



Parks Managed by Rec Park



Parks Managed by the Port



Maintenance and Operation Standards

- Management and General Operations
- Landscape Maintenance
- Janitorial
- Security
- Special Events Management
 - RPD Reservations will be part of City wide system.
 - Port is enhancing their reservation system
- Applicability: All existing and future parks



Community Discussions

- 9 CAC meetings Jan 2022-Sept 2023
 - Sept 2023 CAC meeting unanimously approve current action.
- 3 CAC subcommittee meetings Jan 2022-March 2022
- 1 OCII Commission Hearing June 2023

BOS, RPD, Port Actions

- Port Commission approval 10/10/23
- Rec Park Commission approval 10/19/23
- BOS – Legislation/Resolution introduced 10/31/23



Next Steps

- December 2023 – BOS Lease Termination and Joint Community Faculties Agreement
- Early 2024 - BOS; street vacations & City transfer to Rec Park



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**Thank you
&
Questions**