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August 7, 2026

To:
President Stephen Engblom
Vice President Ken McNeely
Commissioner Willie Adams
Commissioner Vanessa Tapia Hartigan
Commissioner Rich Lee

From:
Michael Martin, Executive Director

DocuSigned by:
Michael Martin
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Subject:
Request approval of a proposed no-fee License No. 17484 with CP Development Co., LLC for approximately 36,300 square feet of non-contiguous unimproved and submerged land within the Candlestick Point Development site on a portion of Gilman Avenue and adjacent shoreline property land for an eight-year term after recovery of Port costs.

Executive Director's Recommendation:
Approve the Attached Resolution No. 26-41

EXECUTIVE SUMMARY

The Candlestick Point and Hunters Point Shipyard Phase 2 project ("Project"), led by CP Development Co., LLC ("Developer") pursuant to various agreements with the Office of Community Investment and Infrastructure ("OCII"), is a multi-phase, mixed-use development located on approximately 700 acres of property commonly referred to as Candlestick Point and the former Hunter's Point Shipyard site. The Project will deliver up to 10,672 new homes, approximately 32% of which will be affordable, 4.9 million square feet of commercial uses, over 300 acres of parks and open space, including a major renovation of the Candlestick State Recreation Area, and significant jobs and community benefits to the surrounding community.

The Project site includes properties owned by multiple public agencies that are subject to the public trust, including 10.8 acres of Port land comprised primarily of former railroad right-of-way, paper streets and submerged lands. Under a 2011 Public Trust Exchange Agreement amongst the State Lands Commission, California State Parks, OCII, the City, and the San Francisco Port Commission ("Trust Exchange Agreement"), the Public Trust lands will be reconfigured in phases through a series of conveyances from various public agencies, including the Port, to the State and then to OCII.

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Following the Trust Exchange, the entire waterfront within the Project site, as well as certain interior lands that have high Public Trust values, will be subject to the Public Trust.

This fall, the Developer will commence construction of Major Phase 2, which includes the construction and installation of a storm drainage pipe and related infrastructure known as Outfall 2, as well as the future construction of Gilman Avenue utilities and roadway (collectively, "the Improvements"). The Improvements will traverse land owned by OCII, California State Parks, and the State Lands Commission, as well as approximately 36,300 square feet of unimproved Port land located in Gilman Avenue that is low-lying and subject to flooding and a piece of adjacent submerged land by the Bay (collectively, the "Port Property" or "License Area", as depicted on Exhibits A-1 and A-2).

Because conveyance of this Port Property under the Trust Exchange Agreement is not anticipated to occur until mid to late 2030's, the Developer is requesting a license from the Port for a period of eight years to construct and maintain the Improvements until the City accepts them.

Because the broader Project advances the Public Trust, the Improvements will reduce flooding risk, and License No. 17484 (the "License") will reduce Port maintenance and other liabilities associated with its property in this location, Port staff recommends that the Port Commission approve the License, waive the license fee, and require the Developer reimburse prior to commencement of the License term, the Port's costs incurred in negotiating, reviewing, processing, and executing the License.

STRATEGIC PLAN OBJECTIVES

The broader Project, as well as the Outfall 2 improvements, will address three of the Port's Strategic Plan goals, including:

Evolve: Enable infrastructure improvements necessary to support the continued transformation of the southeastern waterfront into a vibrant mixed-use community, advancing a more accessible, economically successful, and resilient waterfront;

Resilience: Support the delivery of critical stormwater infrastructure that will serve Candlestick Point Major Phase 2 and future development phases, helping to protect people, property, and public infrastructure through improved stormwater management and supporting the long-term resilience of the southeastern waterfront; and

Sustainability: Facilitate construction of modern stormwater infrastructure, including water quality treatment and trash capture facilities, that will improve stormwater management and help protect the environmental quality of San Francisco Bay while supporting sustainable waterfront development.

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BACKGROUND

The Project

At completion, the Project will deliver up to 10,672 residential units including approximately 32 percent affordable, approximately 4.9 million square feet of commercial space, more than 300 acres of parks and open space including a major renovation of the Candlestick State Recreation Area and supporting public infrastructure and community amenities.

The Project, originally approved in 2010 and most recently updated in 2024, is being undertaken by the Developer pursuant to various agreements with OCII, including the Disposition and Development Agreement for Candlestick Point and Phase 2 of the former Hunters Point Shipyard and the Trust Exchange Agreement. Under the Trust Exchange Agreement, public trust lands located within the Project Site will be reconfigured in phases through a series of conveyances from various public agencies, including the Port, to the State and then to OCII. Following the Trust Exchange, the entire waterfront within the Project Site, as well as certain interior lands that have high public trust values, will be subject to the public trust.

Since approval of the Project, the Developer has completed several significant milestones, including demolition of Candlestick Park, site preparation and utility improvements around a future innovation district (Candlestick Center). and the public infrastructure supporting the development of 337 affordable housing units within Candlestick Point Major Phase 1.

The Improvements

The next stage of development is Candlestick Point Major Phase 2, which will include the delivery of approximately 675 residential units (about 41% affordable) together with 1.2–1.5 million square feet of commercial development, supported by extensive new infrastructure including streets, utilities, parks, bicycle and transit facilities, and public improvements. The infrastructure work is expected to establish the development pads for subsequent residential and commercial construction and represents the first significant implementation phase of the long-planned redevelopment of the former Candlestick Point site.

Major Phase 2, as well as future development phases, will be supported by the construction of Outfall 2, a regional stormwater conveyance system that crosses the Port Property as well as property owned by OCII, California State Parks, and the State Lands Commission. A portion of the Port property (located on Gilman Avenue) is low-lying and subject to flooding, which has created ongoing maintenance and liability exposure for the Port.

Outfall 2 will consist of approximately 180 linear feet of reinforced concrete storm drainage pipe, a vegetated overland release swale, a release structure, cast-in-place access vaults, a trash capture system, and access road pavement. Construction of

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Outfall 2 will be preceded by a soil surcharge program to pre-load and consolidate soils along portions of the alignment.

The work at Gilman Avenue will primarily consist of grading and earthwork, including surcharge activities; minor grading along the south side of Gilman Avenue extending west to improve drainage and eliminate ponding; removal of an existing damaged drain inlet; and installation or repair of a drain inlet, including resetting the associated pipe to provide positive drainage from the low point.

The Port License

The Developer is seeking the License from the Port authorizing access to the Port Property for the construction and maintenance of Outfall 2 and future construction and maintenance work along a portion of Gilman Avenue owned by the Port. The proposed terms of the License include:

1. *Permitted Uses:* The License Area shall be used solely for the purpose of performing construction and maintenance activities in connection with the Improvements, together with all activities reasonably necessary or incidental thereto, as follows:

   (a) Inland License Area (Exhibit A-1). Within the Inland License Area depicted on Exhibit A-1, the Licensee may:

   - undertake a soil surcharge program;
   - relocate existing utilities;
   - construct and maintain the Improvements; and
   - perform all related activities reasonably necessary to complete such work.

   (b) Shoreline License Area (Exhibit A-2). Within the Shoreline License Area depicted on Exhibit A-2, the Licensee may:

   - construct shoreline protection improvements associated with Outfall 2; and
   - perform all related activities reasonably necessary to complete such work

2. Term: The proposed term of the License is eight (8) years, subject to permitted extensions. The Developer anticipates commencing construction of the Improvements in September 2026 with completion expected within the term of the License.

3. Maintenance and Repair: Developer will bear all maintenance and repair obligations associated with the Improvements and the License Area. Following completion of the work associated with Outfall 2, it is anticipated that the San Francisco Public Utilities Commission will accept responsibility for its operation and maintenance. Following completion of the work associated with Gilman Avenue, San Francisco Public Works will accept responsibility for its operation and maintenance.

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4. License Fee: None, in recognition of the Project's significant Public Trust benefits and the anticipated reduction in the Port's flooding-related maintenance and liability exposure.

5. Form of License: Other than the proposed waiver of the license fee, the License will generally remain unchanged from the Port's form of license.

STAFF ANALYSIS AND RECOMMENDATION

The proposed Improvements will reduce the Port's flooding-related maintenance and liability exposure while advancing the broader Project's public trust benefits. Accordingly, Port staff recommend approval of the License on terms described above, including waiver of the license fee, subject to reimbursement by the Developer of the Port's costs prior to commencement of the License term.

Prepared by:
Geoff Lewis
Senior Administrative Analyst

Through:
Scott Landsittel
Deputy Director of Real Estate and Development

For:
Michael Martin
Executive Director

Attachments:
Exhibit A-1: Inland License Area
Exhibit A-2: Shoreline License Area

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 26-41

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate, and control the lands within Port jurisdiction; and

WHEREAS, The Candlestick Point and Hunters Point Shipyard Phase 2 project (the "Project"), led by CP Development Co., LLC ("Developer") under various agreements with the Office of Community Investment and Infrastructure ("OCII"), is a multi-phase, mixed-use development located on approximately 700 acres at Candlestick Point and the former Hunters Point Shipyard and as further described in the staff report accompanying this Resolution; and

WHEREAS, The Developer intends to commence construction of Candlestick Point Major Phase 2, including construction of a regional stormwater conveyance system known as "Outfall 2" and construction of Gilman Avenue, of which approximately 36,300 square feet of non-contiguous unimproved and submerged Port property located in and adjacent to Gilman Avenue and submerged land at the Outfall 2 discharge area are owned by the Port (the "License Area"), as further described in the staff report accompanying this Resolution; and

WHEREAS, Developer and the Port are proposing to enter into License No. 17484 (the "License") for the License Area on terms described in the staff report accompanying this Resolution; and

WHEREAS, Following completion and acceptance of Outfall 2, the San Francisco Public Utilities Commission is expected to assume responsibility for its operation and maintenance and San Francisco Public Works will accept responsibility for the works associated with Gilman Avenue; and

WHEREAS, In recognition of the Project's significant Public Trust benefits and the anticipated reduction in the Port's flooding-related maintenance and liability exposure, Port staff recommends approval of the License without a license or use fee, subject to the Developer's reimbursement of the Port's costs; and

WHEREAS, On June 3, 2010, the San Francisco Planning Commission and the Commission of the former San Francisco Redevelopment Agency, by Motion No. 18097 and Resolution No. 59-2010, respectively, adopted findings for the Project pursuant to the California Environmental Quality Act (the "CEQA Findings"); and

WHEREAS, The Port Commission and the Board of Supervisors adopted environmental findings associated with their Project approvals by

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Resolution No. 10-40 on June 8, 2010, and Resolution No. 347-10 on July 27, 2010, respectively, each of which affirmed the CEQA Findings; and

WHEREAS, The actions contemplated in this Resolution are within the scope of the prior environmental analysis and no additional environmental review is required because (1) the actions contemplated herein do not involve new significant impacts not previously identified; (2) no new information has become available and no substantial changes to the Project or circumstances have occurred that show the Project would cause new significant environmental impacts or increase the severity of previously identified significant impacts; and (3) as a result, no additional environmental review is required beyond the environmental review previously conducted; now, therefore be it

RESOLVED, That for purposes of the approval actions in this Resolution, the Port Commission relies on the environmental findings approved in its Resolution No. 10-40 and Board of Supervisors Resolution No. 347-10; and be it further

RESOLVED, That the Port Commission hereby approves License No. 17484 with CP Development Co., LLC for the License Area on the terms described in the staff report accompanying this Resolution; and be it further

RESOLVED, That the Port Commission hereby approves a waiver of the license fee under the License, provided that the Developer reimburses the Port for all Port costs incurred in negotiating, reviewing, processing, and executing the License prior to commencement of the License term; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director, or the Executive Director's designee, to execute the License, any amendments thereto, and any other agreement necessary to effectuate the purpose of the License and this Resolution 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 reduce the benefits to the Port, and are necessary or advisable to complete the transaction which the License contemplates and to effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director or his designee of any such documents.

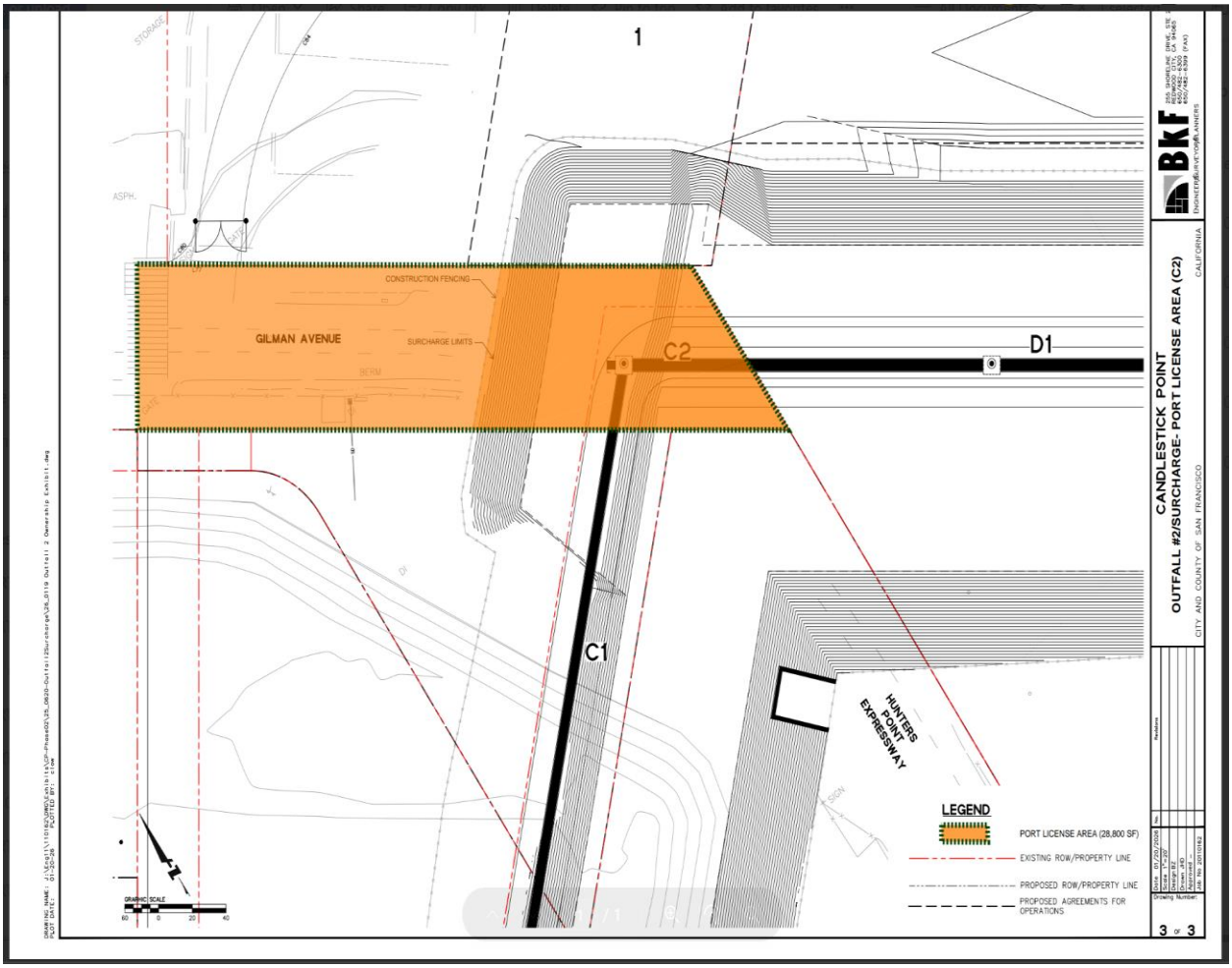
I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting on August 11, 2026.

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Secretary

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EXHIBIT A-1: INLAND LICENSE AREA



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EXHIBIT A-2: SHORELINE LICENSE AREA

