

**The 34th America's Cup and James R. Herman
Cruise Terminal and Northeast Wharf Plaza**

**Relocation Plan
San Francisco, California**

PREPARED FOR



BY



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TABLE OF CONTENTS

INTRODUCTION	3
RELOCATION PLAN	5
1. Statutory Requirements for the Plan	5
2. Proposed Project	6
3. Proposed Project Funding	9
4. Needs Assessment Methodology	9
5. Project Relocation Impacts	10
6. Replacement Resources	14
7. Concurrent Displacement	16
8. Temporary Relocation	17
9. Program Assurances and Standards	17
10. Relocation Assistance Program	17
11. Relocation Benefit Categories	18
12. Payment of Relocation Benefits	22
13. Eviction Policy	22
14. Appeals Policy	22
15. Projected Dates of Displacement and Project Timeline	23
16. Estimated Relocation Cost	23
ATTACHMENT 1: Informational Statement	24
ATTACHMENT 2: Relocation Payment Policies and Procedures	39
ATTACHMENT 3: Relocation Appeals Board Guide	41
ATTACHMENT 4: Comment Letter and Port's Response	42

INTRODUCTION

On December 31, 2010, San Francisco was selected to host the 34th America's Cup (AC34), a premier international sailing competition. The City and County of San Francisco, America's Cup Event Authority and America's Cup Race Management are preparing plans for the race events, which include completion of state and federal environmental review analyses and documents, and numerous regulatory permits and approvals. AC34 includes a series of race events in the summer of 2012 and summer 2013. Events include the America's Cup World Series, the Louis Vuitton Cup, and the 34th America's Cup. Race events in San Francisco (the City) are expected to commence in 2012 with the America's Cup World Series.

In order to provide the proper facilities for the events a series of temporary and permanent projects are planned to be constructed on San Francisco's waterfront. The paragraphs below provide details on the America's Cup, the Path to Selecting the City for AC34 that are driving the Project, Required Entitlements, Potential Displacements and the necessity for a Relocation Plan.

Origins of the America's Cup: The origins of the America's Cup dates to 1851 when a schooner named America, representing the New York Yacht Club (NYYC), passed the Royal Yacht to win the Royal Yacht Squadron's 100 Guinea Cup. Upon returning home with the cup, the America's ownership syndicate deeded the cup as a gift to the NYYC. With the namesake of the vessel that seized the cup from the British, the America's Cup was born, becoming a perpetual challenge cup among sailing nations of the world.

Path to Selecting The City: The BMW Oracle Racing team representing the Golden Gate Yacht Club (the Team), as the winners of AC33, won the right and had the duty to plan and organize the race in which they would defend the Cup. To do so the America's Cup Event Authority was formed to study three potential locations; two in Europe and San Francisco. The San Francisco America's Cup Organizing Committee (ACOC), an independent not-for-profit corporation was formed in 2010 to

marshal the private and corporate support necessary to win the campaign to host AC34 in San Francisco. On December 14, 2010, the San Francisco Board of Supervisors approved the Host and Venue City Agreement with the America's Cup Event Authority (subject to analyses under the California Environmental Quality Act (CEQA)). On December 31, 2010, the Golden Gate Yacht Club and the America's Cup Event Authority announced AC34 would be held in the San Francisco Bay.

Required Entitlements: The granting of rights and development of facilities described in the Host and Venue Agreement was analyzed in the Final Environmental Impact Report (EIR) for the 34th America's Cup and James R. Herman Cruise Terminal and Northeast Wharf Plaza pursuant to CEQA. The draft was released for public review and comment on July 11, 2011, and was certified as the final EIR by the Planning Commission on December 15, 2011. The EIR (Case # [2010.0493E](http://www.sf-planning.org)) can be viewed at <http://www.sf-planning.org>. The Port Commission approved both projects on December 16, 2011. Appeal of the EIR was filed on December 19, 2011 and is pending before the Board of Supervisors.

Potential Displacement: In order to hold an event of AC34's magnitude, strategic use of property is required to deliver the land area needed for facilities for the event. This will result in the permanent displacement of several business tenants who utilize space under the control of the Port of San Francisco (the Port). As many as 76 commercial tenants may be impacted.

Relocation Plan: Due to the potential displacement of a substantial number of tenants by the Project, California Relocation Assistance Guidelines [California Government Code of Regulations (Title 25, Division 1, Chapter 6, Article 2, 6038)] requires the Port to prepare a formal Relocation Plan (the Plan). This Plan outlines the requirements for moving and re-establishing the displaced tenants, the advisory services required to be provided and the types of financial assistance that will be offered.

RELOCATION PLAN

1. Statutory Requirements for the Plan

Due to the potential displacement of a substantial number of tenants by the Project, California Relocation Assistance Guidelines [California Government Code of Regulations (Title 25, Division 1, Chapter 6, Article 2, 6038)], generally referred to as the “Guidelines”, requires the Port to prepare a relocation plan and submit it for approval to the local legislative body, in this case the Port Commission.

Overland, Pacific & Cutler, Inc. (OPC), an experienced public real estate services firm, specializing in the planning and implementation of relocation processes, prepared this Relocation Plan. The Port will provide all subsequently required relocation assistance for this Project.

This Relocation Plan sets forth policies and procedures necessary to conform to statutes and regulations established by the California Relocation Assistance Law (the Act), California Government Code Section 7260 et seq. (the CRAL) and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et seq. (the Guidelines) for commercial displacements.

The purpose of the Relocation Plan is to:

- (a) Describe the project, its schedule and financing plan;
- (b) Identify the anticipated impact that the project would have on the occupants of property within the Project Area;
- (c) Identify the availability of potential replacement sites for impacted occupants; and
- (d) Explain the Port’s Relocation Assistance Program.

In accordance with 6038 of the Guidelines, a draft of this Relocation Plan will be made available for a 30-day review and comment period by the impacted parties and the public prior to submitting it to the Port Commission (the Commission) for approval.

The Draft Relocation Plan was circulated for 30-day public review and comment on November 14, 2011. One comment letter regarding the Plan was received. The comment letter and Port's response are attached as Attachment 4.

The Proposed Project

The Board of Supervisors resolution called the San Francisco Bay a natural maritime amphitheatre. The City is also an international destination with a great capacity to host a broad spectrum of tourists for multiple events simultaneously. Amenities such as Crissy Field and Marina Green, as well as Port of San Francisco facilities make the City a natural spectator area and a logical area for facilities to support the race teams and events. These factors led to a venue plan which, if approved by the City, would utilize the Port properties addressed in this Relocation Plan, to support several of the AC34 program activities.

The Port facilities affected are Piers 19, 19 1/2, 23, 26, 27 Annex, 28, 30-32, Seawall Lot (SWL) 330, and 80. For the races held in 2013, Pier 27-29 would serve as the AC34 Village, a primary center for spectator viewing, entertainment and commercial activities, and the location of the start and finish line for the races. Pier 23 would house the AC34 media operations, including television broadcasting and studio space. Pier 19 would be used as administrative office and operations for AC Event Authority and Race Management, and volunteer support facility. Piers 30-32 would serve as the location of the team bases, and public viewing areas. Piers 26 and 28 and SWL 330 would provide storage and support space for the teams including parking. Temporary floating docks to accommodate race team catamarans, race support vessels, and spectator yachts also would be installed at several of these

piers. Pier 80 would support team bases as needed in 2012 and 2013, shared with the Port's cargo shipping terminal operations. More details regarding the proposed uses of these facilities are provided in the AC34/Pier 27 EIR.

Images 1-3 below, sourced from the EIR, show the general locations of the AC34 venues. The areas impacted, which will be expected to result in relocation activity, are shown later in this plan.

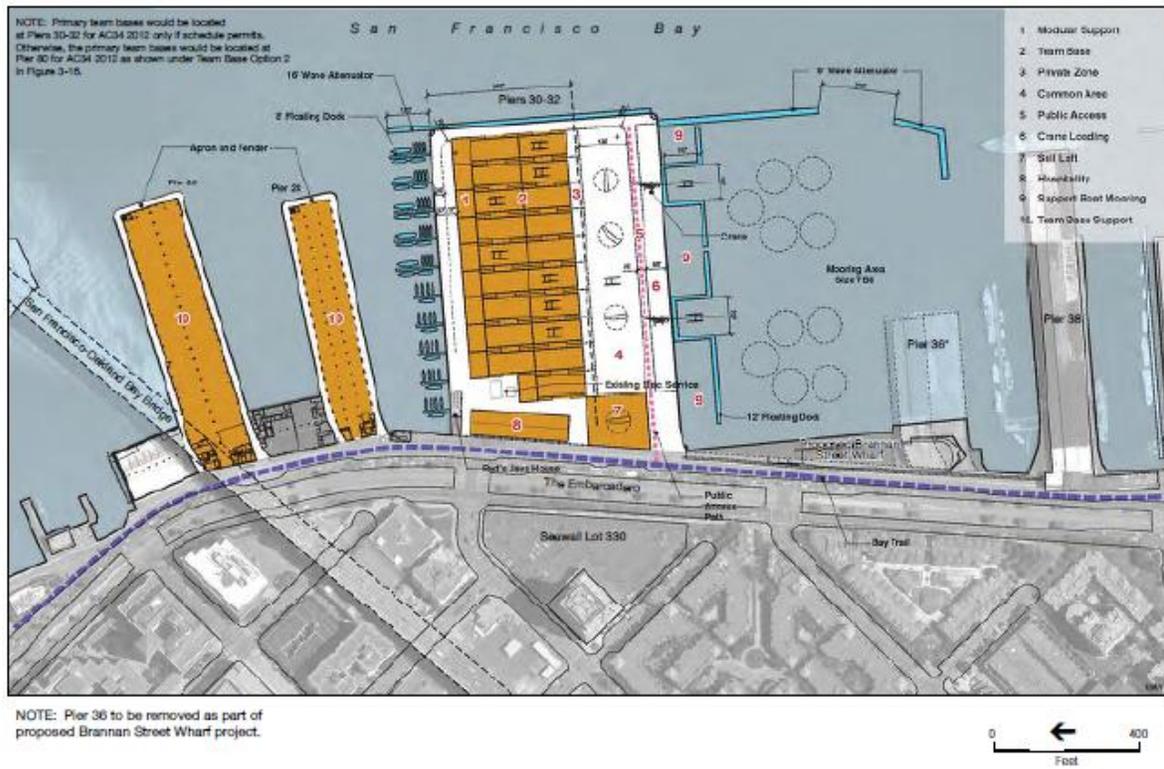
Image 1: Project Location



SOURCE: Google Maps; ESA Case No. 2010.0493E: AC34 / Cruise Terminal and Northeast Wharf Plaza (210317)

Figure 1-1
AC34 Venue Location Map and Sailing Race Area

Image 2: 2012 Proposed Uses



SOURCE: AECOM

Case No. 2010.0493E: AC34 / Cruise Terminal and Northeast Wharf Plaza (210317)

Figure 3-15
Preferred Team Base (Option 1) for AC34 2012: Primary Team Bases at Piers 30-32, and Piers 32-36 Open Water Basin, and Team Base Support at Pier 26 and Pier 28

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Image 3: 2013 Proposed Venue Plan



Proposed Project Funding

Funding for the capital improvements for the Project will primarily come from private sources. However, funds from the City of San Francisco and the Port of San Francisco will be used to assist in the development of capital improvements for the Project. Additional funds will come from the America's Cup Organizing Committee. No federal funds or redevelopment funds will be used in this project. Should such funds be used, this plan will require revisions to make provisions for relocation benefits under the Uniform Relocation Act (URA) and California Redevelopment Law.

4. Needs Assessment Methodology

To obtain information necessary for the preparation of this Relocation Plan, visual inspections were conducted of the current occupant premises within the Project site as well as review of tenant leases and the Port's rent roll. For implementation of the

plan, interviews will be conducted with the displacees. This interview will make inquiries of the displacee including but not limited to the operations conducted at the displacement location by the displacee, terms of occupancy, current monthly lease/rental amounts, details related to the size of current operations, preferences for replacement locations and any special requirements the displacees may have to finalize their relocation plans.

5. Project Relocation Impacts

Areas: In order to develop the Project, some tenants will have to relocate their operations. Although the project covers several locations on the waterfront, the area of impact in regards to potential displacement is concentrated at Piers 19, 23, 26, 27, 27 ½, the Beltline Building, 28, 29, 30-32, and SWL 330. Images 4 and 5, sourced from the EIR, display the venue programs for the areas impacts, which are expected to result in relocation activity.

Image 4: Proposed Venue Program Piers 26-32

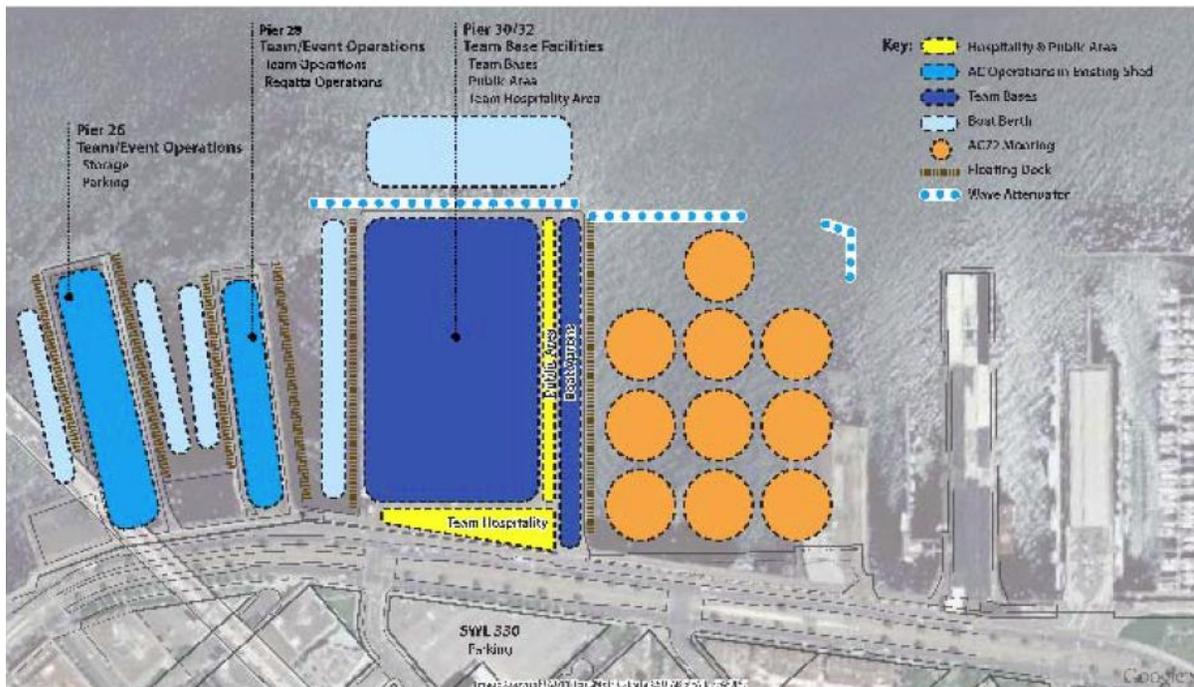
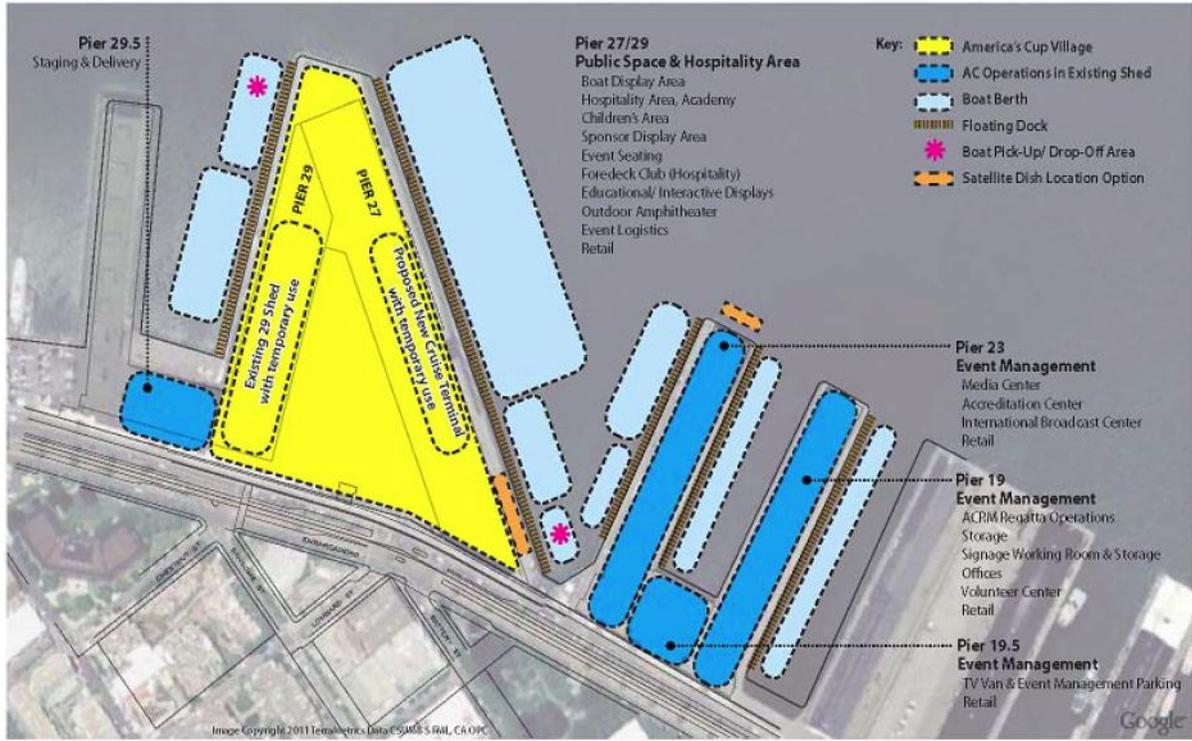


Image 5: Proposed Venue Program Piers 26-32



Impacted Commercial Tenants: There are as many as 76 commercial tenants that could be impacted. The EIR estimates that 385 workers would be impacted by the relocations contemplated by the Project. It is expected that these tenants would be displaced prior to the 2012 race events consistent with the terms of their leases with the Port. A schedule of events both for the planning and development of this Project is included later in this plan in Section 15 (Projected Dates of Displacement and Project Timeline).

Based on data obtained from the Port, the types of current uses subject to displacement include storage for fish gear, tenants with a combination of office and storage facilities, and commercial entities that operate their business elsewhere but rent storage space from the Port.

Those tenants, which use multiple types of space, are assumed to require a complete relocation of their operations including the movement, disconnection and reconnection of furnishings, fixtures and equipment (FF&E). These tenants would potentially require the re-establishment of items including, but not limited to, printed materials, signage, telecommunications systems, and cabling for these systems at a replacement location.

Those tenants which only utilize storage space would only require the movement of personal property to a new location and would not be eligible to receive re-establishment benefits. It is not anticipated that parking operators will have FF&E and other personal property to move or need to re-establish their operations.

Impact Analysis: The Port is presently working with several unique tenants including Teatro Zinzanni Dinner Theatre, Bauer's California Coach Sales and San Francisco Soccer's Telegraph Field to plan their relocation and identify potential replacement sites. Chapters 3 and 5 of Volume 1 of the EIR, provide some detail of the specific requirements for these tenants' relocation needs.

Teatro Zinzanni is the only tenant with a food service operation to be displaced. Several food and beverage tenants rent storage space from the Port including three restaurants and two wine shops. The wine shops require a liquor license to store their wine stock. These tenants may be able to move their stored goods to other Port storage facilities.

Fishing gear storage users may be able to move to other Port properties/facilities. Such accommodations would support the Port's maritime preservation mission and help the fishing operators stay near their natural production facilities. One business with the unique need of requiring dock space may also be able to be relocated to other Port space.

One consideration for tenants is that they are paying rents that may be below market. This will create some challenges for their relocation. However, relocation benefits received by the eligible tenant, could assist in off-setting potential rent

increases. All tenants will receive advisory services that may include assistance from Port staff, referrals to real estate brokers and assistance from outside relocation agents to locate space with rental rates that are at a level which would be sustainable for the individual business operation.

An analysis of the median monthly rents paid by the impacted tenants is shown below in Table 1,

Table 1: Existing Rents

Type of Use	Monthly Rent \$/Sf
Fish Gear Storage	\$0.20
Mixed Use	\$0.59
Offices	\$1.39
Parking	\$1.00
Recreation	\$0.21
Food and Beverage Storage	\$0.78
Storage Areas	\$0.77
Wireless Facilities	\$59.0

Tables 2 and 3 below describe the aggregate potential relocation impacts in terms of the number of tenants to be displaced, total uses by space and total business and personal property relocations.

Table 2: Impact Snapshot

Number of Tenants Impacted	76
Number of Potential Relocations	32
Number of Personal Property Moves	44

Table 3: Relocation Impacts by Use Type

Type of Use	Total Spaces	Square Feet Impacted
Fish Gear Storage	11	23,081
Mixed Use	3	21,524
Offices	23	25,807
Parking	11	111,808
Recreation	1	21,230
Storage Areas	56	225,660
Wireless Facilities	4	63
Total	109	429,173

The exact number of tenants eligible for relocation assistance has not been determined. Under the provisions of the Port's standard lease agreements, lessees are not eligible for relocation assistance and their leases may be terminated with a minimum of a 30 day notice. Eligibility interviews will be required to determine the benefits available to displacees. The Port will provide, as a minimum, advisory services to all displacees.

6. Replacement Resources

While there is no specific requirement under CRAL mandating that alternate (replacement) relocation sites be made available to tenants at the time of displacement, the Port is committed to making every effort to satisfactorily relocate tenants displaced by the Project.

The Port by itself cannot provide all of the necessary space needed to relocate the displacees and private market resources will be needed.

Several options will be made available to displaced tenants including relocating to other space owned by the Port, spaces owned by other public agencies in the City and replacement spaces owned and operated by private parties.

The selection of replacement space will be the choosing of the displacee. Any referral to a replacement space is purely advisory and the displacee does not have to elect to move to any referred location.

Comparable Warehouse Space: Based on the information provided in Table 3 above, the greatest impact in terms of total square footage is to warehouse storage. The range of impacted spaces is from 45 square feet (a materials testing business) to 36,371 square feet (a transportation business). For the users of warehouse storage space (the most comparable type of facility to that at the Port's various piers) a survey of warehouse space was conducted. The findings are shown in Table 4 below. Port space was not included in this survey.

Comparable Office Properties: A survey on available office space, matching the characteristics of the displacement spaces in terms of square feet and class of space was conducted. The results are shown in Table 4 below. Port space was not included in this survey.

Table 4: Aggregate Statistics for Available Space in San Francisco

Type of Space	SF Available	Rent/Sf Per Month
Warehouse	771,420	\$0.78
Office	298,899	\$2.50

Source: Loopnet, as of September 6, 2011

Port Owned Property:

The Port presently has a significant amount of square feet available in its inventory. Tables 5 and 6 below show the rates by space type as well as the amount of square footage available.

Table 5: Port Vacancy by Space Type

Type	Sq Ft
Office	40,792
Office Storage	1,337
Shed	158,988
Total Vacant	201,117

Table 6: Port Lease Rates

Type of Space	Space Class	Lease Type	Rent Range Per SF
Office	B	Full-Service Gross	\$2.25 - \$2.75
Office	C	Full-Service Gross	\$1.5 - \$2.55
Office	B	Net	\$2.25 - \$3.00
Office	C	Net	\$1.00 - \$2.25
Office Storage	All	Not Applicable	\$1.00
Industrial Shed	Not Applicable	Industrial Gross	\$0.55 - \$1.25
Land	Unpaved	Industrial Gross	\$0.20 - \$0.25
Land	Paved	Industrial Gross	\$0.22 - \$0.25
Land	Improved	Industrial Gross	\$0.25 - \$0.30
Land	Submerged	Industrial Gross	\$0.22 - \$0.25
Fishing	Storage	Licenses	\$0.22

7. Concurrent Displacement

There are several major projects including the Central Subway Project, the development of the Transbay Terminal and the Redevelopment of the Hunters Point Shipyard in the planning stages and/or under construction in the City.

The key impact related to these projects a relocation plan needs to consider are the impact (depletion) on the availability of potential replacement spaces, specifically in this case, commercial and industrial spaces.

Based on the research of those projects and their relocation impacts, they do not impact upon the ability to relocate displacees of the AC34 Project. Either the required displacements have occurred or the location and space type requirements are different than those of the AC34 displacements.

8. Temporary Relocation

The displacements considered in this Plan are all permanent. There is no anticipated need, or requirement for temporary relocation. Should such a need arise, the Port will respond appropriately, in conformance with all applicable laws and requirements.

9. Program Assurances and Standards

Relocation assistance services will be provided to ensure that displacement does not result in arbitrary or unlawful discrimination or different or separate treatment of occupants based on race, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the applicable provisions of the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the California Fair Employment & Housing Act, and the Unruh Act. Tenants will not be permanently displaced without a minimum of a ninety (90) days advance written notice.

10. Relocation Assistance Program

Port staff is available to assist the displacees with questions about relocation and/or assistance in relocating. Mark Lozovoy, the Port's relocation advisor, may be contacted for relocation matters between **8:00 a.m. and 5:00 p.m.**, Monday through Friday at (415) 274-0400.

A comprehensive relocation assistance program, with technical and advisory assistance, will be provided to the tenants being displaced. Specific activities will include:

1. Distribution of informational statements. **ATTACHMENT 2** contains a sample of the informational notice that will be given to the displaced occupant.
2. Timely referrals to commercial and storage spaces.
3. Assistance with completion and filing of relocation claims and appeals forms, if necessary.

11. Relocation Benefit Categories

Benefits will be provided in accordance with the CRAL, the Guidelines, and all other applicable regulations and requirements. Benefits will be paid upon submission of required claim forms and documentation in accordance with approved procedures. The Port will provide appropriate benefits for the displacees as required by the above laws and requirements.

Specific eligibility requirements and benefit plans will be detailed on an individual basis with all displacees. In the course of personal interviews and follow-up visits, the displacee will be counseled as to available options and the consequences of any choice with respect to financial assistance.

Commercial Moving Expense Payments

Relocation benefits will be provided to the commercial occupant pursuant to State law. Benefits will be paid upon submission of required claim forms and documentation in accordance with the procedures outlined in **ATTACHMENT 2**.

Pursuant to California Relocation Law, eligible tenants may receive a relocation payment to cover the reasonable cost of moving their personal property from the Project site to the selected replacement site.

There are two options:

(A) A payment for actual reasonable and necessary moving and related expenses;

Or,

(B) A fixed payment not to exceed twenty thousand dollars (\$20,000).

Payment for Actual Reasonable and Necessary Moving and Related Expenses

This payment may include the following:

- a)** Transportation of persons and property from the present location to the replacement location (transportation costs are limited to a distance of 50 miles);
- b)** Packing, crating, uncrating, and unpacking personal property;
- c)** Disconnecting, dismantling, removing, reassembling, and installing relocated and substitute machinery, equipment and other personal property. This includes connection to utilities available nearby, and modifications necessary to adapt such property to the replacement structure, or to the utilities, or to adapt the utilities to the personal property;

- d) Storage of personal property generally for up to twelve (12) months, at the Port's discretion;
- e) Insurance of personal property while in storage or transit and, the replacement value of property lost, stolen, or damaged (though not through the fault or negligence of the displaced person) in the process of moving;
- f) Subject to certain limitations, any license, permit or certification required by the displaced business, to the extent that the cost is necessary for reestablishment at the replacement location;
- g) Subject to certain limitations, reasonable and pre-authorized professional services, including architects', attorneys', engineers' fees and consultants' charges, necessary for: (1) planning the move of the personal property; (2) moving the personal property; or, (3) installing the relocated personal property at the replacement location;
- h) Subject to certain limitations, the purchase and installation of substitute personal property limited to the lesser of: (1) the estimated cost to move the item to the replacement location; or, (2) the replacement cost, less any proceeds from its sale;
- i) Subject to certain limitations, modifying the machinery, equipment or other personal property to adapt it to the replacement location or to utilities available at the replacement location or modifying the power supply.
- j) Actual direct losses of tangible personal property resulting from moving, or discontinuing a business or non-profit organization, *not-to-exceed the lesser of:*

- i) The fair market value of the tangible, personal property for continued use at its location prior to displacement; **or**,
- ii) An amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the Port, subject to certain limitations;
- k) Actual, and reasonable expenses incurred in searching for a replacement business location, *not-to-exceed* \$1,000.
- l) Actual, and reasonable expenses necessary to reestablish a displaced small business at its new location, *not-to-exceed* \$10,000. Examples of expenses that may be considered for reimbursement include advertising, redecoration and certain increased costs of operation at the new location.

Fixed Payment In Lieu of a Payment for Actual Reasonable Moving and Related Expenses

The amount of this payment shall be based on the *average, annual net* earnings of the business. The payment to an eligible business may neither be less than \$1,000, nor more than \$20,000. To qualify for this payment a displaced business:

- A) *Cannot* be a part of a commercial enterprise having *at least* three (3) other establishments which are *not* being displaced by the Port as part of this Project, and which is under the *same ownership* and engaged in the *same, or similar* business activities;
- B) Must *not* be able to relocate without substantial loss of patronage; and,

- C) *Must have contributed at least 33% of the owner's total gross income during each of the two (2) taxable years prior to displacement, or meet specific earnings criteria.*

12. Payment of Relocation Benefits

Relocation benefit payments will be made expeditiously. Claims and supporting documentation for relocation benefits must be filed with the Port within eighteen (18) months from the date the claimant moves from the displacement property. Procedures for preparing and filing of claims and processing and delivering of payments are included in this Plan as **ATTACHMENT 2**.

13. Eviction Policy

The Port recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction. Eviction will only take place in cases of nonpayment of rent or serious violation of the rental agreement, or if the displacees refuse all reasonable offers to move. Eviction will not affect the eligibility of a person legally entitled to relocation benefits.

14. Appeals Policy

The appeals policy will follow the standards described in Section 6150 et seq. of the Guidelines. Briefly stated, the displaced business will have the right to ask for review when there is a perceived grievance regarding any of their rights to relocation and relocation assistance, such as a determination as to eligibility, the amount of payment, or the failure to provide a comparable replacement referral.

The City and County of San Francisco has a Relocation Appeals Board established Pursuant to Cal Health and Safety Code §33412.5, which hears grievances between the Displacing Agency (the Port) and the Displacee. **ATTACHMENT 3** provides a

guide to their process and directions for filing an appeal after benefits have been denied in whole or in part by the Displacing Agency.

15. Projected Dates of Displacement and Project Timeline

Unless prior arrangements are made, the displacees will receive a minimum of a 'Ninety (90)-Day-Notice-to-Vacate' before they are required to move. The Port will work with the displaced business to begin planning the move in advance of the date the Port requires the site to be cleared.

Prior to the Port being able to mandate displacements the Relocation Plan must be adopted by the Port Commission.

16. Estimated Relocation Cost

The relocation budget estimate for this Project is \$1,800,000, exclusive of any relocation administration costs. A 20% contingency has been included in the estimate. This estimate is subject to increase or decrease based on the results of eligibility interviews.

TABLE OF ATTACHMENTS

ATTACHMENT 1: Informational Statement – Tenants, Farms and, Non-profit Corporations

ATTACHMENT 2: Relocation Payment Policy and Procedures for Relocation Payments and Assistance

ATTACHMENT 3: San Francisco Relocation Appeals Board Guidelines

ATTACHMENT 4: Comment Letter and Port's Response

ATTACHMENT 1:
**SAMPLE OF INFORMATIONAL STATEMENT FOR BUSINESS
AND NON-PROFIT OPERATIONS**

SAMPLE OF INFORMATIONAL STATEMENT FOR BUSINESS AND NON-PROFIT OPERATIONS

Introduction

The property on which you now conduct your business is in an area to be improved with the assistance of **The Port of San Francisco** ("Port") for the 34th America's Cup. The Port plans require the relocation of the existing commercial use including office, storage, parking, or other use. You will be notified in a timely manner as to the date by which you must move.

Please read this information as it will be helpful to you in determining your eligibility for and the amount of your relocation benefits under the federal and/or state law. We suggest you save this Informational Statement for reference.

This is **not** a notice to move. It is important that you do **not** move *before* you learn what you must do to receive relocation payments and other assistance to which you may be entitled.

The Port will provide relocation assistance to you. The Port is available to explain the program and benefits. Their address and telephone number is:



**Pier 1
San Francisco, CA 94111
(415) 274 - 0400**

Summary of Relocation Assistance

As an eligible displaced person, you will be offered appropriate financial and advisory assistance to help you relocate, including:

- A.** Payment for your moving expenses. You will receive either:
- A Payment for Actual Reasonable Moving and Related Expenses; **or**,
 - A Fixed Payment In Lieu of a Payment for Actual Moving and Related Expenses
- B.** Referrals to suitable replacement locations.
- C.** Other help to re-establish your business and minimize the impact of the move including help in preparing claim forms to request relocation payments.

If you disagree with the Port' decision as to your right to a relocation payment, or the amount of the payment, you may appeal that decision.

SOME GENERAL QUESTIONS

How will I know I am eligible for relocation assistance?

Per Section 6150 et seq. of the Guidelines, when an agreement has been reached between a private party a public entity for the purposes of developing property and a private party will be displaced, eligibility begins on the date of that agreement. Therefore, you should *not* move before that date. If you do, you may not be eligible for relocation assistance.

How Will the Port Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Port to determine your needs and preferences for a replacement location and

other services. The interviewer will ask questions about such matters as your space requirements. It is to your advantage to provide the information so that the Port, through its relocation consultant, can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have to Move?

Every reasonable effort will be made to provide you with sufficient time to find and reestablish your business in a suitable replacement location. If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for the property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at *least* Ninety (90) days advance written notice. It is important, however, that you keep in close contact with the Port so that you are aware of the time schedule for carrying out the project and the approximate date by which you will have to move.

How Will I Find A Replacement Location?

The Port will provide you with current and continuing information on available replacement locations that meet your needs.

The Port may also provide you with the names of real estate agents and brokers who can assist you in finding the type of replacement location you require. While the Port will assist you in obtaining a suitable replacement location, you should take an active role in finding and relocating to a location of your choice. No one knows your needs better than you. You will want a facility that provides sufficient space for your planned activities. You will also want to ensure that there are no zoning, or other requirements which will unduly restrict your planned operations. Ask the Port to explain which kind of moving costs are eligible for repayment and which are not eligible. That will enable you to carry out your move in the most advantageous manner.

What Other Assistance will be Available to Help Me?

In addition to help in finding a suitable replacement location, other assistance, as necessary, will be provided by the Port. This includes information on Federal, State, and local programs that may be of help in reestablishing a business. For example, the Small Business Administration (SBA) provides managerial and technical assistance to some tenants. There may also be a government grant or loan program which can help you reestablish your business. The Port will assist you in applying for help available from government agencies. The range of services depends on the needs of the business being displaced. You should ask the Port's representative to tell you about the specific services that will be available to you.

I Have A Replacement Location And Want To Move. What Should I Do?

Before you make any arrangements to move, notify the Port, in writing, of your intention to move. This should be done *at least thirty (30) days prior to* the date you begin your move. The Port will discuss the move with you and advise you of the relocation payment(s) for which you may be eligible; the requirements to be met; and, how to obtain a payment.

I Plan To Discontinue My Business Rather Than Move. What Should I Do?

If you have decided to discontinue your business rather than re-establish, you may still be eligible to receive a payment. Contact the Port and discuss your decision to discontinue your business. You will be informed of the payment, if any, for which you may be eligible, the requirements to be met, and how to obtain your payment.

What Kinds of Payments For Moving Expenses Will I Receive?

Every business is entitled to a relocation payment to cover the reasonable cost of moving. You may choose either:

- A. A Payment for Actual Reasonable Moving and Related Expenses; or,**
- B. A Fixed Payment In Lieu of Moving and Related Expenses** (if you meet the eligibility requirements).

What is Payment for Actual Reasonable Moving and Related Expenses?

If you choose a 'Payment for Actual Reasonable Moving and Related Expenses', you may claim the cost of:

- A.** Transportation of personal property from your present location to the replacement location. (Generally, transportation costs are limited to a distance of 50 miles. If you plan to move beyond 50 miles, discuss your planned move with the Port.)
- B.** Packing, crating, uncrating, and unpacking personal property.
- C.** Disconnecting, dismantling, removing, reassembling, and installing relocated and substitute machinery, equipment and other personal property. This includes connection to utilities available nearby and modifications necessary to adapt such property to the replacement structure or to the utilities or to adapt the utilities to the personal property. This also includes alterations to the replacement structure required to reinstall machinery, equipment or other personal property
- D.** Storage of personal property for a reasonable period of time, if required, at the Port' discretion.

- E.** Insurance of personal property in connection with the move and required storage and the replacement value of property lost, stolen, or damaged in the process of moving where insurance is not readily available.
- F.** Any license, permit or certification required by the displaced business, to the extent that the cost is (1) necessary to its re-establishment at the replacement location; and, (2) does *not* exceed the cost for the remaining useful life of the existing license, permit, or certification.
- G.** Reasonable and pre-authorized professional services, including architects, attorneys, and engineers fees, and consultants charges, necessary for: (1) planning the move of the personal property; (2) moving the personal property; or, (3) installing the relocated personal property at the replacement location.
- H.** Re-lettering signs, printing replacement stationery made obsolete by the move and customer notifications.
- I.** The reasonable cost incurred in attempting to *sell* an item that is not relocated.
- J.** Actual direct loss of personal property. This payment provides compensation for property that is *neither* moved *nor* promptly replaced with a "substitute item" at the replacement location. Payment is limited to the lesser of: (1) the estimated cost of moving the property; **or**, (2) the fair market value of the property for its continued use at the old location, *less* any proceeds from its sale. To be eligible, you must make a good faith effort to sell the property, unless the Port determines that such effort is not necessary.
- K.** Purchase and installation of substitute personal property. Payment will be limited to the lesser of: (1) the estimated cost to move the item to the replacement location; **or**, (2) the actual cost of the substitute item delivered and installed at the replacement

location, less any proceeds from its sale or its trade-in value. It is important to discuss your plans with the Port before you proceed.

L. Searching for a replacement location. This payment may *not* exceed \$1,000.00 and may cover costs for:

- Transportation expenses
- Time spent searching for a replacement location, based on a reasonable salary or earnings
- Reasonable fees paid to real estate agents or brokers to find a replacement location (not fees related to the purchase of a site)
- Meals and lodging away from home

The Port's representative will explain all eligible moving costs, as well as, those which are not eligible. You must be able to account for all costs that you incur; so keep all your receipts. The Port will inform you of the documentation needed to support your claim.

You may minimize the amount of documentation needed to support your claim, if you elect to "self-move" your property. Payment for a self-move is based on the amount of an acceptable low bid or estimate obtained by the Port. If you self-move, you may move your personal property using your own employees and equipment or a commercial mover. If you and the Port cannot agree on an acceptable amount to cover the cost of the "self-move," you will have to submit full documentation in support of your claim.

You may elect to pay your moving costs yourself and be reimbursed by the Port or, if you prefer, you may have the Port pay the mover directly. In either case, let the Port know before you move. Select your mover with care. The Partner's representative can help you select a reliable and reputable mover.

When a payment for "actual direct loss of personal property" or "substitute personal property" is made for an item, the estimated cost of moving the item may be based on the *lowest* acceptable bid or estimate obtained by the Port. If not sold or traded-in, the item must remain at the old location and ownership of the item must be transferred to the Port before you may receive the payment.

What are Re-establishment Expenses?

A small business, farm or, non-profit organization may be eligible to receive a payment of up to \$10,000 for expenses actually incurred in relocating and re-establishing such operation at a replacement site.

Eligible expenses must be reasonable and necessary, as determined by the Port. They may include but are not limited to the following:

- A.** Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance.
- B.** Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
- C.** Construction and Installation costs for exterior signage to advertise the business.
- D.** Provision of utilities from right-of-way to improvements on the replacement site.
- E.** Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling or carpeting.
- F.** Licenses, fees, and permits where not paid as part of moving expenses.
- G.** Feasibility surveys, soil testing and marketing studies.

- H. Advertising of replacement location.
- I. Professional services in connection with the purchase or lease of a replacement site.
- J. Estimated increased costs of operation during the first two (2) years at the replacement site, for such items as:
 - 1. Lease or rental charges
 - 2. Personal or real property taxes
 - 3. Insurance premiums, and
 - 4. Utility charges (*excluding* Impact fees)
- K. Impact fees or one-time assessments for anticipated heavy utility usage.
- L. Other items that the Port considers essential to the reestablishment of the business.

What Expenses Are Not eligible for Reestablishment Payment?

The following is a *non-exclusive* listing of re-establishment expenditures not considered to be reasonable, necessary or otherwise eligible:

- A. Purchase of capital assets, such as, office furniture, filing cabinets, and machinery or trade fixtures.
- B. Purchase of manufacturing materials, production supplies, product inventory, or other items used in the normal course of the business operation.
- C. Interior or exterior refurbishment at the replacement site, except as otherwise provided for under the business reestablishment payment.

- D. Interest costs associated with any relocation expense or the purchase of replacement property.
- E. Payment to a part-time business in the home which does not contribute materially to the household income.

What is Fixed Payment In Lieu Of A Payment for Actual Reasonable Moving and Related Expenses?

A 'Fixed Payment In Lieu of a Payment for Actual Reasonable Moving and Related Expenses' to a business or farm operation is based on the *average annual net earnings* of the business or farm operation. The payment to an eligible business or farm operation may neither be *less* than \$1,000.00, *nor more* than \$20,000.00.

A nonprofit organization may be eligible for a payment from \$1,000.00 to \$20,000.00, subject to the following:

A displaced non-profit organization may choose a fixed payment as stated above if the Port determines that it (the non-profit organization) cannot be relocated without a substantial loss of existing patronage (membership or clientele.) A nonprofit organization is assumed to meet this test, unless the Port demonstrates otherwise. Any payment in excess of \$1,000.00 must be supported with financial statements for the *two* 12 month periods *prior to* displacement. The amount to be used for the payment is the *average of the last two (2) years annual net earnings*. Documentation required may be income tax returns, certified financial statements and accounting records or other similar evidence acceptable to the Port.

To qualify for an In-Lieu payment:

A. A displaced *business*:

1. Must own or rent personal property which must be moved in connection with the displacement and for which an expense would be incurred in such move, and the business vacates or relocates from its displacement site;
2. Must be unable to relocate without a substantial loss of existing patronage;
3. Must *not* be part of a commercial enterprise having more than one other entity which is not being acquired by the Port, and which is under the same ownership and engaged in the same or similar business activities;
4. Must *not* be operated at a displacement dwelling/site solely for the purpose of renting such dwelling/site to others; and,
5. Must have contributed materially to the income of the displaced person during the two (2) taxable years prior to displacement.

B. A displaced *nonprofit organization* (1) must be unable to relocate without a substantial loss of its existing patronage; and, (2) must not be part of an enterprise having another establishment.

The Port will inform you as to your eligibility for this payment and the documentation you must submit to support your claim. **Remember, when you elect to take this payment you are not entitled to reimbursement for any other moving expenses.**

How do I File a Claim for a Relocation Payment?

You must file a claim for a relocation payment. The Port will provide you with the required claim forms; assist you in completing them; and, explain the type of documentation that you must submit in order to receive your relocation payments. If you must pay any relocation expenses before you move (e.g., because you must provide a security deposit if you lease your new location), discuss your financial needs with the Port. You may be able to obtain an advance payment. An advance payment may be placed in "escrow" to ensure that the move will be completed on a timely basis.

If you are a tenant, you must file your claim within 18 months after the date you move. If you own the property, you must file within eighteen (18) months after the date you move, or the date you receive the final acquisition payment, whichever is later. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, the Port may extend this period.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Appeals

If you disagree with the Port's decision as to your right to a relocation payment or the amount of payment, you may appeal the Port's decision to the San Francisco Relocation Appeals Board. At a minimum, you will have eighteen (18) months from the date you move from the property or you receive final compensation for relocation assistance, whichever is later, to file your appeal. If you assistance the San Francisco Relocation Appeals Board will assist you in preparing your appeal. If you are not satisfied with the final appeal decision, you may seek review of the matter by the courts.

Tax Status of Relocation Benefits

Relocation benefit payments are generally not considered as income for the purpose of the Internal Revenue Code of 1986 or the Personal Income Tax Law, Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax law, Part 11(commencing with Section 23001) of Division 2 of the Revenue and Taxation Code. The preceding statement is not, however, tendered as legal advice in regard to tax consequences, and displacees should consult with their own independent tax advisor or legal counsel to determine the current status of such payments.

Additional Information

If you have further questions after reading this brochure, contact the Port to discuss your concerns. You may wish to read the California Relocation Assistance Act and Guidelines, which describe the relocation process in more detail.

ATTACHMENT 2:
**RELOCATION PAYMENT POLICY AND PROCEDURES FOR OBTAINING
RELOCATION ASSISTANCE AND PAYMENTS**

Claims and supporting documentation for relocation benefits must be filed with the **Port of San Francisco** ("Port") within eighteen (18) months from the date the claimant moves from the acquired property.

The procedure for the preparation and filing of claims and the processing and delivery of payments will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance.
2. Assistance amounts will be determined by the Port or its relocation agent in accordance with the provisions of California Relocation Law and Guidelines.
3. Required claim forms will be prepared by the Port or its relocation agent in conjunction with claimant(s). Signed claims and supporting documentation will be submitted by relocation personnel to the Port.
4. The Port will review and approve claims for payment or request additional information.
5. The Port will issue benefit checks which will be available for pick-up by Claimants, unless circumstances dictate otherwise.
6. Final payments will be issued after confirmation that the Project area premises have been completely vacated and actual occupancy at replacement property (if applicable) is verified.
7. Receipts of payment will be obtained and maintained in the Port's relocation case file.

ATTACHMENT 3:
SAN FRANCISCO RELOCATION APPEALS BOARD GUIDE

ATTACHMENT 4
COMMENT LETTER AND PORT'S RESPONSE

REUBEN & JUNIUS_{LLP}

December 14, 2011

Delivered by Hand

Ms. Kimberly Brandon, President
San Francisco Port Commission
and Commissioners
Pier 1, The Embarcadero
San Francisco, CA 94111

**Re: Comments on Draft Relocation Plan – 34th America’s Cup,
James R. Herman Cruise Terminal and Northeast Wharf Plaza
Our File No.: 6820.01**

Dear President Brandon and Commissioners:

We represent Teatro ZinZanni (“TZ”) which, as you may know, is a non-profit arts institution that occupies Port of San Francisco (“Port”) property located between Piers 27 and 29. Thank you for this opportunity to present our brief comments on the Port’s Draft Relocation Plan (“Plan”) for the 34th America’s Cup in San Francisco. As a general matter, we commend Staff on a well-drafted Plan that appears to comply with the controlling statutory and regulatory requirements.

Our comments on the Plan are submitted primarily for clarification of certain relocation assistance provisions of the Plan, and express our understanding of those provisions. We would appreciate a response if the Port’s understanding of these provisions differs from ours, so that we can work with the Port to reach a resolution. If the Port does not respond, we will assume that the Port agrees with our understanding.

TZ Comments

- The relocation assistance provisions of the Plan are controlled by Government Code sections 7260 *et seq.* and 25 California Code of Regulations (“C.C.R.”) sections 6000 *et seq.* Our first comment concerns the Plan’s statement that “the relocation budget estimate for this Project is \$1,800,000, exclusive of any relocation administrative costs. A 20% contingency has been included in the estimate.” (Plan at p. 23.) It is our understanding that nothing in the controlling Government Code sections, C.C.R. sections, or elsewhere provides for a maximum budget for relocation assistance and benefits.

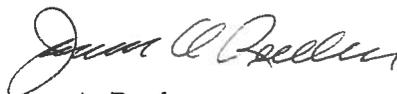
Therefore, we respectfully submit that if the total costs for the relocation of eligible Port tenants exceeds the estimated \$1,800,000 budget, and those costs meet the controlling statutory and regulatory requirements, then the Port would be required to pay those amounts in excess of the \$1,800,000 budget.

- Government Code section 7262 provides two options for relocation benefits. The first is a lump sum payment of no less than \$1,000 and no more than \$20,000. (Gov. Code § 7262(c).) The second option is, in short, a payment for actual relocation and reestablishment expenses. (Gov. Code § 7262(a).) It is our understanding that the Port is obligated to pay the entirety of a qualifying entity's actual relocation and reestablishment expenses, no matter what that amount may be, and that no maximum is applicable to these expenses such as the first option's \$20,000 maximum.
- It is our understanding that TZ is eligible for relocation assistance and benefits under the Plan pursuant to Government Code section 7262 and 25 C.C.R. section 6034.
- It is our understanding that TZ qualifies as a "displaced person" and a "business" as those terms are used in the Plan and the applicable Government Code and C.C.R. sections.
- It is our understanding that TZ qualifies as a "small business," and therefore qualifies for the payment of actual relocation and reestablishment expenses under Government Code section 7262(a)(4). A "small business" in this context is defined by 25 C.C.R. section 6090(i)(1)(M) as a business having not more than 500 employees, which is the case with TZ.

Again, thank you for this opportunity to submit our comments on the Plan. We look forward to working with the Port in making TZ's relocation and the City's staging of the 34th America's Cup an overwhelming success.

Very truly yours,

REUBEN & JUNIUS, LLP



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REUBEN & JUNIUS^{LLP}

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President Brandon
and Commissioners
December 14, 2011
Page 3

cc: Commissioner Ann Lazarus, Vice President
Commission Francis X. Crowley
Commissioner Leslie Katz
Commissioner Doreen Woo Ho
Monique Moyer, Port Director
Jeff Bauer
Rona Sandler
Mark Lozovoy
Teatro ZinZanni



December 20, 2011

James A. Reuben
One Bush Street, Suite 600
San Francisco, CA 94104

**Re: Comments on Draft Relocation Plan – 34th America's Cup, James R. Herman
Cruise Terminal and Northeast Wharf Plaza**

Dear Mr. Reuben:

Your 12/14/11 letter has been referred to me as the designated person for receiving comments on the 34th America's Cup and James R. Herman Cruise Terminal and Northeast Wharf Plaza Draft Relocation Plan San Francisco, California.

The Port does not believe that your comments, which restate the general legal requirements and describe the potential eligibility of a single tenant, warrant a revision to the Plan. The Port does not disagree with any of your general statements regarding potential benefits, except to clarify that, in all cases, re-establishment expenses are limited to actual and reasonable costs up to a cap of \$10,000. We understand that Teatro Zinzanni will make a claim for relocation assistance and benefits and the Port intends to make every effort to assist in Teatro Zinzanni's transition.

If you have any questions, please feel free to contact me at 274-0575.

Sincerely,

Mark Lozovoy
Assistant Deputy Director, Real Estate

cc: Port Commissioners
Monique Moyer