

## MEMORANDUM

July 2, 2014

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

**FROM:** Monique Moyer  
Executive Director

**SUBJECT:** Informational presentation regarding the Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building, located at Chestnut Street and The Embarcadero

**DIRECTOR'S RECOMMENDATION:** Informational Only – No Action Required

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### SUMMARY

Port staff has been studying the reuse of Pier 29 following the 34<sup>th</sup> America's Cup. Now that San Francisco is no longer being considered to host the 35<sup>th</sup> America's Cup, Port staff believes it is appropriate to share our ideas with the Port Commission and the public for review and feedback. Reuse of Pier 29 is an important next step to support the new James R. Herman Cruise Terminal and the Cruise Terminal Plaza.

After pursuing a dialogue with the Port Commission and stakeholders including sessions with NEWAG and, as appropriate, Bay Conservation and Development Commission (BCDC) and State Lands Commission (State Lands) staff, regarding the future use(s) of Pier 29, Port staff proposes to retenant Pier 29 on an area-by-area basis, rather than pursuing a master developer or master tenant for the whole facility. (See also Attachments A & B for maps of the Northern Waterfront and the Pier 29 complex). This approach would allow for experimentation and response to changing market conditions. Port staff proposes to start this process with a Request for Proposals (RFP) for a lease to build-out and operate a "San Francisco Bay Area flavored" retail facility with a single or multiple smaller retail businesses at the Pier 29 Bulkhead Building. Given recent investment in the Bulkhead Building and the retail

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success and community acceptance of the Waiheke Island Yacht Club Restaurant during the 2013 America's Cup events, a retail RFP is a natural first step in re-tenanting Pier 29.

The RFP would seek retail operator(s) that can capture local, regional and International visitor and cruise passenger retail spending as well as provide retail attractive to San Francisco residents year-round. Activating the Pier 29 Bulkhead Building will enhance the Cruise Terminal area for cruise passengers, the neighboring community and invite the visiting public into this newly rehabilitated historic building.

Through the competitive selection process, Port staff proposes to solicit a potential retail tenant(s) to perform all tenant improvements, associated infrastructure improvements and needed health and safety upgrades to the facility. Respondents would be screened for their capabilities and qualifications to undertake these improvements at the Pier 29 Bulkhead Building and continuously operate it as a high quality retail facility. To ensure the success and consistency of this unique experience, the Port would entertain proposals which emphasize the tenant(s) ability to manage such a space, which may include creation of an advisory board similar to the board overseeing the Ferry Building farmer's market.<sup>1</sup> If the Port staff vision for Pier 29 reuse receives positive feedback from the Port Commission, the public and staff from State Lands and BCDC, Port staff intends to return to and seek Port Commission approval of an opportunity and the issuance of an RFP for the Pier 29 Bulkhead Building. Depending upon Port Commission and community feedback, Port staff anticipates issuing the RFP in Fall 2014.

## **HISTORY**

Pier 29 is a contributing resource in the Northeast Waterfront Historic District which is listed in the National Register of Historic Places. Pier 29 was built in 1915 and is approximately 123,000 square feet in area in its current configuration.

The bulkhead portion of the building fronting on the Embarcadero was built in 1918 in the neoclassical architectural style together with Pier 29½ and Pier 31.

The Pier 29 shed, along with the Bulkhead Building, was originally used as a warehouse facility supporting the maritime industry. In more recent years, Pier 29 has been used for a variety of mixed uses such as general storage, parking and construction laydown.

On June 20, 2012 a fire caused damage to the Pier 29 bulkhead and shed building.

Thanks to the expert work of the San Francisco Fire Department, the fire was contained primarily to the Bulkhead Building and did not spread to the Pier 29 shed or to the conjoined pier structures, Pier 29½ and Pier 31. While the adjacent buildings were saved, the Bulkhead Building was destroyed. Soon after the fire Port staff led the effort

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<sup>1</sup> CUESA (Center for Urban Education about Sustainable Agriculture) is dedicated to cultivating a sustainable food system through the operation of the Ferry Plaza Farmers Market and its educational programs.

to rebuild the Bulkhead Building. The Port commenced repairs to the damaged Pier 29 Bulkhead Building, completing the repairs in time to host the 34<sup>th</sup> America's Cup events.

From March 2013 to January 2014, the Pier 29 Bulkhead Building was used by the America's Cup Event Authority in support of the America's Cup events and the activities at Piers 27-29. More specifically, a large portion of the Bulkhead Building was occupied by the Waiheke Island Yacht Club Restaurant. The restaurant was a temporary "pop-up" facility meant only to exist for the duration of the America's Cup events. The restaurant vacated the Pier 29 Bulkhead Building in January 2014. Subsequently the Pier 29 Bulkhead Building has been part of the area used in completing Phase 2 of the James R. Herman Cruise Terminal and Cruise Terminal Plaza.

## **STRATEGIC OBJECTIVE**

The Port strives to enhance the quality of life and economic vitality of the City and the region. As such, the Port continues to work to reinvigorate its historic waterfront assets to enhance these public benefits. The Pier 29 Bulkhead Building represents a unique and valuable opportunity: it was recently renovated after the 2012 fire and is well placed on The Embarcadero Promenade adjacent to the Port's soon to open Pier 27 James R. Herman Cruise Terminal and adjoining Cruise Terminal Plaza. Port staff have spent the past several months devising a vision that enhances the new Cruise Terminal and the public investments made as more fully described below. Activation of the Pier 29 Bulkhead Building represents the first phase of this vision.

The strategic objective of the proposed Pier 29 Bulkhead Building RFP is to: 1) provide supporting services to cruise passengers and visitors to the Port; 2) activate and enliven the waterfront; 3) bring the Bulkhead Building back into economic use; and 4) provide a significant and on-going revenue stream to the Port.

## **BACKGROUND**

The Northeast Waterfront has undergone great change in the last 20 years. The striking series of pierhead and Bulkhead Buildings provide this area with a unique architectural, historic and maritime character. The evolution of this area has changed the function of the Embarcadero from an industrial service road accessing the piers, to a beautified urban boulevard that supports pedestrian, vehicular, bicycle and public transit modes of travel.

Along The Embarcadero, existing developments on Port seawall lots (west side of the Embarcadero) include the Waterfront Plaza between Sansome and Bay Streets (SWLs 315, 316, 317), the newly renovated Fog City Diner at Battery Street (SWL 319), and the landmark Belt Railway Roundhouse Building at Lombard Street (SWL 318). Developments outside of Port jurisdiction include the Levi Plaza office and retail complex, and many office and design-related businesses in restored historic buildings along Battery and Sansome Streets. In addition, the inland area includes established

residential enclaves at the foot of Telegraph Hill. This area, transformed from its industrial beginnings, is now regarded as a stable and desirable urban location.

Along The Embarcadero, many of the architecturally rich brick and concrete structures originally built for maritime and industrial operations have been renovated for modern office and retail uses, thereby preserving the character of the existing City-adopted Northeast Waterfront Historic District while establishing a strong economic base. The Pier 29 Bulkhead Building has the potential to undergo such a transformation and become an integral part of the Northeast Waterfront.

## **WATERFRONT LAND USE PLAN**

The lease must be consistent with the Port's *Waterfront Land Use Plan* ("Waterfront Plan"), which includes retail uses at Pier 29. The Waterfront Plan lists the following uses or a combination thereof, as acceptable by the Port for inclusion in any proposal for the site:

- retail sales of goods and services, including but not limited to restaurants and other eating and drinking establishments,
- shops,
- personal services,
- dry goods,
- public and other markets, and
- retail outlets.

These uses will continue the Port's Waterfront Land Use Plan's goal to revive and rehabilitate this part of the Embarcadero Historic District with pedestrian-friendly, active uses that bring people and business activity to the waterfront and help knit Pier 29 into the Northeastern Waterfront neighborhood.

## **PIER 29 VISION**

Port staff has been studying the reuse of Pier 29 following the 34th America's Cup. Now that San Francisco is no longer being considered to host the 35th America's Cup, Port staff believes it is appropriate to share our ideas with the Port Commission and the public for review and feedback. Reuse of Pier 29 is an important next step to support the new James R. Herman Cruise Terminal and the Cruise Terminal Plaza. To that end, Port staff presents its initial vision for the full re-tenanting of Pier 29.

This staff vision is intended to start a dialogue with the Port Commission and stakeholders including sessions with NEWAG and, as appropriate, BCDC and State Lands staff, consistent with the implementation process set forth in the Waterfront Land Use Plan (Attachment C ).

After this public outreach process, staff intends to employ the Port's Real Estate staff to tenant Pier 29 area-by-area instead of seeking a master developer or master tenant.

Port staff's vision of re-tenanting area-by-area will allow for Port staff, Commissioners and stakeholders to explore reuse of Pier 29 incrementally, which provides an opportunity for experimentation and response to changing market conditions. Reuse of the Pier 29 Bulkhead Building is envisioned as the first area to be retenanting. During the development and issuance of the RFP for the Pier 29 Bulkhead Building, staff will continue to engage with stakeholders for feedback on both the Pier 29 Bulkhead Building and the other Pier 29 areas.

The Waterfront Land Use Plan calls out Piers 27-29 as a potential mixed use site. With the construction of the Pier 27 James R. Herman Cruise Terminal and Cruise Terminal Plaza and the repair of Pier 29 bulkhead after the 2012 fire, the Port has already begun critical phases of rehabilitating and reusing the Piers 27-29 area. The opening of the Cruise Terminal and Cruise Terminal Park represents an opportunity to replace previous light industrial use and parking at Pier 29 with people-oriented activity that welcomes cruise, neighbors and other visitors. The Cruise Terminal will host over 300,000 cruise passengers in 2015. Alcatraz Landing, next door at Pier 31, attracts more than 1.3 million passengers a year. The Exploratorium in Pier 15, less than ¼ mile away, attracted more than 1 million visitors in its first full year of operations. The Piers 27-29 area continues the Port's efforts to attract people to visit and enjoy the waterfront from the Ferry Building to Fisherman's Wharf.

Through recent historic rehabilitation efforts, including Pier 1, the Ferry Building and Piers 1½-3-5, Port staff has learned the importance of providing access to rehabilitated structures so the public can appreciate the architecture of Port historic resources. This policy objective has been reflected in both BCDC permits and State Lands letters making findings of consistency of proposed development with the public trust. With the significant foot traffic along The Embarcadero, the Port and its partners have found that retail opportunities located in bulkhead buildings can create successful spaces that allow the public to enjoy Port property.

To be successful year-round, a retail operator at Pier 29 should also be attractive to local residents and nearby workers as well. The Levi's Plaza area houses 14,000 jobs within a half-mile of Pier 29 with an estimated spending of \$100 million annually and a nearby residential population of 15,000 with an estimated \$170 million in annual retail and dining spending. The F-line and transportation resources of the Cruise Terminal make the site more accessible to San Francisco workers and residents than many waterfront sites.

At Pier 29 Port staff envisions a San Francisco Bay Area themed marketplace that brings together a collection of successful San Francisco retailers/restaurateurs. One possibility is to be a one-of-a-kind location that could have a tenant mix matching the success of big and little companies from San Francisco and the Bay Area. For example, there could be a selection of bread-makers, ranging from Boudin's Bakery to Acme Breads to Pinky's Bakery, etc. together with a selection of children's clothing and accessories such as Wee Scotty, Dottie Doolittle, The Ark Toy Store, A Child's Delight, Glammic, Ambassador Toys, Small Frys, Chloe's Closet, etc. There could be flower

shops, such as Flora Grubb, Hoogasian Flowers, Bay Natives Nursery, etc., jewelry makers, book sellers, ceramics, hardwares, wine and/or artisan beer tasting areas, cooking novelties such as William Sonoma, Napa Style, etc. and food and beverage purveyors. Given the size of Pier 29, the facility could support numerous small 1,000 sf retailers as well as larger retailers and possibly 1-2 anchor retailers. The spaces could be divided with landscaping, half walls, framing etc. There are numerous examples of such spaces ranging from the Ferry Building in San Francisco to the Granville Island Public Market in Vancouver, Canada to the Kyoto Handicraft Center in Japan.

Just as there are numerous examples of marketplaces around the world, there are also numerous examples of ways to populate and manage such marketplaces. CUESA, on behalf of the Ferry Building Farmer's Market, is one such example. Such a committee could select vendors, manage the facility and give support to all the tenants or subtenants.

As mentioned previously, Port staff propose to retenant Pier 29 on an area-by-area basis. Port staff's re-tenanting vision for the entirety of Pier 29 is to undertake re-tenanting through four stages. Staff proposes to retenant the Bulkhead Building as the first area and pursue re-tenanting of the remainder of the Pier 29 shed into three follow-on areas, which are described in greater detail below.

- I. The first area is the Pier 29 Bulkhead Building, which consists of approximately 30,000 square feet. The Bulkhead Building has been tested as a successful retail location with community acceptance by the Waiheke Island Yacht Club Restaurant, a temporary "pop-up" facility which was successful for the duration of the 2013 America's Cup events. Based on this experience the Bulkhead Building is envisioned as the site for the retail anchor(s) for this unique, "San Francisco Bay Area flavored" retail facility positioning anchor tenants that will draw and create activity in the front of the Pier 29 shed. The purpose of this tenant concept is (1) to take advantage of pedestrian traffic flows along the Embarcadero promenade to entice visitor traffic to the bulkhead location in turn creating a gateway to the entire Pier 29 facility and (2) to take advantage of cruise passenger flows from the new terminal and create a gateway into the City. Port staff will be seeking a tenant(s) that can propose a retail concept to distinguish itself from other retail along the waterfront or even in the City or the region. This retail opportunity is meant not to compete with other Port retail areas such as Fisherman's Wharf or the Ferry Building. In contrast, it is meant to augment the greater richness of the total retail experience to visitors and residents in the Northeast Waterfront and to highlight and promote that which is unique to our region, such as San Francisco artisans, Napa/Sonoma wines, etc. Under the Pier 27 BCDC permit, any improvements also will include interior public access that enables visitors to experience the Bay, connecting to the Pier 29 north public access apron, away from The Embarcadero.
- II. The second area consists of approximately 35,000 square feet and is situated on the south side of the Pier 29 shed. This space is envisioned to be divided into

café and retail “shop” spaces that can open onto a central pedestrian aisle in the shed as well as creating an attractive retail frontage that faces the cruise terminal, providing an amenity to cruise passengers and other visitors to the pier. These are expected to be relatively small spaces with multiple opportunities for local small businesses representing San Francisco and broad Bay Area businesses and culture. The eastern portion of this area is envisioned to be dedicated to supporting the cruise industry. Uses in this portion of the shed could include: a visitor’s center, concierge service, baggage storage, transportation services for tours of San Francisco and other Bay Area locations, and onsite Bay Area experiences for tourists and cruise passengers with no time to actually visit locations such as Napa, Santa Cruz and art museums in the City.

- III. A third area also consisting of approximately 35,000 square feet is situated on the north side of the shed. This area is envisioned to be used primarily to support the retail activities in Bulkhead Building and the south area of the shed. The Port is interested in attracting San Francisco businesses to establish a retail presence in Pier 29 and utilize “back of house” space to fabricate, assemble or store their own products at Pier 29. Ideally this industrial space can attract “maker” users as an area to make their goods locally with a connection with retail showroom space elsewhere at Pier 29. The area likely would include demised, minimally improved, industrial spaces.
- IV. Finally, the area at the east end of the shed, which is approximately 23,000 square feet, has a roof and a north and west wall, but is not enclosed at the east end, open to views of the Bay from the triangular tip of Pier 27-29. This is a BCDC public access area, and a unique semi-enclosed pier shed creates an indoor-outdoor experience of the Bay, but with some shelter from the wind and elements. As part of the Cruise Terminal project, this area of the shed was going to be demolished but was ultimately retained in its current state. Port staff proposes to engage with BCDC to define acceptable activating uses for this area to create a draw people out to the pier tip, and enhance public access enjoyment of this extraordinary location.

Any proposal for improvement of the Pier 29 Bulkhead Building will be subject to regulatory review to comply with requirements of the California Environmental Quality Act, BCDC, and other environmental regulatory agencies (e.g. Regional Water Quality Control Board). As Pier 29 is a contributing resource to the Embarcadero Historic District, any proposal for construction or physical improvements also will require review by a qualified historic preservation expert to ensure they comply with Secretary of the Interior Standards for Historic Rehabilitation. See Attachment B for a map of Pier 29 showing these four areas within Pier 29.

## **BULKHEAD BUILDING RFP PURPOSE**

Port staff recommends that the reuse of the Pier 29 Bulkhead Building be put out to a competitive selection process soliciting a single tenant or consortium of tenants

to (1) perform needed infrastructure and tenant improvements (including health and safety upgrades), (2) lease the upgraded facility for this “San Francisco Bay Area flavored” retail experience, (3) manage the facility to ensure its economic vitality and attractiveness, and (4) integrate improvements that are sensitive to Pier 29’s historic status and comply with Secretary of Interior Standards for Historic Rehabilitation (Secretary Standards). Port staff believes that this approach achieves the goal of re-activating the Bulkhead Building while leveraging private capital and expertise to expedite the rehabilitation of the Bulkhead Building and create a valuable retail opportunity that would serve multiple markets: cruise passengers, local tenants and residents, and other visitors and tourists to the waterfront. Given the readiness of this facility it makes sense to pursue an independent retail RFP as a first step even as an overall vision is being refined. It gives an opportunity to go to the market on a smaller scale and gauge interest in San Francisco flavored retail in conjunction with the Cruise Terminal and Cruise Terminal Plaza.

Given the approximate 30,000 square feet within the building, a single anchor user or a mix of two or more of the uses described above may be proposed. It is encouraged that the Pier 29 Bulkhead Building be used for one or more distinct operations under a lease with a single user. For example, a restaurant could be accompanied by other related retail uses. The Port will entertain a variety of proposals that meet the vision for Pier 29.

The Port will select a qualified Respondent who has the demonstrated ability to finance, design, construct, maintain and operate the leasing opportunity as described above. As well, substantial rehabilitation and waterfront development experience are desired. The Port Commission will select a Respondent that can creatively use the existing building for a use or uses that will take full advantage of the building’s location, the adjacent Embarcadero Promenade and will activate and enliven the waterfront with a truly unique San Francisco retail destination.

The solicitation will seek a respondent to develop a strategy to fund improvements that will allow for a creative rehabilitation of the bulkhead structure with the appropriate improvements necessary to create and operate an ongoing high quality retail operation. The RFP will require respondents to propose the most creative and effective implementation strategy to lease the Bulkhead Building in order to achieve the Port’s goal of bringing the Bulkhead Building back into economic use, consistent with Secretary Standards, and provide an on-going revenue stream to the Port.

The RFP is an opportunity to showcase San Francisco specialties and will encourage the creation of these unique retail uses in the Bulkhead Building: 1) uses that complement tourism and the cruise industry, 2) restaurants and other food vendor services, and 3) visitor and local serving retail. These uses would continue the Port’s Waterfront Land Use Plan’s goal of preserving this historic structure and promoting pedestrian-friendly services and amenities that replace industrial storage and parking, and activate the Pier 27 Cruise Terminal and Plaza area.

## OVERVIEW OF OPPORTUNITY

If approved, the RFP will be issued in the near future and seek a respondent with demonstrated experience in creatively rehabilitating, building out, and operating unique high quality retail facilities. An ideal retail tenant will have experience with historic rehabilitation of waterfront structures, experience and ability to identify appropriate local retailers, and a demonstrated ability to operate and maintain high quality retail facilities once completed. For example, the entire space may be too large for the respondent's own use; however the respondent will still be responsible for sub-leasing the remainder of the space to a sub-tenant(s) that is appropriate and complementary to the respondent's broader retail concept. In addition, such a candidate should have a proven ability of working with public agencies to achieve results desired by the Port.

As noted above, a response to the RFP will include an implementation strategy of the Pier 29 bulkhead structure. The RFP will evaluate respondents' qualifications to undertake the development and ongoing operation of a high quality retail facility.

The Port will require that the rehabilitation of the Pier 29 Bulkhead Building be funded through private sector investment and expects that the successful candidate will fund physical improvements, and provide for on-going operating/maintenance costs as well as provide security for the facility.

The negotiated transaction of the Pier 29 Bulkhead Building between the Port and a successful respondent will be at fair market rent, which will include base rent and a percentage rent component. The initial lease term will be up to 20 years. The Port may include an option(s) to extend for an additional period to be negotiated and exercised at the Port's discretion.

## SELECTION PROCESS

Port staff recommends a selection process consisting of the following steps:

- 1. Request for Proposals** – Staff will prepare an RFP requiring submittal of respondent's qualifications to lease the Bulkhead Building, including a financial proposal. Respondents would be required to tender an earnest money deposit that would be refundable to all respondents except the one with whom the Port enters into exclusive negotiations.
- 2. Evaluation of Proposals** – Proposals will be screened for responsiveness to the RFP. Responsive proposals from qualified respondents will undergo technical evaluation. Following this review, staff will recommend the highest ranked candidate to the Port Commission. The Port Commission will select a candidate and direct staff to enter into exclusive negotiations.
- 3. Approval of Transaction** - Upon completion of any required environmental review and finalization of negotiations by Port staff, the Port Commission will consider

the lease and related documents. Given its term, the lease will also be subject to approval by the San Francisco Board of Supervisors.

## **SELECTION CRITERIA**

The Port intends to select a candidate for the Pier 29 Bulkhead Building project based on the information contained in the responses to the RFP, an investigation of the entity's financial capability, past projects and performance, interviews (if Port staff elects to hold such interviews) and other pertinent factors.

Evaluation of the submitted proposals will require technical real estate and planning analysis. In particular, the following criteria are identified for proposal evaluation. The evaluation weighting of these factors will be specified in the RFP.

### **Experience, Qualifications, and Financial Capability for Development and Operation of a Retail Facility at the Pier 29 Bulkhead Building**

- Experience with projects of comparable size, land use, visibility and expense, especially for projects located in the San Francisco Bay Area
- Experience of respondent's team members and key personnel
- The respondent's ability to fund the proposed project
- The respondent's overall financial track record
- Experience working within a mixed use retail environment and working collaboratively to establish a successful retail center.

### **Proposed Development Design and Retail Program for the Bulkhead Building**

- The respondent's proposal to tenant the bulkhead structure as a "San Francisco Bay Area flavored" retail facility consistent with the Port's goals and objectives including LBE business participation
- The reasonableness and feasibility of the respondent's proposed retail concept in achieving the Port's objectives
- The probability of obtaining approvals for the proposed design, given the physical and legal constraints on development on the waterfront
- The design and architectural quality and constructability of the proposed design concept for the bulkhead structure including LBE participation in the design and construction phase

### **Proposed Financial Terms for Development and Operation of the Bulkhead Building**

- The proposed annual rent for the site
- Private investment in Port property
- The term of the lease
- Additional revenues from all participation structures proposed

## **PROJECTED RFP SCHEDULE**

To properly advertise this leasing RFP opportunity and to allow interested parties sufficient time to perform reasonable due diligence and prepare detailed proposals, staff proposes the following schedule subject to review and comment by the Port Commission:

Public Engagement	August/September 2014
Port Commission authorization to issue RFP	Fall 2014
Issue RFP	Fall 2014
Tentative submittal deadline	December 2014
Evaluation of proposals	Early 2015
Port Commission approval of ENA with selected respondent	Winter 2015
Port Commission lease approval	Spring 2015
Board of Supervisors' lease approval	Spring 2015

This schedule is an estimate and may vary on factors beyond Port staff's control. Staff will update the Port Commission on the response to the RFP and schedule for evaluation.

## **LOCAL OWNED BUSINESS ENTERPRISE ROLE/OPPORTUNITIES**

The Port of San Francisco encourages the participation of Local Business Enterprises ("LBEs") in the RFP process. The primary goal of this RFP is to attract retail users and retail anchor(s) in the Pier 29 Bulkhead Building. Though there may be an opportunity to entertain an LBE anchor, more specific LBE goals can be established for potential LBE sub-tenancies (if sub-tenancies fit the retail concept proposed). This proposed RFP will present numerous opportunities for LBE participation from the original build-out phase to the final on-going management and operations of the facility. The Port expects opportunities for LBEs in the following occupations: architectural design, construction, project management, various vendors and suppliers, financial and accounting, building maintenance services and security, among others. Port staff will work with our partners to determine minimum LBE criteria to be included in the RFP. Port staff will include this determination for the Port Commission's review when we return for approval to issue the RFP.

## **CLIMATE CHANGE**

Building out the Pier 29 Bulkhead Building for retail uses could result in these improvements being placed at risk as sea levels rise over the next decades. Given the term of the proposed lease it is unlikely that these improvements or increased retail commercial pedestrian traffic will create more property or safety risks at Pier 29. During the term of the proposed lease, there is some risk that the Port's maintenance of the substructure of this facility will be more difficult and expensive to maintain. There is no erosion, structural or geologic stability (liquefaction) issues that may be exacerbated

due to flooding or groundwater table rise, as the project is located on a pile supported structure over the bay.

## **CITY REQUIREMENTS**

The RFP will require tenant to comply with all City requirements in effect, including without limitation: (1) Non-Discrimination in Contracts and Property Contracts (including providing equal benefits) (SF Admin. Code Section 12B and C); (2) Tropical Hardwood and Virgin Redwood Ban (San Francisco Admin. Code Section 12I); (3) Health Care accountability/San Francisco Admin. Code Section; (4) MacBride Principles – Northern Ireland (San Francisco Admin. Code Section 12F); (5) Tobacco Products Advertising Ban (San Francisco Admin. Code Section 4.20); (6) San Francisco Integrated Pest Management Program (San Francisco Admin. Code Section 39.1); and (7) First Source Hiring/San Francisco Admin. San Francisco Administrative Code §83.1 et.sq. The lessee for a restaurant with more than 50 employees will also be required to comply with the Employee Signature Authorization Ordinance (Sections 23.31-23.35) which requires employers of employees in restaurant projects on public property with more than 50 employees to enter into a “card check” agreement with a labor union regarding the preference of employees to be represented by a labor union to act as their exclusive bargaining representative.

## **NEXT STEPS**

Port staff welcomes the Port Commission’s and the public’s review and comment on staff’s vision and activation of the historic Pier 29 Bulkhead Building. Port staff will continue to work with NEWAG to develop the vision and project objectives for the Pier 29 Bulkhead Building RFP. Port staff also welcomes ideas for meaningful participation for LBEs within the proposed vision. Port staff recommends that the Port Commission direct staff to continue to engage the public and refine the Pier 29 retail vision and LBE opportunities and then return to the Port Commission with a resolution authorizing issuance of an RFP for a retail leasing opportunity at the Pier 29 Bulkhead Building. After Port Commission approval, Port staff will incorporate Port Commission input and issue the RFP targeted for Fall 2014.

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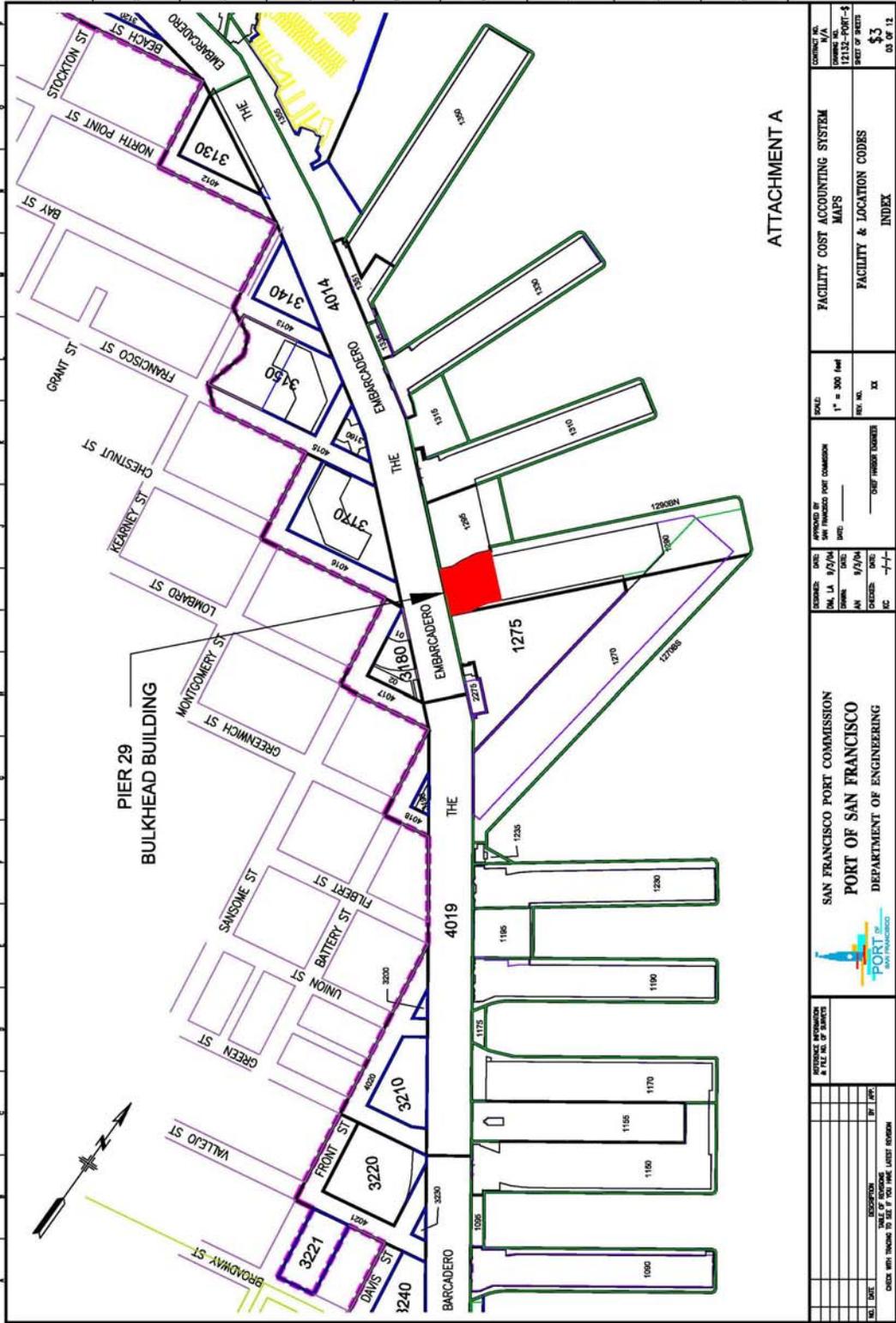
Jonathan Stern  
Assistant Deputy Director, Planning and Development

For: Susan Reynolds, Deputy Director  
Real Estate

### **Attachments**

- A. Map of Northern Waterfront
- B. Map of Pier 29
- C. Waterfront Land Use Plan Implementation Process

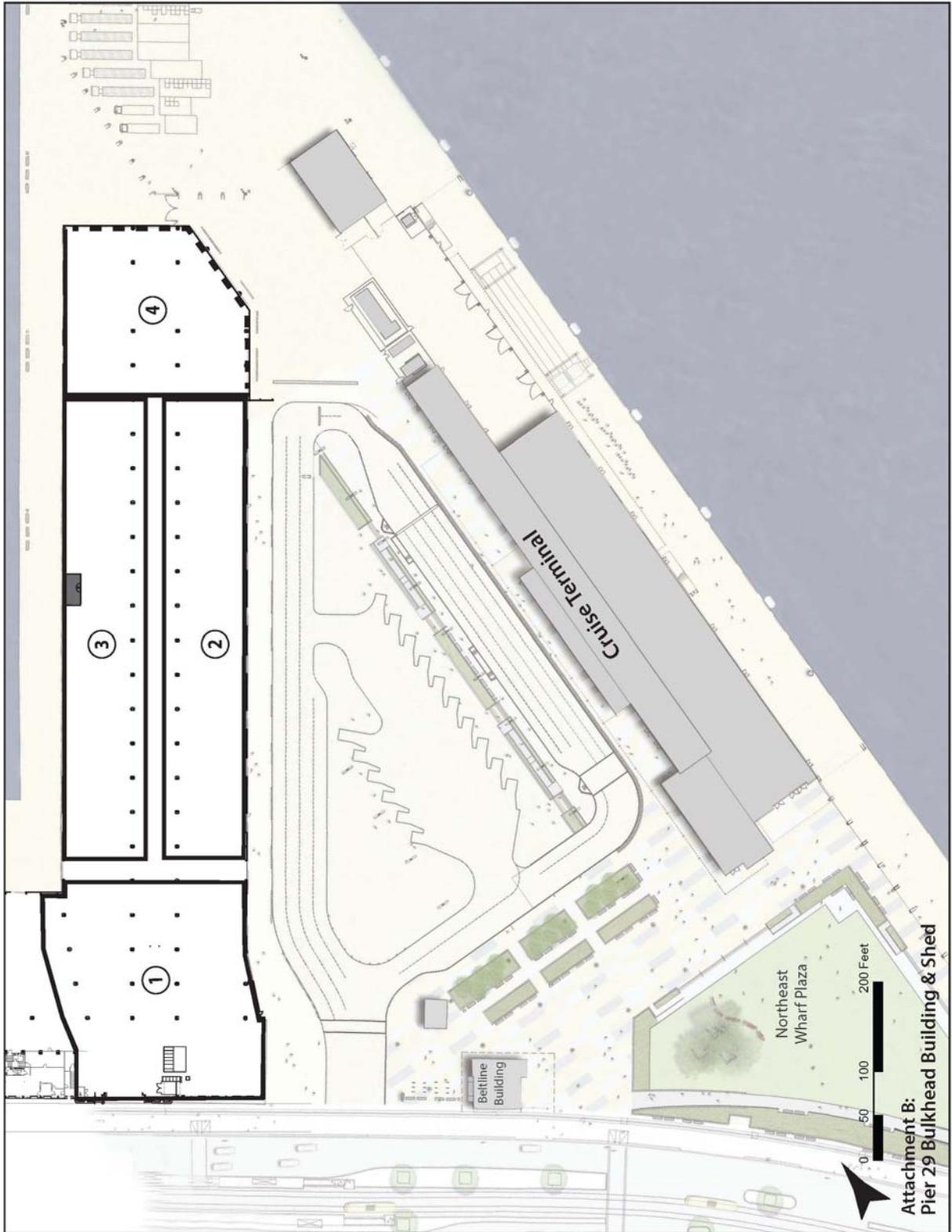
# Attachment A



ATTACHMENT A

<b>SAN FRANCISCO PORT COMMISSION</b> <b>PORT OF SAN FRANCISCO</b> DEPARTMENT OF ENGINEERING		APPROVED BY: <b>SW FRANCISCO PORT COMMISSION</b> DATE: _____		SCALE: <b>1" = 300' HORIZ</b> SHEET NO.: <b>XX</b>		CONTRACT NO.: <b>12133-PORT-3</b> SHEET OF SHEETS: <b>33</b> CD OF 12	
REFERENCE INFORMATION & FILE NO. OF SHEETS		FACILITY COST ACCOUNTING SYSTEM MAPS		FACILITY & LOCATION CODES INDEX		FILE: <a href="http://www.portofsanfrancisco.com">www.portofsanfrancisco.com</a>	
SHEET NO. _____	DATE _____	DESCRIPTION _____	BY _____	CHECKED _____	DATE _____	CHECKED WITH _____	DATE _____

Attachment B



## Attachment C

# Waterfront Plan Implementation Process

