

MEMORANDUM

May 7, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval (1) to award the SWL 337 development opportunity to Seawall Lot 337 Associates, LLC and (2) to authorize exclusive negotiations for a mixed-use development project at SWL 337 and Pier 48 bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay.

DIRECTOR'S RECOMMENDATION: Adopt Attached Resolution

EXECUTIVE SUMMARY

This staff report provides information on the result of the Request for Proposals ("RFP") process initiated in 2008 to develop Seawall Lot (SWL) 337, currently a surface parking lot, and the adjacent Pier 48. This report presents reviews conducted by Port staff, consultants and the Seawall Lot 337 Advisory Panel of the qualified proposal received from Seawall Lot 337 Associates LLC ("SWL 337 LLC" or "Developer").

Based on the analysis presented in this report, Port Staff recommends that Developer be awarded the opportunity and asks for authorization to proceed with exclusive negotiations for the mixed use development of SWL 337 including China Basin Park, Pier 48 and portions of Terry Francois Boulevard. During the exclusive negotiating period, Staff intends to work with Developer to further define the development plan and develop a feasible economic structure that are viable to justify private investment, respond to the economic needs of the Port, and meet the public objectives of the City and its residents.

Staff recommends financial and negotiating principles (shown in Exhibit A) to guide in developing a complete master plan for the site, and to specify conditions to this award for additional future review and action by the Port Commission.

The Print Covers Calendar Item No. 11A

BACKGROUND

In October 2007, the San Francisco Port Commission initiated a two-phase developer solicitation process for Seawall Lot (SWL) 337, a 16 acre Port waterfront site located along the south side of China Basin Channel, generally bounded by Third and Mission Rock Streets, and Terry Francois Boulevard and Pier 48 adjacent to the northeast side of SWL 337 (Shown in Exhibit B). Currently SWL 337 is a surface parking lot leased to the San Francisco Giants. Currently, major uses of Pier 48 include ballpark overflow parking in the northern shed and storage for the Department of Elections in the southern shed. All of these current uses are on short term leases in anticipation of development. In the latest complete fiscal year the Port collected \$2.3 million in revenues from SWL 337 and \$1.4 million from Pier 48.

On October 23, 2007, the Port Commission authorized staff to issue a Request for Qualifications (“RFQ”) for development of SWL 337 and, as an option, Pier 48 based on objectives and criteria developed through a community planning process. The Port Commission also authorized the Executive Director to convene a Seawall Lot 337 Advisory Panel representing planning, environmental, economic, urban design & architecture, neighborhood and city-wide interests and expertise to review respondent submittals and provide findings and recommendations to the Port Commission for its consideration and action (Resolution No. 07-80). Four teams submitted timely, complete and responsive development concepts.

On February 26, 2008, the Port Commission received an informational presentation from the four developer teams regarding their RFQ submittals. On April 8, 2008, the Port Commission received an informational presentation from the SWL 337 Advisory Panel summarizing its deliberations and evaluation of the four RFQ submittals.¹

On April 22, 2008, the Port Commission approved the Advisory Panel’s recommendation to invite two of the development teams to respond to a Request for Proposals (RFP) (Resolution No. 08-25):

- Boston Properties, Kenwood Investments, Wilson Meany Sullivan
- Cordish Company, Farallon Asset Management, San Francisco Giants

The Port Commission also authorized issuance of the RFP with revised objectives and criteria (Resolution No. 08-26). The RFP was issued on May 27, 2008 with a deadline for submittals of August 27, 2008.

SHORTLISTED DEVELOPER TEAMS COMBINE INTO SINGLE ENTITY

On August 19, 2008 the two development teams invited to respond to the RFP informed the Port of their intention to combine into a single development entity “in an effort to strengthen [their] efforts, to devise the best possible design for the site, and to increase

¹ See the April 2, 2008 Memorandum to the San Francisco Port Commission which discusses the four proposals and their evaluations in detail, which is incorporated by reference. Said memorandum is available on the Port’s website at [http://www.sfgov.org/site/uploadedfiles/port/meetings/supporting/2008/Item9aSWL337\(1\).pdf](http://www.sfgov.org/site/uploadedfiles/port/meetings/supporting/2008/Item9aSWL337(1).pdf)

the likelihood that a financially beneficial and viable project can move forward and begin generating revenues for the Port". The combined developer team, SWL 337 Associates LLC, requested and was granted four separate extensions of the submittal deadline, culminating on January 15, 2009.

On January 15, 2009, the Port received an RFP submittal from SWL 337 LLC comprised of the following partners (listed in the order named in the submittal):

San Francisco Giants
Wilson Meany Sullivan
Kenwood Investments
The Cordish Company
Stockbridge Capital
Farallon Capital Management, LLC

At the February 10, 2009 Port Commission meeting, Developer presented its development concept for SWL 337 and Pier 48, which has been posted on the Port's webpage for this offering (www.sfport.com/swl337).

DEVELOPER PROPOSAL

Project Design and Development Concept

Developer has presented a vision for a new neighborhood, "The Mission Rock District" at SWL 337 including China Basin Park, Pier 48 and portions of Terry Francois Boulevard. The submittal includes renderings illustrating proposed parks, buildings, streets and promenades. Specifically, the proposal includes in excess of 8 acres of public open space, approximately 240,000 square feet of retail space, 1 million square feet of office space, 875 units of rental residential and 181,000 square feet of event/flex space at Pier 48. See Exhibit C for a detailed description of the proposal.

The proposal features a five acre waterfront open space, Mission Rock Park, extending from the Bay into a mixed-use neighborhood with office, residential, retail and recreational uses. With connections to streets in the adjacent Mission Bay Redevelopment Project Area, the proposed block pattern of SWL 337 is broken into ten city blocks to create a pedestrian environment, with views and paths to parks and water from within and outside the district.

Mission Rock Park and the historic rehabilitation of Pier 48, including rebuilding of the pier "aprons" to provide public access around the pier's perimeter, are two major public benefits of the project. They are proposed to be completed in the third and fourth development phases, projected for 2022 and 2026, respectively. Until they undergo development, Pier 48 would continue to be operated for interim uses with modest capital improvements, and SWL 337 would continue in surface parking use. SWL 337 surface parking would be replaced incrementally, corresponding with the phasing of development of individual blocks. The existing China Basin Park at the north edge of the site would remain until it is incorporated into the construction of the larger Mission Rock Park.

Technical Submittal: Project Team, Transportation Plan, Market Analysis, Operations

Development Team

SWL 337 LLC is a joint submittal of partners from the two teams short-listed in the RFQ process. The combined development entity has extensive local and national development experience. Wilson Meany Sullivan (WMS) emerged as the primary development manager for SWL 337 LLC with WMS and San Francisco Giants staff shown as the primary contact and day-to-day project management team. Boston Properties, a major capital partner, opted not to participate in the joint submittal and is no longer involved in the project. Developer has identified four entities (WMS, San Francisco Giants, Kenwood Investments, LLC, and The Cordish Company) to serve as operating members for the project with responsibility for construction and development, community outreach, regulatory compliance, procurement of entitlements, interaction with the Port and other day to day responsibilities. Farallon Capital Management, LLC and Stockbridge Capital are capital partners and must approve material financial decisions.

The project design team includes Perkins+Will (formerly SMWM), Beyer Blinder Belle Architects & Planners as lead architects, Hargreaves Associates as landscape architect, and Atelier Ten as sustainability consultant. General contractors for the project are Hathaway Dinwiddie and Nibbi Brothers with civil engineering expertise from BKF Engineers and geotechnical engineering by Engeo and Treadwell & Rollo. Environmental consultants are Ash Creek Associates and Eler Kalinowski. Legal representation for the team is Coblenz, Patch, Duffy & Bass and Sheppard Mullin Hampton & Richter. Parking consultants include Robert L. Harrison Transportation Planning, Adavant Consulting, Douglas Wright Consulting, Messagesmith Strategic Communications and Imperial Parking.

Transportation Demand Management Plan

The proposal includes technical information on a proposed Transportation Demand Management Plan (Transportation Plan), real estate market analysis, and business and operations plans.

The Transportation Plan presents the Developer's proposal of how the project would be designed and programmed to meet San Francisco's Transit-First policy and the transportation objectives for the RFP. The Transportation Plan presents public transit and parking demand estimates and strategies for achieving the Developer's stated project goal of reducing automobile use. Vehicle parking to support the built mixed-use project and the existing uses at AT&T Park is concentrated on the site's southern edge (approximately 2,000 spaces) with additional parking resources in the center of the project (320) and on the northern edge (163 spaces) for a total project count of 2,650 parking spaces. The Transportation Plan includes the concept of expanding Muni's E-Embarcadero historic streetcar line to the project site, although it does not present a financing or implementation strategy for such an improvement.

Market Analysis and Business Plan

The proposal includes a market study to support Developer conclusions regarding revenue assumptions and the viability of the proposed development program. However, citing the current financial turmoil impacting development and absorption for all types of uses, Developer provides only a generalized overview of the San Francisco real estate market and does not provide specific property-level information nor any project-level conclusions. Instead Developer has proposed to work with the Port to further refine the business plan for the project.

The proposal puts forth a narrative business plan, operations and management plan, a discussion on job creation and employment opportunities resulting from site development and a proposed open space maintenance budget.

Financial Proposal

The Developer's financial proposal acknowledges the project's many unknowns but recognizes the enduring development opportunity of this Site, given how the adjacent Mission Bay area is tailored to meet health, biotech and emerging industry markets. In light of the dramatic downturn in the economy in late 2008 and continuing unstable economic climate, Developer was continually adjusting its financial proposal up until the final RFP submittal deadline of January 15, 2009. As a result, Developer states that many financial assumptions in its proposal may vary from the plans and renderings in its design and land use proposal. For instance, the financial pro formas currently reflect office developments with larger building footprints and lower building heights than illustrated in the development design plans in order to target typical building needs of the health and biotech industry.

Developer proposed an approximately four year period to conduct due diligence and obtain all required entitlements followed by a four-phase, 17 year site build-out commencing in 2013. Taking advantage of proximate, existing infrastructure, Phase One focuses office and residential construction in the northwest portion of the site along Third Street, which would minimize land development costs in the early phases. The sequencing of subsequent development phases extending toward the water would entail higher development costs that must be supported by the project as a whole. These consist of the parking garages, a possible substation, Mission Rock Park, and a perimeter stabilization system for the entire site. Developer proposes a "just in time" approach to infrastructure improvements: land development is phased on a building-by-building basis, and is only undertaken once there is a disposition contract for each building.

The preliminary pro forma submittal is conceptual, and does not provide specific breakdown for individual development blocks of development costs and revenues. Instead, the financial proposal provides initial projections of investments, financing structure and returns, based on generic pro forma analysis of typical office and residential apartment development blocks. Developer acknowledges that further work will be needed to refine a development plan and economic structure that is viable to justify private capital investment, as well as respond to Port economic needs, and public

objectives of the City and the general public. Port staff will work during the ENA period to refine and develop a financial structure that provides fair market value to both the public and private sector.

Development Framework

Developer proposes a lease term of 75 years for SWL 337 and 66 years at Pier 48, the maximums allowed by State law. Developer proposes a master development framework with eight mixed use development pads plus sites for parks (Mission Rock Park and Mission Rock Square), an approximately 2,000 space parking structure, and Pier 48 build out, all between 2013 and 2027. Developer would lease the property from the Port, secure all entitlements and approvals, perform the infrastructure improvements, create parcels for vertical development, fund a portion of the parking costs, and build the open space improvements (sometimes referred to as “horizontal” development activities) and, in turn, lease the development parcels for construction of individual buildings. Individual developer’s for each of the development pads (sometimes referred as “vertical” developers) would pay ground rent to Developer, which would compensate for infrastructure improvements and land value created by SWL 337 LLC, as well as lease revenue to the Port. Developer estimates total infrastructure (horizontal) development would cost \$216 million. Developer estimates the total development costs including all building construction at \$2.2 billion.

Interim Rent

Surface parking, storage and other interim uses would continue on site until the subparcels are made available for development projected to be from 2009 to 2018. The Developer’s preliminary pro forma indicates that Port would continue to receive interim parking and storage rent totaling \$32 million between 2009 and 2018 (all rent estimates are shown on Exhibit D). Between 2013 and 2018, as each subparcel is “taken down” (as site and infrastructure improvements commence) it will become unavailable for interim leasing and the Port would receive a pro rata share of the site base rent attributable to that subparcel. After 2018, Developer expects to have site-wide infrastructure improvements underway (including perimeter subsurface stabilization and park construction) signifying the end of interim leases on the site.

Base Rent

Base rent would commence when each subparcel is taken down, and is projected at approximately \$1 million in 2014, and ultimately increasing to \$6 million annually at build out projected in 2027. The Port is projected to receive base rent totaling \$208 million between 2013 and 2053. Though the submittal has no specific proposal for base rent increases, the pro forma shows \$254 million in “performance rent” between 2013 and 2053 roughly equal to base rent escalations every 5 years at the rate of inflation.

The submittal indicates that base rent increases and participation rent are to be negotiated during the ENA period. Developer has proposed that public infrastructure to support SWL 337 development would be financed through Port revenue bonds backed by Developer’s funds and the growth in City tax revenues generated by the new

development (“SWL 337 tax increment”) that would not exist but for the project. Once the last of the Port revenue bonds are issued for the project, projected in 2028, SWL 337 tax increment revenue growth would flow to the Port and thus be available to finance other Port projects outside of SWL 337. The submittal’s proposed public financing mechanism is discussed further below.

Rent from Pier 48 begins at \$558,868 annually in 2009 increasing to approximately \$3 million in 2053, projected to total almost \$72 million through 2053. Developer has provided detailed lease revenue projections through 2053, however the proposed lease terms extend beyond 2053 until 2075 at Pier 48 and until 2084 at SWL 337.

Public Finance

The Developer’s submittal proposes that the Port issue revenue bonds beginning in 2013 to fund public infrastructure supporting the project. Developer proposes that revenue bonds be repaid from the SWL 337 project, initially backed by: 1) a reimbursement agreement from the Developer; 2) Community Finance District (Mello Roos or CFD) special taxes levied on each parcel as it is taken down; to be replaced by 3) incremental tax (IFD) revenues once each parcel is completed and placed on the tax roll. SWL 337 tax increment revenues would be used to pay off the revenue bond and to repay the Developer’s equity. Developer estimates that the project would generate total increment of \$452 million between 2013 and 2053. The Developer’s preliminary pro forma proposes that the Port issue revenue bonds funded by \$254 million in SWL 337 tax increment proceeds between 2013 and 2053 (equivalent to \$120 million of bonding capacity in 2013 when discounted to 2013 dollars at 6%) to fund infrastructure improvements for the SWL 337 development. Between 2028 and 2053 \$198 million of SWL 337 tax increment (equivalent to \$50 million in bonding capacity in 2028 dollars) would be available for other Port uses.

PROPOSAL EVALUATION PROCESS

After staff determined that Developer’s submittal was timely, complete and responsive to the RFP requirements, the Port conducted a thorough, multi-part evaluation of the proposal’s responsiveness to the Port’s objectives in the RFP. Port staff, its consultants, and the SWL 337 Advisory Panel reviewed the proposal’s adherence to the RFP’s evaluation and selection criteria as presented in Table 1. As only one proposal was evaluated, its consistency with each of the RFP criteria was assessed qualitatively rather than using a numeric scoring system.

The SWL 337 Advisory Panel took the lead in evaluating and making recommendations to the Port Commission regarding the responsiveness of the Developer’s proposal to the following RFP objective categories: Land Use, Open Space, Transportation, Neighborhood Character, Historic Resources & City Form, and Sustainability. The report of the Advisory Panel’s review and recommendations is presented in Exhibit E in this staff report. Port staff took the lead in evaluating the Developer’s proposal for responsiveness to the RFP’s Economic Objectives, with input from the SWL 337 Advisory Panel. Port Staff also was responsible for evaluating Developer’s financial proposal and qualifications.

Port staff was assisted by consultants who reviewed and provided technical assessments of various elements of the RFP submittal, presented below. These assessments (shown in Exhibit F) were distributed to the SWL 337 Advisory Panel, and were considered in both Port Staff and Advisory Panel reviews.

- Economic Analysis: CBRE Consulting/Conley Consulting Group
- Physical Planning and Urban Design: BMS Design Group
- Transportation Demand Management Analysis: Nelson/Nygaard Consulting Associates
- Transportation Muni and Parking: San Francisco Municipal Transportation Agency
- Sustainability: San Francisco Department of the Environment

Table 1: SWL 337 Evaluation and Selection Criteria Summary	Percent Scoring (100 Total Pts)
Criteria Quality of the Design and Development Submittal, which will include following considerations: <ul style="list-style-type: none"> ▪ response to RFP development objectives ▪ character and quality of the development (e.g. street network, location of buildings and open space, connectivity to the surrounding area, massing and treatment of buildings, quality of open space, clarity in sustainability proposals ▪ quality of Transportation Demand Management Plan ▪ evaluation of development program against public trust principles 	60%
Strength of Financial Proposal based on proposed economic return to the Port, based on base rent and percentage rent or other forms of participation proposed by the Respondent	40%
Financial capacity of the Respondent and economic viability of proposal, based on relevant factors such as: <ul style="list-style-type: none"> ▪ ability to raise and commit funds for the project and continuing operations and maintenance ▪ adequacy of projected revenues to support the investment ▪ reasonableness of the cash flow analysis ▪ proposed capital investment for improvements 	Supports the evaluation of economic return
Experience, organization and reputation of the Respondent's team on complex projects, based on relevant factors such as: <ul style="list-style-type: none"> ▪ history of on-time and on-budget projects ▪ economic success of similar ventures ▪ design excellence of completed projects ▪ clear lines of authority and responsibilities ▪ Team & key personnel qualifications ▪ availability of key team members ▪ ability to work with Port and community ▪ litigation and compliance record ▪ ability to comply with City Requirements 	Supports the evaluation of development concept and economic return

Summary of Public Comments

The Port has received substantial public comment on this proposed project which is summarized below. Public meeting presentations, comments and discussions occurred at the February 10, 2009 Port Commission meeting, March 11, 2009 Central Waterfront Advisory Group (CWAG) meeting, and the March 18, 2009 public workshop on the Developer's proposal. In addition, the Port has received many written comments through the Port SWL 337 web page. These public comments are presented in detail in Exhibits G, H, I & J in this staff report.

Port Commission Meeting Informational Presentation

On February 10, 2009, Developer gave an informational presentation to the Port Commission describing the project. Members of the public generally supported the project going forward, though several expressed an interest in having public benefits built earlier in the project's phasing schedule. Many representatives from local labor unions spoke in support of the project, specifically the anticipated job creation associated with project construction. See Exhibit G for excerpts from the Port Commission meeting minutes regarding SWL 337 RFP proposal public comments.

Central Waterfront Advisory Group ("CWAG") Review

On March 11, 2009, the CWAG chair, Toby Levine, led a discussion of CWAG's comments on the SWL 337 LLC submittal. CWAG members had many questions and observations. They generally liked the intimate scale and fine grain of development shown in the proposal and were encouraged by the overall project direction. They sought more discussion on the proposed project phasing and were interested in having significant open space development occur with aggressive linkage to vertical development. Notes from the CWAG discussion, including Developer team's responses, are attached as Exhibit H below.

SWL 337 Public Workshop

On March 18, 2009, the Port's SWL 337 Advisory Group sponsored a public workshop attended by approximately 70 interested neighbors, Port staff and developer team representatives. After presenting a project overview, Developer listened, responded and interacted with the assembly on questions of land use, open space, neighborhood character, project economics and sustainability. There were several comments pertaining to the character of the proposed retail program especially in contrast and/or complement to the existing retail on King Street and the retail planned for 4th Street in Mission Bay. Complete workshop notes are attached as Exhibit I to this staff report.

Comments Submitted to Port Website

Through the Port's SWL 337 web page, the public logged several comments on issues ranging from appropriate building heights, scale and density, project compatibility with Mission Bay, parking concerns, preservation of industrial uses at Pier 50, opportunities for youth development and education, and the possibility of addressing skating interests. A compilation of these comments is attached as Exhibit J to this staff report.

Experience, Organization and Reputation of the Respondent's Team

The members of Developer's team have demonstrated extensive experience developing large scale urban projects dedicated to architectural and urban design quality, quality of public amenities and historic preservation. Notable projects in development or completed by team members include the Ferry Building, AT&T Ballpark, China Basin Park, Mission Bay, Treasure Island, Bay Meadows, One Market, and the Power Plant Live (an 8 acre, 250,000 square foot retail/entertainment and office project in Baltimore, Maryland). Team members also operate smaller projects such as AT&T Ballpark, Flood Building and the Aquarium of the Bay.

The examples listed above demonstrate a good understanding of local market and community issues through implementation of complex development projects in challenging regulatory environments including the Ferry Building, Treasure Island and Bay Meadows. However, Cordish as the entertainment/retail lead has not demonstrated local expertise addressing the additional challenges in implementation of a San Francisco entertainment focused development.

Overall, staff finds that the development team represents very strong local development experience with a highly qualified professional and design consultant team. SWL 337 LLC is qualified to design, entitle and develop a project of the complexity posed by SWL 337 and Pier 48 development.

Financial Capacity of the Respondent

Review of the financial documents and qualifications submitted by SWL 337 LLC was conducted by Lawrence Brown, Port Financial Analyst. Mr. Brown was in contact with each of Developer team members to review records and documents. The Developer's proposal estimates that the infrastructure and entitlement of the project will cost \$216 million with SWL 337 LLC contributing approximately \$38 million. However, Mr. Brown based his financial capacity analysis on the Developer's demonstrated ability provide equity contribution of up to \$300 to 400 million. This is a more conservative assumption that would allow for sufficient equity to fund both the infrastructure (horizontal) and building (vertical) development with the balance of the funding coming from debt financing.

Mr. Brown's memorandum, (included as Exhibit K) indicates that the current economic downturn has had a significant negative impact on the development team's financial capacity as determined by the combined shareholder's equity. Nevertheless, SWL 337 LLC team members still have considerable resources and have no difficulty in providing the necessary capital needed for the project and in obtaining debt financing for the remainder of total (horizontal and vertical) development costs. In the worse case, should no debt financing be available, SWL 337 LLC has sufficient resources to fully finance the development. Overall, Developer is very strong financially and clearly has the resources to secure or access equity and debt financing to complete the project.

Quality of the Design and Development Submittal

As indicated above, the SWL 337 Advisory Panel was primarily responsible for reviewing Developer's proposal against the RFP Development Objectives, except the Economic Objectives (which were evaluated by Port Staff). The Advisory Panel's review was designed to ensure that the comments and diverse perspectives from the public were carefully considered in the evaluation of Developer's proposal. Its process was thorough and methodical, factoring all public comments received on the project, as summarized above; all consultant-prepared studies; written questions and answers, and an interview with Developer; and interactive deliberations which included Port Staff and consultants.

A full report of the review and recommendations from the SWL 337 Advisory Panel is presented in Exhibit E. In summary, the Advisory Panel found the RFP submittal overall to have many strengths that are worthy of consideration. The Advisory Panel found that it responds to the objective of creating a vital urban environment which takes full advantage of its special waterfront location and setting, and includes a broad mix of uses which would promote frequent and lively interactions between workers, residents, visitors and recreation enthusiasts. In particular, the Advisory Panel responded very positively to the orientation and thoughtful design of the Mission Rock Park at the north end of SWL 337, and how it incorporates and highlights historic features of the Mission Bay area, Lefty O'Doul/Third Street Bridge and Pier 48 (which would be rehabilitated). Overall, the Advisory Panel applauded the site layout, character, and distribution of open spaces, which provides a clear urban framework for development.

At the same time, the Advisory Panel also flagged a number of concerns and issues for reconsideration and/or further address. These include the need to provide a vision and details about how the substantial amount and character of proposed retail activity would be developed in the project, and how it would interact with existing or planned retail uses in the Mission Bay Redevelopment area. The Advisory Panel did not support the Developer's proposal for affordable housing in the RFP submittal, as it concentrates below-market housing exclusively on one block, across the street from Pier 50 which would continue in light industrial use. On the transportation front, the Advisory Panel questioned the viability of the Developer's proposal to extend the E-line into the project area, when there are no funding resources or implementation strategies proposed to support the concept. Additionally, several Advisory Panel members were not supportive of the size and scale of the large, approximately 2,000 space parking garage proposed at the southern end of SWL 337, nor were they convinced that this amount of parking must be located at SWL 337.

Although not tasked with evaluating it, the SWL 337 Advisory Panel received information and briefings on the Developer's financial proposal. The Advisory Panel recognized that the uncertainties of the current recession have made it more difficult for Developer, the Port and the public to define the ground rules for development which continue to be in flux. Thus, it is understood that the Developer's proposal is a starting concept with several unknowns in play. With this in mind, the Advisory Panel (as well as Port Staff) conducted its review recognizing the need to anticipate changes in the project design and program. The Advisory Panel's review of the Developer's proposal

against the RFP Objectives therefore not only produced feedback and comments on the particular features of the proposal, it also produced recommended principles that are intended to guide the further evolution and changes to the project if the Port Commission selects SWL 337 LLC to enter into exclusive development negotiations. The Advisory Panel report includes recommended principles for Land Use; Open Space; Neighborhood Character, Historic Resources and City Form; Transportation and Parking; and Sustainability, which have been incorporated into the Port Staff recommendation discussion, presented below in this report.

Strength of Financial Proposal

Port staff evaluated the Developer's Financial Proposal, assisted by technical financial and economic feasibility analysis conducted by CBRE Consulting and Conley Consulting Group. The financial proposal is based on a very conceptual development program where the lack of details at this time create many uncertainties about the economic performance of the project. As submitted, the financial proposal does not meet all of the original economic objectives of the RFP. Port staff recognizes that the timing of this proposal, in the midst of the extraordinary economic downturn and ongoing market volatility, limits the ability of an even highly experienced development team to provide a reliable and detailed economic proposal for such a complex project..

As stated above, the Developer acknowledges that further work will be needed to refine a development plan and economic structure that meets the economic needs and objectives of the Port. The ENA will be structured to allow the Port and Developer to develop a more detailed financial proposal while also advancing the development and entitlement of the proposed land use plan.

Port Revenue

The Developer's lease proposal of \$6 million in annual base rent from SWL 337 and \$558,868 in annual base rent from Pier 48 falls short of rent objective's outlined in the original RFP of \$8 million for SWL 337, phased in over several years, and \$2.2 million for Pier 48. The proposal indicates that annual rent increases, percentage rent, Port participation in sale and financing proceeds are to be negotiated at a later date and is silent on the timing of fair market value resets for base rent. Additionally, the proposal's treatment of Pier 48 seems to be incomplete, offering rents below current interim lease rates with major improvements at Pier 48 delayed until 2026. Based on the current proposal, Port staff does not believe a long-term lease is warranted at Pier 48. If the Port Commission chooses to proceed, Port staff would seek revisions to the proposal regarding Pier 48 or evaluate whether Pier 48 should be included in the scope of a long-term development agreement.

Public Finance

The Port's 10-Year Capital Plan identifies \$2 billion in capital needs to complete the deferred maintenance and historic preservation of Port facilities. Of the \$2 billion in total need, the Capital Plan identified a total of \$650 million in funding including: Port tenant obligations, the Port's operating budget, revenue bonds, development projects,

Infrastructure Financing District bonds, General Obligation bonds, and the mechanisms available to Pier 70 under 2008's Proposition D. In approving the 10-Year Capital Plan, the Port Commission anticipated petitioning the Board of Supervisors to create a local Infrastructure Financing District (IFD) to capture new tax increment revenues generated from new development on SWL 337 to help finance Port capital projects outside of SWL 337; these revenues were anticipated to be major sources of the \$650 million Capital Plan program, and were targeted to fund historic rehabilitation of some of the most valuable historic resources in Pier 70, plus Blue Greenway public access projects.

The Developer's proposal represents a change from the Port Commission's Capital Plan strategy. Developer proposes a structure that would use most of the SWL 337 IFD tax increment to support SWL 337 project development. All of the SWL 337-generated local tax increment proceeds from the projected start date of construction, 2013 through 2027 would be directed solely to the project. However, there would be no SWL 337 Tax Increment if a financially feasible project is not developed. From 2028, SWL 337 tax increment revenues would become available to the Port to fund other non-SWL 337 capital projects.

As described in the RFP, the Port is pursuing state legislation, AB 1176, to allow the Port to receive the portion of tax increment revenue currently allocated to the State of California to instead be directed to Pier 70 capital improvements. The legislation recognizes the Port's status as a public trust grantee and would allow the State's share of the tax increment to be applied to historic preservation, open space and environmental clean-up improvements at Pier 70. Developer's financial proposal does not include this potential tax increment (estimated by Developer to have a net present value of \$40 million). If the Port is able to secure approval of AB 1176 and extend it to include SWL 337 tax increment, the project could generate funds to finance some Pier 70 waterfront improvements.

Port Debt Capacity

Developer has proposed to fund the upfront entitlement costs of the development as equity. The construction costs of infrastructure improvements are funded by a combination of Port revenue bonds, funded by future SWL 337 tax increment, and private capital from the vertical developer. Taking on \$194 million of Port debt for the SWL 337 project is a departure from the RFP and the Port's 10-Year Capital Plan, even if that debt is repaid from new tax revenues generated by the project. During the ENA period, Port staff will examine the full range of financing options for development of SWL 337, to refine and develop a financial structure that provides fair market value to justify private investment and responds to the economic needs of the Port.

Summary of Proposal Evaluation

SWL 337 LLC is a very experienced development team with local and national experience with major waterfront development sites. Developer is extremely well capitalized and can fund the costs of both the horizontal and vertical development of the site. Developer submitted a site design and land use program that the Advisory Panel applauded for its site layout, character, and distribution of open spaces, which provides

a clear urban framework for development. The Advisory Panel also expressed concerns regarding transportation, affordable housing, phasing and other aspects of the Developer's submittal.

While the Developer's financial proposal does not meet all of the RFP's annual rent and other financial objectives, entering into an ENA with Developer now will give the parties an opportunity to assess whether a project can be feasibly developed that meets the Port's financial objectives and provides fair value to both the public and private sector participants.

The Port Commission authorized the SWL 337 RFP process with the premise that site development would include on-site benefits in addition to meeting a larger goal of generating rent and tax increment revenue to finance Port capital projects. If the Port is to proceed with the Developer, the Port Commission will need to carefully consider and appropriately balance the Port's design, rent, and financial objectives, based on a complete and integrated development and financial proposal. Such a detailed master plan would enable the Port and Developer to more readily determine whether the financial and development issues raised by the Advisory Panel and Port staff can be adequately addressed. Port staff believes that working in coordination with Developer to develop a master plan is the best way to explore the possibility of a project that allocates risk in a manner that meets the Port's objectives for the site.

Because of the overall quality of the development team and design proposal, staff believes that it would be fruitful to enter into exclusive negotiations with SWL 337 LLC and explore whether the parties can develop a potential project at SWL 337 that meets the Port's overall objectives and appropriately balances the financial risks of the project. The negotiation period allows time to see whether these goals can be achieved. Staff believes that, with a stabilized economy and guidance by a sound policy framework, the Port can develop a detailed master plan with the Developer leading to a successful project.

FINANCIAL AND NEGOTIATING PRINCIPLES

Based on the analysis of the proposal, the Advisory Panel, Port Staff, its consultants and City support staff have jointly created a policy framework for the proposed project. This policy framework includes negotiating principles and identifies specific tasks and milestones to be met by Developer. Staff believes these are sound principles to guide the ENA.

Balance Financial Risk and Reward: *Development of SWL 337 should balance the Port's risk related to bonding capacity and balance sheet with revenue associated with ground rent and IFD increment.*

1. The Port should be open to a careful examination of a full range of financing options for development of SWL 337. Any use of public debt instruments, including IFD and CFD bonds or other mechanisms, must be demonstrated to best achieve the Port's interests;

2. Create a structure that provides incentives and guarantees that the Developer will complete its obligations within an appropriate timeframe;
3. Risks to the Port should be carefully balanced against the potential reward from development. Port risk exposure from any use of its balance sheet or bonding capacity should be considered against the Port revenue from ground rent and IFD income. In particular the Port must consider the off site impacts, both positive and negative, of its actions on this property;
4. The substantial Port revenues generated by current uses of the property should be preserved (as interim uses) until they are replaced with higher revenue generating uses consistent with the Port's guiding principles for the site; and
5. Renegotiate existing on-site leases to establish floor for interim revenues.

Financial Transaction Structure: *Development of SWL 337 will be a public private partnership where both parties act to preserve and enhance the value of the asset, with risk, reward and return distributed equitably.*

1. Provide transparency on distribution of risks and rewards between the Port and Developer.
2. The financial returns to both parties should be parallel (not necessarily equivalent), with appropriate incentives for Developer to complete its obligations and create value to the Port.
3. The financial burdens and trust benefits of development (especially infrastructure and open space) should be appropriately distributed amongst the development phases, and not weighted towards the final phase.
4. The Port should participate in the 'upsides', particularly with regard to future increases in the revenue available to support ground rent and infrastructure payments over time.
5. Retail uses at this site should have a parallel land lease burden to retail elsewhere at the Port, with lease participation based on gross sales revenues.

Land Use – Development Program

1. Provide a clear description of the land use and development program, and the proposed uses by block.
2. Provide a clear retail vision for the project, including a description of the character/types (local, regional, visitor-oriented) amounts, and locations of the retail program across the project site.
3. Accelerate phasing of proposed Pier 48 improvements and activities.
4. Increase the program for water-oriented uses in the project (including water access), including clearer definition of locations, amounts, phasing and information on how those uses/programs would be delivered/phased as part of the project.
5. Revise program for incorporating affordable housing within the project that is not concentrated on a specific block which responds to applicable City requirements, defines the type and size of units that would be provided, defines funding sources and amounts of subsidies required to support the program, and provides legal basis for any preferences.

Open Space

1. Revise the development phasing plan to provide in each phase a balanced delivery of public open space with other developed uses.
2. Produce an open space maintenance and operations plan which describes how publicly-accessible parks and open spaces will be managed and funded without Port operating revenues. Include information about the entity/ arrangements to handle these management responsibilities.
3. For open space areas that are proposed for wildlife habitat benefit, provide sufficient information to demonstrate that the design concept incorporates site improvements that will actually be useful to wildlife and/or environmental education.

Neighborhood Character, Historic Resources & City Form

1. Produce a site plan which identifies the locations, heights and building mass dimensions of the proposed development program.
2. Demonstrate that development orientation and design actively contribute to an inviting, pedestrian character of publicly-accessible open spaces, and avoid creating adverse microclimate conditions.
3. Incorporate architectural and urban design treatments in perimeter blocks to acknowledge and relate to the surrounding Mission Bay area, as well as integrate with activities and built elements internal to the project.

Transportation and Parking

1. Produce a Transportation Demand Management Plan (TDMP) that proactively promotes alternatives to private automobile ownership and use to achieve “low traffic” development which includes:
 - a. formalized mode split performance targets (e.g. vehicle trip reduction, auto vs. non-auto ratios) increased over time, in successive phases;
 - b. staffing and funding to educate users and implement TDMP action plan commitments, tailored to SWL 337 residents, employers/workers and attendees at AT&T Park events;
 - c. measures to improve effectiveness and consistency of transportation demand management programs for entire Mission Bay area by integrating SWL 337 TDMP efforts with those of Mission Bay and UCSF-Mission Bay transportation management programs.
2. Include strategies in the TDMP which create proactive incentives for public transit and alternative travel mode use; and market-based utilization of on-street and off-street project parking (for AT&T event and non-event days).

Sustainability

1. Incorporate site-wide sustainability practices and improvements that capitalize on the large size of the SWL 337 site, in addition to building-specific sustainability measures.
2. Prepare more detailed parking and circulation information accompanying detailed development proposals as they emerge, to develop a model for sustainable transportation operations.

EXCLUSIVE NEGOTIATIONS PROCESS

The Port Commission, under the terms of the RFP, has the sole discretion to authorize exclusive negotiations. Upon the Port Commission's award, Port staff and Developer would negotiate the terms of an Exclusive Negotiation Agreement ("ENA"). As called for in the RFP, the ENA will contain time and performance benchmarks, including provisions for payment of liquidated damages and termination for non-performance, and provide for Developer to fund the Port's costs associated with project planning and review. The ENA will set forth the Port's commitment to not enter negotiations concerning the Site with any other entities during the exclusive negotiation period.

The primary focus of the exclusive negotiations would be the Developer's creating a detailed master plan that outlines a flexible master plan development approach and includes a revised, integrated financial plan ("Revised Proposal") that responds to the Financial and Negotiating Principles presented above.

During the period of exclusive negotiations, the following events are anticipated:

- Review and refinement of the proposed development project to respond to Port and public concerns.
- Determine whether the master plan justifies a long term lease for Pier 48.
- Leases for Pier 48 and SWL 337 and related documents for the lease and development of the site in a final form approved by the City Attorney's Office will be negotiated incorporating specific terms, including the Port's and Developer's respective responsibilities, the economic parameters, development standards and requirements, and a performance schedule.
- Developer will complete its due diligence review of the site, finalize financial projections and complete preliminary site plans, including elevations and renderings for the site.
- Developer will secure financial commitments for the proposed project from lenders and/or equity sources and preliminary sublease commitments from potential vertical developers and proposed anchor tenants.
- Developer, with the Port's cooperation, will complete the project approval processes and any required environmental review.

The ENA is the agreement between the parties governing how the required agreements will be negotiated. It specifies time frames and milestones for Port Commission, Planning Commission and Board of Supervisors review and approval. It will also specify negotiation fees and recovery for Port project costs. Entering into negotiations is not an approval of the project, nor does it commit either party to the project. As outlined in the RFP and Developer's proposal, numerous policy actions must be taken for this project.

If the Port Commission chooses to award this opportunity to the Developer, Port staff recommends entering into an ENA for a 12 month period with 6 month extensions of up to an additional 3 years. The initial 12 months will provide time for Developer to submit a Revised Proposal that responds to the Financial and Negotiating Principles presented above. The Revised Proposal would require review and endorsement by the Port Commission, and endorsement by the Board of Supervisors of an early term sheet, prior

to negotiating a Lease Development Disposition Agreement and Lease, which also would require Port Commission and Board approval. The proposed extension periods allow for time for publication of an environmental impact report considering the project, site rezoning and other regulatory actions needed to entitle the project.

In addition to the standard terms of a Port development project ENA, this ENA will address the following milestones for project review:

1. Submit a complete proposal for the project site including master plan level of details regarding development program, height and massing, parking and transportation, phasing subject to the policy framework above and conditions outlined in the principles.
2. Development of a **term sheet** for review and approval by the Port Commission. That term sheet will include at a minimum the following terms:
 - Guaranteed minimum rent, annual increases, percentage rent and Port participation in sale and financing proceeds must be set at fair market value and must comply with the terms indicated in the RFP.
 - Developer will be responsible for all development and operating costs of the project and any land exchange or lease agreement will include provisions to ensure the Port has no ongoing costs from this project in perpetuity.
 - Port interest in the land will not be subordinated to any debt or claim.
 - The transaction documents should include specific requirements for public finance, creating and retaining public parks, open space, active recreation and public parking as permanent conditions of the project.
3. **Public trust study**, per Senate Bill 815 (SB 815), for review by the California State Lands Commission as a condition of securing the ability to develop non-trust uses on SWL 337², evaluate the type and amount of trust land uses included in the development program, and how the development program overall incorporates the waterfront setting and natural public trust features including:
 - Analyzing how SWL 337 development and design reflects public trust needs as specified in SB 815
 - Summary of viable public trust uses for SWL 337
 - Project transportation needs analysis

To verify the financial commitments of the various members of the project team, the Port staff recommends that the Port Commission condition the ENA approval on receipt of all joint venture, partnership or operating agreements among the named entities comprising Seawall Lot 337 Associates, LLC pertaining to this development opportunity.

² See Port website, http://www.sfgov.org/site/uploadedfiles/port/port_commission/StatelandsEvaluationCriteria.pdf for more information on SB 815 public trust study.

RECOMMENDATION

Based on the assessment of the proposal using the RFP evaluation criteria, Port staff recommends that the Port Commission (1) award the SWL 337 development opportunity to Seawall Lot 337 Associates, LLC and (2) authorize exclusive negotiations for a mixed used development project at SWL 337 and Pier 48 with SWL 337 Associates, LLC subject to the Financial and Negotiating Principles shown in Exhibit A.

NEXT STEPS

If the Port Commission chooses to adopt the attached resolution Port staff will negotiate an ENA with Developer for Port Commission approval. Developer acknowledges that further work will be needed to refine a development plan and economic structure that is viable to justify private capital investment, as well as respond to Port economic needs, and public objectives of the City and the general public. The ENA will require Developer to submit a complete master plan submittal and term sheet complying with the Financial and Negotiating Principles shown in Exhibit A. Port staff will negotiate a term sheet complying with the financial principles in Exhibit A. It is expected that a complete proposal and term sheet will be available for Port Commission consideration in early 2010.

ADVISORY PANEL APPRECIATION

Port staff expresses its thanks and appreciation to the SWL 337 Advisory Panel, Port consultants, and City staff for their participation in and support of the Port's evaluation of responses to the RFQ and RFP.

Prepared by: Phil Williamson, Project Manager
Jonathan Stern, Assistant Deputy Director, Waterfront Development
Diane Oshima, Assistant Deputy Director, Waterfront Planning
Lawrence Brown, Financial Analyst

For: Byron Rhett, Deputy Director, Planning & Development

Exhibits

- A. Financial and Negotiating Principles
- B. Location Map
- C. Summary of Proposal
- D. Developer Projections of Port Revenue
- E. Seawall Lot 337 Advisory Panel Report
- F. Consultant Reports (CBRE/Conley, BMS, Nelson Nygaard, MTA, DOE)
- G. Public Comments from February 10, 2009 Port Commission Meeting
- H. Notes from March 11, 2009 CWAG Meeting
- I. Notes from March 18, 2009 Public Workshop
- J. Public Comments to Port's Project Internet Page
- K. Financial Capacity Summary

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

RESOLUTION NO. 09-26

- 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 Port Commission adopted the Waterfront Land Use Plan, including the Design Access Element (the "Waterfront Land Use Plan"), in 1997 after a seven year planning process; and
- WHEREAS, The Port owns approximately 16 acres at Seawall Lot 337 (SWL 337) and Pier 48, bounded generally by China Basin, the San Francisco Bay, Mission Rock Street and Third Street, including China Basin Park and a portion of the existing Terry Francois, Jr. Blvd., which together provide short-term parking and ingress and egress serving visitors to the waterfront; and
- WHEREAS, The Port Commission and community have invested significant efforts to plan for the development of SWL 337, which included a community planning process in 2007 as prescribed by the Waterfront Land Use Plan, which was led by the SWL 337 Port Commission Committee composed of then-President Ann Lazarus and then-Vice President Kimberly Brandon and supported by an extraordinary interagency cooperative effort involving staff of the Mayor Gavin Newsom's Office, Redevelopment Agency, Planning Department, and Municipal Transportation Agency, to define development objectives for the site, prior to initiating the development solicitation process; and
- WHEREAS, During this planning effort, the Port and City also worked closely with the California State Lands Commission staff (State Lands) and Senator Carole Migden to sponsor Senate Bill 815 (SB 815), which was signed into law by Governor Arnold Schwarzenegger on October 13, 2007, and provides for a process that allows State Lands to lift public trust use restrictions from SWL 337 and specified other Port seawall lot sites to enable higher economic development and revenue generation, for the purpose of investing in preservation of National Register-listed Port historic resources and the creation of waterfront public open space recognized in San Francisco Bay Conservation and Development Commission (BCDC) plans; and
- WHEREAS, The Development Objectives and Criteria included an option to include Pier 48 in proposals, in recognition of its potential to provide a place for public events and activities adjacent to new waterfront open space, where any use program will still be required to comply with public trust restrictions; and

WHEREAS, The Port Commission recognized SWL 337 to be the Port's most valuable real estate asset and, consistent with SB 815, anticipated that development of this site would generate significant net new revenue to enable the Port to increase its capability to preserve and rehabilitate Port maritime historic resources that are listed on the National Register of Historic Places, and create waterfront public open space that is recognized in BCDC plans; and

WHEREAS, The extraordinary setting of SWL 337 and broader range of developable uses allowed under SB 815 yielded Development Objectives and Criteria that promote a vibrant and unique urban mixed use development that incorporates a public open space program with a substantial increase in shoreline open space; and

WHEREAS, At the direction of the Port Commission, Port staff established the SWL 337 Advisory Panel, made up of seven members with experience in real estate economics, land use planning, environmental issues, architecture/urban design and neighborhood and city-wide interests, to ensure input from community stakeholders in the review of development concepts and proposals for SWL 337 through a two-step Request for Qualifications (RFQ) and Request for Proposals (RFP) developer solicitation process that incorporated the Development Objectives and Criteria; and

WHEREAS, The Port Commission held public hearings on February 26, 2008 and April 22, 2008, to review development concepts of four interested developer teams that submitted timely, complete and responsive submittals in response to the RFQ and, by Resolution No. 08-26, authorized and directed Port staff to issue and invite two of the teams to respond to an RFP, which was issued on May 27, 2008; and

WHEREAS, Members of the two teams notified the Port of their decision to join into one team, called SWL 337 Associates, LLC (Developer), to prepare a response to the RFP. The team requested and was granted four extensions to the original August 2008 RFP submittal deadline and submitted a timely, complete and responsive proposal for the mixed-use development of SWL 337 and Pier 48 on the final RFP submittal deadline of January 15, 2009; and

WHEREAS, The Port Commission has received public presentations and comments on Developer's proposal at the Port Commission meeting of February 10, 2009, and public comments from the Port's Central Waterfront Advisory Group meeting on March 11, 2009, a SWL 337 public workshop on March 18, 2009, and input from citizens through letters and online comments on the Port's SWL 337 webpage; and

WHEREAS Port staff contracted with outside consultants CBRE Consulting/Conley Consulting Group, BMS Design Group, and Nelson/Nygaard, and with staff from the San Francisco Municipal Transportation Agency and the Department of the Environment to provide technical reviews of various elements of the RFP proposal, to supplement the review by Port staff and the SWL 337 Advisory Panel; and

WHEREAS, Port staff finds that SWL 337 Associates, LLC has the qualifications, experience and financial qualifications to undertake the project proposed; and

WHEREAS, The SWL 337 Advisory Panel, Port staff, its consultants, and City staff produced reports documenting their respective reviews, and found that the RFP submittal overall has many strengths that are worthy of consideration, that it responds to the objective of creating a vital urban environment fitting of its special waterfront location and setting, and includes a broad mix of uses to promote enjoyment and appreciation of the City and San Francisco Bay, and thus provides a clear urban framework for development; and

WHEREAS, While the financial proposal does not meet all of the Port's annual rent and other financial criteria established in the SWL 337 Development Objectives and Criteria, Port staff recommends entering into an ENA with Developer which will give the parties the opportunity to assess whether a project can be feasibly developed that meets the Port's financial objectives and provides fair value to both public and private sector participants, presents a financing strategy that would direct SWL 337 tax increment revenues to SWL 337 development instead of other Port capital projects as anticipated in SB 815 and the Port's adopted 10-Year Capital Plan; and

WHEREAS, The SWL 337 Advisory Panel, Port staff and consultants, and City staff recognize the need to anticipate change and to identify the underlying principles that should be used as guideposts to enable the Port and public to evaluate project changes as they evolve, as well as to identify specific tasks and milestones for Developer, which led to the development of "Financial and Negotiating Principles" for any negotiations with Developer, which are attached to this resolution as Exhibit A; and

WHEREAS, The Port Commission has reviewed and evaluated the summaries and analyses of Developer's proposal prepared by Port staff, the SWL 337 Advisory Panel, Port consultants, and City staff, has reviewed the Port staff recommendations set forth in the staff report accompanying this resolution, has considered the public testimony on this matter given to the Port Commission, and the Financial and Negotiating Principles; now therefore be it

RESOLVED, That the Port Commission hereby awards to Developer the opportunity to negotiate for the development of SWL 337 and Pier 48 as a mixed-use development project, and authorizes Port staff to proceed with exclusive negotiations with Developer for a complete master plan proposal for the site, with the understanding that the final terms and conditions of any Exclusive Negotiating Agreement (ENA) negotiated between the Port and Developer must include performance benchmarks consistent with the Financial and Negotiating Principles, and terms and conditions of the ENA as described in the staff report associated with this resolution, all of which will be subject to the further approval of the Port Commission; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with Developer are unsuccessful and do not lead to approval of a development agreement, lease and related documents, to undertake other efforts such as issuing a new request for proposals, at the Port Commission's sole discretion; and be it further

RESOLVED, That the award of the opportunity to enter exclusive negotiations does not commit the Port Commission to approval of a final ENA, lease, lease disposition and development agreement, or related documents, and that the Port Commission will not take any discretionary actions committing it to the project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA); and be it further

RESOLVED, That the Port Commission expresses its thanks and appreciation to the SWL 337 Advisory Panel, Port consultants, and City staff for their participation in and support of the Port's evaluation of responses to the RFQ and RFP.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 12, 2009.

Secretary

Exhibit A

Financial and Negotiating Principles

Balance Financial Risk and Reward: *Development of SWL 337 should balance the Port's risk related to bonding capacity and balance sheet with revenue associated with ground rent and IFD increment.*

1. The Port should be open to a careful examination of a full range of financing options for development of SWL 337. Any use of public debt instruments, including IFD and CFD bonds or other mechanisms, must be demonstrated to best achieve the Port's interests;
2. Create a structure that provides incentives and guarantees that the developer will complete its obligations in accordance within an appropriate timeframe;
3. Risks to the Port should be carefully balanced against the potential reward from development. Port risk exposure from any use of its balance sheet or bonding capacity should be considered against the Port revenue from ground rent and IFD income. In particular the Port must consider the off site impacts, both positive and negative, of its actions on this property;
4. The substantial Port revenues generated by current uses of the property should be preserved (as interim uses) until they are replaced with higher revenue generating uses consistent with the Port's guiding principles for the site; and
5. Renegotiate existing on-site leases to establish floor for interim revenues.

Financial Transaction Structure: *Development of SWL 337 will be a public private partnership where both parties act to preserve and enhance the value of the asset, with risk, reward and return distributed equitably.*

1. Provide transparency on distribution of risks and rewards between the Port and Developer.
2. The financial returns to both parties should be parallel (not necessarily equivalent), with appropriate incentives for Developer to complete its obligations and create value to the Port.
3. The financial burdens and trust benefits of development (especially infrastructure and open space) should be appropriately distributed amongst the development phases, and not weighted towards the final phase.
4. The Port should participate in the 'upsides', particularly with regard to future increases in the revenue available to support ground rent and infrastructure payments over time.
5. Retail uses at this site should have a parallel land lease burden to retail elsewhere at the Port, with lease participation based on gross sales revenues.

Land Use – Development Program

1. Provide a clear description of the land use and development program, and the proposed uses by block.
2. Provide a clear retail vision for the project, including a description of the character/types (local, regional, visitor-oriented) amounts, and locations of the retail program across the project site.

3. Accelerate phasing of proposed Pier 48 improvements and activities.
4. Increase the program for water-oriented uses in the project (including water access), including clearer definition of locations, amounts, phasing and information on how those uses/programs would be delivered/phased as part of the project.
5. Revise program for incorporating affordable housing within the project that is not concentrated on a specific block which responds to applicable City requirements, defines the type and size of units that would be provided, defines funding sources and amounts of subsidies required to support the program, and provides legal basis for any preferences.

Open Space

1. Revise the development phasing plan to provide in each phase a balanced delivery of public open space with other developed uses.
2. Produce an open space maintenance and operations plan which describes how publicly-accessible parks and open spaces will be managed and funded without Port operating revenues. Include information about the entity/ arrangements to handle these management responsibilities.
3. For open space areas that are proposed for wildlife habitat benefit, provide sufficient information to demonstrate that the design concept incorporates site improvements that will actually be useful to wildlife and/or environmental education.

Neighborhood Character, Historic Resources & City Form

1. Produce a site plan which identifies the locations, heights and building mass dimensions of the proposed development program.
2. Demonstrate that development orientation and design actively contribute to an inviting, pedestrian character of publicly-accessible open spaces, and avoid creating adverse microclimate conditions.
3. Incorporate architectural and urban design treatments in perimeter blocks to acknowledge and relate to the surrounding Mission Bay area, as well as integrate with activities and built elements internal to the project.

Transportation and Parking

1. Produce a TDMP that proactively promotes alternatives to private automobile ownership and use to achieve "low traffic" development which includes:
 - a. formalized mode split performance targets (e.g. vehicle trip reduction, auto vs. non-auto ratios) increased over time, in successive phases;
 - b. staffing and funding to educate users and implement TDMP action plan commitments, tailored to SWL 337 residents, employers/workers and attendees at AT&T Park events;
 - c. measures to improve effectiveness and consistency of transportation demand management programs for entire Mission Bay area by integrating SWL 337 TDMP efforts with those of Mission Bay and UCSF-Mission Bay transportation management programs.

2. Include strategies in the TDMP which create proactive incentives for public transit and alternative travel mode use; and market-based utilization of on-street and off-street project parking (for AT&T event and non-event days).

Sustainability

1. Incorporate site-wide sustainability practices and improvements that capitalize on the large size of the SWL 337 site, in addition to building-specific sustainability measures.
2. Prepare more detailed parking and circulation information accompanying detailed development proposals as they emerge, to develop a model for sustainable transportation operations.

Exhibit B
Location Map

Exhibit C

Seawall Lot 337 RFP Submittal

Development Entity:	
Managing Partners	San Francisco Giants Wilson Meany Sullivan Kenwood Investments The Cordish Company
Capital Partners	Stockbridge Capital Farallon Capital Management, L.L.C.
Project Team:	
Land Use/Urban Designer	SMWM/Perkins & Will Beyer Blinder Belle
Architecture	SMWM/Perkins & Will Beyer Blinder Belle
Landscape Architect	Hargreaves Associates
Civil Engineers	BKF Civil Engineers
Transportation and Parking	Robert L. Harrison Transportation Planning Adavant Consulting Douglas Wright Consulting Messagesmith Strategic Communications Imperial Parking
Legal Counsel	Coblentz, Patch, Duffy & Bass Sheppard Mullin Hampton & Richter
Geotechnical Engineers	Treadwell & Rollo ENGEO
Sustainability Advisors	Atelier Ten
Hazardous Materials Remediation/Environmental	Ash Creek Associates, Inc. Eler Kalinowski
Construction	Hathaway Dinwiddie Nibbi Brothers
Community Relations	San Francisco Giants Wilson Meany Sullivan Kenwood Investments The Cordish Company
Lead Negotiator	Seawall Lot 337 Associates, LLC
Comparable development & construction projects of development entity principals	SF Giants: AT&T Park; China Basin Park Cordish: Ballpark Village, St. Louis, MO; Kansas City Power & Light District Farallon: Mission Bay WMS: The Ferry Building Kenwood: Treasure Island

Project Concept:	
<ul style="list-style-type: none"> Overview 	SWL 337 will feature a major waterfront open space sweeping up from the Bay into a lively mixed-use neighborhood with office, residential, retail and recreational uses. Linking to the streets of Mission Bay, the proposed block pattern of SWL 337 is broken into ten small city blocks to create a pedestrian friendly environment and provide views and paths to the park and water from all directions within and outside the district.
<ul style="list-style-type: none"> Open Space 	8.7 acres of public open space including a 1.5 acre neighborhood square within the core of the development, a 1 acre plaza at the entrance to Pier 48 and a 5.1 acre park directly on the Bay bringing people close to the water through a promenade that extends over the rip-rap and steps leading down to the water and to a kayak launch. Park to be activated by programs for family recreation, gatherings, performances and enjoyment of Bay and China Basin views. Rooftop gardens and playfields, primary streets and sidewalks <u>are in addition</u> to the 8.7 acres.
<ul style="list-style-type: none"> Total Commercial Space 	Retail space: 242,375 sq. ft. Event/Flex space: 181,200 sq. ft. Office: 1,037,400 sq. ft. Residential: 875 units Parking: 2,650 spaces
<ul style="list-style-type: none"> Pier 48 	Front portion of 48A: Restaurant; Front portion of 48B: Retail Central portion of both sheds: Flexible space for events, trade shows, exhibits, festivals with some game day parking. Rear portion of both sheds and connector building: major event and conference center with small café. Renovated pier apron: Maritime operations and vessel berthing, public access, fishing, Bayside History Walk.
Key Financial Terms	
Term	75 Years at SWL 337 A master lease converting to a parcel-by-parcel lease upon commencement of construction on each parcel.
Base Rent – SWL 337	\$6M/Yr. Allocated at commencement of construction for each development parcel.
Base Rent – Pier 48	\$558,868
SWL 337 Construction/Interim Rent	Continued parking revenues (~\$2.8M/Yr.)
Rent Escalations	To be negotiated
Participation Rent	To be negotiated

Public Financing	
Infrastructure Finance District (IFD)/Revenue Bonds	Developer proposed Port issue revenue bonds be backed by a Reimbursement Agreement from the Developer (Paid by CFD taxes on leasehold and IFD) to fund public infrastructure supporting the project.
IFD tax increment to project	Tax increment totaling \$452 million Supporting \$194 million of Port revenue bonds issued from 2013 through 2026 Estimated bonding capacity of \$120 million in 2013 \$s
IFD tax increment to Port	Tax increment totaling \$198 million from 2028 to 2053 Estimated bonding capacity of \$50 million in 2028
Bonding capacity of Base Rent	Currently site rent funds Port operations. If the Port chooses to bond against base rent, estimated bonding capacity of \$45 to \$60 million
Debt Service Coverage	Reimbursement Agreement includes 1.05x coverage
ERAF (state) share of property tax	To Port if State law changes Total increment \$154 million Estimated Port bonding capacity of \$40 million

Exhibit D
Developer Projections of Port Revenue

Exhibit E
Advisory Panel Summary

Exhibit F

Consultant Reports

Insert reports from:

CBRE/CCG

BMS

Nelson Nygaard

MTA

DOE

Exhibit G

Minutes from Developer's Informational Presentation at the February 10, 2009 Port Commission Meeting Including Public Comment

Informational Presentation by Port Staff and the Potential Developer for the 16 Acre Mixed Use Development Opportunity at Seawall Lot 337 (includes AB 8719, Lot 002; AB 9900, Lot 62; AB 9900, Lot 048; and AB 9900, Lot 048H; all bounded generally by China Basin, the San Francisco Bay, Mission Rock Street and Third Street)

Phil Williamson, Port Project Manager, indicated that this is an informational presentation on Seawall Lot 337 mixed-use development opportunity. The potential development team will present an overview of their development concept.

On October 23, 2007, the Commission authorized staff to issue a request for qualifications for the development of Seawall Lot 337 based on objectives and criteria developed through a community planning process. Four teams submitted timely, complete, and responsive development concepts.

The Commission also authorized the Port's Executive Director to convene a Seawall Lot 337 advisory panel representing planning, environmental, economic, urban design and architecture, neighborhood and citywide interests and expertise to review respondent development concepts.

On April 22, 2008, the Port Commission approved the advisory panel's recommendation to invite two of the development teams to respond to a request for proposals. The Commission also authorized issuance of that RFP with revised objectives and criteria.

On August 19, 2008, the two development teams invited to respond to the RFP informed the Port of their intention to combine into a single development entity. The combined developer team requested, and was granted, four extensions of the submittal deadline to the RFP. On January 15, 2009, the Port received an RFP submittal from the combined team comprised of the following partners: San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, the Cordish Company, Stockbridge Capital, and Farallon Capital Management, LLC.

Today, the team will present its development concept for Seawall Lot 337 which has been posted on our website as well. In order to provide additional opportunity for public comment beyond today, the development team will also present its proposal at a public workshop to be held March 18 at 5 p.m. at the Prologis Exhibit Hall in the Mission Bay neighborhood.

The development proposal will also be reviewed and discussed by the Central Waterfront Advisory Group (CWAG) at their March 2009 meeting. The Port is also seeking public comment on our website on a continuing basis.

The development proposal will undergo review by the Seawall Lot 337 Advisory Panel, many members of which are here today to witness and view the presentation, with assistance from Port staff, city support staff, and independent consultants. The results

of the Advisory Panel evaluation, and a summary of the public comment received, will be presented to the Port Commission at a forthcoming meeting for consideration prior to making a decision on the developer selection.

Darius Anderson, Kenwood Investments, indicated that when they started this process, they were the outsiders and had a long shot. Through the first step, they learned a tremendous amount, and realized through that process that in the collaboration with the Giants, Cordish and Farallon that there would be tremendous synergies and benefits to the Port.

They started several meetings that occurred between them and the Giants. They took the best of both plans, as well as the best that the management teams had to offer, and they will be showing the vision of the combined team.

The six entities represent the best and the brightest in San Francisco and across the country. Many of the things that were said, they heard. They've tried to go ahead and put together a proposal that addressed not only the Port's concerns, but when they attended the Advisory Board and hearings, they learned a tremendous amount of what the community wanted, and tried to address them.

There were originally three members from his team – Kenwood, Wilson Meany and Boston Properties. Boston Properties decided to pull out. They then brought in StockBridge, which is their capital partner with Wilson Meany. Tom Sullivan, the partner from Wilson Meany, will be presenting part of their plan.

Tom Sullivan indicated that they are here today to look forward, forward to a time when the economy is back on its feet, and forward to what will be a time of opportunity for the Port and for Seawall 337. They have the opportunity to design a ballpark district, a new neighborhood that takes advantage of its unique features, the baseball park and the activity it generates in the beautiful waterfront setting.

The site represents future opportunity for jobs and housing for the citizens of San Francisco, and it represents opportunity for future economic returns to the city and to the Port. They believe that the way to take advantage of these future opportunities is to begin taking the steps toward them now so that you're ready before they arrive.

The potential of Seawall 337 does need to be viewed through the lens of the reality on the ground today. It's an unimproved site with poor geotechnical conditions, no infrastructure, no distribution of utilities. Pier 48, while it's in better shape than some other piers, does suffer from deterioration. The physical condition of this site, and the cost, time, and uncertainty involved in the environmental review process means that a significant amount of high-risk capital must be attracted to make development a reality.

They've submitted a proposal that they will present to you today as a roadmap toward that reality. It's a starting point, and they recognize that at this stage there are still many more questions than answers. For example, it hasn't yet been established what level of density is appropriate. Although they've done a great deal of work to this point, there's still much more that must be done to resolve uncertainties and unknowns on many

fronts, including things such as infrastructure costs, geotechnical conditions, soil contamination, perimeter retention measures, and the scope and detail of the public open space program.

The best answers to these questions come only through the commitment of the magnitude of time, energy, creativity, and capital that's necessary for any project of this scope and complexity, and through the active constructive participation of the Port and the community.

What they believe is essential at this point at the outset of the process is that both their development and the Port recognize that the way to make this process and ultimately the end result, namely the entitlement and development of the site, successful is to understand that the effort must be undertaken truly as a partnership, a joint venture of their group and the Port, in mindset, economic structure, and in practice.

From the private side, they bring a very talented team, a willingness to commit their time to this effort rather than some other opportunity in some other place, and the risk capital that will fund the entitlement process. On the public side, they will need the Port to bring its public financing toolkit, the commitment to work with them as they seek the best way to balance competing objectives on the site, and the understanding that the only exercise that will be ultimately productive is one that explicitly acknowledges that the business proposition has to make economic sense.

Finally, it's essential that the deal be structured with an alignment of interests. This means that they will work together to get the project defined and ready. They will make it flexible enough to adapt to future market conditions that are at this point unknowable. They will wait out the market. They will be ready to be highly responsive when the market is there. It also means that our economic fortunes should be linked. They are patient as the market may require, probably will. When the opportunity is there, we will profit together.

They think this site has fantastic potential. It is a remarkable piece of property. The Port has a great opportunity in front of it, and they certainly hope that the Port share their enthusiasm for it. They can't affect how and when the economy will recover, or when the market will need the space that they envision for this site. What they can affect is whether the site is ready to participate and reap the rewards when that time does come, as it will. They look forward to working with the Port staff and the Commission to make it a reality.

Karen Alschuler, SMWM/Perkins & Will Beyer Blinder Belle, indicated that Tom outlined the opportunities and the challenges ahead. They stand ready to meet them and have begun with a set of principles and first concepts for the site which Mary Margaret and she will highlight, focusing on the foundations of their plan, the principles that guide them, and the evolution of the plan since they last talked and learned a lot from everybody in 2008.

Their plan is rooted in the history of the site. They're inspired by the life and activity that was there at one time on this site, and in particular by the transformation that the site

went through most dramatically, turning from Bay to land, and to an economic generator for the city, an economic engine of commerce and exchange. They were inspired by the pattern of development that was on the site, in particular the power of the trains coming in and that north-south organization of the site linking the City to the Bay, to the region, and to the world, as they would like to do in a sense of this century.

They therefore respect the landmarks that embrace this site, Pier 48, the Lefty O'Doul Bridge and the ballpark itself. They will lay a pattern on the site, which means that everyone enjoying the streets and blocks and walking through will have framed views and be encouraged to relate to the landmarks beyond, whether on Channel Street looking across the Bay or looking north to the Bay Bridge, McCovey Cove, and other landmarks in the city.

As a result, they present a plan which is rooted in the principles they've agreed to, which were discussed in the open meetings with the community and the special panel, a set of principles which focus on open access, on invitation, mix and diversity of uses, as well as users who are invited to the site, a lively day-and-night urban life. The principle of engaging the edge is taken very seriously, bringing people to enjoy and understand the importance of the edge throughout the site. They also reach deep into the heart of the site with open space that becomes not just a destination but the glue that ties the various uses together.

They've gone the extra mile and envisioned one last piece of transit that might actually come onto the site, with the possibility, a proposal to bring the E-line through the historic trolley, which could extend through, make a turnaround at Pier 48 as its destination, and therefore link it to the regional system very powerfully. They assured the Port Commission that through their plan and program Pier 48 will be an integral part of this project and very important to its completion and its life.

The result is a vision, the beginnings of their thinking about this plan of walkable blocks, of consistent north-south orientation as there was historically on this site for buildings and blocks, that reinforces the historical form on the site that provides sunny streets and light-filled public spaces and gardens on the site, and that has a fine-grained urban character.

Looking at the drawing, you can see the primarily residential area to the north with low- and mid-rise buildings over retail on each of the blocks, and then, a few finely-scaled higher buildings that forms a crescent and step down toward the water. Further back into this drawing, you can see the beginnings of the very important office program that takes up the southern part of the site and gives a great new edge to 3rd Street, a sense of a great street character for 3rd Street in that location. It's a plan for San Francisco of its time and this place.

Mary Margaret Jones, Hargreaves, indicated that the open space on the site is not just an amenity for this new neighborhood but it is also a part of a network of open spaces. Therefore, it must connect to the open spaces built to the north on the waterfront, to those built to the south, and those built and yet to be built within Mission Bay. It becomes part of this necklace of green spaces around the Bay edge, not the least of which is the Blue Greenway and Bay Trail.

The components of the open space within their vision for this project include soft green spaces that are both waterfront and inland, as Karen described. The promenade, which is a key piece that loops around this site, plazas that activate the edges of these green spaces and activate the streets to make pedestrian-friendly streets, and even roofscapes and smaller-scaled spaces within the project itself.

The focus of the open spaces, of course, is the 100 percent corner, this waterfront park at the very point at which you focus out to the Bay Bridge and to the landmarks beyond. This is scaled appropriately to work on a day-to-day basis, but also to work for events and to be very flexible in its use with its plazas on the edges.

As you walk along the promenade, it's important to think about that experience of being able to actually get to the water's edge, which is a rare experience in San Francisco Bay. The promenade will sometimes swing out over the water, and you'll be aware that you're over water. It will sometimes swing back allowing the terraces that you see in this image to get down to kayaking, to get down and touch the water. The promenade will interact with the wetlands that are actually cleaning the storm water from our site before it enters the Bay.

If you pivot to the right and look toward Pier 48, you see what is currently Terry Francois Boulevard, but they propose it to be, instead a plaza, a place for people, a very active place for bicyclists, pedestrians, kids of all ages, a plaza and gardens that activate the retail edge. In the distance, you see a reinvigorated Pier 48. As you grow closer to Pier 48, you see this idea of a multiuse plaza as something that could help invigorate the uses of Pier 48 and help invigorate the edges of the park, a very important aspect of the way parks work. Its multi-use, and a plaza like this could make that happen. It must work, as Karen said, day and night. This must be a place of life throughout the cycles.

It's also important that that open-space system reach inland. They see the central parks as having the potential to be much more neighborhood-oriented, a place for the people who will be living in this new neighborhood. They see this one as multi-use so that it's surrounded by multi-use buildings on all sides, but also is multi-use within it so that there is retail that is more neighborhood-focused, a place to have coffee on Saturday morning if you live in this neighborhood. You see as their inspiration, the Shake Shack in Madison Square Park in New York, the idea of a more intimate neighborhood-oriented place.

The open spaces have another job to do as well. They must contribute to the sustainability of a site. You see their sort of kit of parts of all the ways they want to use the water on this site sustainably. You can imagine plazas that are both rain gardens as well as porous pavement. They're lively, but they're also doing their job. That would spread to roofscapes, green roofs as well as to the design of the buildings themselves. They envision this as being a very sustainable neighborhood park and place.

Karen Alschuler indicated that the commitment to sustainability is not only in the site and the buildings, but in the operations of the long-term experience and enjoyment of the site. This plan invites many different forms of transportation and is backed up by a

commitment to encourage people to shed their cars and take one of the items on the irresistible menu of alternative access choices that they have on the site.

If you're walking there to the site or within, you can enjoy the small-scaled local streets. If you're coming on your bike as a commuter or as a visitor to the site, you're accommodated and encouraged to use the site. If you arrive by the T- line on the light rail, you are greeted by a gracious new edge on 3rd Street and are invited into the site in several locations.

You may be riding the E-line historic trolley arriving at the site or even coming from the water. In any case, they think their plan will allow people to use the regional transportation system and reduce the number of people who are dependent on cars. Because within five minutes of almost every part of the site, people can get to just about every part of our regional transportation system.

Over the last several months, they focused in on Pier 48 and have begun to have some ideas about how to feature the historic resources while looking for opportunities such as reinventing the idea of the valley and opening up a view to the Bay at the end, such as understanding the ways in which they can open and close the edges of the site, connecting life and activity inside to what's happening where the ferries arrive across from the ballpark, and just making the experience of the edge something which is really dramatically important and available and part of the public trust commitment on the site.

They've also reconsidered and reinvented the retail strategy with a mix of uses that can integrate homegrown businesses and really encourage them to expand on the site, whether it's in many different kinds of tenant spaces that are available through all seasons of the year. Whether it's inspired by the earth, by the sea, or by the hearth, they invite those kinds of activities and uses as part of the mix of retail on the site. This way, it would be a place with no backdoors, but only front door on great streets and public places. This will be a 100 percent corner that realizes the Port's principles and objectives, one of dramatic beauty, history, invention, and open arms to all the users on this site.

Jack Bair, San Francisco Giants, indicated that this is a compelling, dramatic location along the waterfront. Today they have shared their vision for its future, attempting to strike the right balance between the competing interests for this site and achieving the following fundamental objectives set forth in the RFP: a smart mix of uses keeping the district alive and relevant throughout the day and into the evening, a place that actively promotes and features public trust consistent uses, a meaningful and diverse program of open spaces, a transit-oriented district designed also to meet the practical needs both of the site itself and surrounding uses such as the ballpark, an innovative, sustainable project, and a project that generates significant economic benefits to the Port so that the Port can effectively address its critical needs elsewhere along the waterfront.

With current economic conditions, we will have to face down and overcome significant challenges together. The Port, through its sponsorship of state legislation and its considerable public education efforts, has built a strong foundation for this effort. They look forward to working with the Port, the Advisory Panel, the Central Waterfront Advisory Group, the CACs of Rincon Point and Mission Bay, and the neighbors such as

UCSF to achieve their collective goals. Together we can meet the challenge. They have a long history of working well together. Their development team has an established track record of working effectively on projects all along waterfronts, landmarks that have achieved international recognition: Crissy Field, the Ferry Building, and AT&T Park.

The Giants and their partners in this project are dedicated, experienced, and local. They care about doing things right and following through with their commitments. They have the right combination of talents to produce another great legacy for our hometown. They look forward to working together with the Port to get this project underway and to get the job done.

Public Comment

Gabriel Metcalf, executive director of SPUR, urged the Port to move forward with negotiations with this team. From a planning perspective, this is the right set of uses for the site. It's a very ambitious project. Frankly, it's very surprising that they are able to even be moving forward with it as capitalism melts down all around us. We should be so lucky to get this project to happen.

Joe D'Alessandro, president and CEO of the San Francisco Convention and Visitor Bureau, indicated that he is in favor of this project and encouraged the Port Commission to move forward with this project. Travel and tourism is San Francisco's most important industry, even in these tough economic times. His agency is responsible not only for marketing San Francisco, but for making sure that the long-term development of San Francisco continues to make it a competitive city for tourism. They've identified a number of projects that will help do that, including the expansion of the Moscone Center, including the cruise ship terminal. He feels that this piece really fits into the project and the long-term needs of San Francisco. One of the things they've identified as one of the greatest needs is public assembly space and special event space which this city does not have a lot of. This project combines a wonderful new neighborhood in San Francisco, great access to the waterfront, tremendous retail experiences, but also the use of public assembly spaces that is going to be critical for San Francisco's long-term future. He believes that this project is a tremendous one for the long term, a tremendous one for San Francisco, and he encouraged the Port to go forward on it. He believes it will benefit the community and the economy of San Francisco in the long term.

Corinne Woods, a neighbor of Seawall Lot 337 among other things and worked with the Giants for many years, indicated that a lot of the pictures up here emphasized the bayfront park, the park, the big gateway to the Blue Greenway. If you look at the fine details of this proposal, that's not planned until phase three. When you talk about having public assembly space and visitor-attracting uses, we need to make sure that the public open space is done early in the process to make this a little different than just another development. It is a very critical piece. They look forward to negotiating further with the Giants, among other things on the name of the park. They almost lost China Basin Channel. They've lost China Basin Cove. They've lost China Basin Street. She doesn't want to lose the name China Basin Park.

Paul Nixon, one of the directors of the Bay Access, which is the human-powered boat group which is sponsored and advocating for the Bay Water Trail, indicated that this is a marvelous project. The way this comes down to the water, people can actually touch the water, kayaks can get into the water, and it fits in very nice with what they have been building around the southern waterfront for a long time. This was the site in 1873 of the South End Swimming and Rowing Club. They started right where the ballpark is. The Dolphin Rowing and Swimming Club also used this site for rowing in the 1950s. During the 2007 All-Star Game, the whole area was full of kayaks. It's appropriate that we have these kayaks here and that we're looking at the water. This is also a wonderful space for water recreation activities like boat racing and things like that where people can view on both sides of the water. This might be something that also be considered. Both groups had a swimming pool of some type in the original plans, and it doesn't seem to be there now. This area is one of the first areas for bay swimming in San Francisco, and it is actually a place where people do swim occasionally. He congratulated the developers for a fine plan.

Maureen Gaffney, the Association of Bay Area Governments and the San Francisco Bay Trail Project, indicated that the Bay Trail is a planned 500-mile recreational pathway encircling the entire San Francisco Bay, and 300 miles are complete today. Seawall Lot 337 will form a critical piece of the Bay Trail and the Blue Greenway. They appreciate the developer's recognition of their importance. It is their hope that the public access and open spaces can be implemented in the early phases of the project so that residents and visitors can enjoy this spectacular and unique waterfront location as soon as possible. ABAG/San Francisco Bay Trail would like to work with the developer and the Port on this exciting opportunity to implement new trail and access.

Michael Brown, senior field rep for Carpenters Local 22, indicated that they are in favor of this project. They're going to work with the developers to make sure that local union workers work on the project, apprentices and pre-apprentices come to the training and work on these projects. His only regret is that it isn't starting tomorrow, because of the economy. They need a private industry to step forward, because the government is going to take a while to get the funds that they're promising. They would appreciate it if the Port could move this project along.

Ernestine Weiss indicated that she's very proud to see the development of all of this so far. She loves what she sees. It's the right fit, and we should go forward as soon as possible. As the creator of Ferry Park, she's especially interested in open space. She can't wait to see the trails developed and the open space to be used by the people who come here, the tourists, the residents, etc. It's the right mix. It's the right design, and let's go forward. She helped the Giants locate in their unique location on the waterfront. This is another piece of the prize that will benefit San Francisco in the long run.

Dennis McKenzie indicated that he provided the Commission a copy of his proposal to build a joint venture partnership with the City and County of San Francisco, the San Francisco Unified School District, the Port Commission, and the developers to create a basketball education and career pathway arena. The intention of this is to, as the Giants and all the developers have done, instead of competing, they've joined forces to create one team effort. His proposal is to make people aware of the fact that 55,000 public high

school students have no sports pathway. He proposes that as a joint venture, the City, the Port and the developers create a basketball education center with a sports management and facilities pathway arena. The basketball arena would be accessible for all high school students throughout the city, as you can imagine trying to update and modernize the basketball arenas or basketball gymnasiums in all the San Francisco high schools, it would be impossible. This one facility could provide access for all the high schools to meet and join forces and all the resources necessary. The idea of the pathway is to create a basketball arena with classrooms surrounding, and, as an integral part of this facility, to teach the kids all the jobs and careers that are available. They need to learn about what college programs there are available. Through a cooperative venture, he believes the students could have the facility that they much deserve.

Manuel Flores, field representative of Carpenters Local Union 22, echoed Mike Brown's comments that it's too bad we couldn't start this project right away. It would be a shot in the arm for our economy and they really need this. A few of the Carpenters Local 22 members are here. This project will give them a vision and hope for the future because this is what they really need. They look forward for the Port's approval of this project.

Toby Levine, co-chair of the Central Waterfront Advisory Group, indicated that she's excited about this project. They have studied the previous projects very closely. She iterated the importance of what Corinne Woods said, which is that a way, if possible, be found to build in the open spaces and the public amenities earlier rather than later. As a new resident of Mission Bay, she finds that it's a little lonely in some cases being in the middle of a building in the middle of an area where there's nothing around it, and you're just kind of out there. There are at least two examples of that in Mission Bay. Eventually there will be more. It's very important that the open space and the other amenities be brought in early if you really want to have a successful project.

Louise Williams, Local 22 carpenter, indicated that she really supports this project.

Commissioner Michael Hardeman indicated that the project looks outstanding. It's wonderful to see the graphics that were presented and some of the verbiage passed on by the proposed developers. He certainly concurs with the speakers that are looking for work. They're certainly going to need it this year the way things are going. It's a tragedy that the Commission couldn't vote on this today and decide whether to move it along because there are many hoops to go through. The project looks very nice on its surface. He thanked all the presenters for an outstanding job.

Commissioner Stephanie Shakofsky, seconded Commissioner Hardeman's remarks. She's very excited by what was presented today and looks forward to a full partnership with the Port and the developers. She looks forward to working with the developers as we move forward in these rather tentative economic times but continue to move forward with the idea that we will see better times.

Commissioner Kimberly Brandon reiterated her fellow Commissioners' comments. She thanked the developers for still thinking about proceeding with this project during these hard economic times. She looks forward to the Advisory Committee looking over the

project and getting more into the specifics in how the project will be developed and how the Port will partner with this project. She wished the developers the best of luck.

Commissioner Ann Lazarus added her thanks for the combined effort. She's a big believer in collaboration, so it's great to see that so many of the developers were able to come together and give the Commission a vision of what the lot might look like. She hearkens back to the earlier item about capital planning and capital needs for the Port. The Port envisions this project as in many ways not only being a financial engine for that part of the city, but as another tool in our quiver for how we're going to rehabilitate our waterfront. The Commission looks forward to working out those details so it's a classic win-win for everybody.

Commissioner Rodney Fong indicated that the word dramatic was used during the presentation and he thinks the photos are at least in the scale of this thing. He happened to show some of the photos to a very young San Francisco resident who was amazed by the Photoshop that was done there but it is spectacular. He was also impressed, in reading through the material, the proposed 875 residential units and the 4,700 jobs that will be created. That equates to a 9 percent increase in jobs in San Francisco and that's quite phenomenal. Joe D'Allesandro spoke about Pier 48 and the need for more event space. When Oracle came into town, they needed to block off space. There's really a need to have additional event space. To piggyback on Corinne's comment about the historic value of China Basin, China Basin did hold a lot of the Chinese clipper ships, giant clipper ships that brought a lot of Chinese labor into America to work on the gold mine as well as the railroad. He thinks that would be well served if we can preserve the history of China Basin. Mr. Sullivan referred to the Port's financial toolkit. He's not sure if our toolkit is a small bag or a tool locker, but he looks forward to discussing this issue further. Commissioner Fong indicated that he is a little bit concern about the two means of egress onto the site, the Lefty O'Doul Bridge and the 4th Street Bridge and would like to talk further about bringing more people from the northern part of the city towards the project site. He thinks the project is spectacular. They all look forward to moving forward with this project.

Exhibit H

Notes from March 11, 2009 Meeting of the Central Waterfront Advisory Group

The CWAG chair, Toby Levine, led a discussion of CWAG's comments on the following topics pertaining to the SWL 337 RFP Submittal. The developer team's responses are included.

Pier 48 Comments

- Is 48.5 marginal wharf in the project?
 - Per RFP, this area not included in project.
- Will the valley be opened at the east end?
 - There are no plans to remove the connector shed but the exterior, bayside wall may be sheathed in glass to create a more attractive exhibit/entertainment venue.
- Liked proposed flexible use of the space.
- Keep maritime uses at Pier 48, if possible.
- Can a boating/swimming club be considered as a possible use?
 - Developer has not looked at this idea.
- Why don't major improvements occur until Phase 4?
 - The high apron repair costs necessitate putting off major improvements until the project is generating significant revenues.

Open Space

- Are proposed bike lanes Class 1?
 - They are being considered.
- Bicyclists should be clearly separated from pedestrians.
 - Developer is working on design ideas to accomplish this.
- Like inclusion of wetlands and wildlife habitat.
- Like raised promenade over the rip-rap and blending of built form vs. natural form along the project's north edge.
- Like the pedestrian link between 3rd Street/Lefty O'Doul Bridge and Pier 48".
- Would like to see industrial aesthetic of Lefty O'Doul Bridge carried into the design elements of SWL 337.
- Liked the taller buildings as departure from uniform height of Mission Bay
- Liked wetland features especially as haven for birds and handling stormwater.

Water Access

- Recommendation to confirm existing currents when planning landing docks, launch areas.
- What happened to the floating swimming pool from RFQ phase?
 - This was analyzed and deemed to costly given the project's overall goals including revenue generation for the Port.
- Note that any stairs subject to tidal action would likely become slippery and unusable.

- Developer aware of this issue, looking at workable, safe designs for water access.
- Request for water dock/platform to encourage boat racing in McCovey Cove/China Basin.
- Request for swimmer dock/platform and dedicated swimming area in McCovey Cove/China Basin.
- Note that winter storms can damage docks/platforms/gangways and that developer should consider designing facilities for seasonal removal.

Urban Design

- Developer should consider impact and viability of proposed SWL 337 retail in light of possible competition/dilution from nearby King Street and proposed 4th Street retail corridors.
 - Developer is aware of this issue and believes an active, pedestrian, more intimate retail street is especially needed in the Mission Bay area.
- Like that tall buildings have been moved towards center of site.
- How will 3rd Street look at build out?
- Concern that project's Third Street frontage may wall off site.
 - Developer acknowledged they are working on this issue.
- Prefer that 3rd Street have distinct appearance especially in comparison to King Street.
- Liked openness and reduced height of built form adjacent to north open space.
- Request for more views of site from different angles, especially from 3rd Street.
- What are project heights and density?
- General comment that heights are OK, but need variation, street level articulation, varied setbacks and careful siting to avoid creating urban canyons.
 - Developer noted that heights in their proposal are conceptual and that they are still working on finding feasible, efficient balance between height and bulk. Developer acknowledged that Mission Bay's uniformity is not desirable at SWL 337 and that public input is helpful in determining how the final project will work.
- Request for street and sidewalk dimensions.

Uses

- Need for children/family friendly features such as tot lots, day care centers.
- Liked siting of residential away from Pier 50's light industrial uses.
- Liked screening/buffering of parking garage.
- Request to design parking aesthetically pleasing parking garages.
- Are entertainment uses still proposed?
 - Developer considers Pier 48 a likely entertainment venue. Also the large park would be programmed for outdoor events. The stand alone entertainment venue in the RFQ proposal was deemed too costly given the project's overall goals including generating revenues for the Port.
- Has developer considered SWL 337 as a location for the proposed Fisher Museum?
 - No.
- Does project include public basketball courts? Tennis courts?

- No.
- Has developer considered building a permanent recreation facility?
 - No.
- Developer should consider combining water-based recreation with other recreation uses.
- Developer should have many street level building entrances to enhance project's human scale.

Car Storage

- Phasing of garage needs further consideration especially as current available street parking is absorbed by Mission Bay construction.
- Concerns that parking disruption from SWL 337 construction will have negative impact on surrounding neighborhood.
 - Developer is aware of this concern and has developed a mathematical formula to determine when site development displaces surface parking to the point where the garage is needed to minimize impacts to the surrounding area.

Additional Comments

- Liked the intimate scale and fine grain shown in the proposal and encouraged by the overall project direction.
- More discussion needed on the proposed project phasing.
- Request that significant open space development occur with aggressive linkage to vertical development.
- The proposed E-line is a neat idea but not at the expense of the planned turn around loop at Pier 70.
 - Developer believes the Pier 70 and SWL 337 turn-arounds are not necessarily mutually exclusive. Developer will continue to work on the possibility of bringing the historic street cars from their planned terminus at the Cal Train depot to SWL 337.

Exhibit I

Notes from March 18, 2009 Public Workshop

LAND USE ISSUES

- Need for sports and recreation space to meet school sports/recreational needs
- Need to include rowing and water recreation – especially recognizing South End Rowing Club started here
 - Pier 48 provides opportunities for this
- What are the current uses at Pier 48 and 50?
 - 50: Port Maintenance: light industrial (also at Pier 48.5)
 - 48: Parking overflow, Department of Elections
 - Developer sees Pier 48 as great location for events, festivals, as reflected in proposal
 - Recognize trust requirements
 - Also recognize its historic value
 - Shed C at east end allows design flexibility
- Regarding Las Ramblas – What’s the draw of the retail for locals?
 - Ferry Building Market is great, but I don’t buy
 - King Street has lots of chains (though Safeway works well)
 - The retail program is not set, but intent is to attract retail services indigenous to San Francisco residents. It’s not assumed to be an economic driver.
- Phasing of development needs to clearly show what increment of public benefit is delivered along with the economic uses.

OPEN SPACE ISSUES

- Where is the wetlands? What is its characteristic?
 - wetland concept is not set, but is conceived as edge treatment to park and also meet storm water management needs. What is timeline for development of the Mission Rock Park?
 - timing is dependent on market... RFP proposal has a time table: Phase 3 9-10 years out
 - there are competing public interests and balancing to ultimately determine time/phasing
 - each development phase will include appropriate amount of open space
 - Existing China Basin Park is still a current amendment
- Would south edge of Mission Rock Park be altered?
 - Park assumes coverage of rip rap, but not cantilevered structure

ECONOMIC ISSUES

- What are the financial benefits the Port seeks?
 - \$6 million lease revenue
 - Tax revenues after payoff of infrastructure development costs
 - (Port would not have tax increment without development)

- Port will have complete financial analysis in May
- What is your management philosophy to manage this public-private partnership?
 - Treasure Island, Bay Meadows are similar complex public private projects
 - Lots of attention in physical development to create character and quality
 - Wilson Meany Sullivan and Kenwood is local and management partner address local issues
 - Kenwood – Legislative assistance
 - Cordish – Strategic overall management
 - Giants – knows the neighborhood; needs patterns to integrate into project or its management
 - transportation issues
- Is Pier 48 buildable? (Compared to Pier 15/17 Exploratorium which requires rent credits)
 - Pier 48 underwent substantial fire damage repairs, seismic repairs
- As a taxpayer, Port project make \$\$ for the public. Concerned about financial productivity

NEIGHBORHOOD CHARACTER, HISTORIC RESOURCES AND CITY FORM ISSUES

- More connection needed to south (Bayfront Park, Agua Vista Open Space network, Terry Francois Boulevard)
 - good point, connection to Bayfront is intended
- Development's orientation is to the north, back to residential to the south
- More character for Las Ramblas
- What are the heights, densities?
 - height/densities are evolving

SUSTAINABILITY ISSUES

Sustainability/wind towers may not be friendly to birds.

Public Workshop Speaker Card Notes

Name: Kit

Email address (to be notified of future meetings): jmail94133@yahoo.com

Please write your question/comment for Port meeting notes:

1. Encourage making Terry Francois to be wider and grander. This would help 18-wheeler maneuver in to Pier. Too narrow right now.
2. Like to see stronger connection with necklaces of park on the south side of Pier 18, Pier 19, Bayfront Park and Aqua Vista with Seawall 337 green space. Line of trees too faint of a connect right now.

Name: Bill Brase (BRAW zee)

Email address (to be notified of future meetings): willi2web@comcast.net

Please write your question/comment for Port meeting notes:

Doesn't take into account... neighbors to the South
Height limits? – Looking too high

Name: Dennis MacKenzie

Email address (to be notified of future meetings): DennisMacKenzie@RoundTheDiamond.com

Please write your question/comment for Port meeting notes:

Proposal to include a “Basketball Education and corner Pathway Arena” and SF Public High School “Sports Management Pathway”

Name: Fred Sherman

Email address (to be notified of future meetings): AnswersYes@gmail.com

Please write your question/comment for Port meeting notes:

What specific financial benefits does the Port anticipate from the development of SWL 337?
(\$60 million/year income plus and increment of tax revenue were mentioned)

Name: Ted Choi

Email address (to be notified of future meetings):

Please write your question/comment for Port meeting notes:

What's the timeline for waterfront park's completion?

Name: Noreen Weeden

Email address (to be notified of future meetings): nweeden@goldengateaudubon.org

Please write your question/comment for Port meeting notes:

Wetland area?
Bird-friendly design?

Name: Susan Phelan

Email address (to be notified of future meetings):

Please write your question/comment for Port meeting notes:

1. Buildability of Pier 48 (i.e. compared to pier that Exploratorium banned)
 2. What are you going to do to attract non-chain stores to Ramblas?
-

Name: Joe Boss

Email address (to be notified of future meetings): Joeboss@Joeboss.com

Please write your question/comment for Port meeting notes:

Is the south edge of the channel altered?

Name: Gail Brownell

Email address (to be notified of future meetings): gailbrownell@gmail.com

Please write your question/comment for Port meeting notes:

Rowing – water and history

South End Rowing was once at 3rd & Berry

Additional comment:

Love the “touch the water” and the connection to history.

South End Rowing Club was once located at 3rd & Berry. Can you consider a rowing club, which needs a large building near the water* and low docks for launching.

* To store long 8 person crew boats and smaller, plus equipment cleaning and changing – ideally a rowing machine and weight room.

A high school rowing program would benefit schools and others. Adult program bring recreation, water use and support for waterfront.

Exhibit J
Public Comment Submitted to Port's Project Internet Page

Exhibit K
Developer Responses to Advisory Panel's Clarifying
Questions

Exhibit A

Financial and Negotiating Principles

Balance Financial Risk and Reward: *Development of SWL 337 should balance the Port's risk related to bonding capacity and balance sheet with revenue associated with ground rent and IFD increment.*

1. The Port should be open to a careful examination of a full range of financing options for development of SWL 337. Any use of public debt instruments, including IFD and CFD bonds or other mechanisms, must be demonstrated to best achieve the Port's interests;
2. Create a structure that provides incentives and guarantees that the developer will complete its obligations in accordance within an appropriate timeframe;
3. Risks to the Port should be carefully balanced against the potential reward from development. Port risk exposure from any use of its balance sheet or bonding capacity should be considered against the Port revenue from ground rent and IFD income. In particular the Port must consider the off site impacts, both positive and negative, of its actions on this property;
4. The substantial Port revenues generated by current uses of the property should be preserved (as interim uses) until they are replaced with higher revenue generating uses consistent with the Port's guiding principles for the site; and
5. Renegotiate existing on-site leases to establish floor for interim revenues.

Financial Transaction Structure: *Development of SWL 337 will be a public private partnership where both parties act to preserve and enhance the value of the asset, with risk, reward and return distributed equitably.*

1. Provide transparency on distribution of risks and rewards between the Port and Developer.
2. The financial returns to both parties should be parallel (not necessarily equivalent), with appropriate incentives for Developer to complete its obligations and create value to the Port.
3. The financial burdens and trust benefits of development (especially infrastructure and open space) should be appropriately distributed amongst the development phases, and not weighted towards the final phase.
4. The Port should participate in the 'upsides', particularly with regard to future increases in the revenue available to support ground rent and infrastructure payments over time.
5. Retail uses at this site should have a parallel land lease burden to retail elsewhere at the Port, with lease participation based on gross sales revenues.

Land Use – Development Program

1. Provide a clear description of the land use and development program, and the proposed uses by block.
2. Provide a clear retail vision for the project, including a description of the character/types (local, regional, visitor-oriented) amounts, and locations of the retail program across the project site.

3. Accelerate phasing of proposed Pier 48 improvements and activities.
4. Increase the program for water-oriented uses in the project (including water access), including clearer definition of locations, amounts, phasing and information on how those uses/programs would be delivered/phased as part of the project.
5. Revise program for incorporating affordable housing within the project that is not concentrated on a specific block which responds to applicable City requirements, defines the type and size of units that would be provided, defines funding sources and amounts of subsidies required to support the program, and provides legal basis for any preferences.

Open Space

1. Revise the development phasing plan to provide in each phase a balanced delivery of public open space with other developed uses.
2. Produce an open space maintenance and operations plan which describes how publicly-accessible parks and open spaces will be managed and funded without Port operating revenues. Include information about the entity/ arrangements to handle these management responsibilities.
3. For open space areas that are proposed for wildlife habitat benefit, provide sufficient information to demonstrate that the design concept incorporates site improvements that will actually be useful to wildlife and/or environmental education.

Neighborhood Character, Historic Resources & City Form

1. Produce a site plan which identifies the locations, heights and building mass dimensions of the proposed development program.
2. Demonstrate that development orientation and design actively contribute to an inviting, pedestrian character of publicly-accessible open spaces, and avoid creating adverse microclimate conditions.
3. Incorporate architectural and urban design treatments in perimeter blocks to acknowledge and relate to the surrounding Mission Bay area, as well as integrate with activities and built elements internal to the project.

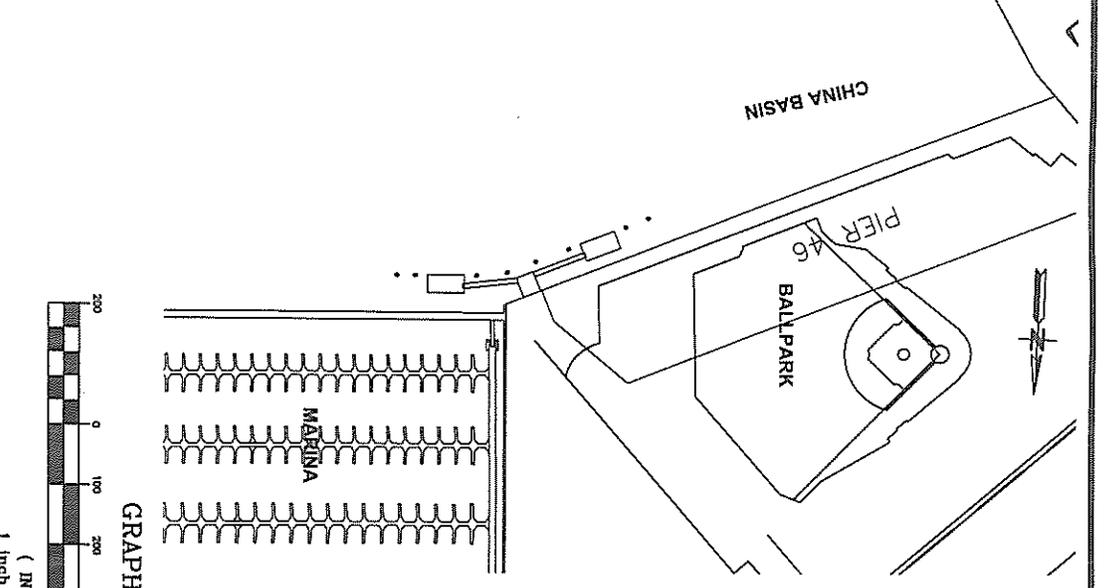
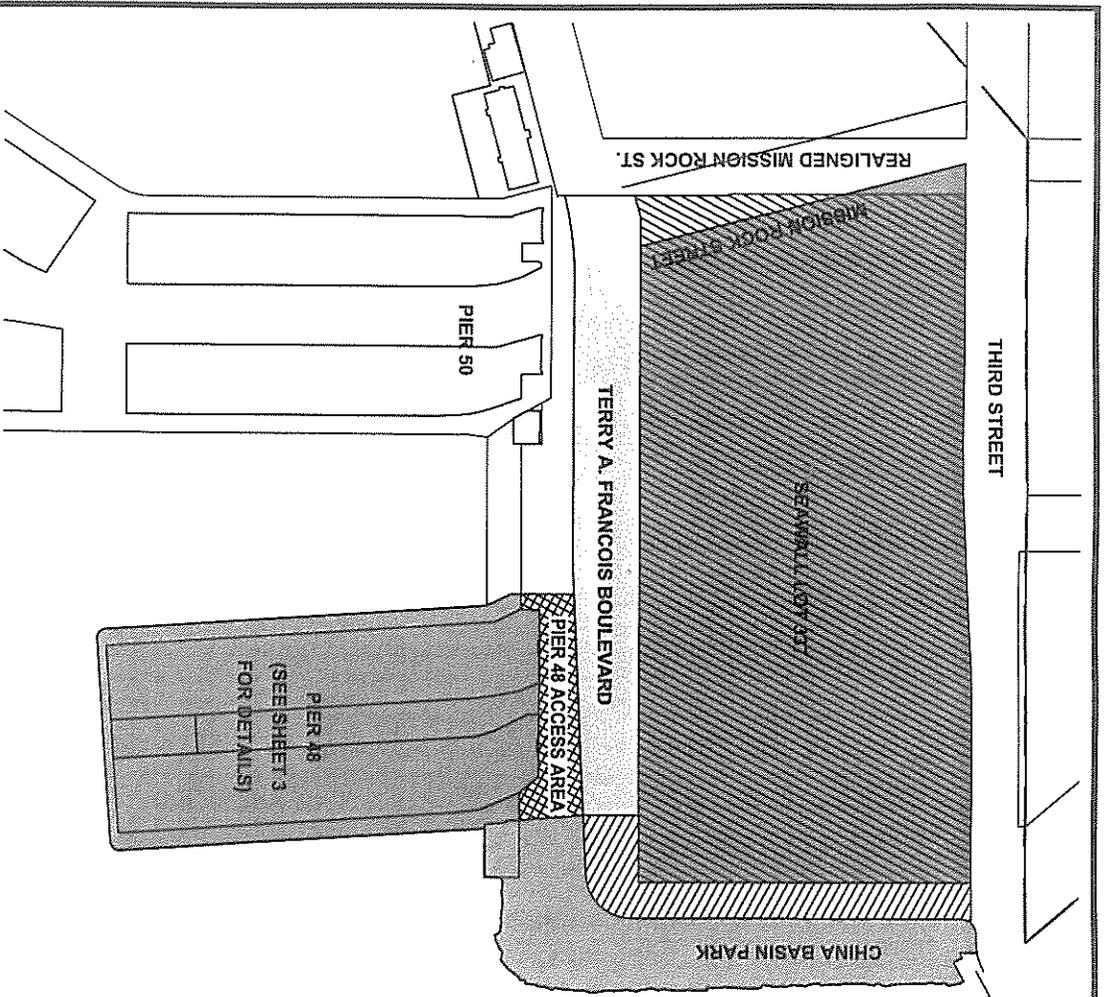
Transportation and Parking

1. Produce a TDMP that proactively promotes alternatives to private automobile ownership and use to achieve “low traffic” development which includes:
 - a. formalized mode split performance targets (e.g. vehicle trip reduction, auto vs. non-auto ratios) increased over time, in successive phases;
 - b. staffing and funding to educate users and implement TDMP action plan commitments, tailored to SWL 337 residents, employers/workers and attendees at AT&T Park events;
 - c. measures to improve effectiveness and consistency of transportation demand management programs for entire Mission Bay area by integrating SWL 337 TDMP efforts with those of Mission Bay and UCSF-Mission Bay transportation management programs.

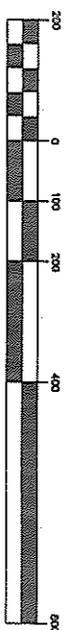
2. Include strategies in the TDMP which create proactive incentives for public transit and alternative travel mode use; and market-based utilization of on-street and off-street project parking (for AT&T event and non-event days).

Sustainability

1. Incorporate site-wide sustainability practices and improvements that capitalize on the large size of the SWL 337 site, in addition to building-specific sustainability measures.
2. Prepare more detailed parking and circulation information accompanying detailed development proposals as they emerge, to develop a model for sustainable transportation operations.



-  SEAWALL LOT 337 TO EXISTING MISSION ROCK STREET = 593,997 SQ. FT. = 13.63 ACRES
-  SEAWALL LOT 337 TO REALIGNED MISSION ROCK STREET = 602,595 SQ. FT. = 13.83 ACRES
-  CHINA BASIN PARK (TO MLW) = 111,965 SQ. FT. = 2.57 ACRES
-  PORTION OF TERRY FRANCOIS BLVD. TO BE CLOSED, INCLUDED IN PROJECT AREA = 45,863 SQ. FT. = 1.05 ACRES
-  TERRY FRANCOIS BLVD. (PORTION OF STREET TO REMAIN) = 107,502 SQ. FT. = 2.47 ACRES
-  PIER 48 ACCESS AREA = 26,328 SQ. FT. = 0.60 ACRES
-  PIER 48 = 258,405 SQ. FT. = 5.93 ACRES



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

 SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

EXHIBIT B
SEAWALL LOT 337
DEVELOPMENT OPPORTUNITY SITE

PREPARED BY: AMN	CHECKED BY: D. OSHIMA
DRAWN BY: AMN	DATE: MAY 19, 2008
CONTRACT NO.	SCALE: 1" = 200'
DRAWING NO.	SHEET NO. 2
	OF 2 SHEETS

© 07 STATE Waterways Planning SPC337 Job Boundary

Exhibit C

Seawall Lot 337 RFP Submittal

Development Entity:	
Managing Partners	San Francisco Giants Wilson Meany Sullivan Kenwood Investments The Cordish Company
Capital Partners	Stockbridge Capital Farallon Capital Management, L.L.C.
Project Team:	
Land Use/Urban Designer	SMWM/Perkins & Will Beyer Blinder Belle
Architecture	SMWM/Perkins & Will Beyer Blinder Belle
Landscape Architect	Hargreaves Associates
Civil Engineers	BKF Civil Engineers
Transportation and Parking	Robert L. Harrison Transportation Planning Adavant Consulting Douglas Wright Consulting Messagesmith Strategic Communications Imperial Parking
Legal Counsel	Coblentz, Patch, Duffy & Bass Sheppard Mullin Hampton & Richter
Geotechnical Engineers	Treadwell & Rollo ENGEO
Sustainability Advisors	Atelier Ten
Hazardous Materials Remediation/Environmental	Ash Creek Associates, Inc. Eler Kalinowski
Construction	Hathaway Dinwiddie Nibbi Brothers
Community Relations	San Francisco Giants Wilson Meany Sullivan Kenwood Investments The Cordish Company
Lead Negotiator	Seawall Lot 337 Associates, LLC
Comparable development & construction projects of development entity principals	SF Giants: AT&T Park; China Basin Park Cordish: Ballpark Village, St. Louis, MO; Kansas City Power & Light District Farallon: Mission Bay WMS: The Ferry Building Kenwood: Treasure Island

Project Concept:	
<ul style="list-style-type: none"> Overview 	SWL 337 will feature a major waterfront open space sweeping up from the Bay into a lively mixed-use neighborhood with office, residential, retail and recreational uses. Linking to the streets of Mission Bay, the proposed block pattern of SWL 337 is broken into ten small city blocks to create a pedestrian friendly environment and provide views and paths to the park and water from all directions within and outside the district.
<ul style="list-style-type: none"> Open Space 	8.7 acres of public open space including a 1.5 acre neighborhood square within the core of the development, a 1 acre plaza at the entrance to Pier 48 and a 5.1 acre park directly on the Bay bringing people close to the water through a promenade that extends over the rip-rap and steps leading down to the water and to a kayak launch. Park to be activated by programs for family recreation, gatherings, performances and enjoyment of Bay and China Basin views. Rooftop gardens and playfields, primary streets and sidewalks <u>are in addition</u> to the 8.7 acres.
<ul style="list-style-type: none"> Total Commercial Space 	Retail space: 242,375 sq. ft. Event/Flex space: 181,200 sq. ft. Office: 1,037,400 sq. ft. Residential: 875 units Parking: 2,650 spaces
<ul style="list-style-type: none"> Pier 48 	Front portion of 48A: Restaurant; Front portion of 48B: Retail Central portion of both sheds: Flexible space for events, trade shows, exhibits, festivals with some game day parking. Rear portion of both sheds and connector building: major event and conference center with small café. Renovated pier apron: Maritime operations and vessel berthing, public access, fishing, Bayside History Walk.
Key Financial Terms	
Term	75 Years at SWL 337 A master lease converting to a parcel-by-parcel lease upon commencement of construction on each parcel.
Base Rent – SWL 337	\$6M/Yr. Allocated at commencement of construction for each development parcel.
Base Rent – Pier 48	\$558,868
SWL 337 Construction/Interim Rent	Continued parking revenues (~\$2.8M/Yr.)
Rent Escalations	To be negotiated
Participation Rent	To be negotiated

Public Financing	
Infrastructure Finance District (IFD)/Revenue Bonds	Developer proposed Port issue revenue bonds be backed by a Reimbursement Agreement from the Developer (Paid by CFD taxes on leasehold and IFD) to fund public infrastructure supporting the project.
IFD tax increment to project	Tax increment totaling \$452 million Supporting \$194 million of Port revenue bonds issued from 2013 through 2026 Estimated bonding capacity of \$120 million in 2013 \$s
IFD tax increment to Port	Tax increment totaling \$198 million from 2028 to 2053 Estimated bonding capacity of \$50 million in 2028
Bonding capacity of Base Rent	Currently site rent funds Port operations. If the Port chooses to bond against base rent, estimated bonding capacity of \$45 to \$60 million
Debt Service Coverage	Reimbursement Agreement includes 1.05x coverage
ERAF (state) share of property tax	To Port if State law changes Total increment \$154 million Estimated Port bonding capacity of \$40 million

Exhibit D
Developer Projections of Port Revenue

YEAR	Port Net Bonding	Interim Income	Base Rent	Performance Rent	Share of IFD Revenue	Total
Total	\$194,223,712	\$32,666,950	\$232,095,290	\$275,072,438	\$201,008,005	\$740,842,682
2009	\$0	\$2,800,000	\$0	\$0	\$0	\$2,800,000
2010	\$0	\$2,884,000	\$0	\$0	\$0	\$2,884,000
2011	\$0	\$2,970,520	\$0	\$0	\$0	\$2,970,520
2012	\$0	\$3,059,636	\$0	\$0	\$0	\$3,059,636
2013	\$10,837,077	\$2,855,979	\$690,750	\$86,695	\$0	\$3,633,424
2014	\$9,763,282	\$2,231,603	\$1,984,500	\$249,072	\$0	\$4,465,175
2015	\$0	\$2,298,551	\$1,984,500	\$249,072	\$0	\$4,532,123
2016	\$0	\$2,367,507	\$1,984,500	\$249,072	\$0	\$4,601,079
2017	\$0	\$2,438,532	\$1,984,500	\$249,072	\$0	\$4,672,105
2018	\$40,881,373	\$1,674,459	\$3,355,000	\$1,022,514	\$0	\$6,051,973
2019	\$36,136,920	\$1,332,717	\$4,122,500	\$1,256,427	\$0	\$6,711,645
2020	\$7,868,872	\$1,372,699	\$4,122,500	\$1,256,427	\$0	\$6,751,626
2021	\$0	\$1,413,880	\$4,122,500	\$1,256,427	\$0	\$6,792,807
2022	\$7,194,771	\$1,456,296	\$4,122,500	\$1,256,427	\$0	\$6,835,223
2023	\$20,637,264	\$1,147,047	\$4,524,500	\$2,319,212	\$0	\$7,990,759
2024	\$32,668,490	\$363,526	\$5,906,000	\$3,027,355	\$0	\$9,296,881
2025	\$18,544,589	\$0	\$6,661,760	\$3,414,750	\$0	\$10,076,510
2026	\$9,691,073	\$0	\$6,661,760	\$3,414,750	\$0	\$10,076,510
2027	\$0	\$0	\$6,661,760	\$3,414,750	\$649,508	\$10,726,018
2028	\$0	\$0	\$6,661,760	\$5,019,676	\$1,259,900	\$12,941,337
2029	\$0	\$0	\$6,661,760	\$5,019,676	\$1,582,068	\$13,263,505
2030	\$0	\$0	\$6,661,760	\$5,019,676	\$1,910,679	\$13,592,116
2031	\$0	\$0	\$6,661,760	\$5,019,676	\$2,245,863	\$13,927,299
2032	\$0	\$0	\$6,661,760	\$5,019,676	\$2,587,750	\$14,269,186
2033	\$0	\$0	\$6,661,760	\$6,880,226	\$2,936,474	\$16,478,461
2034	\$0	\$0	\$6,661,760	\$6,880,226	\$3,292,174	\$16,834,160
2035	\$0	\$0	\$6,661,760	\$6,880,226	\$3,654,987	\$17,196,973
2036	\$0	\$0	\$6,661,760	\$6,880,226	\$4,025,056	\$17,567,043
2037	\$0	\$0	\$6,661,760	\$6,880,226	\$4,402,527	\$17,944,514
2038	\$0	\$0	\$6,661,760	\$9,037,114	\$4,787,547	\$20,486,421
2039	\$0	\$0	\$6,661,760	\$9,037,114	\$5,180,268	\$20,879,142
2040	\$0	\$0	\$6,661,760	\$9,037,114	\$5,580,843	\$21,279,717
2041	\$0	\$0	\$6,661,760	\$9,037,114	\$5,989,430	\$21,688,304
2042	\$0	\$0	\$6,661,760	\$9,037,114	\$6,406,188	\$22,105,062
2043	\$0	\$0	\$6,661,760	\$11,537,537	\$6,831,282	\$25,030,579
2044	\$0	\$0	\$6,661,760	\$11,537,537	\$8,093,376	\$26,292,674
2045	\$0	\$0	\$6,661,760	\$11,537,537	\$9,282,051	\$27,481,348
2046	\$0	\$0	\$6,661,760	\$11,537,537	\$9,733,163	\$27,932,461
2047	\$0	\$0	\$6,661,760	\$11,537,537	\$10,193,298	\$28,392,596
2048	\$0	\$0	\$6,661,760	\$14,436,214	\$10,662,636	\$31,760,610
2049	\$0	\$0	\$6,661,760	\$14,436,214	\$14,266,759	\$35,364,733
2050	\$0	\$0	\$6,661,760	\$14,436,214	\$17,517,741	\$38,615,715
2051	\$0	\$0	\$6,661,760	\$14,436,214	\$18,617,384	\$39,715,358
2052	\$0	\$0	\$6,661,760	\$14,436,214	\$19,125,410	\$40,223,384
2053	\$0	\$0	\$6,661,760	\$17,796,574	\$20,193,640	\$44,651,974

EXHIBIT E



Port of San Francisco Seawall Lot 337 Advisory Panel

Report and Recommendations to the San Francisco Port Commission
RFP Submittal for the Development of Seawall Lot 337 and Pier 48
May 4, 2009

Overview

In May 2008, the Port of San Francisco issued a Request for Development Proposals (RFP) for the Seawall Lot (SWL) 337 Development Opportunity, a 16 acre site on the south side of China Basin Channel, bounded by Third Street, Terry Francois Boulevard and Mission Rock Street. The Development Opportunity also includes adjacent Pier 48.

This Port received one proposal to the RFP on January 15, 2009. Previously, the Port Commission had established a SWL 337 Advisory Panel to ensure ongoing participation and input from the community during the development solicitation process. The SWL 337 Advisory Panel members (see attached bios on each member) are:

Ruth Gravanis, Chair
John Rahaim
Amy Neches
Michael Willis

Paula Collins, Vice Chair
Sarah Karlinsky
Tony Kelly

As one of its duties, the Advisory Panel reviewed the RFP development proposal to assess how it measured up to the RFP objectives and criteria. This report presents the results of that review and the Advisory Panel's recommendations and comments.

Background

The Port and community have invested significant efforts to plan for the development of SWL 337. Prior to the issuance of the RFP, the Port Commission worked with community stakeholders and the development community to define community planning objectives, and to craft a development solicitation process to promote interactive dialog between the Port, citizens and developers about the desired objectives for SWL 337 and Pier 48. Below is a summary of

the work leading up to the review of the RFP proposal, which is presented in full on the Port's website: www.sfport.com/swl337:

January – October 2007: SWL 337 community planning process to evaluate site land use options, technical studies, and produce Development Objectives.

October 2007: Port Commission authorizes initiation of a two-step developer solicitation process, starting with a Request for Qualifications (RFQ) from interested developers, with accompanying concept plans; and establishes the SWL 337 Advisory Panel to review proposals and make recommendations to the Port Commission.

February 2008: Port receives RFQ submittals from four development teams. The concept plans are presented for public comment and interactive discussions with the development teams.

April 2008: SWL 337 Advisory Panel presents its review and recommendations on the four RFQ submittals, and Port Commission invites two of the development teams, Boston Properties/Kenwood Investments/Wilson Meany Sullivan, and Cordish Company/ Farallon Capital Management/San Francisco Giants, to submit proposals for the SWL 337 RFP.

May 2008 – January 2009: In August 2008, the Port Commission was notified that members from the two short-listed teams had combined to form one team, SWL 337 Associates LLC, made up of the following members: San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, The Cordish Company, Stockbridge Capital, Farallon Capital Management, LLC. The RFP deadline, originally set for August 2008 was extended four times at the request of the development team until January 15, 2009, when SWL 337 LLC submitted its proposal. The SWL 337 Advisory Panel and Port have been reviewing this proposal, which has been posted on the Port's website. This report presents the Advisory Panel's comments and recommendations to the Port Commission.

Summary of RFP Submittal

The RFP Submittal present a concept development plan (Volume 1), which features feature a major waterfront open space at the north end of the site, transitioning into a mixed-use neighborhood with office, residential, retail and recreational uses. The site is broken into 11 blocks to create a pedestrian-scale environment, with views and paths to the park and water from within and outside the district. The development program summary is:

- 8.7 acres of public open space including a 1.5 acre neighborhood square within the core of the development, a 1 acre plaza at the entrance to Pier 48 and a 5.1 acre park at the north end of SWL 337 fronting on the Bay and China Basin Channel, pedestrian streets and rooftop open spaces
- Retail space: 242,375 sq. ft.
- Event/Flex space: 181,200 sq. ft. in Pier 48, which would be rehabilitated to Secretary of the Interior Historic Standards
- Office: 1,037,400 sq. ft., primarily oriented to serving the biotech-related market
- Residential: 875 units
- Parking: 2,650 spaces in one large garage at the south end of SWL 337 (2170 spaces) and two smaller parking structures to the north

Volume 2 of the RFP Submittal presents the Project Team, Real Estate Market Analysis, Transportation Demand Management Plan, and Operations. Volume 3 presents the financial proposal of SWL 337 Associates LLC.

SWL 337 Advisory Panel Review

As part of its process, the SWL 337 Advisory Panel received and considered all public comments received by the Port. In addition to written remarks received via correspondence and on-line comments, three public meetings were scheduled to solicit community questions and comments:

- San Francisco Port Commission meeting, February 10, 2009
- Port Central Waterfront Advisory Group, March 11, 2009
- SWL 337 Public Workshop, March 18, 2009

The Advisory Panel's deliberations also were aided by information and technical assessments prepared by consultants with expertise described below. These consultants provided input to Port staff as well as the Advisory Panel.

- CBRE Consulting/ Conley Consulting Group – Development and Economic Feasibility
- BMS Design Group – Physical Planning and Urban Design
- Nelson\Nygaard Consulting Associates – Transportation Demand Management
- San Francisco Municipal Transportation Agency – Transportation, Muni and Parking
- San Francisco Department of the Environment – Sustainability

After reviewing the RFP Submittal documents and public comments, the SWL 337 Advisory Panel forwarded several questions to SWL 337 LLC, received responses to those questions (see attached), and then conducted its interview with SWL 337 LLC on March 20, 2009. The Advisory Panel has considered this collective body of information received from the public, consultants, Port staff and SWL 337 LLC in conducting its review, comments and recommendations, as presented in this report.

The Advisory Panel deliberations are based on the SWL 337 RFP Objectives and Criteria, which fall into the following categories: 1) Land Use; 2) Open Space; 3) Transportation; Neighborhood Character, Historic Resources and City Form; and 4) Sustainability. While these issues were the primary focus, the Advisory Panel also received a briefing from Port staff and its consultants about how the RFP Economic Objectives were addressed in the RFP proposal. While Port staff is taking the lead on reviewing the proposal's responsiveness to the RFP Economic Objectives, the Advisory Panel needed to understand how the financial proposal relates to the proposed development program, phasing and management issues.

Each of the Advisory Panel members organized their review by providing qualitative ratings to indicate whether the Panel member found the RFP submittal to be responsive, non-responsive or partially responsive to the RFP Objectives and Criteria. Advisory Panel member and San Francisco Planning Department Director, John Rahaim, participated in the deliberations, but did not rate the proposal. The discussion below presents the Advisory Panel's review and summary of comments, by category. From this review, the Advisory Panel developed negotiating principles which it forwards as recommendations to the Port Commission for its consideration in the developer selection decision process.

SWL 337 RFP Objectives and Criteria – LAND USE	Consistent with RFP?
Objective 1: Develop a diverse mix of uses at SWL 337 that reflects San Francisco’s unique character and promotes a vital urban environment with lively interactions among workers, visitors and residents, and broad use and safe enjoyment of public spaces.	Yes (1) Partially (5) No ()
Criteria	
a. Propose a development program that creates a public destination with major public open space and shoreline recreational, environmental, and cultural uses integrated with revenue producing uses that may include office, hotel, retail, restaurant, assembly and entertainment, and residential uses.	Yes (6) Partially () No ()
b. Consistent with SB 815, demonstrate that first consideration was given to public trust-consistent uses in the development program.	Yes (4) Partially (2) No ()
c. Demonstrate how the development program (including non-trust uses), in a total project context, achieves a character that promotes public trust objectives.	Yes (2) Partially (3) No (1)
Objective 2: For housing proposals, provide housing program details, including number and mix of units, market vs. below-market (and income and price range, and source of funding for below-market units), ownership vs. rental units, clarity and completeness of details provided, <i>appropriateness of the proposed mix</i> , and analysis of the application of fair housing laws to any preferential residency proposals. If ownership housing is proposed, describe how it would be accommodated in a long-term ground lease, or any alternate strategy. Provide examples of where such alternate strategy has been successfully implemented.	Yes () Partially (5) No (2)
Criteria	
a. Design any proposed residential uses so that they do not conflict with the ongoing operational needs of Pier 50.	Yes (2) Partially (2) No (1)
Objective 3: Propose a use program for Pier 48 that is publicly-oriented and water-related to the extent possible, and which complements and enhances the public use and enjoyment of the major new public open space at China Basin. The Pier 48 use program must be consistent with the public trust, and any improvements must comply with the Secretary of Interior Standards for Rehabilitation.	Yes (4) Partially (2) No ()

In general, the Advisory Panel found the RFP submittal to be responsive to the objective of creating a vital urban environment with the inclusion of a broad mix of uses to promote frequent and lively interactions between workers, residents, visitors and recreation enthusiasts. In particular, the major public open space at the northern end of the site, Mission Rock Park, was well-conceived not only for its location, size and design, but also for establishing a central public space where people associated with diverse activities also can converge.

However, the RFP submittal falls short in providing adequate definition for some individual components of the proposal which can affect the quality and feel of the development. Advisory Panel members raised many questions about the proposed vision and character of the large retail program proposed. What type of retail environment is sought in the project? What are the variety of venues, goods and services anticipated, and generally how would they address local needs versus regional and/or visitor-oriented market demands? What market studies have

been conducted to support the amount and type of retail proposed? Is it justified given the amount of retail approved and/or built as part of the adjacent Mission Bay North and South Redevelopment Plans? While recognizing that the proposal represents a concept where details on retail tenants would not be expected at this stage, the development team was able to articulate neither a clear vision nor an execution strategy for the general mix, character and phasing of retail environment(s) it seeks to create.

With regard to public trust uses, the Advisory Panel responded very positively to the size, orientation and thoughtful design of the Mission Rock Park at the north end of SWL 337. The park design embraces its waterfront setting, with grand views of the Bay and Bay Bridge. Attributes of the proposed site layout include the idea of extending to Lefty O'Doul Bridge and Pier 48, which enhance the visibility and public's appreciation of two of the few historic features that remain in Mission Bay.

In addition, the proposed use program for Pier 48, with improvements that would meet federal historic rehabilitation standards, resonated well with several Advisory Panel members. The Advisory Panel commented on the need for further work to incorporate more features or venues to increase access to water recreation uses (e.g. kayaking, swimming) to address the public trust use priority objectives included in the RFP.

The Advisory Panel's positive review of the Mission Rock Park concept contrasted with a concern about the physical size of the proposed parking garage on Block D at the south end of SWL 337 (see also discussion under Transportation and Neighborhood Character sections below). Block D is substantially larger than other blocks on SWL 337, and has the potential to disrupt the pedestrian character sought for this development. This concern also related to remaining questions among some Advisory Panel members about whether the number of parking spaces in the garage is reasonable for this project, and whether the access and circulation requirements of the facility would disrupt the desired urban character of this development.

The Advisory Panel took issue with the proposed location for meeting below-market rate housing requirements for the project on Block H, immediately across from Pier 50. Pier 50 is planned to continue in light industrial use, including the Port's maintenance center. The RFP includes a criterion, "Design any proposed residential uses so that they do not conflict with the ongoing operational needs of Pier 50." While the RFP submittal does include housing blocks elsewhere on the site that respond to this criterion, no information was provided to explain how the below-market housing would be insulated or otherwise designed to ameliorate its location across from an industrial facility. There was equal concern over the lack of details in the economic proposal regarding income level assumptions for the housing units, and whether/how much stabilized housing subsidy would be provided by the developer to support the affordable housing program. Others reacted against the idea of concentrating all the affordable units in one block, particularly since the proposed block is clearly the least desirable site within SWL 337 and is directly adjacent to affordable housing parcels within the Mission Bay project, which could result in an undesirable concentration of affordable units. The Advisory Panel recommended that inclusionary housing (incorporated into market rate housing complexes) be considered as an alternative to meet the project's affordable housing requirement.

The proposed phasing of development is an ongoing concern of the Advisory Panel. While the overall land use program appears to provide a strong opening proposal to address the objectives of the RFP, the proposed phasing program is problematic because key public benefits of the project would lag too far behind revenue-generating uses. For example, the

Mission Rock Park is proposed to occur in Phase 3, between 2022 and 2025 (9-12 years after start of construction in 2013); the rehabilitation of Pier 48 is proposed in Phase 4. The Advisory Panel viewed this phasing plan as an unacceptable delay in the delivery of key public benefits of the project..

SWL 337 RFP Objectives and Criteria - <u>OPEN SPACE</u>	Consistent with RFP?
<p>Objective 4: Develop an open space program that provides substantial visitor-serving public open space, and other neighborhood-oriented open spaces designed to serve the recreational needs of any residential uses developed on the site and provide key components of the Bay Trail and Blue Greenway.</p>	<p>Yes (4) Partially (2) No ()</p>
<p>Criteria</p>	
<p>a. Create gathering places for area visitors, workers and residents with linkages to China Basin Park and activate open spaces with events and activities that enliven SWL 337. Describe what types of recreational uses are intended for the various public parks and open spaces included in the proposal.</p>	<p>Yes (6) Partially () No ()</p>
<p>b. Describe how parks and open spaces will be managed or programmed to promote safe and active use and enjoyment. Include a funding proposal to support these management and programming activities.</p>	<p>Yes (1) Partially (3) No (2)</p>
<p>c. Increase opportunities for trust-consistent open space uses such as water-related recreation (either water-dependent or enhanced by its waterfront location) wildlife habitat and nature education.</p>	<p>Yes () Partially (3) No (3)</p>
<p>d. Design usable and publicly accessible neighborhood-serving open spaces such as athletic fields, tot lots and play structures, which comply with the Recreation and Open Space Element of the San Francisco General Plan.</p>	<p>Yes (2) Partially (3) No ()</p>
<p>Objective 5: Expand China Basin Park, and create other public open space amenities that increase public enjoyment and views of San Francisco Bay, AT&T Ballpark, Mission Creek Channel, East Bay hills, Yerba Buena Island and the Bay Bridge, and create a unique and complementary addition to the network of parks and open space along the San Francisco waterfront and in Mission Bay.</p>	<p>Yes (5) Partially (1) No ()</p>
<p>Criteria</p>	
<p>a. Minimum size for contiguous major open space: 5 acres - Located at northeast area of the site - Incorporates northern leg of Terry Francois Blvd (to be closed to auto traffic) - Must be visitor-serving and water-oriented to comply with public trust objectives, which considers factors including but not limited to: active and passive recreation for locals and visitors; creates direct relationship with and enjoyment of the Bay; promotes water recreational use; promotes environmental restoration and natural habitat; interacts with and enhances the attractiveness and public enjoyment of the development program overall, which also in turn increases enjoyment of the public open space; Interfaces with and takes advantage of proximity and adaptive reuse of Pier 48.</p>	<p>Yes (5) Partially (1) No ()</p>
<p>b. China Basin Park and other shoreline open space should connect with and enhance the Bay Trail and highlight the start of the Blue Greenway.</p>	<p>Yes (4) Partially (2) No ()</p>

c. China Basin Park and other project open space should incorporate landscaping and ecological design elements that provide habitat value for native wildlife.	Yes () Partially (3) No (3)
Objective 6: Describe how proposed park and open spaces would be maintained and managed, including funding sources to support such operations.	Yes (1) Partially (3) No (2)

Overall, the Advisory Panel applauded the site layout and character of the conceptual public open space system in the RFP submittal. The program includes a good mix and distribution of distinct open spaces with well-defined purposes and proposed locations. Furthermore, this open space system is integral to and enhances the Bay Trail, and greatly advances the realization of the Blue Greenway public access and open space system along San Francisco’s Central and Southern Waterfronts. As reflected in the above Land Use discussion, one of the best things about this RFP submittal is the Mission Rock Park design. It succeeds in creating a unique identity for this development, and celebrates and expands public awareness and appreciation of San Francisco Bay. Its incorporation of Lefty O’Doul Bridge and Pier 48 at the west and east ends, respectively, brings together the new in a way that enhances the old, which improves visibility and public appreciation of these two important historic resources.

This system can support a broad array of activities for public open space enjoyment, including places for public gatherings, passive and active recreation, expansive public views and appreciation of the Bay, and venues conducive to creating retail, commercial, and entertainment-oriented interactions characteristic of vital urban mixed use neighborhoods. However, certain elements require further thought and program definition. Areas that were referred to as habitat resource locations within Mission Rock Park are ill-defined, and currently do not demonstrate what types of native wildlife habitat benefits would be created. Similarly, more work is needed to define and demonstrate effective programming for realizing water-related recreation activities which expand physical access to the water, and respond to the public trust objectives set forth in the RFP.

The creation of a Mission Rock Square in Block E is a welcome element in the RFP proposal, to create a neighborhood-oriented green space. The Advisory Panel supported the location of such an amenity within the interior of SWL 337, but some also expressed concern about its adjacency to the parking garage in Block D, immediately south of the park. Further work will be needed to understand whether vehicle access and circulation associated with the garage would affect access to and enjoyment of the park, especially during crush loads before and after ballgames at AT&T Park, north of SWL 337.

In addition, wind and shadow impacts on the park are a concern. Although SWL 337 LLC has indicated that the height and scale of new development may vary from that presented in RFP Volume I, major development on adjacent blocks should undergo wind and shadow studies to avoid compromises to the public’s enjoyment of the park.

As indicated in the Land Use discussion above, the Advisory Panel found the proposed phasing plan to be inadequate, as it defers the delivery of the major parks –and thus benefits to the public-- too late in the development process. In addition, the Advisory Panel was disappointed over the lack of information to address how parks and open spaces would be managed and maintained, despite the fact the RFP specifically calls for this information to be included in the submittal.

SWL 337 RFP Objectives and Criteria - NEIGHBORHOOD CHARACTER, HISTORIC RESOURCES AND CITY FORM	Consistent with RFP?
Objective 10: Create a unique urban form for SWL 337 that incorporates architecture that is varied and timeless, and human-scaled, which complements the scale of new development along Third Street in Mission Bay, respects historic resources on the waterfront, including Pier 48 and Lefty O'Doul Bridge, and steps down heights of buildings towards the Bay.	Yes (1) Partially (3) No (1)
Criteria	
a. Promote an inspiring urban form and architecture worthy of this unique waterfront location within a flexible framework of proposed zoning and development controls.	Yes () Partially (2) No (1)
b. Propose a density of new development sufficient to support the public amenities and infrastructure improvements proposed for SWL 337.	Yes (2) Partially (3) No ()
c. Provide a Bay Trail/public promenade that meets public open space and circulation needs of the site, and supports access by multiple transportation modes, including pedestrians and bicyclists.	Yes (4) Partially (1) No ()
d. Design new street and access corridors as public spaces that foster an intimate and pedestrian scale and social and economic interactions between diverse uses and users, as promoted in the San Francisco Better Streets Program .	Yes (1) Partially (3) No (1)
e. Utilize street and public way improvements to promote access and view corridors to the waterfront and Bay.	Yes (2) Partially (2) No (1)
f. Locate active uses at the street level, and adjacent to public gathering spaces created as part of new open spaces.	Yes (2) Partially (3) No ()
g. Design new development to provide an attractive and inviting street front along Third Street, and adjacent developments in Mission Bay.	Yes () Partially (3) No (2)
Objective 11: Respondents may propose one to three taller, slender towers of 300 feet or more that create an inspiring architectural identity for SWL 337, and enables development density on-site while also supporting space needs to meet major waterfront open space, urban design, and the pedestrian realm objectives of this development.	Yes (2) Partially (1) No (1)
Objective 12: Propose a development program that funds public amenities and infrastructure improvements.	Yes () Partially (2) No (3)

The Advisory Panel found that the proposal overall presents a well-conceived plan for the rational development of SWL 337 and Pier 48. It provides a clear urban framework that allows flexibility in the allocation of land uses. This is reinforced in the arrangement of streets and blocks, which can accommodate many types of building forms and floor plates, as development refinements and changes occur. In addition, the street and block system is conducive to creating a human-scaled environment which promotes pedestrian activity and interactions. The street grid pattern includes streets which run east-west, providing excellent view corridors through the development to the Bay and other points of public interest. This, combined with the

project's open space network, provides a sound foundation for developing attractive urban environments.

The proposal presents a strong outward orientation and connection to the waterfront to the north and the east. However, external orientation and connection of the development to the south and west is less successful. On these sides, the plan is generally inward - focused, conveying a self-contained orientation. Third Street and Mission Rock Street feel like "edges" to the project, rather than part of a continuum of the urban fabric that acknowledges development in the adjacent Mission Bay Redevelopment Plan area. It was important to some that Mission Bay be acknowledged but not emulated, and that it is good for SWL 337 development to have its own distinct character.

The Advisory Panel focused less attention on architectural design details depicted in the proposal. Part of the reason is that architectural concepts in RFP responses generally are highly preliminary at this early stage, and will undergo numerous and extensive design reviews and changes. Furthermore, in this case, detailed architectural review is deferred because SWL 337 LLC informed the Advisory Panel that it is likely that the architectural and urban form of new buildings could differ from the images presented in RFP Volume I. While overall development density levels would remain the same, SWL 337 LLC reported that the market for office and biotech businesses generally does not favor narrow high-rise buildings. The space needs for these uses generally demand larger floor plates and lower heights. However, residential buildings could be developed in taller, thinner buildings. The Advisory Panel expressed the need for SWL 337 LLC, if selected by the Port Commission, to produce accurate architectural concept plans to inform any negotiations.

The Advisory Panel did express design concerns with the large garage structure on Block D, which is about twice the size of other blocks in the development. As discussed above in Land Use, this raised questions among some Advisory Panel members about whether the size and vehicle volumes generated from the garage would compromise public enjoyment of Mission Rock Square. In addition, several Advisory Panel members expressed concern about how this structure would create a formidable wall along most of the southern edge of the development site fronting on Mission Rock Street; counter to the pedestrian character objectives for this project.

SWL 337 RFP Objectives and Criteria –<u>TRANSPORTATION & PARKING</u>	Consistent with RFP?
Objective 7: Due to its location, adjacent uses and the development density envisioned, demonstrate careful consideration of transportation and parking needs that yield a proposed transportation program that maximizes utilization of rideshare, transit, pedestrian, and bicycle access to the site to minimize traffic demand and congestion from automobiles.	Yes (2) Partially (3) No (1)
Criteria	
a. Describe the team's experience and expertise in developing and implementing integrated transportation and parking management programs to reduce vehicle trips and parking demand in new development.	Yes (4) Partially (1) No (1)
Objective 8: Promote the City's transit-first policy and seek to establish as sustainable a transportation program as possible while accommodating the parking needs of AT&T Ballpark.	Yes (1) Partially (4) No (1)

Criteria	
a. Describe effective public transportation strategies, including pedestrian, bicycle, carshare and public transit modes, including water transit, to actively encourage use of alternative transportation modes to support new development on SWL 337.	Yes (2) Partially (3) No (1)
b. Plan the configuration of new development to maximize walkability to minimize the need to own or use automobiles.	Yes (1) Partially (3) No (2)
c. Require parking supply and costs to be unbundled from new development, to promote market-based demand pricing and utilization of parking.	Yes (4) Partially (2) No ()
d. For parking facilities included in the development proposal, describe: - How it responds to anticipated parking demand from residential vs. non- residential uses during peak and off-peak demand times - Parking management program to maximize shared use (including use of any available off-site parking facilities) - Whether/how Ride/CarShare, bike storage and support facilities, and other improvements (including transit service improvements) to reduce automobile demand have been included.	Yes (1) Partially (4) No (1)
e. Require Transportation Demand Management proposal which includes a description of goals for use of public transit and alternative transportation modes, and strategies, incentives or other performance measures to the stated goals.	Yes (1) Partially (3) No (2)
Objective 9: Provide a proposal that explains how proposed parking facilities maximize shared parking to also meet the parking need of SF Giants ballgame season at AT&T Ballpark (<i>on SWL337</i>)	Yes (1) Partially (4) No (1)
Criteria	
a. Investigate and propose shared parking for the ballpark at nearby satellite parking facilities.	Yes () Partially (4) No (2)
b. Describe the development team's experience in the design of space-efficient parking arrangements, including tandem parking facilities, valet parking operations, and mechanical parking stacking equipment.	Yes (3) Partially (1) No (1)
c. Design and locate parking facilities to minimize their aesthetic presence and impact on the surrounding area, particularly the waterfront and Third Street. Consider opportunities to make parking garages as environmentally sustainable as possible.	Yes () Partially (3) No (3)
d. Design parking facilities on SWL 337 so that they can be converted to other uses should public transit service, and successful marketing and education reduce the need for parking.	Yes () Partially () No (6)
e. Maintain truck access to Piers 48 and 50 via Terry Francois Boulevard from the south.	Yes (6) Partially () No ()

The RFP submittal included an initial proposal for a Transportation Demand Management Plan (TDMP), that outlines a series of implementation strategies to promote use of alternative transportation. Overall, the TDMP represents a commendable “first cut” at responding to the transportation goals articulated in the RFP for the SWL 337 project site. The TDMP proposes

an on-site Transportation Resource Center and full-time Transportation Coordinator, and various multimodal transportation marketing and promotion initiatives. However, more work is needed to set clear goals, targets and incentives to proactively effect changes in travel behavior.

One of the most visible transportation elements in the RFP submittal document is the concept of extending the E-line light rail system into SWL 337. This concept is a visionary idea that would add charm and character to the development. However, the RFP proposal provides no details on how this would be accomplished, including the significant capital investment and operational funding that such an extension would require. The preliminary assessment conducted by Nelson Nygaard transportation consultants and MTA transit planning is that the physical and operating requirements (e.g. turning radii, boarding platforms) of the E-Line extension as proposed do not appear to be consistent with physical layout of the proposed streets. Advisory Panel members observed that there may be other more cost-effective ways to promote Transit-First alternatives, including evaluating increased use of regional transit carriers (CalTrain, Sam Trans, ferries), or local transit support through shuttle service systems such as currently operated at the nearby UC San Francisco Mission Bay campus.

As reflected in above discussions, there remain significant questions among some Advisory Panel members regarding the approach to providing parking in the project. One member expressed a belief that the 2650 parking spaces proposed in the RFP submittal seemed reasonable given the amount of development proposed and the managed use of the parking to serve AT&T ballpark games and events. Other Panel members are concerned about the impacts of concentrating the majority of the parking in the Block D garage, as questions were raised by MTA, Nelson Nygaard, and Advisory Panel members about whether there was enough space and queuing area to handle high “crush” volumes associated with ballgames and large entertainment events without undermining the type of urban development character sought at SWL 337. To the extent some of this impact could be reduced by decentralizing parking, some Advisory Panel members commented on the lack of more serious consideration of spreading parking either within SWL 337 and/or in off-site satellite parking facilities, including those that might be a BART ride away.

The TDMP includes preliminary transportation demand projections for traffic, Muni and parking generated by the project. This work represents a “first cut”; a full analysis will have to consider transportation demand and resources associated with surrounding development as well. In addition, proposed transportation management measures should be analyzed for their relative cost-effectiveness to identify best practices. The best method to gauge success in meeting the transportation and parking goals of the RFP for this development would be to formalize specific mode split (i.e. auto, transit, pedestrian/bike) targets tailored to each phase of development, with monitoring protocols oriented to maximize achievement of those targets. And, to the extent there are economies of scale, transportation management strategies should be coordinated with UCSF and Mission Bay Redevelopment Plan businesses to pool services and realize improvements that provide benefits for the entire Mission Bay area comprehensively.

SWL 337 RFP Objectives and Criteria - <u>SUSTAINABILITY</u>	Consistent with RFP?
Objective18: Require new development and site improvements to incorporate and set an example for integrating green technologies and sustainable development practices.	Yes () Partially (1) No (3)

Criteria	
a. Conduct a sustainability analysis to produce estimated scoring to achieve LEED Gold or equivalent standards for Neighborhood Development, Core and Shell Development and New Construction, with special address of on-site alternative energy generation and (energy) conservation systems, and reduction of vehicle emissions and vehicle miles traveled to demonstrate a reduction in carbon footprint impacts of new development.	Yes (3) Partially (1) No (2)
b. Comply with Regional Water Quality Control Board performance criteria for the reduction of stormwater pollution impacts associated with newly constructed facilities.	Yes (4) Partially (2) No ()

Although the RFP submittal includes a wide range of environmental sustainability features and systems for individual building developments, the Advisory Panel observed the relative lack of address of technologies that take advantage of SWL 337's large 16 acre site to serve overall development comprehensively. There are beginnings of ideas such as natural stormwater management systems and water conservation measures. However, there is a lack of depth in the concepts. For example, water conservation applied to the entire site could mean creating on-site collection and supply of non-potable water. SWL 337 also offers potential for site-wide approaches to energy generation, waste management and processing systems. As described in the proposal, SWL337 LLC would be responsible for developing the land improvements. As such, the Developer would have a direct opportunity to design and integrate ecological sustainability strategies to support all development phases. SWL 337 LLC instead proposes to sub-lease individual blocks or parcels to other developers who would be responsible for the "vertical" development, i.e. building complexes. Thus, it is those other developers that would be more directly involved in incorporating building-specific sustainability systems and practices. A mechanism is needed to assure future compliance of vertical developers, as well as encourage SWL 337 LLC to take a more innovative approach to incorporating site-wide sustainability improvements.

SWL 337 RFP Objectives and Criteria - ECONOMIC	Consistent with RFP?
Objective 13: Respond to the Port's significant historic preservation and waterfront open space needs elsewhere on Port property, pursuant to SB 815, with a development program that can generate significant annual revenues to the Port.	Yes () Partially (1) No (5)
Objective 14: Respondents must propose a minimum rent for development on SWL 337 of no less than \$8 million per year. - Require reset to fair market value no later than Year 30, and every 10 years thereafter.	Yes () Partially (1) No (5)
Objective 15: Require minimum rent for Pier 48 of no less than \$2.2 million per year. -Set maximum lease term for Pier 48 of 10 years, unless investment warrants longer term for amortization at appropriate financial return to the Port.	Yes () Partially () No (5)
Objective 16: Require market information justification for use program (include any pre-tenanting commitments)	Yes (2) Partially (1) No (3)

Objective 17: Require equally sharing of percentage rent for retail uses of a minimum of 6% of gross sales (after amortization of initial improvements & structures).	Yes () Partially () No (6)
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Although Port staff is responsible for the full, technical review and recommendations regarding the RFP Economic Objectives, the Advisory Panel’s review necessarily required an understanding of the economic proposal submitted by SWL 337 LLC, and the implications for achieving the development and public improvements proposed.

Objective 13 calls for a proposed development program to generate funds to pay for public amenities and infrastructure improvements. This issue was discussed extensively in the Advisory Board deliberations, in response to the strategy proposed by SWL 337 LLC in its economic proposal. This topic will be discussed in detail in a report to be produced by Port staff but, in essence, SWL 337 LLC has proposed that the Port issue revenue bonds to pay for the majority of infrastructure improvements, possibly including open space development costs, paid back by tax increment revenues generated from the new development. This contrasts with RFP specifications which included provisions for the developer to provide all required financing. As such, the Advisory Panel found the RFP proposal to be unresponsive to Objective 13. The Advisory Panel discussions and input has been provided to Port staff for its consideration in evaluating the responsiveness of the Developer to the RFP Economic Objectives.

Conclusions

As reflected in this report, the Advisory Panel has conducted a thorough, comprehensive review. Consistent with its charge, it reviewed the RFP proposal submitted by SWL 337 LLC based on all the Objectives and Criteria published in the RFP, except for the RFP Economic Objectives, which Port staff are tasked with reviewing to produce recommendations to the Port Commission. In its review, the Advisory Panel also carefully considered all public comments received by the Port, and technical evaluations prepared by Port staff and its consultants.

The large size and complexity of this development opportunity, coupled with the uncertainty of the current recession has made it more difficult for the development team, the Port and the public to define the ground rules for development, which continue to be in flux. SWL 337 LLC stated that the economic proposal underwent continual revision and tweaking up until the RFP submittal deadline, as the development team continued its efforts to understand what was happening in the market and to make adjustments in response.

As a result, the RFP economic proposal currently incorporates some real estate market and development assumptions that are not reflected in the physical development proposal presented in Volume I of the RFP submittal. The advisory panel spent considerable time discussing the most realistic balance of the physical development proposal, the financing strategy, and optimization of returns to the Port, given the current and future economic conditions. The panel confirmed the Port’s financial goals for this valuable real estate asset, and considered viable strategies to work with the Developer to maximize those goals.

The Developer admitted that the recession has created numerous challenges to producing definitive real estate market and development pro forma analyses. Thus, it was clear to the Advisory Panel that, as real estate market and financing factors continue to change, the development program, the character and mix of uses, and the urban form of new development could change further, perhaps substantially.

In this context, the Advisory Panel focused itself not just on evaluating the merits of the RFP development proposal. Understanding the need to anticipate change, the Advisory Panel used the evaluation process to define the underlying ideas and principles that it believes should be used as guideposts to enable the Port and public to evaluate changes as they evolve.

The Advisory Panel found the RFP submittal overall to have many strengths that are worthy of consideration, proposed by a highly qualified development team. SWL 337 LLC has proposed a development program and site plan that reflects a sensitive evaluation of the site's unique waterfront setting and opportunities. The development proposal shows strong potential to create a distinctive, pedestrian-friendly development that attracts people to the waterfront, as well as enhance the larger Mission Bay district. All of these are qualities the RFP seeks to achieve. These strengths give guidance to the development of the below Negotiating Principles which the Advisory Panel recommends to the Port Commission for its consideration, to provide reference points for development negotiations should the Port Commission award the development opportunity to SWL 337 LLC.

NEGOTIATING PRINCIPLES

Based on its deliberations, the SWL 337 Advisory Panel developed the following preliminary set of principles which should be incorporated into any future negotiation with the developer regarding SWL 337 and Pier 48.

Land Use

1. Provide a clear description of the proposed land use and development program, and a breakdown of the proposed uses by block.
2. Provide a clearly defined retail vision for the project, including a description of the character/types (local, regional, visitor-oriented) amounts, and locations of the retail program across the project site.
3. Accelerate phasing of proposed Pier 48 improvements and activities.
4. Increase the program for water-oriented uses in the project (including water access), accompanied with clearer definition of locations, amounts, phasing and information on how those uses/programs would be delivered/phased as part of the project.
5. Revise program for incorporating affordable housing within the project which responds to applicable City requirements, defines the type and size of units that would be provided, and identifies funding sources and amounts of subsidies required to support the program.

Open Space

1. Revise the development phasing plan to provide in each phase a balanced delivery of public open space with other developed uses.
2. Produce an open space maintenance and operations plan which describes how publicly-accessible parks and open spaces will be managed and funded. Include information about the entity/ arrangements to handle these management responsibilities.

3. For open space areas that are proposed for wildlife habitat benefit, provide sufficient information to demonstrate that the design concept incorporates site improvements that will be useful to wildlife and/or environmental education.

Neighborhood Character, Historic Resources & City Form

1. Produce a current site plan which identifies the locations, heights and building mass dimensions of proposed development program.
2. Demonstrate that development siting and design actively contributes to an inviting, pedestrian character of publicly-accessible open spaces, and avoids creating adverse microclimate conditions.
3. Incorporate architectural and urban design treatments in perimeter blocks to acknowledge the surrounding Mission Bay area. In the interior of the site, use these elements to integrate with activities and built elements internal to the project.

Transportation and Parking

1. Produce a TDMP that proactively promotes alternatives to private automobile ownership and use to achieve “low traffic development” which includes:
 - formalized mode split performance targets (e.g. vehicle trip reduction, auto vs. non-auto ratios) increased over time, in successive phases;
 - staffing and funding to educate users and implement TDMP action plan commitments, tailored to SWL 337 residents, employers/workers and attendees at AT&T Park events;
 - measures to improve effectiveness and consistency of transportation demand management programs for entire Mission Bay area by integrating SWL 337 TDMP efforts with those of Mission Bay and UCSF-Mission Bay transportation management programs.
2. Include financing/subsidies, pricing and/or other strategies in the TDMP which create proactive incentives for public transit and alternative travel mode use; and market-based utilization of on-street and off-street project parking (for AT&T event and non-event days).

Sustainability

1. Incorporate site-wide sustainability practices and improvements that capitalize on the large size of the SWL 337 site, in addition to building-specific sustainability measures.
2. Prepare more detailed parking and circulation information accompanying detailed development proposals as they emerge, to develop a model for sustainable transportation operations.



Seawall Lot 337 Advisory Panel

In October 2007, the San Francisco Port Commission approved the issuance of a Request for Qualifications (RFQ) from development teams, with accompanying development concepts for Seawall Lot 337, a 16-acre site in Mission Bay, at the mouth of China Basin Channel. The Commission also directed that a SWL 337 Advisory Panel be created to review submittals, and make recommendations to the Port Commission for its review and action. The Port is honored to receive the service of the seven members of the SWL 337 Advisory Panel. For more information regarding the SWL 337 Development Opportunity, check out the Port's website: www.sfport.com/swl337.

Ruth Gravanis **Chair, SWL 337 Advisory Panel**



Ms. Gravanis currently serves on the San Francisco Commission on the Environment, and is an environmental consultant. Ms. Gravanis' clients have included the Campaign to Save California Wetlands, the Citizens Committee for the Removal of the Embarcadero Elevated Freeway, the Treasure Island Wetlands Project, and the Alliance for a Clean Waterfront, and the Public Trust Group. Prior to consulting, Ms. Gravanis' was previously with Save San Francisco Bay Association and Friends of the Urban Forest. In addition, Ms. Gravanis has 10 years of experience teaching in the public school system.

Ms. Gravanis is also an active member of the following organizations California Native Plant Society, San Francisco Tomorrow, Golden Gate Audubon Society, Sierra Club, Mission Creek Conservancy, Presidio Environmental Council, San Francisco Natural History Series, Sustainable Watersheds Alliance, Living Classroom Steering Committee at Literacy for Environmental Justice, and San Francisco Planning and Urban Research's Sustainable Development Committee, among others. Ms. Gravanis has received numerous awards for activism and environmental consulting work including from San Francisco Tomorrow, the Sierra Club and the Golden Gate Audubon Society. Ms. Gravanis holds a Master Degree in Education.

Paula Collins **Vice Chair, SWL 337 Advisory Panel**

Ms. Collins is the founder and Chief Executive Officer of WDG Ventures Inc, a real estate development and consulting firm. Some of the company's major projects include Sony Metreon and the Four Seasons Residences and Hotel. Ms. Collins is also founder and Director of Presidio Bank, and founder of Portfolio Real Estate Consulting (PRC), which provides development management services to non-profit and for-profit corporations in support of their commercial and residential real estate projects.

Ms. Collins currently or previously served on the following organizational boards: Special Olympics for Northern California, Yerba Buena Center of



the Arts, Grants for the Arts Committee for the City and County of San Francisco, and Bridge Housing Corporation. Ms. Collins also has received many awards, including Entrepreneur of the Year from the National Coalition of 100 Black Women, Inc., 1999 Rudy Bruner Award for Excellence in the Urban Environment, the 2007 Silver Spur award from San Francisco Planning and Urban Research, and has been included in the annual list of the most influential business women in the Bay Area for six consecutive years. Ms. Collins holds a Master Degree in City Planning from Massachusetts Institute for Technology and a BA cum laude from the Mount Holyoke College in Urban Studies.

Sarah Karlinsky



Ms. Karlinsky is the Policy Director for the San Francisco Planning and Urban Research Association (SPUR); she is responsible for managing SPUR's housing, community planning, regional planning and disaster planning work and for coordinating SPUR's policy efforts. Prior to joining SPUR, Ms. Karlinsky developed affordable housing throughout the Bay Area with Mid-Peninsula Housing Coalition. Ms. Karlinsky is a board member of the Transportation and Land Use Coalition and has taught urban planning at San

Francisco State University and to middle school students as a Teach for America Corps member. Ms. Karlinsky holds Master's Degree in Public Policy and Urban Planning from Harvard's Kennedy School of Government.

Tony Kelly

Tony Kelly is the president of the Potrero Boosters Neighborhood Association, one of the oldest and largest neighborhood associations in the City; he was first elected to the position in 2003. He also serves on the board of the Potrero Hill Association of Merchants and Businesses. He was vice chair of the City of San Francisco Arts Task Force, and now serves on the Port's Southern Waterfront Advisory Committee and the Mayor's Open Space Task Force. Mr. Kelly is a theater director by trade, working with the Thick Description company on Potrero Hill and at other professional theaters in New York, Pittsburgh, San Jose, Sacramento, Lake Tahoe, and San Francisco.



Amy Neches



Ms. Neches is a Senior Project Manager for the San Francisco Redevelopment Agency; overseeing the Mission Bay, Yerba Buena and Rincon Point-South Beach Redevelopment Plan areas. In 1998, Ms. Neches was one of the City's lead negotiators in the entitlement of the 303-acre Master Plan for Mission Bay.

Previous to this position, Ms. Neches spent three years in the affordable housing development and finance field, and six years in the investment banking field, with her last title being Vice President at Solomon Smith Barney, concentrating in mortgaged and asset backed securities. Ms. Neches is a member of the Urban Land Institute and the Lambda Alpha International and holds Master Degree in Business Administration from Yale University.

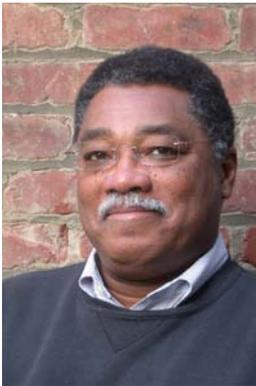
John S. Rahaim

Mr. Rahaim is the newly appointed Director of the San Francisco Planning Department. Mr. Rahaim is responsible for overseeing long range planning, development entitlements and environmental review for physical development projects in the City, as well as directing major initiatives which include several comprehensive neighborhood plan updates, a city-wide historic resource survey and updates to the San Francisco Master Plan.



Prior to this appointment, Mr. Rahaim was Planning Director for the City of Seattle, a position he held for five years. Mr. Rahaim was also the founding Executive Director of CityDesign, Seattle's office of Urban Design; and the Executive Director of the Seattle Design Commission. Prior to his tenure in Seattle, Mr. Rahaim was with the City of Pittsburgh Department of City Planning. Mr. Rahaim holds a Master Degree in Architecture from the University of Wisconsin-Milwaukee, and BS in Architecture from the University of Michigan.

Michael E. Willis, FAIA, NOMA



Mr. Willis founded Michael Willis Architects in 1988. His architecture, urban design and interiors firm located in San Francisco, Oakland, Portland and Detroit has built a national reputation with its experience on large public projects that include the architectural design of the \$100 million MUNI Metro Maintenance Facility, the multiple award-winning Hallidie Plaza BART Elevator, and the latest expansion of San Francisco's Moscone West Convention Center. Most recently, the firm is completing work on the Treme/Lafitte and Tulane/Gravier Homebuilding project in New Orleans which will replace existing multifamily buildings that were vacated after Hurricane Katrina. More than 525 living units will finish construction by December 2010.

Mr. Willis served as past chapter secretary, a former director, and President of the San Francisco Chapter of the American Institute of Architects (AIA SF) in 1995. He was elevated to Fellowship in 1996. Mr. Willis chaired the AIA Professional Interest Area national council, served on the AIA Regional and Urban Design Committee, been a juror for the 2005 AIA Austin and New England design awards, and served as the Chair for the 2005 AIA Urban Design Awards. Mr. Willis has served on the Technical Advisory Committee for Mission Bay and the Design Review Committee for CCSF Chinatown campus.

SWL 337 RFP

Development Team Responses to Advisory Panel Questions

Received March 13, 2009

PROJECT TEAM

- 1. Who is the managing developer? What are the responsibilities of the other members of the development team? Please provide information (beyond what has been submitted on page 7, volume 2 of the proposal) about how the Giants, Cordish, Wilson Meany and Kenwood are going to manage the day to day responsibilities of this project and how the decision-making process will work. What is Kenwood's role? They appear to be neither putting capital in nor participating in cash flow. Are they in on a fee basis as a consultant?**

Seawall Lot 337 Associates, LLC (the "Company") is operated through a management team comprised of the San Francisco Giants, Wilson Meany Sullivan, The Cordish Company and Kenwood Investments (collectively, the "Operating Members"). The Company's Operating Members work collectively on all decision-making matters and are responsible for all day-to-day operational activities of the Company covering all matters that impact the development. The Operating Members meet in person on at least a weekly basis, and more frequently via conference phone calls and group emails. The primary responsibilities of each Operating Member are generally described below:

1. The San Francisco Giants – Government approvals, community outreach, public relations, event coordination/management
2. Wilson Meany Sullivan – Overall development management and coordination, government approvals, community outreach, master plan coordination, infrastructure planning and implementation, commercial/residential marketing and leasing
3. The Cordish Company – Master plan oversight, retail planning and implementation, development management, retail marketing and leasing
4. Kenwood Investments – Overall development management and coordination, master plan oversight, infrastructure planning and implementation, government approvals, community outreach and public relations

Kenwood Investments is a full Operating Member of the Company and operates in the same capacity as other Operating Members. Kenwood Investments will participate economically in accordance with the terms of its project specific confidential business relationship with Stockbridge Capital and Wilson Meany Sullivan.

- 2. Who is the managing architect (i.e. Is it Perkins+Wili or Beyer Blinder Belle)? If the managing role will be shared, how will that work, exactly? Will the managing architect(s) design the site plan and the buildings? If not, who is designing the buildings?**

It is anticipated that Perkins+Will will continue as managing architect. In that capacity P+W will maintain day to day responsibility for overall master planning and coordination activities. As appropriate, BBB and others will participate in the ongoing planning process including preparation of concepts and

guidelines that shape the ultimate design of specific sites/buildings. No architect has been chosen for any specific building.

LAND USE

3. What is the cost of the non-economic uses (i.e. the parks and open space) etc.?

The estimated total cost for non-economic uses is approximately \$210,000,000 (includes above and below ground infrastructure, roads and public amenities). Please note this total is preliminary and subject to change. Variables include but are not limited to design, size, configuration, materials, phasing/timing and constructability.

4. **The EPS report states that Biotech uses will be the primary office user. Can you confirm ongoing demand?**

The EPS study and corresponding economic analysis were completed prior to current financial and economic dislocations. However, that is not to say the results are therefore flawed and/or inaccurate projections of potential demand drivers. Rather we believe accurately projecting demand drivers for any type of space is not reasonable at this time. We firmly believe SWL 337's geographic location coupled with the inherent demand drivers associated with SWL's proximity to Mission Bay and UCSF are strategic incentives to technology, biotech, life science and related industry well into the projected delivery timeline for the project.

5. **How will the southern part of the site plan work? Describe Mission Rock Street, which will front an eight story-parking garage. The street level view of the north side of Mission Rock Street (page 104, third drawing from the top) does not seem to include an image of the garage. Please provide more information about what the street level experience is on the southern part of the site.**

Mission Rock Street will run from Third Street to Terry Francois Blvd. with Vara Street intersecting it from the north approximately 120' from Terry Francois. The parking for Blocks "D" & "H" could be screened from Mission Rock Street with architectural treatment similar to that shown in the three precedent images on page 60.

6. **What is a "spray ground" (Block E)?**

A "spray ground" is a water feature which encourages both active and passive interaction.

7. **On page 64 you reference replacing the eastern end of the "Valley" between Shed A and Shed B of Pier 48 with transparent glass walls. The image on pages 111 and 112 show the eastern fagades of both shed A and shed B as transparent. This seems like a really exciting idea. What are the challenges to making it happen?**

Challenges associated with activating the eastern end of Pier 48 center around costs for delivery of the overall and tenant specific space(s) and more fundamentally the required retail traffic counts to sustain economic viability.

8. You propose 875 units of (likely) rental housing on this site. How do you anticipate satisfying your inclusionary requirement?

Satisfaction of the Inclusionary Housing requirement is currently anticipated through the conveyance of a land/airspace parcel. Please note this is a preliminary recommendation and satisfaction of the inclusionary requirement will require further discussion and negotiation with the Port and related parties.

9. In the Summary section on page 15, is it feasible to have no railing around the Pier 48 apron?

Pier 48 apron design/construction will include appropriate safety protection in accordance with then current building codes.

10. On page 46, how many residents are expected to occupy the 875 dwelling units?

Typical market parameters of 1.5 to 2.5 residents per dwelling unit have been used for these preliminary submittals.

11. To what uses can some of the 2,650 parking spaces be converted if the project exceeds its transit use goals at some time in the future?

We believe this request to be practically and economically infeasible as a design/operational prerequisite. Given projected market demand (tenant, landlord and consumer) for mixed use parking at SWL 337 parking numbers are appropriately calibrated.

12. In the phasing discussion on page 68, how long after ground breaking will the first residents move in? How long after the first residents move in will any publicly accessible open space be available for use?

Delivery assumptions for each product type project at least partial occupancy shortly after completion. Amount, type and adjacency of open space are undetermined at this point. Consistent with the phasing plan each building is assumed to access to appropriate exterior open space.

13. Also in the phasing discussion, how long after the first occupation of office space will there be outdoor public spaces for workers to eat lunch?

See response #12.

14. All "entertainment" uses have been removed from the program. Could you explain why and if any could be re-incorporated?

Entertainment uses have been downsized and/or relocated from previous RFQ submittals. After detailed analysis "entertainment" uses could not generate commensurate economic returns (compared to office/commercial or residential) to support Port ground lease values and an appropriate return on invested capital. We believe Pier 48 represents an excellent alternate location for these types of uses.

15. Do you think that this land use program and urban design scheme allow for signature architecture on any portions of the site? If so, where and how?

We believe SWL 337 location represents and warrants a unique opportunity to program and plan a neighborhood/community which can be a benchmark of urban waterfront development. Site planning which includes an appropriate balance of height vs. open space; proper setbacks and massing; thoughtful mix of uses; innovative transportation management; and viable sustainability can all be combined with inspiring yet feasible architecture. Our team has a long track record of delivering on this vision.

16. Please explain the rationale for the phasing, especially Phase One. Please explain the relationship between ballpark parking and phase one development. How could the park be completed prior to Phase Three?

Current phasing assumptions are directly correlated to the most economically viable delivery of infrastructure and public improvements. Phase I has been specifically programmed to minimize and capitalize on existing Third Street infrastructure/roadway improvements. Through the balance of Phase I Giants game day parking will be provided on the remaining undeveloped land parcel as well as in Pier 48. Delivery of Mission Rock Park is projected to coincide with the installation of required perimeter soil stabilization improvements and feasibly balance infrastructure funding sources. Please note our plan assumes the continuing use of the existing waterfront park until commencement of construction on Mission Rock Park.

17. Please explain the southern terminus of Las Ramblas and the narrow open space to the west of this terminus.

The southern end of Las Ramblas traverses Mission Rock Square and connects with the linear Bosque Park that runs east to west on the southern side of Bosque Street connecting Mission Rock Square with Third Street. The intent is to provide an attractive urban landscape connection between the light rail platforms on Third Street and Mission Rock Square. The diagrams on pages 58 & 59 as well as the diagram in Volume II, page 20, illustrate this more clearly.

18. Was an artist included on the team for the development of the public art program?

An artist has not yet been included on the team.

19. Does the plan allow for flexibility overall, allowing for potential changing land

uses, designs strategies, etc? Do you anticipate a flexible entitlement to be granted or some method for allowing change over time?

We would anticipate a plan which provides appropriate flexibility for land use, design and other market demand variables.

20. Can we get plan dimensions/floor plate sizes for the residential and office buildings, especially the towers?

Office floor plates: 22,000sf – 35,000sf
Residential floor plates: 10,000sf – 16,000sf

Ultimately heights and floor plate sizes will be driven by market factors, community input and sound planning principles.

21. The phasing pushes Mission Rock Park to the third of four phases (with the only other real open space, Mission Rock Square, in phase 2). Although I appreciate that this is an expensive component, I think it is very problematic for the major public benefit to come so late. Is there a possibility of advancing at least a portion of Mission Rock Park to the first phase of development?

See response #16

22. Can the developers offer some first phase public use (even if it's a sodded green field), so that in every phase, there is some public use to blunt the criticism that the public benefits are too far in the future?

See response #16

23. Pages 13 and 14 of the E&PS report, on retail supply, contain substantial inaccuracies. The actual amount of retail planned in Mission Bay North and South, within the "Study Area" is approximately 400,000 sq. ft., not 296,000 square feet. Even using EPS's incorrect lower number, in the table they only count 158,585 sq. ft., with no justification. SWL 337's addition of 245,000 will result in a total of 697,500 sq ft. of retail in the Study Area, not the 456,085 sq ft shown in the table. Based on the EPS analysis, this will far outstrip the demand generated within the Study Area, and does not support the assertion that the SWL retail "is not likely to result in any shift of sales from existing retailers in the Study Area, along San Francisco's waterfront, or in other portions of the City." It will in fact require a substantial influx of regional visitors to support the proposed level of retail, which may have impacts not only on other parts of the City but also on the projected traffic and parking numbers. Can the developer reproject the retail numbers using the actual

planned Mission Bay North and South retail number (400,000), and more realistically discuss the likely impacts on other areas and on traffic and parking? In addition, I do not think the developer has provided sufficient information on the proposed character of the retail development-sizes, types of uses, chains versus non-chain, goods v. services, etc.

We will review this data with EPS and respond under separate cover. The reduced retail program at SWL 337 & Pier 48 is intended to serve ballpark visitors; those attending exhibitions at Pier 48; and residents, workers and others visiting the site. The retail program is intended to complement the uses on site and in the surrounding neighborhoods.

SUSTAINABILITY

24. On pages 16-17, there appears to be a lot of night lighting in this illustration. In what ways will the project protect the darkness of the night sky (other than SS Credit 8, LEED-CS and NC)?

The images on pages 16 -17 are an artistic impression. These renderings are meant to convey a conceptual vision of activity and vitality and do not represent a preliminary lighting plan.

25. What is the relevance of the Crissy Lagoon photo on page 140? In what ways will the proposed Mission Rock open space resemble the open space at the former Crissy Field?

The picture on page 140 is an example of Hargreaves & Associates work. It is also meant to reinforce our commitment to a well conceived treatment of the waterfront environment, one that must strike the appropriate balance in meeting the needs of native habitat and active/passive recreation.

26. While it's too early to say precisely, roughly how many acres of "green" or "living" roofs are expected?

The current design is too preliminary to estimate acreage of green or living roofs.

27. On page 143 references that "Permeable landscapes and hardscape surfaces will allow the natural infiltration of water into underground aquifers." Which aquifers? What is the infiltration rate of the soil?

The sentence on page 143 is meant to convey our design intent. It is too preliminary to identify soil infiltration rates or targeted aquifers.

28. On page 154, the projected reductions in auto trips and carbon emissions and the increase in transit use are compared to a "typical SF development." Please provide some examples of a "typical San Francisco development." How do these Mission Rock goals compare with those of projects currently in the works such as Treasure Island/ Yerba Buena Island and Candlestick

Point/Hunters Point Shipyard?

A response to this question will be provided under separate cover.

29. What is the walking distance from the south-bound Muni platform at Third and Mission Rock Streets to Festival Plaza?

1350 feet from the southbound "T" line platform on Third Street, north to Bosque & Third, east on Bosque to Mission Rock Square, diagonally across Mission Rock Square to Vara & Channel Street and north on Vara Street to Festival Plaza.

30. Page 165 references that "The project may establish goals for business operations to promote recycling, composting, pollution prevention ... and energy conservation." Under what circumstances would it or wouldn't it?

The project goals will be creative with regard to sustainability, both social and physical, but must be tempered by market demand and economic feasibility.

31. You note in the Sustainability intro that the different land uses can be beneficial by providing synergy with respect to use of resources. Please explain how this would be achieved. Did you consider an energy district, cogeneration, or grey/black water treatment?

The diversity and mix of economic uses is designed to create an optimal synergy of both public and private improvements. At this conceptual stage we have not included uses which do not positively contribute to Port ground lease revenue and an appropriate return on invested capital.

32. Does the proforma incorporate the "lifestyle" uses noted in the Sustainability Plan?

Yes as a programmatic element but does not assume the "lifestyle" uses contribute positively to Port ground lease revenue and return on invested capital.

TRANSPORTATION

33. Are there transportation conflicts between ingress/egress of the Block D garage and the Muni Light Rail stop at Mission Rock Street and Third?

The Muni line is an at grade rail system and as such will create conflicts with pedestrian and vehicular traffic. However we have designed garage ingress/egress points to avoid conflicts with the Muni stop.

34. Please confirm the construction cost of supplying 2,650 spaces of structured above-grade parking in an area with a very high water table. What are the revenue projections for the parking? Who gets the revenue?

Preliminary construction costs anticipate known subsurface soil and water conditions but do not assume the construction of subterranean parking structures. Preliminary parking assumptions and projections have been provided. Revenue is assumed to inure to the benefit of the garage owner but does not preclude the potential for revenue sharing above an appropriate return to invested capital.

- 35. Have there been any discussions about accommodating Giants Game Day parking under I-80/West Approach between 2nd and 5th? This area currently functions as bus storage for AC Transit and Golden Gate Transit. It is in use from 7:30 to 6:30 PM during the week (although it begins clearing around 5:30 PM and could begin functioning as auto storage by 6 PM). Securing this space for game day parking will require some negotiation with AC Transit, Golden Gate Transit, Caltrans and the Transbay Joint Powers Authority (who will ultimately hold the lease from Caltrans). Would this team be willing to pursue this alternative approach to providing Game Day parking?**

The parking program on SWL 337 & Pier 48 is programmed to accommodate 2000 automobiles on event days. Parking for events at AT&T Park is increasingly constrained and likely to be more challenging in the future. The parking demand for events typically exceeds 10,000 spaces and can only be accommodated by using available spaces within a considerable walk from the ballpark. The opportunity for parking under the I-80/West Approach will serve as a needed resource to accommodate this demand.

- 36. Is the planned/desired extension of the E Line based on any actual plans on the part of Muni? If not, has the 337 developer included the capital and operating costs of this in the project pro forma?**

To our knowledge there is no Muni plan which contemplates an E line extension onto SWL 337. We believe that the extension of the E-Line south of the China Basin Channel would have benefits to the proposed development and the surrounding neighborhood. This is an idea, however, and must be fully discussed with all stakeholders. Our proforma does not contain capital or operational funds for a proposed extension.

- 37. On page 155, how certain is the proposed extension of the E-Line route to Pier 48? How certain is the proposed route of the Mission Rock/Mission Bay UCSF Shuttle? How will the number of proposed parking spaces change as a result of whether or not the E-line extension is implemented?**

To our knowledge there is no Muni plan which contemplates an E line extension onto SWL 337. The proposed extension is a preliminary concept very loosely discussed with Muni but not all stakeholders. As such we have not adjusted parking demand projections. An extension will certainly improve transit access to the site, Pier 48 and the ballpark which might reduce overall parking demand. However, it will not reduce ballpark parking needs on SWL 337. The route for the Mission Rock/Mission Bay/UCSF Shuttle is conceptual.

OPEN SPACE

- 38. At build-out, what will be the ratio of public open space acreage to 1000 residents?**

6.38 acres/1000 residents.

- 39. On page 119, two areas are indicated as "native habitat." What are the sizes of these areas? What species of wildlife are expected to use these habitat areas? Has a wildlife biologist been consulted regarding the wildlife value of these areas in light of their size, location and adjacent uses?**

As mentioned earlier we are committed to an appropriate and well conceived treatment of the waterfront environment, one that must strike the appropriate balance in meeting the needs of native habitat and active/passive recreation. The habitat environments depicted on page 119 are conceptual and as such are not meant to convey actual size or target specific wildlife.

- 40. Will there be any facilities for fishing?**

Design is conceptual. No facilities are currently programmed for fishing.

- 41. On page 122, will the "Spray Ground" use potable water?**

Water features may be designed for interaction with human beings, if so appropriate water will be utilized.

- 42. What percent of Mission Rock Square will be in the sunlight at 3:00 PM on December 21st?**

The Mission Rock development is not assumed to contain park areas which are subject to the City shadow ordinance. However the interaction of buildings, parks and open space will be appropriately designed to optimize the livability of the community.

- 43. The "boardwalk" that wraps the north and east edge of Mission Rock Park looks great, but very expensive. Will this require pile supports and/or reconstruction of the riprap? Is this realistic?**

At grade paths and open space are not assumed to be pile supported. Riprap improvements may be required subject to regulatory approvals.

- 44. The Open Space Maintenance Budget is very difficult to understand. Are the sections additive or not? Could they re-format this to be clearer? What the costs for landscaping, janitorial (including for public restrooms, which must be included in the two major parks), and maintenance, as well as management**

personnel? What about security? How are they proposing to pay for this on an ongoing basis?

Preliminary budget numbers are sub-totaled and ultimately totaled across rows and columns. As the park design is conceptual not all program elements are detailed. However, programmatic and operational budget direction has been taken from Mission Bay. It is anticipated that ongoing operations will be funded via common area assessments or a maintenance district.

EXHIBIT F

MEMORANDUM

To: Jonathan Stern and Phil Williamson; Port of San Francisco

From: Mary A. Smitheram-Sheldon; CBRE Consulting
Denise Conley; Conley Consulting Group

Date: April 24, 2009

Subject: Seawall Lot 337/Pier48 Developer Proposal Evaluation – Economic Analysis

As requested, CBRE Consulting (“CBRE”) and Conley Consulting Group (“CCG,” together “Consultants”) have evaluated various aspects of the developer proposal for Seawall Lot 337 and Pier 48 in response to the May 27, 2008 Request for Proposals (“RFP”) issued by the Port of San Francisco (“Port”). The developer submission was dated January 15, 2009 and prepared by a team comprised of San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, The Cordish Company, Stockbridge Capital, and Farallon Capital Management, L.L.C. (“Proposer”). The evaluation described in this memorandum focuses on Seawall Lot 337.

OVERALL EVALUATION SUMMARY AND RECOMMENDATIONS

The economics components of the Proposer’s submittal do not meet the criteria set forth in the RFP in terms of rental revenues to the Port or for generating increment to fund other critical Port projects. In fact, as discussed below, the financial proposal for Seawall Lot 337 contains many risks and policy issues that the Port will need to carefully consider. One basic issue is that the Proposer’s development program and financial submittal are conceptual, thus there are no concrete plans to actually develop this particular program. The submittal is based on reasonable assumptions, but is subject to revision based on market forces and additional information as planning moves forward. Furthermore, as the current financial proposal stands, it is very volatile in that differing assumptions significantly alter returns to the Proposer and the Port. Consultants recommend that if the Port enters into an Exclusive Negotiating Agreement (“ENA”) with the Proposer that it establishes a fundamental policy framework of guiding economic principles at the outset to guide the negotiations.

Potential Conditions for Moving Forward

Based on Proposal and sensitivity testing presented in subsequent sections of this report, Consultants make the following recommendations:

- The Port must participate in any economic upside: if vertical development supports higher than projected land values, Port ground rent should increase.
- Given the significant uncertainties at this point, the Port must establish a fundamental policy framework of guiding economic principles at the outset of the negotiations.
- The Port should seek protection from future assessment appeals from vertical developers to ensure tax increment flows from the Infrastructure Financing District (“IFD”) remain intact.

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DEVELOPER FINANCIAL PROPOSAL DISCUSSION

Horizontal Development

The proposal addresses the land (horizontal) development only. The building (vertical) development is proposed to be done by other entities, which may include members of the Proposer's team. The Proposer, acting as the horizontal developer, secures all entitlements and approvals, performs the infrastructure improvements, creates parcels for vertical development, arranges a partial subsidy for the parking, and builds the open space improvements.

The vertical developers of the eight development sites created by the horizontal developer pays ground rent to the Port, which is based on an allocation of the \$6 million in ground rent based on assumed land value supported by development on each site. A portion of the land value is paid to the horizontal developer to fund infrastructure improvements. It is important to note that the land value and ground rent is not determined for specific parcels and buildings, but rather for "prototypical" apartment and office (essentially targeted towards biotech and tech uses) buildings. One generic apartment vertical pro forma was prepared, as well as one generic office vertical pro forma.

The proposed sequence is to start improving the parcels fronting on Third Street adjacent to existing infrastructure, thus minimizing land development costs in the early phases. Future phases are located towards the water and include several high cost elements that must be supported by the project as a whole: the parking garages (estimated at \$64.4 million in 2018 and 2023 when the two phases are built), a possible substation (\$13 million), the northern "feature park" (\$16.3 million in 2020), and a perimeter stabilization system for the entire site. The horizontal developer proposes a "just in time" approach to infrastructure improvements: land development is phased on a building by building basis, and is only undertaken once there is a disposition contract for each building.

The Proposer has proposed a financial structure where the Proposer bears the upfront entitlement costs, and once each vertical development is contractually assured, performs the site specific infrastructure improvements for that building or buildings. The following four sources are used to fund land improvement (Infrastructure) costs:

- Land payment to the Proposer (horizontal developer) from the vertical developer (see above) at commencement of construction.
- Payments similar to Community Facilities District¹ ("CFD") assessments paid by the vertical developer during construction and until the project is on the property tax rolls. CFD assessments are levied at an amount equal to IFD (property tax increment).
- IFD payments generated by the vertical development.

¹ A Community Facilities District is a public financing mechanism whereby bonds are issued to pay for certain infrastructure improvements. The developer (and ultimately the end-user) pays principal and interest on the bonds, which are collected by the local tax collector as part of the project's property taxes. By contrast, an Infrastructure Financing District is financing mechanism similar to Tax Increment Bonds issued by redevelopment agencies, whereby bond principal and interest payments are paid by the tax increment generated by the development.

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- The proceeds of revenue bonds issued by the Port, sized by and to be paid by first by CFD revenues and then IFD income generated by the vertical development.

The Proposer performs the horizontal development but the actual infrastructure is funded from Port revenue bonds, with a Reimbursement Agreement guaranteeing the Port's debt service.

Interim Rent

The financial proposal indicates that rental revenues continue to be paid to the Port by the existing tenants at the current rates until individual parcels are "taken down" for vertical development. Interim rent to the Port is projected to continue at \$2,800,000 per year (2009\$) and continues until 2024, when all revenue-generating parcels are taken down.

Base Ground Rent

Ground rent is paid to the Port by the vertical developer of each building as construction commences. Ground rent for each site is allocated based on assumed land value of the uses proposed for the site. The conceptual vertical pro formas do not include reduced base rent during construction. The full base ground rent of \$6 million annually does not fully phase in until 2025.

Base Rent Escalations and/or Performance Rent

The proposal states that future increases in base rent are to be negotiated during the ENA period. As an illustration of one possible ENA outcome, the additional information provided by the Proposer on 3/4/09 shows \$254 million (2013 to 2053) in performance rent calculated as base rent escalations for each individual building at the rate of inflation with rent "bumps" every 5 years, compounded. This rent is paid by the vertical developer.

Infrastructure Financing District Revenues

The financial proposal calls for all IFD revenues be paid to the Proposer until all horizontal development costs² are repaid. Once the horizontal developer has been repaid, the annual growth in tax increment revenues over and above the bond issue debt service accrue to the Port. In the illustrative financial materials provided by the Proposer, IFD revenues accrue to the Port beginning in the year 2028.

² Development costs are marked up with a 15% annual carry cost, and vertical development "land payments" (i.e. payments for vertical development rights), and the proceeds of bond financing are deducted.

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RISKS TO PORT OF SAN FRANCISCO

As highlighted in the subsequent sensitivity analysis section of this report, Consultants have identified several potential economic risks to the Port as follows:

Uncertain Times

- The proposal is based on market and development conditions that do not exist today, and are not projected from current conditions.
- At this point Infrastructure improvement requirements are conceptual, and subject to modification after more detailed site planning and engineering studies.
- Based on the proposed structure, the vertical developers, who are not necessarily party to this negotiation, bear a large part of the burden of funding infrastructure improvements because (1) IFD tax revenues and available bonding are hinged upon the performance of the vertical developers and (2) their land payments, at \$34.7 million, are a major contributor to the Proposer's financial interest in the transaction.

Financing Plan

- The financing strategy depends on use of Port revenue bonds in order to maximize the bonding capacity supported by IFDs. In particular, the financing strategy assumes a Debt Service Coverage Ratio ("DSC") of 1.05.
- In addition to their contribution of roughly 26% to 29% of the supported land value, the vertical developers, who are not necessarily party to this negotiation, are assumed to pay full land rent to the Port from the time of site take down.
- The proposed financial structure requires incremental developer equity investment and repayment of that investment over time.

Port Revenues

- The proposed base rent, which accounts for \$507 million of the total \$739 million in proposed revenues to the Port, phases in over time as each building is built and thus is subject to market delays.
- IFD revenues, which are almost \$200 million in the conceptual financials, do not flow to the Port until the developer is fully repaid, and thus are subject to risk if there are market delays, if bond proceeds are reduced by future capital market conditions, if required site improvements are more costly than currently envisioned, or if there are cost overruns.
- Port revenues are also subject to developer carry costs of 15% on outstanding developer investment.

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OTHER DEVELOPMENT FACTORS

Developer Team Qualifications

Although Consultants were not requested to perform additional research into the Proposer team qualifications, we were asked to summarize the team's overall experience with master-planned development. Consultants note that in the developer qualifications stage, the two teams that merged to result in the Proposer team were individually rated as primarily "Strong" and in a few cases "Moderate" in the experience and financial capacity and capability categories. However, it is important to note that Boston Properties, a member of the former Wilson Meany Sullivan and Kenwood Investment team, is not part of the current Proposer team. The departure of this company, which specializes in Class A office ownership, development, and management, may not be a significant impact to the Proposer team in terms of qualifications, although the ramifications have not been explicitly investigated. The individual members of the Proposer team have broad experience in a number of complex development projects, as shown in the matrix presented as Exhibit 1.

Market Justification for Development Program

Consultants reviewed the Proposer team's market justification report titled "Mission Rock Development Proposal: Market Context and Retail Market Analysis" dated January 2009 prepared by Economic & Planning Systems. Overall, this report fails to provide the justification for the development program as requested in the RFP. The RFP called for a market study that "clearly supports conclusions regarding revenue assumptions and the viability of proposed tenancies," including detailed information for residential uses (e.g., unit types, sizes, and mix, etc.). Instead, the submitted market report presents a "30,000-foot" overview of the generalized San Francisco market, relying heavily on secondary data. No specific property-level information was presented and no project-level conclusions were drawn.

Of particular concern is the retail component of the study that both overstates the amount of potential retail spending (by assuming that only five percent of the population in the market area would also work in the market area)³ and underestimates the amount of future supply. The retail analysis also does not provide specificity as to demand for entertainment/eating and drinking establishments versus locally-serving convenience services for project residents and workers. The concern over retail extends to the proposed program itself – the 242,375 square feet of proposed space is not defined, or even carried into the financial proposal, as retail use does "not presently provide an economic return."

The contents of this memorandum are subject to the attached Assumptions and General Limiting Conditions.

³ What this means is there is only an assumed 5% "overlap" between people living and working in the same area.

Jonathan Stern
Phil Williamson
April 24, 2009
Page 6

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

CBRE Consulting, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although CBRE Consulting, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

This report may not be used for any purpose other than that for which it is prepared. Neither all nor any part of the contents of this study shall be disseminated to the public through publication advertising media, public relations, news media, sales media, or any other public means of communication without prior written consent and approval of CBRE Consulting, Inc.

**EXHIBIT 1
DEVELOPER EXPERIENCE MATRIX**

Relevant Project Experience	San Francisco Giants	Wilson Meany Sullivan	Stockbridge Capital	Kenwood Investments	Cordish Company	Farallon Capital Management
Major Projects Completed						
<u>AT&T BallPark</u> Size: 12.5 acre Comp. Date: 2000 Project Cost: \$320M	D					
<u>The Ferry Building</u> Use: Office, Retail Size: 240,000 sf Comp. Date: 2002 Project Cost: \$106.7M		D				
<u>The Flood Building</u> Use: Office, Retail Size: 360,000 sf Comp. Date: 1993		D				
<u>The 88, San Jose</u> Use: Retail, Residential Comp. Date: 2008			I			
<u>Aquarium of the Bay</u> Use: Museum Size: 50,000sf Comp. Date: 19,962,000				I		
<u>Power Plant Live and Pier IV, Baltimore, MD</u> Use: Retail, Office, Museum, Concert Venue Comp. Date: 2003 Project Cost: \$30M					D	
Major Projects Underway						
<u>Treasure Island</u> Use: Residential, Retail, Hotel, Open Space Size: 400 acres Start Date: 2010 Project Cost: \$1.2 Billion		D	I	I		
<u>The Docks, Sacramento</u> Use: Residential, Retail, Open Space Size: 23 acres Start Date: 2010		D	I	I		
<u>Bay Meadows</u> Use: Residential, Office, Retail, Open Space Size: 83 acres Comp. Date: Under Development		D	I			
<u>The Exploratorium</u> Use: Museum, Retail Size: 300,000 sf Comp. Date: Under Development		D				
<u>The Stone Lock District, Sacramento</u> Use: Retail, Residential, Open Space, Office, Museum Size: 200 acres Start Date: In Exclusive Negotiation with City					D	
<u>Mission Bay</u> Use: Hotel, Commercial, Residential Size: 67 acres Comp. Date: Under Development						I

Sources: Developers Websites; Project Websites; and CBRE Consulting.

D = Developer
I = Investor



MEMORANDUM

Date: March 16, 2009

Prepared by: Michael Smiley

Prepared for: San Francisco Port Commission

PHYSICAL PLANNING and URBAN DESIGN EVALUATION of the MISSION ROCK DEVELOPMENT PROPOSED FOR SEAWALL LOT 337 and PIER 48.

San Francisco, California

Introduction

This memorandum provides an evaluation of the physical planning and urban design qualities of the development proposal prepared by the San Francisco Giants and Wilson Meany Sullivan (and other partners) for the Mission Rock development on Seawall Lot 337 and Pier 48 in San Francisco. The evaluation includes a brief overview of observations and issues related to the project proposal followed by a detailed evaluation of the proposals' responses to the goals of the Request for Proposals dated May 27, 2008. In general, this evaluation is not intended to provide specific recommendations to the development team regarding revisions to include in the plan. Rather, it is intended to identify issues for consideration by the San Francisco Port Commission and its' staff, the Port Advisory Panel, and the numerous agencies and departments that will review the project over the coming months.

Overview

1) A well conceived plan.

At the outset, it should be said that overall the proposal presents a well-conceived plan for the rational development of Seawall Lot 337 and Pier 48. Most of the comments contained in this memorandum relate to specific elements of the proposal that require further careful study and clarification. In some cases, information is simply unclear or missing. In other cases, modification of the proposal as presented should be considered.

2) A Clear Urban Framework.

A strong and legible underlying urban framework that allows flexibility in the allocation of land uses and the design of buildings is arguably the most critical element of a successful urban development. The proposal is excellent in this regard. The underlying framework of streets and blocks and linked open spaces is appropriate to this location specifically and within the context of this part of the city as a whole.

While the overall framework of the plan is strong, several issues requiring further consideration should be noted.

- The plan presents a strong outward orientation and connection to the waterfront on two sides (north and east). However, the external orientation and connection of the development to the south and west is less successful. Plan views show the surrounding

context of the Bay and Mission Creek, but provide little information regarding the relationship of the project to the surrounding context on the south and west.

- Related to the above, generally the plan conveys a sense of inward orientation. The strongest activity centers of the project are located in the center of the site, which projects a self-contained environment reminiscent of places such as the Embarcadero Center. The architectural character portrayed in the illustrations reinforces this self-contained character.
- Third Street and Mission Rock Street feel like "edges" to the project, rather than part of a continuum of the urban fabric. This is particularly true of Mission Rock Street and the apparent impacts resulting from the development proposed for Block D.
- Block D as a whole is of particular concern. It is a large, monolithic block of development with an eight-story podium devoted primarily to parking. There are few comparables to such a massive block of development in San Francisco. Perhaps the closest comparables would be Gateway Center or Moscone Center, both of which create large, bulky blocks in the center of important pedestrian areas. Furthermore, neither of these have base developments as large and bulky as the proposal for Block D. Recognizing the need for large amounts of parking at this location, the scale, visual penetration, street relationship, and relationship to the surrounding area of this massive block nevertheless needs further study.
- While the active (retail) uses surrounding Las Ramblas and Mission Rock Square will, if successful, likely create an attractive and exciting urban environment, the relationship to the planned uses on 4th Street two blocks to the west should be carefully considered. If there is insufficient market to support both of these locations, the result could be one (or two) urban places that are only partially successful and unattractive. The retail arcade in the Golden Gateway Center surrounding Sydney Walton Square is a notable example. While this is a market and financial question that is outside the scope of this memo, it is nonetheless an important contextual issue that has physical design ramifications and therefore should be carefully considered in determining the appropriateness of this development proposal.

Evaluation Matrix. (Neighborhood Character, Historic Resources and City Form)

The matrix below provides a detailed evaluation of the development proposal according to the key project development objectives and criteria described on page 15 of the Request for Proposals.

Key phrases from the project objectives and criterion have been underlined. These have been placed in the left column and serve as a basis to evaluate the development proposal in detail.

In the right column of the matrix, comments have been provided related to the design objectives and criteria.

Project Development Objectives (From RFP)	Comments
<p>RFP Objective 10: Create a Unique Form for SWL 337 that incorporates <u>architecture that is varied and timeless and human-scaled, which complements the scale of new development along Third Street in Mission Bay, respects historic resources on the waterfront, including Pier 48 and Lefty O'Doul Bridge, and steps down heights of buildings towards the Bay.</u></p> <p><i>Criterion a: Promote an inspiring urban form and architecture worthy of this unique waterfront location, within a flexible framework of proposed zoning and development controls.</i></p>	
<p>Urban Framework</p>	<p>The proposed project has a clear framework of streets and blocks based on a N-S-E-W grid. Allows land use and design flexibility if conditions change in the future. North-south orientation good for climate response. Issue: Sun / shade analysis should be conducted, particularly related to key public spaces.</p>
<p>Architecture that is varied and timeless</p>	<p>Issue: Recognizing the architectural design is at a very preliminary conceptual design level, the architectural renderings nonetheless present an indication of design intent. This imagery suggests a design of both buildings and place that is neither varied nor timeless. In the worst case, this could result in a project that resembles the Embarcadero Center in its uniformity of massing and architectural design. Improvements in horizontal and vertical differentiation should be assessed, which could give the project more of an image of having been developed incrementally rather than as one coordinated project. Incorporation of elements that link it clearly to the diverse architectural character of San Francisco might also be desirable and might be achieved by the use of varied materials, massing and detailing. As presented, the project appears somewhat monotonously “modern” in execution and lacks a varied and timeless quality. (See also related discussion under criterion d)</p>

<p>Human Scale</p>	<p>The project generally does a good job internally of creating a human-scaled environment. Issue: Potential scale problem areas: 1) Mission Rock Street and Terry Francois Blvd. Large parking frontages. The relationship between the parking areas and the streets is unclear in the plans and sections. 2) Third Street scale also needs clarification. Easily understood street cross-sections are needed for all perimeter streets illustrating relationship to surrounding development.</p>
<p>Compliments scale of development along Third Street</p>	<p>Issue: See comments above. From illustrations, scale of Third Street frontages appears large and bulky, reminiscent of streets surrounding Yerba Buena Gardens (Mission, Fourth, Howard, Third), which is arguably not entirely successful due to inward orientation of project area. More study / explanation of project edges needed. The proposal does not clearly explain the relationship to surrounding context, particularly along Third Street and Mission Rock. What is the latest thinking across these streets and how does this project respond?</p>
<p>Respects historic resources</p>	<p>Strong open space response to historic resources of the area, particularly the Lefty O'Doul Bridge and Pier 48 bulkhead. North / south orientation of the framework is also a potentially interesting response to the historic rail yards, although this will not be apparent to users. Issue: While it is understood this is only conceptual design, incorporating references to the history of the area should be considered in the elements of the final detail design, particularly in open space areas.</p>
<p>Steps down heights of buildings toward the Bay</p>	<p>Generally meets this criterion well without slavishly following a stepped profile. Thus allows some variability and interest in the profile of the project. Issue: Exception is the 380-foot tower on Block A. The rationale for the tallest tower in the project at this location is not made clear in the proposal. Impacts of shadow on adjacent open spaces and views to the waterfront from surrounding areas (such as Potrero Hill) should be analyzed. (See further discussion under Objective 11 following).</p>

<p>Architecture worthy of this unique waterfront location</p>	<p>Issue: See comments under "Architecture that is varied and timeless" above. Too early to accurately review architectural design at this conceptual design level. However, greater diversity of architectural expression would be appropriate, as seen throughout other areas of the SF waterfront.</p>
<p>Flexible framework of zoning and regulatory controls</p>	<p>See comments above under "Urban Framework."</p>
<p><i>Criterion b: Propose a density of new development sufficient to support the public amenities and infrastructure improvements proposed for SWL 337.</i></p>	
	<p>Success in meeting this criterion is measured best in the economic analysis.</p>
<p><i>Criterion c: Provide a Bay Trail / public promenade that meets public open space and circulation needs of the site, and supports access by multiple transportation modes, including pedestrians and bicyclists.</i></p>	
<p>Bay Trail / Public Promenade</p>	<p>The project provides a clear, attractive and legible Bay Trail linkage. Issue: From the illustrations, the Bay Trail and Promenade appear to be wide enough. However, the width and actual relationship to surrounding uses is unclear. Cross-sections of Bay Trail and Promenade, particularly at congestion points would be useful. Will there be a delineation of bicycle facilities (on-street similar to Embarcadero and Crissy Field?) and pedestrian facilities?</p>
<p>Supports access by multiple transportation modes</p>	<p>See comments above. Issue: Potential conflicts between Bay Trail users and adjacent uses such as high-volume service access to the future exhibition and event uses in Pier 48. (Similar to access conflicts requiring careful consideration for the Exploratorium on the Embarcadero).</p>

<p><u>Criterion d: Design new street and access corridors as public spaces that foster an intimate and pedestrian scale and social and economic interactions between diverse uses and users, as promoted in the San Francisco Better Streets program.</u></p>	
<p>Intimate and pedestrian scale (Internal Streets)</p>	<p>Internal streets appear quite successful at providing pedestrian scale in the vertical layering of the building uses, particularly along Ramblas Street. Issue: Horizontal scale, horizontal bulkiness and banality of architectural expression, as conveyed in the illustrations, is less pedestrian in scale. On page 100, the proposal states: "The vision for the neighborhood is analogous to many wonderful pedestrian-oriented San Francisco retail streets, such as Hayes Street, Fillmore Street, Clement Street, and 24th Street." These streets have diversity of architecture and their modularity. This character is not represented in the architectural concept as presented, which conveys a "shopping center" character. Breakdown of horizontal scale (not just at the street level) into finer-grain modules should be explored.</p>
<p>Intimate and pedestrian scale (External Streets)</p>	<p>Issues: Large parking facilities facing Mission Rock and Terry Francois Blvd. potentially detrimental to scale and character of pedestrian areas. Mission Rock likely an important E-W pedestrian connector to light rail for non-project patrons. Ground-level treatment along these streets is unclear from the proposal. Third Street scale also appears bulky in design. Resulting total streetscape design character of all surrounding streets including public and private realm should be clarified.</p>
<p>Streets promote social and economic interactions (Internal Streets)</p>	<p>Ground floor uses adjacent to streets are key to success of this criterion. Internally, if uses are successful, attractive environments for social and economic interaction will result. High density mix of uses is good, particularly along Ramblas and in Mission Rock Square. Issue: If active (retail) uses are not successful around these spaces, could result in negative impact on park area, in particular (consider difficulty of ground floor uses surrounding Sidney Walton Square). How will management program assure success of these uses? What will be the impact on the success of 4th Street in Mission Bay?</p>

<p>Streets promote social and economic interactions (External Streets)</p>	<p>See comments above under "Intimate Pedestrian Scale". The mix of uses at the ground floor, scale, and design of the public environment are less clear for Third Street, Mission Rock and Terry Francois Blvd. than for other parts of the proposal. Additional clarification is needed, including cross-sections describing relationship to surrounding uses.</p>
<p><u>Criterion e: Utilize street and public way improvements to promote <i>access and view corridors to the waterfront and Bay.</i></u></p>	
<p>Access to the waterfront and Bay</p>	<p>Street framework generally provides excellent E-W permeability across and through the site for travelers using all modes. Issue: Block D provides barrier.</p>
<p>View corridors to the waterfront and Bay</p>	<p>View corridors are a strong form-giving element of the proposed plan. As a result, view corridors are generally good to all major external landmarks both from the site and through the site. Issues: Exception is the large parking structure on Parcel D which will likely dominate waterfront and views of the waterfront and Bay Bridge from the southwest. The impacts on views from Potrero Hill and other surrounding areas of this massive building as well as the placement of towers should be evaluated.</p>
<p><u>Criterion f: Locate <i>active uses at the street level, and adjacent to public gathering spaces created as part of new open spaces.</i></u></p>	
<p>Active uses at street level (internal streets)</p>	<p>See comments above under criterion d.</p>
<p>Active uses at street level (external streets)</p>	<p>See comments above under criterion d. Issue: Treatment of ground floor unclear on Mission Rock Street and Terry Francois Blvd. Large areas of public parking at street level. Mission Rock potentially important E-W pedestrian corridor. Opposite side of Terry Francois is the Bay Trail and Blue Greenway, thus character of facing development (particularly ground floor uses) and traffic will need careful consideration.</p>

<p>Active uses adjacent to public gathering / open spaces</p>	<p>Well located, active and attractive ground floor uses adjacent to Mission Rock Park, Las Ramblas and surrounding Mission Rock Square will help enliven these spaces. Issue: Success of retail along pedestrian-only spine adjacent to Mission Rock Park. If unsuccessful, could have negative impact on park area. Same applies to Mission Rock Square. How will the management program assure success of these proposed uses? (See also comments under criterion d)</p>
<p><i>Criterion g: Design new development to provide an attractive and inviting street front along Third Street and adjacent developments in Mission Bay.</i></p>	
<p>Along Third Street</p>	<p>See comments above under criterion d.</p>
<p>Adjacent developments in Mission Bay</p>	<p>See comments above under criterion d.</p>
<p>RFP Objective 11: Respondents may propose <u>one to three taller, slender towers of 300 feet or more that create an inspiring architectural identity for SWL 337 and enables development density on-site while also supporting space needs to meet major waterfront open space, urban design, and the pedestrian realm objectives</u> of this development.</p>	
<p>One-to-three slender towers above 300 feet</p>	<p>One tower is proposed to exceed 300 feet. Four additional towers are proposed at approximately 200 feet or above. Issues related to building height will be of concern for all of these buildings, not just the tower over 300 feet.</p>
<p>Inspiring architectural identity</p>	<p>Issue: It is probably premature to expect significant effort on tower architectural design from the applicant at this time. However, the submission renderings imply that the design of all towers would be very similar. Uniformity of architectural design could lead to too much similarity and not seem more incrementally developed. (See Criterion a discussion). Further explanation of design intent is needed.</p>
<p>Enables development density on site.</p>	<p>Density appears appropriate to location.</p>

<p>Meet open space, urban design and pedestrian realm objectives</p>	<p>Issues: These are among the most important criteria related to the appropriateness of tall buildings in the city. Under these criteria, key issues related to tall buildings include:</p> <p><i>1) Shade and shadow on public spaces.</i> Proposed tower spacing and location generally appear to mitigate shade on key public spaces, with the exception of the tower on Block A and its potential shadow effects on Mission Rock Park. Block D development may also result in lengthy periods of shadow on Mission Rock Square during portions of the year. Therefore, shadow analysis of the development should be conducted.</p> <p><i>2) Wind generation at street level.</i> Based on the illustrations, it appears that most of the tower footprints are relatively small, which should help mitigate against wind. However, some towers appear to be oriented along a north-south axis, which may result in wind problems at street level in this relatively windy location in the city. Wind modeling and façade treatments to mitigate turbulence should be considered.</p> <p><i>3) Impact on views.</i> As mentioned previously under criterion a and d, the impact of the towers on views from surrounding areas such as Potrero Hill is unclear from the proposal. Despite the apparently small footprint of the towers, the potential of the ensemble to create a “wall effect” is an issue that requires further study and clarification.</p> <p><i>4) Pedestrian scale relationships.</i> Generally the vertical layering of the uses and design of the buildings in the project does a good job of providing an appropriate pedestrian scale to the towers (and most buildings) adjacent to pedestrian areas.</p>
<p>RFP Objective 12: Propose a development program that funds public amenities and infrastructure improvements.</p>	
	<p>Success in meeting this objective is measured best in the economic analysis.</p>

Other Criteria and Observations	
Relationship of uses to surrounding context.	Issue: Not easily understood from presentation materials on the south and west sides. What is relationship of major parking facility on Block D to the potential uses and character across Mission Rock Street? Character and quality of access to Mission Rock T-Third station (along both Third Street and Mission Rock) should be clear, strong and attractive. Development should help make the station intersection area an attractive hub. Proposal does not appear to do so sufficiently.
Creation of a strong sense of place	Development will create a strong sense of place. Much of this is attributable to the open space framework.
Recognizes history of the site	Issue: So far, only expressed in the layout of the framework plan (which will be invisible to users), and the view corridor to Pier 48, which is strong and positive. Future detail development should consider further, legible expression of the history of this place.
Design which distinguishes this development / neighborhood from other places contributes to unique sense of place.	Issue: While the development will create a strong sense of place, much of the character of the place as expressed in the illustrations does not express the uniqueness of either this particular site or the city of San Francisco. If built as illustrated, it will feel much as other newly developed places such as Vancouver, and the San Diego waterfront.
Overall site development planned and easily perceived as a public place.	The proposal is generally quite successful in achieving this objective. The permeability created by the framework plan, abundant open space, and placement of active, "public" uses such as retail all are well integrated to invite the public in. Issue: Perception and relationship to surrounding context.

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MEMORANDUM

To: Phil Williamson (Seawall 337 Project Manager) and Diane Oshima (Assistant Deputy Director, Waterfront Planning), San Francisco Port

From: Jeremy Nelson and Francesca Napolitan

Date: 3/13/09

Subject: Nelson\Nygaard comments on Seawall 337 Transportation Demand Management Plan

Background

Nelson\Nygaard has been retained by the Port of San Francisco (Port) to serve in an on-call advisory capacity during the redevelopment process for the Seawall 337/Pier 48 site (also known as Giants Lot A) in San Francisco. For a previous task order, Nelson\Nygaard assisted the Port, with support from San Francisco Municipal Transportation Agency (SFMTA), in developing the transportation, parking, and demand management sections of the Development Request for Proposals (RFP).

Four development teams responded to the RFP with proposals for Seawall 337. Two teams advanced in the evaluation process, and these two teams subsequently combined into a single team and submitted a single development proposal for the site.¹

Purpose of this Memo

Under our current task order, the Port has requested that Nelson\Nygaard review the "Transportation Demand Management Plan" (TDMP) portion of the development proposal, and to provide preliminary feedback to the Port's project staff, advisory committee, and decision makers on the potential feasibility and likely impacts of the proposed policies and programs contained in the TDMP.²

¹ *Mission Rock Seawall Lot 337 and Pier 48: Volume 1 (Phase 2 Design + Development Document) and Volume 2 (Phase 2 Project Team, Market Analysis, Transportation Demand Management Plan, and Operations)*. San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, The Cordish Company, Stockbridge Capital, Farallon Capital Management, in association with Perkin Will, Hargreaves Associates, Atelier Ten. 1/15/09.

² Nelson\Nygaard has served in a similar "peer review" role supporting the Mayor's Office of Workforce and Economic Development in the development of the sustainable transportation plan for Treasure Island redevelopment project.

In particular, the Port has asked Nelson\Nygaard to evaluate the TDMP based on its adherence to the transportation goals set forth in the RFP as well as the likelihood of the TDMP proposals achieving these objectives in a cost-effective and timely manner. To paraphrase, the RFP transportation goals were to a) increase the use of multimodal transportation for trips to and through the project site, b) implement best practice parking policies in order to manage parking demand in the most space-efficient manner possible, and c) reduce vehicle trips, vehicle miles traveled (VMT), and peak-hour congestion associated with the project site to the maximum extent feasible in order to create a “low traffic” development that leverages the existing and planned multimodal transportation investments in the project area.

It should be emphasized that this memo contains preliminary feedback from our initial review of the TDMP. It should also be emphasized that this feedback is based on the information available to us as presented in the TDMP. Finally, it should be noted that there are many positive aspects of the TDMP that we do not cover in detail in this memo. In particular, the inclusion of an on-site Transportation Resource Center, a full-time Transportation Coordinator, and various multimodal transportation marketing and promotion initiatives (e.g. transportation website, etc.). In addition, the Port requested us to highlight areas where the TDMP could potentially be strengthened to achieve the multimodal transportation goals of the RFP.

Preliminary Feedback

Transit

- As presented in the TDMP, the feasibility of the proposed extension of the E-line to the project site is unclear, both from a ridership, operations, and funding perspective. Even if this project were feasible from a planning standpoint, the capital costs for extending the E-line to the project site would be substantial and there is no clear funding plan included in the TDMP. In addition, the current E-line is itself a speculative project that is likely at least 10-15 years away from implementation and may not provide service to early phases of the project.
- The TDMP mentions the benefits of the extension of the Central Subway to North Beach. Our understanding is that this is a speculative, unfunded extension that would be at least 10-15 years away from implementation and may not provide service to early phases of the project.
- Transit service enhancement should be present from the beginning phases of the development in order to promote “low traffic development” at turnkey and leverage the project’s proposed TDM measures.
- The proposed coordination of the project with existing and new shuttles is positive, but operations plan will need to be fleshed out further in order for Nelson\Nygaard to provide more detailed feedback on feasibility and impacts.
- Nelson\Nygaard was not able to conduct a peer review of the TDMP’s preliminary analysis of Muni impacts at this stage based on the information as presented in the TDMP. However, we would note that the Muni utilization figures presented in the TDMP should be for peak-hour (not all day) when capacity constraints are most significant and marginal costs to add more capacity are highest. In addition, the utilization numbers should be in the peak-hour peak direction (e.g. measuring N-line utilization inbound in the AM peak and outbound in the PM peak).

- Using the Super District 1 transit mode splits as a baseline may not be appropriate as this encompasses the entire northeast quadrant of the city with a wide diversity of land uses and varying levels of transit service; instead, using baseline mode splits for comparable projects in the project vicinity are recommended. In addition, it is our understanding that the Super District 1 mode splits are for all day travel not peak hour travel. As discussed above, peak hour mode splits should be used for measuring both existing baseline and proposed targets.
- Key transit streets should be designed to accommodate fast transit/shuttle speeds, while also discouraging low travel speeds by automobiles. Consider dedicated right-of-way and signal pre-empts for transit corridors along with design measures to calm automobile traffic without impeding transit vehicles.
- Integration of the proposed E-line extension with existing Muni Breda car operations will present numerous design challenges in terms of both transit facilities (boarding areas, layover areas, etc.) and street design (e.g. turning radii, capacity for dedicated transit right-of-way, etc.). These issues will need to be further analyzed and resolved in close coordination with SFMTA.
- The TDMP should conduct demand analysis on what the impacts of the development may be on other transit operators besides Muni.
- The TDMP did not contain a discussion of potential funding sources for new transit capacity enhancements. For the Treasure Island redevelopment, parking charges are dedicated into perpetuity to funding of enhanced transit bus and ferry service.

Walking and Bicycling

- The proposed block pattern, traffic calming, and conceptual street design/operational policies will foster pedestrian-oriented, walkable streets. More detailed information on the proposed street typology, street design standards, and ground-floor building design guidelines would allow for further evaluation.
- The TDMP proposes that all streets will be designed and traffic calmed to speeds of 25 mph or less. For key pedestrian and bicycle streets on the project site, design speeds could be reduced further (perhaps to 10 to 15 mph) to minimize speed differentials between moving autos and pedestrians/bicyclists.
- The proposed pedestrian “Ramblas” is innovative and positive; the shared streets/“woonerf” design concept could be explored for other minor streets interior to the project site. All street design proposals should be developed in coordination with the design guidance of the Better Streets Plan. In addition, the designs for “shared public rights-of-way” for the Treasure Island redevelopment have been vetted with multiple agencies including the Fire Department and may serve as useful case study.
- The proposed bicycle facilities and potential accommodation of the City’s future bikesharing program will leverage the existing bicycle infrastructure of the project site area. More details on which streets will be bicycle-priority streets and how the project’s bike network will connect with the City’s existing and planned bike network would be useful and allow for further evaluation.

- The TDMP proposes that current Zoning Code minimums for bike parking, lockers, and shower facilities will be met. The development context and transportation goals of the RFP suggest that the City's existing minimums for multimodal transportation facilities are not an appropriate development standard for this project; instead the project represents an opportunity to exceed existing minimum standards in these areas.

Auto Traffic

- The preliminary traffic operations analysis presented in the TDMP appears to focus on street segments, rather than intersections where impacts are most critical to measure and mitigate. It may be advisable or necessary to conduct intersection-level analysis prior to the EIR stage (as proposed in page 36 of Volume 2 the TDMP) in order to allow refinements to be made to the TDMP that would reduce vehicle trips and traffic impacts at an earlier stage in the TDMP development planning process.
- 2001 traffic counts may not be an appropriate basis for the traffic operations analysis.

Auto Parking

- The TDMP's parking demand analysis does not appear to take into account planned and pending implementation of best practices in parking management (such as demand-responsive pricing of on-street parking) by the Port and SFMTA in the project area.³ Implementation of such programs may affect area wide parking demand.
- A site plan and/or table highlighting the location and amount of on-street parking was not included in the TDMP as requested in the RFP.
- The TDMP's discussion of potential pricing strategies to manage parking demand and promote parking turnover/utilization was limited. The only information provided was that on-street parking would be metered and market off-street parking would be priced at market rates. No methodology was provided for how market rates will be determined.
- At the earliest feasible opportunity, a parking pricing plan (phased for each of the planned project phases) should be developed to include:
 - Prices for different parking types/locations (e.g. short-term visitor or commercial parking).
 - Demand-responsive pricing structure (e.g. "time of day" and/or "length of stay" pricing) to promote availability and increase turnover/utilization).

³ Nelson\Nygaard was not scoped to do a separate parking demand analysis. We also did not conduct a full peer review at this stage of the parking demand analysis presented in the TDMP due to limited information of the assumptions and inputs that went into this analysis. Therefore, this memo is largely silent as to whether the demand analysis contained in the TDMP is appropriate for this development context, although it is not clear to us that the parking demand methodology contained in Appendix G of the San Francisco Planning Department's "Transportation Impact Analysis Guidelines for Environmental Review" is appropriate for a project of this type and location, as more refined parking demand methodologies do exist (such as the Urbemis Model). However, we focus our comments in this memo on the parking management policies that could help reduce parking demand and the associated vehicle traffic that can compromise the functional operation of other modes (transit, bicycling, and walking).

- Typical prices and peak demand prices for hourly, daily, and monthly parking, including pricing disincentives to reduce commuter parking (e.g. a tiered pricing structure and/or the elimination of daily, monthly, and “early bird” discounts).
- The discussion in the TDMP of how off-site parking lots and garages would feasibly be utilized to accommodate peak-period surges in parking demand was limited.
- The discussion in the TDMP of specific strategies to limit on-street parking “spillover” impacts into adjacent areas that do not have parking capacity to handle these impacts was limited.
- Unbundling of prices for residential and commercial parking from the lease/sale costs of the uses themselves is commendable and will support the RFP’s transportation goals of reduced vehicle ownership, VMT, and parking demand. The prohibition on bundled parking charges should be memorialized as part of the conditions of approval and/or development dispensation agreement so that this prohibition is in effect into perpetuity.
- For ownership units, all parking should be leased on a monthly basis rather than sold. Making it leased and monthly allows you to adjust the pricing as needed to manage demand and provides homeowners the incentive to realize financial savings if they give up their parking space.
- We were not able to ascertain the proposed unit size mix and average bedroom count for the residential units, nor whether the proposed units will be for lease or for sale (or a mixture of both). Knowing this information would affect our evaluation of the residential parking supply ratios. With the information we have at this time, the parking supply ratios for the residential units appear to be on the high end, based on our experience, research on auto ownership at comparable projects, the transit-intensive nature of the project site, and the existing parking maximums in the San Francisco zoning code for this area. At the earliest feasible opportunity, an analysis of actual residential parking demand at comparable projects in the project area (and other similar projects in other markets) should be developed to understand whether the residential parking ratios are appropriate for a project of this type/location. This analysis will be critical to assist the development team, the Port, and the public in understanding how the proposed parking supply ratio might be refined to support the project’s mode split targets.
- We were not able to confirm from the information contained in the TDMP whether the retail/office parking supply ratios were appropriate for the expected parking demand of a project of this type and location. This is because parking demand for commercial uses is largely contingent on the employment density (employees/SF) of the commercial uses and the anticipated mode split for employees and customers. In addition, the required supply is contingent on the potential shared parking opportunities and how aggressively parking-efficient operations (e.g. tandem, valet, and/or stacked parking) are implemented. Because none of this information is available to us at this time, we cannot evaluate the proposed commercial parking supply ratios. At the earliest feasible opportunity, an analysis of actual commercial parking demand at comparable projects in the project area (and other similar projects in other markets) should be developed to understand whether the commercial parking ratios are appropriate for a project of this type/location. This analysis will be critical to assist the development team, the Port, and the public in understanding how the proposed parking supply ratios might be refined to support the project’s mode split targets.

- The TDMP discusses shared parking opportunities, but we were not able find information that quantified the reduction in the parking supply to account for shared parking. We could conduct further evaluation of the TDMP shared parking analysis if additional information was made available. At a minimum, the commercial parking supply for the project should be “pooled” so that all commercial users share the same parking facilities; accounting for the shared parking efficiencies, a “blended” parking supply ratio for all commercial uses should be developed (spaces/SF) and presented.
- The TDMP contained no discussion of on-site parking wayfinding or real-time occupancy signage, nor how these strategies could be used to balance the geographic distribution of parking supply and demand and reduce traffic congestion caused by circling for parking.
- In addition, the TDMP contained no discussion of how providing travelers with real-time parking availability and pricing information before they begin their trip could help reduce traffic congestion caused by circling for parking and perhaps even encourage mode shift.
- The TDMP contained no discussion of how parking facilities could be designed and managed for potential conversion of other uses. For example, since all parking is provided at grade level or above, it should be flexibly designed to accommodate more productive land uses if/when parking supply exceeds demand. The smaller parking facilities proposed to be incorporated into mixed-use buildings could be designed in such as way as to make them convertible to other uses through adherence to higher building code standards, higher floor-to ceiling spans, using flat floors with ramps rather than sloped floors, etc. An example: ground floor parking or 2nd floor parking that’s not needed for future phases could be converted to boutique retail or artist studio/rehearsal/performance space.

Transportation Demand Management

- The TDMP did not contain a detailed discussion of financial subsidies/incentives to increase utilization of alternative modes (e.g. universal transit passes, subsidized carsharing memberships, etc.).
- The discussion of the UCSF carpool/vanpool services is informative, but no specific details are provided on how the project will integrate with and take advantage of these services.
- It is unclear who will provide the proposed ridematching services.

Implementation, Performance Monitoring, and Compliance Measures

- A detailed implementation schedule was not provided in the TDMP. Questions raised include: How will the different demand management measures be timed as development phases will be occurring over several years? What happens when?
- The monitoring section in the TDMP contains several important implementation monitoring initiatives (e.g. bicycle and auto trip and parking demand counts), but several others that will be less useful (e.g. tracking website utilization).
- The best method to gauge the success in meeting the transportation and parking goals of the RFP for this development site would be to formalize specific targets (e.g. vehicle trip reduction thresholds and/or auto vs. non-auto mode split targets) as binding performance measures. Trip thresholds should be phased to account for phasing of development intensity and measured on a per unit basis (e.g. residents, jobs, square footage, etc.) to

create an incentive for low-traffic development without penalizing increased development intensity.

- It is unclear from the TDMP how implementation compliance and progress towards performance measures will be monitored, and by whom.
- It is unclear from the TDMP what actions will be taken if proposed implementation schedules and desired performance measures are not met. What incentives and requirements will be initiated in order to ensure compliance over time?
- To our knowledge, the TDMP did not contain any capital/operational cost estimates for proposed transportation policies and programs, nor is there any discussion of potential dedicated funding streams to ensure ongoing implementation of these initiatives. For example: could parking revenue generated on-site be used to fund free transit passes to all project residents and employees?

Preliminary Conclusions

- Overall, the TDMP represents a commendable “first cut” at responding to the transportation goals articulated in the RFP for the project site. In particular, the inclusion of an on-site Transportation Resource Center, a full-time Transportation Coordinator, and various multimodal transportation marketing and promotion initiatives (e.g. transportation website, etc.) are all helpful ideas in reducing vehicle trips to and through the project site.
- In certain instances (as noted above), the information as presented in the TDMP did not allow for a full evaluation of:
 - The proposed project’s estimated transportation impacts.
 - The relative cost effectiveness of proposed demand management measures.
 - The long-term feasibility of certain demand management measures in regards to dedicated revenue streams to ensure implementation as well as ongoing compliance monitoring of performance measures
- As stakeholders engaged in the process are aware, the project site represents a once-in-a-generation chance to create a cutting-edge model of sustainable “low traffic development” in San Francisco. In order to take full advantage of the multimodal resources of the project area, it is our opinion that the TDMP can be further strengthened. In particular, key areas of the TDMP can be made more robust, including development of a more detailed transportation demand management program and expanded implementation of parking management best practices.

Next Steps

Based on further information and feedback from the development review process, Nelson\Nygaard will continue to support the Port as needed to develop and refine transportation and parking recommendations as the part of the public evaluation process of the development proposal for the Seawall 337 site.

MEMORANDUM

To: Phil Williamson (Seawall 337 Project Manager) and Diane Oshima (Assistant Deputy Director, Waterfront Planning), San Francisco Port
From: Jeremy Nelson and Francesca Napolitan
Date: 5/4/09
Subject: Nelson\Nygaard Transportation & Parking Input to SF Port Staff and Commission for Seawall 337 Project

Background

Nelson\Nygaard was retained by the Port of San Francisco (Port) to serve in an on-call advisory capacity during the redevelopment process for the Seawall 337/Pier 48 site (also known as Giants Lot A) in San Francisco. Previous task orders included:

- Nelson\Nygaard assisted the Port, with support from San Francisco Municipal Transportation Agency (SFMTA), in developing the transportation, parking, and demand management sections of the Development Request for Proposals (RFP).
- Two development teams responded to the RFP with proposals for Seawall 337, and these two teams subsequently combined into a single team and submitted a single development proposal for the site.¹ At the Port's request, Nelson\Nygaard then reviewed the "Transportation Demand Management Plan" (TDMP) portion of the development proposal and provided an assessment of that proposal in a memo to the Port, dated March 13, 2009

Purpose of this Memo

For this task, the Port has requested that Nelson\Nygaard provide additional advice to the Port on the below issues, to assist any future negotiations or discussions to promote effective transportation management practices for the SWL 337 development site:

1. How the development team could improve upon the parking demand analysis methodology that was presented in the TDMP.
2. Feasible transportation enhancements that could be incorporated as part of a larger community benefits package for a development project at SWL 337.

¹ *Mission Rock Seawall Lot 337 and Pier 48: Volume 1 (Phase 2 Design + Development Document) and Volume 2 (Phase 2 Project Team, Market Analysis, Transportation Demand Management Plan, and Operations)*. San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, The Cordish Company, Stockbridge Capital, Farallon Capital Management, in association with Perkin Will, Hargreaves Associates, Atelier Ten. 1/15/09.

Each of the sections below highlights our input on these topics. We would be happy to provide additional detail on specific topics as requested.

Review of Parking Demand Methodology

Nelson\Nygaard was asked to provide additional information on how the development team could improve upon the parking demand analysis methodology that was presented in the TDMP.

Existing Methodology

The parking demand estimate presented in the TDMP is based on the “Parking Analysis Methodology” from the San Francisco Planning Department’s Transportation’s Impact Analysis Guidelines for Environmental Review dating from October 2002 (see Appendix A).² Our review of this methodology suggests that while this methodology is authorized for the purposes of CEQA analysis, it is not in our opinion appropriate for estimating the project’s actual parking demand as discussed below.

In addition, the TDMP utilizes data reported for the Indiana Convention Center in the Urban Land Institute Shared Parking Manual (2nd Edition). It is important to note however, that the Urban Land Institute shared parking methodology uses parking demand rates for the peak period of the year; establishing a base demand which will only be reached a small percentage of the time. For example, the parking demand rate for shopping centers is based on the demand during the month of December when parking demand peaks as a result of holiday shoppers.

Additionally, while the Indiana Convention Center case study cited in the Urban Land Institute Shared Parking manual is comparable in capacity to the proposed Pier 48 exhibition space, it is unclear from the TDMP if this case study is comparable in terms of transit access, surrounding land uses, automobile access, and other characteristics.

Recommended Methodology

Nelson\Nygaard recommends the following methodology for estimating the project’s parking demand:

1. Begin with the baseline parking demand generation rates contained in the Institute of Transportation Engineers’ (ITE) Parking Generation Manual. Use these rates to estimate the parking demand for each land use in the development program at the proposed intensity.
2. Development projects in ITE parking surveys include a mix of different projects, most with lower density and less transit access than the proposed project. This is because the Institute of Traffic Engineers’ (ITE) Parking Generation Manual has traditionally largely consisted of parking demand surveys of development projects located in suburban locations with no mixing of uses and with little or no transit service, so that “[m]ost of the data currently available are from suburban sites with isolated single land

² San Francisco Planning Department, Transportation’s Impact Analysis Guidelines for Environmental Review , Appendix G-1: Parking Analysis Methodology, October 2002. Accessed at http://www.sfgov.org/site/uploadedfiles/planning/Transportation_Impact_Analysis_Guidelines.pdf.

uses and free parking.”³ Because the proposed project will have excellent transit access, moderate density, and mixed uses, it is our recommendation that the ITE’s baseline parking demand factors should be adjusted downward to more accurately reflect the project context. Factors that should be considered when estimating ITE-adjusted parking demand are:

- Vehicle ownership rates for households in the project area.
 - Vehicle ownership rates for households in comparable transit-oriented projects.
 - Level of transit service (routing density and service frequency) located within a half-mile radius of the project.
 - Presence of pedestrian and bike infrastructure and amenity in the project area.
 - Implementation of demand-responsive parking prices for project employees and visitors.
 - Implementation of a Transportation Demand Measures such as subsidized transit passes, unbundled residential parking, carsharing, etc.
3. Once ITE-adjusted parking demand has been established, assess shared parking opportunities by assessing the impact of “captive market effects.” Captive market effects result from the mixing of uses. Because parking demand changes throughout the day (and seasons of the year), and because different land uses have different demand patterns, different land uses with complementary parking demand patterns can share parking. For this reason, mixing of uses allows for the creation of a “park once” environment, so that a single space can be shared by multiple land uses rather than each land use requiring a stand-alone parking supply. To determine the potential for shared parking between different land uses the following steps should be taken:
- Identify ULI Shared Parking Manual’s hour-by-hour parking distribution factors (based on surveys of how parking demand varies over the course of the day) for each land use in the proposed development program.
 - Aggregate parking distribution factors for each land use to create a stacked graph of the total parking demand throughout the day for all uses assuming shared parking between uses.
4. Determine how much of the total parking demand can be met off-site in the project vicinity, either at on-street parking or at off-street lots and garages. Note that enhanced fixed-route transit or dedicated shuttles can enlarge the catchment area for off-site parking and thereby help manage peak parking loads.
5. As an additional step, parking demand estimates should be cross-referenced with the parking supplied at market comparables. A good data source for recently-developed Bay Area TOD projects is Caltrans’ TOD database.⁴ *It should be noted that the amount of parking supplied at comparables may not correspond to the amount of the*

³ Institute of Traffic Engineers (ITE), *Parking Generation Manual*, 3rd Edition (2004), page 2.

⁴ Caltrans’ “California Transit-Oriented Development (TOD) Searchable Database”, accessed at <http://transitorienteddevelopment.dot.ca.gov> in November of 2007.

parking supply that is actually used by project residents, employees, and visitors. To assess actual parking demand at comparable projects (i.e. how much of the project's parking supply is actually utilized), field surveys or interviews with property managers are required.

An example of this parking demand methodology is shown in Appendix B. (NOTE: the parking demand estimate shown in Appendix B has been created for a completely different project and is not the parking demand estimate for Seawall 337 project). A review of the transportation and development literature on parking demand at TOD projects is included in Appendix C.

Transportation Enhancement Measures

To reduce the transportation impacts of the proposed project on the existing street network and transit system, the following transportation practices or enhancement measures (or similar) should be incorporated into the project design and operation:

Specific trip-reduction performance standards, such as:⁵

- A non-auto mode share for all trips associated with the project
- Per capita vehicle trips ratio for all employees and residents

To ensure efficient utilization of on-street and off-street parking for the project, implement demand-responsive parking prices with a specific parking occupancy standards, such as:

- Peak parking occupancy never exceeds 95%.
- Average parking occupancy falls within 75% to 95%, 85% of the time

To achieve agreed upon performance standards, incorporate trip reduction measures, such as:

- Subsidized transit passes for project residents and employees
- Subsidized carsharing memberships for project residents and employees
- Enhanced fixed-route transit service and/or dedicated shuttle service, especially to handle commute and/or peak travel demand
- Unbundled parking, with all residential parking leased on a monthly basis
- A tiered "length of stay" pricing structure for visitor/employee parking to discourage commuter and long-term parking (e.g. no daily or early-bird discounts and each additional hour is priced at a multiplier of the first hour).

To ensure the ongoing success of the trip-reduction programs, incorporate:

- A dedicated and ongoing funding stream, including but not limited to parking revenues, HOA fees, and commercial square footage assessments, as necessary to meet performance goals.
- An on-site Transportation Coordinator responsible for achieving performance standards.

⁵ For performance standards, the baseline metric could be the current measurement for the project area, and progress towards the standard could be phased along with project build-out.

- Participation in an area-wide Transportation Management Association to pool resources and leverage the effectiveness of the site-level trip reduction initiatives.
- A compliance monitoring program to measure progress towards performance standards, including periodic submittal of a transportation monitoring report to the appropriate public agency.
- Agreed-upon contingency measures if initial trip-reduction programs fails to achieve performance standards (e.g. expanded trip-reduction measures)
- Agreed-upon penalties for ongoing non-attainment of performance standards.

In order to distribute peak traffic loads throughout the project area's street network, make efficient use of existing parking capacity in the project area, and maximize the site area that is available for more productive uses, minimize the amount of parking demand that is accommodated on the site.

Create a project environment that is pedestrian-friendly, including on-site pedestrian facilities, incentives, and connections to external pedestrian networks. Consider cost-sharing for projects that address key gaps in the primary pedestrian network within a one-fourth mile of the project.

Create a project environment that is bicycle-friendly, including on-site bicycle facilities, incentives, and connections to external bicycle networks. Consider cost-sharing for projects that address key gaps in the primary bicycle network within one mile of the project.

Early Phase Transportation Enhancements

Given the proposed phasing for the proposed Seawall 337 project, it is likely that many potential transportation improvements would be implemented in a phased manner in conjunction with project build-out. However, there are a number of trip-reduction programs which should be implemented concurrent with initial development phases in order to optimize transportation choices for early project residents and employees and establish travel demand patterns that will support the long-term attainment of agreed-upon transportation performance measures.

The following is a preliminary list of potential transportation enhancements that could be implemented as part of the first phase of the project, as part of a larger community benefits package. In developing this list, we have tried to emphasize those measures that are cost-effective and scalable.

The following measure should be implemented in advance of turnkey occupancy of Phase 1 development:

- The transportation coordinator should be hired during planning stages and should participate in the development of the internal circulation networks, ground-floor urban design, and parking management. In addition, the transportation coordinator can begin setting up administration, funding, and operational protocols for the Phase 1 trip-reduction programs discussed below.

- “Ticket to Ride” program that allows Giants ticket holders to ride one or more transit providers free simply by displaying their day-of ticket. Cost sharing agreements (based on projected increase in ridership demand and marginal cost of additional service) would need to be negotiated with transit operators. If this pilot program is successful and mutually beneficial, it could be expanded to include other large events held at the Seawall 337 site that also generate peak travel loads (i.e. concerts, conferences, exhibitions).

The following measures should be implemented concurrent with turnkey occupancy of Phase 1 development:

- An on-site carsharing pod should be operational. The pod should be located in a centralized and highly visible location (ideally in the on-street curb parking lane). Ongoing financial assistance (typically in-kind support in the form of free parking and marketing/promotion assistance) should be provided to the carsharing operator. Memberships for residents and employees should be subsidized.
- Enhanced fixed-route transit service to the project site and/or a dedicated shuttle to supplement fixed-route transit service should be implemented, even in advance of projected ridership demand at full build-out.
- Programs to incentivize transit ridership should be operational including:
 - Subsidized transit passes (“Eco-Passes”) for project residents and employees.
 - Expanded “Ticket to Ride” program for visitors/attendees of large events held on-site.
- Demand-responsive parking prices should be implemented for all on-site Phase 1 parking.

Gavin Newsom | Mayor

Tom Nolan | Chairman

Rev. Dr. James McCray Jr. | Vice-Chairman

Cameron Beach | Director

Shirley Breyer Black | Director

Malcolm Heinicke | Director

Jerry Lee | Director

Bruce Oka | Director

Nathaniel P. Ford Sr. | Executive Director/CEO

MEMORANDUM

TO: Phil Williamson
FROM: Jerry Robbins
DATE: February 26, 2009
SUBJECT: SFMTA's Comments on SWL 337 Development Proposal Documents

Thank you for the opportunity to comment on the documents entitled "Mission Rock Seawall Lot 337 & Pier 48 Volume 1 Phase 2 Design + Development Document" and "Volume 2 Phase 2 Project Team, Market Analysis, Transportation, Demand Management Plan and Operations" by the San Francisco Giants, et al, dated January 15, 2009. Our comments are provided below.

Transit

The extension of the E-Line to SWL 337 is an interesting concept that has not been planned or studied by SFMTA. Does the development team propose to contribute funds toward the construction and operation of this facility?

Historic streetcars have needs that the development team should consider and integrate into the concept:

- All new boarding stops must be accessible to wheelchair users. Disabled riders would need to board from a high platform. Mini-high-platform stops similar to the one on Jefferson Street at Taylor Street would be required for all new stops. Able-bodied riders would need either a boarding island or be able to board from the sidewalk, not the roadway, as shown on the renderings.
- Streetcars require overhead power lines and supporting poles and wires. These don't seem to be shown in the renderings.
- Transit terminals require a place to store cars out of the way of traffic, as well as operator restrooms. The layover spot should be separate from passenger pick-up and drop-off spots.
- Streetcars require a lot of room to make right turns. The narrow streets proposed for the site will need to accommodate these streetcar turns.
- The existing T-line boarding stop on 4th Street south of King Street is not designed for historic streetcar boarding. If the E-Line is routed onto 4th Street, new E-line stops may be required to serve the Caltrain Depot on King Street between 3rd and 4th Streets.

The Muni Metro performance indicators shown on page 35 of Volume 2 indicate that the N-Judah has a 21 percent capacity utilization between the Civic Center Station and Caltrain during the AM Peak and a 30 percent rate during the PM peak. These numbers seem very low.

Parking

It would be helpful to indicate where the entrances to the off-street parking facilities are proposed to be located. Entry and exit points need to be sized and located to accommodate crush pre- and post-special event demands. Queuing outside garage entrances could cause traffic problems. Multiple exit lanes from the garages may be needed to accommodate post-event demands. The blocks shown to have off-street parking on page 61 of Volume 1 do not match those shown page 18 of Volume 2. It will be challenging to direct event traffic to the garages that have available parking space. Electronic signs indicating which parking facilities are full and which have space available may be helpful in this regard. How much on-street parking is envisioned on the site?

Roadway System

Drawings showing cross sections of internal roadways would be helpful. The Auto Access map on page 18 of Volume 2 indicates that Channel Street is a Primary Street, while the transit maps on page 20 indicate that there would be a Muni stop on this street. Assuming the Muni stop requires boarding islands, would through traffic be able to bypass stopped streetcars?

Terry Francois Boulevard on the east side of the site would have E-Line rail tracks, truck traffic, parking garage access and pedestrian and bicycle access. Will there be conflicts between these modes, such as bicycles crossing rail tracks or loading trucks conflicting with transit or bicycles? Will the existing bicycle lanes on Terry Francois Boulevard on the north and east sides of the site be retained? Will bicycles be permitted on the "pedestrian mews/pathways" shown on the map on page 18 of Volume 2? Will there be conflicts between bicycles and pedestrians? Will the proposed Blue Greenway on this street be incorporated into the plan? What are the needs of Pier 50 and existing land uses on the east side of Terry Francois that are not part of this plan? Would the east half of the Lefty O'Doul Bridge continue to be closed to traffic on event days? Would existing event day tour bus parking (currently on Terry Francois Boulevard) be provided somewhere else? Mission Rock Street east of Third Street and Terry Francois Street north of Mission Rock Street are very wide streets that do not have curbs. Perhaps the width of these streets could be reduced.

Shared Use Parking/Transportation Demand Management

Page 28 suggests that regular parkers would not be permitted to park on-site during weekday baseball games. Page 32, item 3, says monthly parkers would pay more on event days. This issue will be a major challenge for the site. Do similar arrangements exist near ballparks in other cities? Other than increased prices, how are non-event parkers prevented from parking

on the site? Have reduced parking rates for vehicles with four or more occupants and/or higher rates for vehicles with two or fewer occupants been considered?

Traffic

The table on page 36 is not very clear. It seems to evaluate midblock volumes and capacities rather than intersection volumes and capacities. Intersections are usually the choke points for traffic on city streets. The table should indicate which direction of traffic on each street is referred to.

David Pascal <david.pascal@sfgov.org>

Sent by: dpascal.sfgov@gmail.com

03/19/2009 10:05 PM

To Phil Williamson <Phil.Williamson@sport.com>

cc

Sub Response to Sustainability Section
ject

Hi Phil:

With respect to the degree to which the project meets the sustainability criteria, my comments are as follows. See you at 9am.

1. The proposal appears to comply fully with the letter of the sustainability requirements. Many of the elements that make a project sustainable are included in the preliminary design concepts: open space, transit, green rooftops, swales, district energy systems, solar, integrated uses, etc.
2. Given that the project is still in its early conceptual stages, the designs remains loosely constrained. The challenge will be to keep the green elements in the project as the designs are tightened up and held to a stricter standard of economic feasibility. That's the point where compromises are made - a few less solar panels, a light colored roof in stead of a living green roof, a little less fly ash in the concrete, etc.

David Pascal

Lead Clean Technology & Green Business Advocate

City and County of San Francisco

Mayor's Office of Economic and Workforce Development: (415) 554-6031

Department of the Environment: (415) 355-3783

Cell: (415) 254-8937

Email: david.pascal@sfgov.org

Exhibit G

Minutes from Developer's Informational Presentation at the February 10, 2009 Port Commission Meeting Including Public Comment

Informational Presentation by Port Staff and the Potential Developer for the 16 Acre Mixed Use Development Opportunity at Seawall Lot 337 (includes AB 8719, Lot 002; AB 9900, Lot 62; AB 9900, Lot 048; and AB 9900, Lot 048H; all bounded generally by China Basin, the San Francisco Bay, Mission Rock Street and Third Street)

Phil Williamson, Port Project Manager, indicated that this is an informational presentation on Seawall Lot 337 mixed-use development opportunity. The potential development team will present an overview of their development concept.

On October 23, 2007, the Commission authorized staff to issue a request for qualifications for the development of Seawall Lot 337 based on objectives and criteria developed through a community planning process. Four teams submitted timely, complete, and responsive development concepts.

The Commission also authorized the Port's Executive Director to convene a Seawall Lot 337 advisory panel representing planning, environmental, economic, urban design and architecture, neighborhood and citywide interests and expertise to review respondent development concepts.

On April 22, 2008, the Port Commission approved the advisory panel's recommendation to invite two of the development teams to respond to a request for proposals. The Commission also authorized issuance of that RFP with revised objectives and criteria.

On August 19, 2008, the two development teams invited to respond to the RFP informed the Port of their intention to combine into a single development entity. The combined developer team requested, and was granted, four extensions of the submittal deadline to the RFP. On January 15, 2009, the Port received an RFP submittal from the combined team comprised of the following partners: San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, the Cordish Company, Stockbridge Capital, and Farallon Capital Management, LLC.

Today, the team will present its development concept for Seawall Lot 337 which has been posted on our website as well. In order to provide additional opportunity for public comment beyond today, the development team will also present its proposal at a public workshop to be held March 18 at 5 p.m. at the Prologis Exhibit Hall in the Mission Bay neighborhood.

The development proposal will also be reviewed and discussed by the Central Waterfront Advisory Group (CWAG) at their March 2009 meeting. The Port is also seeking public comment on our website on a continuing basis.

The development proposal will undergo review by the Seawall Lot 337 Advisory Panel, many members of which are here today to witness and view the presentation, with assistance from Port staff, city support staff, and independent consultants. The results

of the Advisory Panel evaluation, and a summary of the public comment received, will be presented to the Port Commission at a forthcoming meeting for consideration prior to making a decision on the developer selection.

Darius Anderson, Kenwood Investments, indicated that when they started this process, they were the outsiders and had a long shot. Through the first step, they learned a tremendous amount, and realized through that process that in the collaboration with the Giants, Cordish and Farallon that there would be tremendous synergies and benefits to the Port.

They started several meetings that occurred between them and the Giants. They took the best of both plans, as well as the best that the management teams had to offer, and they will be showing the vision of the combined team.

The six entities represent the best and the brightest in San Francisco and across the country. Many of the things that were said, they heard. They've tried to go ahead and put together a proposal that addressed not only the Port's concerns, but when they attended the Advisory Board and hearings, they learned a tremendous amount of what the community wanted, and tried to address them.

There were originally three members from his team – Kenwood, Wilson Meany and Boston Properties. Boston Properties decided to pull out. They then brought in StockBridge, which is their capital partner with Wilson Meany. Tom Sullivan, the partner from Wilson Meany, will be presenting part of their plan.

Tom Sullivan indicated that they are here today to look forward, forward to a time when the economy is back on its feet, and forward to what will be a time of opportunity for the Port and for Seawall 337. They have the opportunity to design a ballpark district, a new neighborhood that takes advantage of its unique features, the baseball park and the activity it generates in the beautiful waterfront setting.

The site represents future opportunity for jobs and housing for the citizens of San Francisco, and it represents opportunity for future economic returns to the city and to the Port. They believe that the way to take advantage of these future opportunities is to begin taking the steps toward them now so that you're ready before they arrive.

The potential of Seawall 337 does need to be viewed through the lens of the reality on the ground today. It's an unimproved site with poor geotechnical conditions, no infrastructure, no distribution of utilities. Pier 48, while it's in better shape than some other piers, does suffer from deterioration. The physical condition of this site, and the cost, time, and uncertainty involved in the environmental review process means that a significant amount of high-risk capital must be attracted to make development a reality.

They've submitted a proposal that they will present to you today as a roadmap toward that reality. It's a starting point, and they recognize that at this stage there are still many more questions than answers. For example, it hasn't yet been established what level of density is appropriate. Although they've done a great deal of work to this point, there's still much more that must be done to resolve uncertainties and unknowns on many

fronts, including things such as infrastructure costs, geotechnical conditions, soil contamination, perimeter retention measures, and the scope and detail of the public open space program.

The best answers to these questions come only through the commitment of the magnitude of time, energy, creativity, and capital that's necessary for any project of this scope and complexity, and through the active constructive participation of the Port and the community.

What they believe is essential at this point at the outset of the process is that both their development and the Port recognize that the way to make this process and ultimately the end result, namely the entitlement and development of the site, successful is to understand that the effort must be undertaken truly as a partnership, a joint venture of their group and the Port, in mindset, economic structure, and in practice.

From the private side, they bring a very talented team, a willingness to commit their time to this effort rather than some other opportunity in some other place, and the risk capital that will fund the entitlement process. On the public side, they will need the Port to bring its public financing toolkit, the commitment to work with them as they seek the best way to balance competing objectives on the site, and the understanding that the only exercise that will be ultimately productive is one that explicitly acknowledges that the business proposition has to make economic sense.

Finally, it's essential that the deal be structured with an alignment of interests. This means that they will work together to get the project defined and ready. They will make it flexible enough to adapt to future market conditions that are at this point unknowable. They will wait out the market. They will be ready to be highly responsive when the market is there. It also means that our economic fortunes should be linked. They are patient as the market may require, probably will. When the opportunity is there, we will profit together.

They think this site has fantastic potential. It is a remarkable piece of property. The Port has a great opportunity in front of it, and they certainly hope that the Port share their enthusiasm for it. They can't affect how and when the economy will recover, or when the market will need the space that they envision for this site. What they can affect is whether the site is ready to participate and reap the rewards when that time does come, as it will. They look forward to working with the Port staff and the Commission to make it a reality.

Karen Alschuler, SMWM/Perkins & Will Beyer Blinder Belle, indicated that Tom outlined the opportunities and the challenges ahead. They stand ready to meet them and have begun with a set of principles and first concepts for the site which Mary Margaret and she will highlight, focusing on the foundations of their plan, the principles that guide them, and the evolution of the plan since they last talked and learned a lot from everybody in 2008.

Their plan is rooted in the history of the site. They're inspired by the life and activity that was there at one time on this site, and in particular by the transformation that the site

went through most dramatically, turning from Bay to land, and to an economic generator for the city, an economic engine of commerce and exchange. They were inspired by the pattern of development that was on the site, in particular the power of the trains coming in and that north-south organization of the site linking the City to the Bay, to the region, and to the world, as they would like to do in a sense of this century.

They therefore respect the landmarks that embrace this site, Pier 48, the Lefty O'Doul Bridge and the ballpark itself. They will lay a pattern on the site, which means that everyone enjoying the streets and blocks and walking through will have framed views and be encouraged to relate to the landmarks beyond, whether on Channel Street looking across the Bay or looking north to the Bay Bridge, McCovey Cove, and other landmarks in the city.

As a result, they present a plan which is rooted in the principles they've agreed to, which were discussed in the open meetings with the community and the special panel, a set of principles which focus on open access, on invitation, mix and diversity of uses, as well as users who are invited to the site, a lively day-and-night urban life. The principle of engaging the edge is taken very seriously, bringing people to enjoy and understand the importance of the edge throughout the site. They also reach deep into the heart of the site with open space that becomes not just a destination but the glue that ties the various uses together.

They've gone the extra mile and envisioned one last piece of transit that might actually come onto the site, with the possibility, a proposal to bring the E-line through the historic trolley, which could extend through, make a turnaround at Pier 48 as its destination, and therefore link it to the regional system very powerfully. They assured the Port Commission that through their plan and program Pier 48 will be an integral part of this project and very important to its completion and its life.

The result is a vision, the beginnings of their thinking about this plan of walkable blocks, of consistent north-south orientation as there was historically on this site for buildings and blocks, that reinforces the historical form on the site that provides sunny streets and light-filled public spaces and gardens on the site, and that has a fine-grained urban character.

Looking at the drawing, you can see the primarily residential area to the north with low- and mid-rise buildings over retail on each of the blocks, and then, a few finely-scaled higher buildings that forms a crescent and step down toward the water. Further back into this drawing, you can see the beginnings of the very important office program that takes up the southern part of the site and gives a great new edge to 3rd Street, a sense of a great street character for 3rd Street in that location. It's a plan for San Francisco of its time and this place.

Mary Margaret Jones, Hargreaves, indicated that the open space on the site is not just an amenity for this new neighborhood but it is also a part of a network of open spaces. Therefore, it must connect to the open spaces built to the north on the waterfront, to those built to the south, and those built and yet to be built within Mission Bay. It becomes part of this necklace of green spaces around the Bay edge, not the least of which is the Blue Greenway and Bay Trail.

The components of the open space within their vision for this project include soft green spaces that are both waterfront and inland, as Karen described. The promenade, which is a key piece that loops around this site, plazas that activate the edges of these green spaces and activate the streets to make pedestrian-friendly streets, and even roofscapes and smaller-scaled spaces within the project itself.

The focus of the open spaces, of course, is the 100 percent corner, this waterfront park at the very point at which you focus out to the Bay Bridge and to the landmarks beyond. This is scaled appropriately to work on a day-to-day basis, but also to work for events and to be very flexible in its use with its plazas on the edges.

As you walk along the promenade, it's important to think about that experience of being able to actually get to the water's edge, which is a rare experience in San Francisco Bay. The promenade will sometimes swing out over the water, and you'll be aware that you're over water. It will sometimes swing back allowing the terraces that you see in this image to get down to kayaking, to get down and touch the water. The promenade will interact with the wetlands that are actually cleaning the storm water from our site before it enters the Bay.

If you pivot to the right and look toward Pier 48, you see what is currently Terry Francois Boulevard, but they propose it to be, instead a plaza, a place for people, a very active place for bicyclists, pedestrians, kids of all ages, a plaza and gardens that activate the retail edge. In the distance, you see a reinvigorated Pier 48. As you grow closer to Pier 48, you see this idea of a multiuse plaza as something that could help invigorate the uses of Pier 48 and help invigorate the edges of the park, a very important aspect of the way parks work. Its multi-use, and a plaza like this could make that happen. It must work, as Karen said, day and night. This must be a place of life throughout the cycles.

It's also important that that open-space system reach inland. They see the central parks as having the potential to be much more neighborhood-oriented, a place for the people who will be living in this new neighborhood. They see this one as multi-use so that it's surrounded by multi-use buildings on all sides, but also is multi-use within it so that there is retail that is more neighborhood-focused, a place to have coffee on Saturday morning if you live in this neighborhood. You see as their inspiration, the Shake Shack in Madison Square Park in New York, the idea of a more intimate neighborhood-oriented place.

The open spaces have another job to do as well. They must contribute to the sustainability of a site. You see their sort of kit of parts of all the ways they want to use the water on this site sustainably. You can imagine plazas that are both rain gardens as well as porous pavement. They're lively, but they're also doing their job. That would spread to roofscapes, green roofs as well as to the design of the buildings themselves. They envision this as being a very sustainable neighborhood park and place.

Karen Alschuler indicated that the commitment to sustainability is not only in the site and the buildings, but in the operations of the long-term experience and enjoyment of the site. This plan invites many different forms of transportation and is backed up by a

commitment to encourage people to shed their cars and take one of the items on the irresistible menu of alternative access choices that they have on the site.

If you're walking there to the site or within, you can enjoy the small-scaled local streets. If you're coming on your bike as a commuter or as a visitor to the site, you're accommodated and encouraged to use the site. If you arrive by the T- line on the light rail, you are greeted by a gracious new edge on 3rd Street and are invited into the site in several locations.

You may be riding the E-line historic trolley arriving at the site or even coming from the water. In any case, they think their plan will allow people to use the regional transportation system and reduce the number of people who are dependent on cars. Because within five minutes of almost every part of the site, people can get to just about every part of our regional transportation system.

Over the last several months, they focused in on Pier 48 and have begun to have some ideas about how to feature the historic resources while looking for opportunities such as reinventing the idea of the valley and opening up a view to the Bay at the end, such as understanding the ways in which they can open and close the edges of the site, connecting life and activity inside to what's happening where the ferries arrive across from the ballpark, and just making the experience of the edge something which is really dramatically important and available and part of the public trust commitment on the site.

They've also reconsidered and reinvented the retail strategy with a mix of uses that can integrate homegrown businesses and really encourage them to expand on the site, whether it's in many different kinds of tenant spaces that are available through all seasons of the year. Whether it's inspired by the earth, by the sea, or by the hearth, they invite those kinds of activities and uses as part of the mix of retail on the site. This way, it would be a place with no backdoors, but only front door on great streets and public places. This will be a 100 percent corner that realizes the Port's principles and objectives, one of dramatic beauty, history, invention, and open arms to all the users on this site.

Jack Bair, San Francisco Giants, indicated that this is a compelling, dramatic location along the waterfront. Today they have shared their vision for its future, attempting to strike the right balance between the competing interests for this site and achieving the following fundamental objectives set forth in the RFP: a smart mix of uses keeping the district alive and relevant throughout the day and into the evening, a place that actively promotes and features public trust consistent uses, a meaningful and diverse program of open spaces, a transit-oriented district designed also to meet the practical needs both of the site itself and surrounding uses such as the ballpark, an innovative, sustainable project, and a project that generates significant economic benefits to the Port so that the Port can effectively address its critical needs elsewhere along the waterfront.

With current economic conditions, we will have to face down and overcome significant challenges together. The Port, through its sponsorship of state legislation and its considerable public education efforts, has built a strong foundation for this effort. They look forward to working with the Port, the Advisory Panel, the Central Waterfront Advisory Group, the CACs of Rincon Point and Mission Bay, and the neighbors such as

UCSF to achieve their collective goals. Together we can meet the challenge. They have a long history of working well together. Their development team has an established track record of working effectively on projects all along waterfronts, landmarks that have achieved international recognition: Crissy Field, the Ferry Building, and AT&T Park.

The Giants and their partners in this project are dedicated, experienced, and local. They care about doing things right and following through with their commitments. They have the right combination of talents to produce another great legacy for our hometown. They look forward to working together with the Port to get this project underway and to get the job done.

Public Comment

Gabriel Metcalf, executive director of SPUR, urged the Port to move forward with negotiations with this team. From a planning perspective, this is the right set of uses for the site. It's a very ambitious project. Frankly, it's very surprising that they are able to even be moving forward with it as capitalism melts down all around us. We should be so lucky to get this project to happen.

Joe D'Alessandro, president and CEO of the San Francisco Convention and Visitor Bureau, indicated that he is in favor of this project and encouraged the Port Commission to move forward with this project. Travel and tourism is San Francisco's most important industry, even in these tough economic times. His agency is responsible not only for marketing San Francisco, but for making sure that the long-term development of San Francisco continues to make it a competitive city for tourism. They've identified a number of projects that will help do that, including the expansion of the Moscone Center, including the cruise ship terminal. He feels that this piece really fits into the project and the long-term needs of San Francisco. One of the things they've identified as one of the greatest needs is public assembly space and special event space which this city does not have a lot of. This project combines a wonderful new neighborhood in San Francisco, great access to the waterfront, tremendous retail experiences, but also the use of public assembly spaces that is going to be critical for San Francisco's long-term future. He believes that this project is a tremendous one for the long term, a tremendous one for San Francisco, and he encouraged the Port to go forward on it. He believes it will benefit the community and the economy of San Francisco in the long term.

Corinne Woods, a neighbor of Seawall Lot 337 among other things and worked with the Giants for many years, indicated that a lot of the pictures up here emphasized the bayfront park, the park, the big gateway to the Blue Greenway. If you look at the fine details of this proposal, that's not planned until phase three. When you talk about having public assembly space and visitor-attracting uses, we need to make sure that the public open space is done early in the process to make this a little different than just another development. It is a very critical piece. They look forward to negotiating further with the Giants, among other things on the name of the park. They almost lost China Basin Channel. They've lost China Basin Cove. They've lost China Basin Street. She doesn't want to lose the name China Basin Park.

Paul Nixon, one of the directors of the Bay Access, which is the human-powered boat group which is sponsored and advocating for the Bay Water Trail, indicated that this is a marvelous project. The way this comes down to the water, people can actually touch the water, kayaks can get into the water, and it fits in very nice with what they have been building around the southern waterfront for a long time. This was the site in 1873 of the South End Swimming and Rowing Club. They started right where the ballpark is. The Dolphin Rowing and Swimming Club also used this site for rowing in the 1950s. During the 2007 All-Star Game, the whole area was full of kayaks. It's appropriate that we have these kayaks here and that we're looking at the water. This is also a wonderful space for water recreation activities like boat racing and things like that where people can view on both sides of the water. This might be something that also be considered. Both groups had a swimming pool of some type in the original plans, and it doesn't seem to be there now. This area is one of the first areas for bay swimming in San Francisco, and it is actually a place where people do swim occasionally. He congratulated the developers for a fine plan.

Maureen Gaffney, the Association of Bay Area Governments and the San Francisco Bay Trail Project, indicated that the Bay Trail is a planned 500-mile recreational pathway encircling the entire San Francisco Bay, and 300 miles are complete today. Seawall Lot 337 will form a critical piece of the Bay Trail and the Blue Greenway. They appreciate the developer's recognition of their importance. It is their hope that the public access and open spaces can be implemented in the early phases of the project so that residents and visitors can enjoy this spectacular and unique waterfront location as soon as possible. ABAG/San Francisco Bay Trail would like to work with the developer and the Port on this exciting opportunity to implement new trail and access.

Michael Brown, senior field rep for Carpenters Local 22, indicated that they are in favor of this project. They're going to work with the developers to make sure that local union workers work on the project, apprentices and pre-apprentices come to the training and work on these projects. His only regret is that it isn't starting tomorrow, because of the economy. They need a private industry to step forward, because the government is going to take a while to get the funds that they're promising. They would appreciate it if the Port could move this project along.

Ernestine Weiss indicated that she's very proud to see the development of all of this so far. She loves what she sees. It's the right fit, and we should go forward as soon as possible. As the creator of Ferry Park, she's especially interested in open space. She can't wait to see the trails developed and the open space to be used by the people who come here, the tourists, the residents, etc. It's the right mix. It's the right design, and let's go forward. She helped the Giants locate in their unique location on the waterfront. This is another piece of the prize that will benefit San Francisco in the long run.

Dennis McKenzie indicated that he provided the Commission a copy of his proposal to build a joint venture partnership with the City and County of San Francisco, the San Francisco Unified School District, the Port Commission, and the developers to create a basketball education and career pathway arena. The intention of this is to, as the Giants and all the developers have done, instead of competing, they've joined forces to create one team effort. His proposal is to make people aware of the fact that 55,000 public high

school students have no sports pathway. He proposes that as a joint venture, the City, the Port and the developers create a basketball education center with a sports management and facilities pathway arena. The basketball arena would be accessible for all high school students throughout the city, as you can imagine trying to update and modernize the basketball arenas or basketball gymnasiums in all the San Francisco high schools, it would be impossible. This one facility could provide access for all the high schools to meet and join forces and all the resources necessary. The idea of the pathway is to create a basketball arena with classrooms surrounding, and, as an integral part of this facility, to teach the kids all the jobs and careers that are available. They need to learn about what college programs there are available. Through a cooperative venture, he believes the students could have the facility that they much deserve.

Manuel Flores, field representative of Carpenters Local Union 22, echoed Mike Brown's comments that it's too bad we couldn't start this project right away. It would be a shot in the arm for our economy and they really need this. A few of the Carpenters Local 22 members are here. This project will give them a vision and hope for the future because this is what they really need. They look forward for the Port's approval of this project.

Toby Levine, co-chair of the Central Waterfront Advisory Group, indicated that she's excited about this project. They have studied the previous projects very closely. She iterated the importance of what Corinne Woods said, which is that a way, if possible, be found to build in the open spaces and the public amenities earlier rather than later. As a new resident of Mission Bay, she finds that it's a little lonely in some cases being in the middle of a building in the middle of an area where there's nothing around it, and you're just kind of out there. There are at least two examples of that in Mission Bay. Eventually there will be more. It's very important that the open space and the other amenities be brought in early if you really want to have a successful project.

Louise Williams, Local 22 carpenter, indicated that she really supports this project.

Commissioner Michael Hardeman indicated that the project looks outstanding. It's wonderful to see the graphics that were presented and some of the verbiage passed on by the proposed developers. He certainly concurs with the speakers that are looking for work. They're certainly going to need it this year the way things are going. It's a tragedy that the Commission couldn't vote on this today and decide whether to move it along because there are many hoops to go through. The project looks very nice on its surface. He thanked all the presenters for an outstanding job.

Commissioner Stephanie Shakofsky, seconded Commissioner Hardeman's remarks. She's very excited by what was presented today and looks forward to a full partnership with the Port and the developers. She looks forward to working with the developers as we move forward in these rather tentative economic times but continue to move forward with the idea that we will see better times.

Commissioner Kimberly Brandon reiterated her fellow Commissioners' comments. She thanked the developers for still thinking about proceeding with this project during these hard economic times. She looks forward to the Advisory Committee looking over the

project and getting more into the specifics in how the project will be developed and how the Port will partner with this project. She wished the developers the best of luck.

Commissioner Ann Lazarus added her thanks for the combined effort. She's a big believer in collaboration, so it's great to see that so many of the developers were able to come together and give the Commission a vision of what the lot might look like. She hearkens back to the earlier item about capital planning and capital needs for the Port. The Port envisions this project as in many ways not only being a financial engine for that part of the city, but as another tool in our quiver for how we're going to rehabilitate our waterfront. The Commission looks forward to working out those details so it's a classic win-win for everybody.

Commissioner Rodney Fong indicated that the word dramatic was used during the presentation and he thinks the photos are at least in the scale of this thing. He happened to show some of the photos to a very young San Francisco resident who was amazed by the Photoshop that was done there but it is spectacular. He was also impressed, in reading through the material, the proposed 875 residential units and the 4,700 jobs that will be created. That equates to a 9 percent increase in jobs in San Francisco and that's quite phenomenal. Joe D'Allesandro spoke about Pier 48 and the need for more event space. When Oracle came into town, they needed to block off space. There's really a need to have additional event space. To piggyback on Corinne's comment about the historic value of China Basin, China Basin did hold a lot of the Chinese clipper ships, giant clipper ships that brought a lot of Chinese labor into America to work on the gold mine as well as the railroad. He thinks that would be well served if we can preserve the history of China Basin. Mr. Sullivan referred to the Port's financial toolkit. He's not sure if our toolkit is a small bag or a tool locker, but he looks forward to discussing this issue further. Commissioner Fong indicated that he is a little bit concern about the two means of egress onto the site, the Lefty O'Doul Bridge and the 4th Street Bridge and would like to talk further about bringing more people from the northern part of the city towards the project site. He thinks the project is spectacular. They all look forward to moving forward with this project.

Exhibit H

Notes from March 11, 2009 Meeting of the Central Waterfront Advisory Group

The CWAG chair, Toby Levine, led a discussion of CWAG's comments on the following topics pertaining to the SWL 337 RFP Submittal. The developer team's responses are included.

Pier 48 Comments

- Is 48.5 marginal wharf in the project?
 - Per RFP, this area not included in project.
- Will the valley be opened at the east end?
 - There are no plans to remove the connector shed but the exterior, bayside wall may be sheathed in glass to create a more attractive exhibit/entertainment venue.
- Liked proposed flexible use of the space.
- Keep maritime uses at Pier 48, if possible.
- Can a boating/swimming club be considered as a possible use?
 - Developer has not looked at this idea.
- Why don't major improvements occur until Phase 4?
 - The high apron repair costs necessitate putting off major improvements until the project is generating significant revenues.

Open Space

- Are proposed bike lanes Class 1?
 - They are being considered.
- Bicyclists should be clearly separated from pedestrians.
 - Developer is working on design ideas to accomplish this.
- Like inclusion of wetlands and wildlife habitat.
- Like raised promenade over the rip-rap and blending of built form vs. natural form along the project's north edge.
- Like the pedestrian link between 3rd Street/Lefty O'Doul Bridge and Pier 48".
- Would like to see industrial aesthetic of Lefty O'Doul Bridge carried into the design elements of SWL 337.
- Liked the taller buildings as departure from uniform height of Mission Bay
- Liked wetland features especially as haven for birds and handling stormwater.

Water Access

- Recommendation to confirm existing currents when planning landing docks, launch areas.
- What happened to the floating swimming pool from RFQ phase?
 - This was analyzed and deemed to costly given the project's overall goals including revenue generation for the Port.
- Note that any stairs subject to tidal action would likely become slippery and unusable.

- Developer aware of this issue, looking at workable, safe designs for water access.
- Request for water dock/platform to encourage boat racing in McCovey Cove/China Basin.
- Request for swimmer dock/platform and dedicated swimming area in McCovey Cove/China Basin.
- Note that winter storms can damage docks/platforms/gangways and that developer should consider designing facilities for seasonal removal.

Urban Design

- Developer should consider impact and viability of proposed SWL 337 retail in light of possible competition/dilution from nearby King Street and proposed 4th Street retail corridors.
 - Developer is aware of this issue and believes an active, pedestrian, more intimate retail street is especially needed in the Mission Bay area.
- Like that tall buildings have been moved towards center of site.
- How will 3rd Street look at build out?
- Concern that project's Third Street frontage may wall off site.
 - Developer acknowledged they are working on this issue.
- Prefer that 3rd Street have distinct appearance especially in comparison to King Street.
- Liked openness and reduced height of built form adjacent to north open space.
- Request for more views of site from different angles, especially from 3rd Street.
- What are project heights and density?
- General comment that heights are OK, but need variation, street level articulation, varied setbacks and careful siting to avoid creating urban canyons.
 - Developer noted that heights in their proposal are conceptual and that they are still working on finding feasible, efficient balance between height and bulk. Developer acknowledged that Mission Bay's uniformity is not desirable at SWL 337 and that public input is helpful in determining how the final project will work.
- Request for street and sidewalk dimensions.

Uses

- Need for children/family friendly features such as tot lots, day care centers.
- Liked siting of residential away from Pier 50's light industrial uses.
- Liked screening/buffering of parking garage.
- Request to design parking aesthetically pleasing parking garages.
- Are entertainment uses still proposed?
 - Developer considers Pier 48 a likely entertainment venue. Also the large park would be programmed for outdoor events. The stand alone entertainment venue in the RFQ proposal was deemed too costly given the project's overall goals including generating revenues for the Port.
- Has developer considered SWL 337 as a location for the proposed Fisher Museum?
 - No.
- Does project include public basketball courts? Tennis courts?

- No.
- Has developer considered building a permanent recreation facility?
 - No.
- Developer should consider combining water-based recreation with other recreation uses.
- Developer should have many street level building entrances to enhance project's human scale.

Car Storage

- Phasing of garage needs further consideration especially as current available street parking is absorbed by Mission Bay construction.
- Concerns that parking disruption from SWL 337 construction will have negative impact on surrounding neighborhood.
 - Developer is aware of this concern and has developed a mathematical formula to determine when site development displaces surface parking to the point where the garage is needed to minimize impacts to the surrounding area.

Additional Comments

- Liked the intimate scale and fine grain shown in the proposal and encouraged by the overall project direction.
- More discussion needed on the proposed project phasing.
- Request that significant open space development occur with aggressive linkage to vertical development.
- The proposed E-line is a neat idea but not at the expense of the planned turn around loop at Pier 70.
 - Developer believes the Pier 70 and SWL 337 turn-arounds are not necessarily mutually exclusive. Developer will continue to work on the possibility of bringing the historic street cars from their planned terminus at the Cal Train depot to SWL 337.

Exhibit I

Notes from March 18, 2009 Public Workshop

LAND USE ISSUES

- Need for sports and recreation space to meet school sports/recreational needs
- Need to include rowing and water recreation – especially recognizing South End Rowing Club started here
 - Pier 48 provides opportunities for this
- What are the current uses at Pier 48 and 50?
 - 50: Port Maintenance: light industrial (also at Pier 48.5)
 - 48: Parking overflow, Department of Elections
 - Developer sees Pier 48 as great location for events, festivals, as reflected in proposal
 - Recognize trust requirements
 - Also recognize its historic value
 - Shed C at east end allows design flexibility
- Regarding Las Ramblas – What’s the draw of the retail for locals?
 - Ferry Building Market is great, but I don’t buy
 - King Street has lots of chains (though Safeway works well)
 - The retail program is not set, but intent is to attract retail services indigenous to San Francisco residents. It’s not assumed to be an economic driver.
- Phasing of development needs to clearly show what increment of public benefit is delivered along with the economic uses.

OPEN SPACE ISSUES

- Where is the wetlands? What is its characteristic?
 - wetland concept is not set, but is conceived as edge treatment to park and also meet storm water management needs. What is timeline for development of the Mission Rock Park?
 - timing is dependent on market... RFP proposal has a time table: Phase 3 9-10 years out
 - there are competing public interests and balancing to ultimately determine time/phasing
 - each development phase will include appropriate amount of open space
 - Existing China Basin Park is still a current amendment
- Would south edge of Mission Rock Park be altered?
 - Park assumes coverage of rip rap, but not cantilevered structure

ECONOMIC ISSUES

- What are the financial benefits the Port seeks?
 - \$6 million lease revenue
 - Tax revenues after payoff of infrastructure development costs
 - (Port would not have tax increment without development)

- Port will have complete financial analysis in May
- What is your management philosophy to manage this public-private partnership?
 - Treasure Island, Bay Meadows are similar complex public private projects
 - Lots of attention in physical development to create character and quality
 - Wilson Meany Sullivan and Kenwood is local and management partner address local issues
 - Kenwood – Legislative assistance
 - Cordish – Strategic overall management
 - Giants – knows the neighborhood; needs patterns to integrate into project or its management
 - transportation issues
- Is Pier 48 buildable? (Compared to Pier 15/17 Exploratorium which requires rent credits)
 - Pier 48 underwent substantial fire damage repairs, seismic repairs
- As a taxpayer, Port project make \$\$ for the public. Concerned about financial productivity

NEIGHBORHOOD CHARACTER, HISTORIC RESOURCES AND CITY FORM ISSUES

- More connection needed to south (Bayfront Park, Agua Vista Open Space network, Terry Francois Boulevard)
 - good point, connection to Bayfront is intended
- Development's orientation is to the north, back to residential to the south
- More character for Las Ramblas
- What are the heights, densities?
 - height/densities are evolving

SUSTAINABILITY ISSUES

Sustainability/wind towers may not be friendly to birds.

Public Workshop Speaker Card Notes

Name: Kit

Email address (to be notified of future meetings): jmail94133@yahoo.com

Please write your question/comment for Port meeting notes:

1. Encourage making Terry Francois to be wider and grander. This would help 18-wheeler maneuver in to Pier. Too narrow right now.
2. Like to see stronger connection with necklaces of park on the south side of Pier 18, Pier 19, Bayfront Park and Aqua Vista with Seawall 337 green space. Line of trees too faint of a connect right now.

Name: Bill Brase (BRAW zee)

Email address (to be notified of future meetings): willi2web@comcast.net

Please write your question/comment for Port meeting notes:

Doesn't take into account... neighbors to the South
Height limits? – Looking too high

Name: Dennis MacKenzie

Email address (to be notified of future meetings): DennisMacKenzie@RoundTheDiamond.com

Please write your question/comment for Port meeting notes:

Proposal to include a “Basketball Education and corner Pathway Arena” and SF Public High School “Sports Management Pathway”

Name: Fred Sherman

Email address (to be notified of future meetings): AnswersYes@gmail.com

Please write your question/comment for Port meeting notes:

What specific financial benefits does the Port anticipate from the development of SWL 337?
(\$60 million/year income plus and increment of tax revenue were mentioned)

Name: Ted Choi

Email address (to be notified of future meetings):

Please write your question/comment for Port meeting notes:

What's the timeline for waterfront park's completion?

Name: Noreen Weeden

Email address (to be notified of future meetings): nweeden@goldengateaudubon.org

Please write your question/comment for Port meeting notes:

Wetland area?
Bird-friendly design?

Name: Susan Phelan

Email address (to be notified of future meetings):

Please write your question/comment for Port meeting notes:

1. Buildability of Pier 48 (i.e. compared to pier that Exploratorium banned)
 2. What are you going to do to attract non-chain stores to Ramblas?
-

Name: Joe Boss

Email address (to be notified of future meetings): Joeboss@Joeboss.com

Please write your question/comment for Port meeting notes:

Is the south edge of the channel altered?

Name: Gail Brownell

Email address (to be notified of future meetings): gailbrownell@gmail.com

Please write your question/comment for Port meeting notes:

Rowing – water and history

South End Rowing was once at 3rd & Berry

Additional comment:

Love the “touch the water” and the connection to history.

South End Rowing Club was once located at 3rd & Berry. Can you consider a rowing club, which needs a large building near the water* and low docks for launching.

* To store long 8 person crew boats and smaller, plus equipment cleaning and changing – ideally a rowing machine and weight room.

A high school rowing program would benefit schools and others. Adult program bring recreation, water use and support for waterfront.

EXHIBIT J**Seawall Lot 337 On-Line Public Comments**Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Jim Frank	Dolphin Club 94103	I would really like to have access to the cove for swimming, row boats and, kayaks. Just as UCSF is doing elsewhere. There are very few places one can launch a kayak anywhere. Thanks	j282@yahoo.com	3/26/2007
Ken Ayer	94019 now 94138 soon	Pier 48 needs to be better incorporated in to the SWL 337 plans. Either move the event space there and expand open space, or remove Pier 48 & build another marina like South Beach Harbor. This would be much more in keeping with the public trust use of the waterfront. South Beach currently has a 5 - 7 year waiting list and Pier 48 has no tenants.	KenAyer@comcast.net	7/9/2007
Red and White Fleet	94133	Suggest that the bulkhead between Pier 48 and Pier 50 has a water taxi landing added. With the ferry services/water taxis of San Francisco on the increase, there must be a location for these small vessels to dock - similar to a bus-stop. A ferry landing is diffenet form "vessel berths" as disussed in the plan. With increased vehicle traffic, more bikes, the water taxi seem to be the last transportation frontier for San Francisco.Regards, Tom Escher President Red and White Ferries	tescher@redandwhite.com	7/30/2007
China Basin Landing	94107	Our firm McCarthy Cook & Co, owns and manages China Basin Landing, a 732,000/sf mixed use complex located between Third and Fourth Street, diagonaly across the channel from the Sea Wall Lot 337. Our tenants have approximately 1,800 employees that work at China Basin and on a typical day, an average of 150 employees park at the Sea Wall Lot. With the need for proximate parking for the AT&T Ball Park, we understood the Sea Wall Lot parking withe capacity for at least 2,500 cars, would be maintained long term development. This may require building a parking structure in the future as part of a major development of the site. During the redevelopment work, it is important to phase the work and keep portions of the surface parking accessable during the construction period. Thank You, Michael D. Freeman Executive Vice President, Mccarthy Cook & Co, 185 Berry Street Suite 140 San Francisco, CA 94107	mdf@mccarthycook.com	7/30/2007
Steven McCollom / Gary Lee Partners	94108	Please send me updates when available on development status. Thank you.	smccollom@garyleepartners.com	8/23/2007

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Al Minvielle UCSF Recreation	94143	See attached web site for picture of Vancouver (Kitsilano Pool) salt water pool. It uses water from the bay , treats and heats. MB is perfect weather for swimming. SF has no good public pool facilities. It meets all the criteria of the vision and provides a much needed safety and recreational service. The new Rec Center at UCSF is sold out based on its outdoor pool. Folks love it, but its to small. http://good-times.webshots.com/photo/1184108232059196421AJjyep	Minvielle@sbcglobal.net	10/31/2007
Rob Bregoff	Caltrans 94117	All the plans have far too much parking, not enough affordable housing. I like the open space and street grid of the Giants proposal, but also the innovative energy resources of the Build proposal. I think that none of the proposals has inspiring architecture, and given the bay front sitting, it should be. Providing bay access, a beach similar to Aquatic Park, should be woven into the project. Build's floating swimming pool sounds like a great city resource too.	robert_bregoff@dot.ca.gov	2/26/2008
G in the Mission	94110	Giants proposal by far!!!!	imsellingout@gmail.com	2/27/2008
Gavin Hayes		After reviewing the proposals for Seawall Lot 337 in Mission Bay I must say I fully support the Giants entry. The music venue alone should be enough to grant them a victory. I am a professional musician and have seen venues across the world. San Francisco, in all of its greatness, is in dire need of a new venue, especially one this size. The only other venue that would come close would be the Civic Auditorium, which has terrible acoustics and seems be feeling its age. I recall a few years back MTV was looking to have their awards show here but could not find a proper venue to house it. This could be it. In addition to the entertainment hall, the plan offers a great amount of open space with what looks to be sweeping views of the Bay Bridge and the ballpark. It seems their presentation was the most professional with quality renderings and knowledge for what is desired in the neighborhood that they are a part of and helped jumpstart. Thank you for your time and hopefully for your consideration.	imsellingout@gmail.com	2/27/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Brian	94107	The SF Giants proposal looks the most appealing. There are already significant residential properties in the area. The area needs more entertainment, retail, restaurants, etc. The music hall sounds fantastic, SF needs another music venue.	bjkilduff@yahoo.com	2/27/2008
Robert E Gonzales	94107	Hello thank you for the response, and I would like to be put on the mailing list regarding what is being proposed at the Giant's parking lot...what I saw in the Chron I am opposed to...a 30 story structure is completely out of scale with anything down there...almost as ugly at that monster next to the Bay Bridge. I am a 41 year property owner and resident of the Hill. Thank you.	Gonzaleslaw@aol.com	2/27/2008
Doug Piper and Marcia Lomneth		The Giants/Cordish/Farallon proposal appears to be head & shoulders better than its competitors. It emphasizes making the space enjoyable and welcoming to the general public rather than just to residents occupying the developed buildings. The concept of combining open recreation space with an entertainment venue improves the likelihood that the open space will remain safe and welcoming. Also, the Giants make a persuasive point that they are well positioned to efficiently manage the parking and traffic flow issues. On the down side, the potential bulk and height of the parking structure and other buildings to be built along 3rd street is an obvious concern. It is hard to tell how huge those buildings will loom from the drawings provided. Will 3rd street become a closed-in wind tunnel? The Build Inc. et al proposal might or might not have merit. The proposal seems rushed and their loose sketches are open to differing interpretations. Our least favorite is the proposal by Federal Development et al. It brings to mind one of those disastrous Great Society housing projects in Chicago and NYC. Yuck!	"Doug" Doug@piperspace.com	2/28/08

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
<p>Albert Spiers Senior Vice President ENTRIX, Inc Environmental and Natural Resource Management Consultants</p>	<p>94941</p>	<p>As a future local resident of The Radiance condo development adjacent to SWL 337(occupancy June '08), and as an environmental planner and engineer in the City for the last 25 years, I am interested in being actively engaged in the planning process for this site. It has tremendous value as the City's next waterfront neighborhood, possibly the only true "on the water" neighborhood in the City (Marina District is probably the only other). As a local Mission Rock resident, my vision is that this site can be developed with "sense of place". This will include the opportunity to create San Francisco's next great "neighborhood". Obviously, working from a blank canvas without the benefit of established historic structures or City cultures like those found along Union Street, Noe Valley or the Mission District, will be a challenge. But it must begin with a Plan that is more diverse than the Safeway/Borders Starbucks row being created along King Street and 3rd. Please include me on future notices on SWL 337 and any opportunities to directly participate in SWL 337 Advisory Panel.Thank you.Albert Spiers</p>	<p>aspiers@entrix.com</p>	<p>3/2/2008</p>
<p>Juan Pardell</p>	<p>94112</p>	<p>I am much in favor of the proposal submitted by the San Francisco Giants/Farrallon Group. However, I strongly urge that a sports arena, comparable to the Staples Center in Los Angeles, be incorporated in the proposal. Including that particular item, will enhance public support, and can be phased in as the last component of the project. If the developer phases in the project, the arena can be completed in approximately eight years, thus giving a competitive advantage in luring an anchor tenant like the Golden State Warriors, whose lease at Oracle Arena is due to expire in approximately nine years. In addition, the arena can be used to host many other events such as concerts, ice skating, etc. I strongly urge the Port of San Francisco, to review the feasibility of a new sports arena, as part of any new development that occurs at Seawall 337.</p>	<p>jcpardell@yahoo.com</p>	<p>3/2/2008</p>
<p>John Dennis</p>	<p>94114</p>	<p>I would like to submit comments in favor of Kenwood Scheme and/or Giants scheme. The Kenwood scheme's focus on public art is commendable and they have assembled a great design team that understands this site well. Giant's scheme idea to incorporate a "Great Lawn is their most successful move. A brilliant solution for this particularly vibrant spot on the Bay. Build Inc. scheme would work almost anywhere else in the city, but disregards the special character of the bay and Mission Creek waterfront. Federal Development Scheme is the worst of the four. It is vehicularly oriented in scale and it's edges are mean and uninviting to those arriving by foot.</p>		<p>3/3/2008</p>

Seawall Lot 337 On-Line Public CommentsReceived Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Mike Muzzy/ SF resident	94132	<p>The development potential at this site is extraordinary and exciting for the Port Commission. I hope the Commission keeps its eyes on the open space requirements and is not unduly influenced by the media and locals who seem to favor the Giants because they are the Giants and the hometown favorite sports franchise. It is important for the process that all developers have an equal shot at these types of opportunities. This will ensure that SF can attract the best developers from everywhere, and so SF does not earn a reputation as a government that does not welcome outsiders. Federal Development's proposal, for instance, provides for the most green space (consistent with requirements), the most parking (all underground and hidden), a little league baseball field, a multi-purpose field, a large performance amphitheater, and a hotel (the only hotel proposed). I am not aware of any hotels in the immediate vicinity, and the hotel could serve both the ballpark and UCSF. At the open session, Federal's CEO presented the proposal (a good sign of how the company is managed). The CEO also stressed Federal's significant track record and interest in providing substantial income to its public partners. Each of the proposals have quality elements, but I am taking the time to write you because it seems to me that the general sentiment in the media and "rumor" is that the Commission does not like Federal's proposal (or that they are in love with the Giants' proposal). I sat through all 4 presentations (and the glitz from the big players) at the open session and actually liked Federal's the best. Thanks for your consideration</p>	michaelmuzzy@hotmail.com	3/10/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Kevin Simons	94107	The Cordish/Farallon/SF Giants plan gets my vote for best, most comprehensive and well-thought out plan submitted. This would be a stunning development.	kevin_simons@yahoo.com	3/14/2008
Corinne Woods	94158 CWAG	The genie of density is out of the bottle at Mission Bay. The best mix of uses complements Mission Bay and takes advantage of shared parking with the ballpark. An entertainment district is a good complement to the ballpark. Too much residential will compete for parking resource, could conflict with Pier 50 maritime use. Below grade parking not feasible (look at Moscone Center), and the podium park is too separated from the water. Arts/artists would not give adequate income to the Port as a major use, but art should be included in the project. At LEAST five acre park in the northern water edge is essential. View corridors along Creek edge and down Channel (Street) need to be respected. Getting rid of Terry Francois Blvd. north of Pier 48 makes sense. Underutilized now, already closed on game days, and separates park from the water. Should allow height in excess of Mission Bay caps, but towers should be slim and not block important views. Kenwood proposal too squat and bulky and privatizes open space. Conference, event facility on Pier 48 is consistent with Public Trust objectives. Giants/Cordish/FOCIL proposal seems to have best responded to objectives outlined in community meetings.	corinnewoods@cs.com	3/14/2008
Jessica Tully, artist	94110	As a working artist who first moved to SF when I was 4 years old, and who completed her MFA from San Francisco Art Institute, I have gone through extraordinary efforts to continue live and work in San Francisco. I have had to move to Oakland twice in the last five years due to rental market issues, but planned, saved and returned to San Francisco each time. All of my art colleagues have had to move to Oakland and are still there. I am writing in support of the Kenwood, Boston, Meany plan as their vision of a robust destination arts community both adds something of immeasurable value to the San Francisco tableau, but also keeps recognized and emerging artists like me here. What an opportunity the Port has here to choose innovation.	jessicatullyfish@gmail.com	3/14/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Peter Cohen	94114	Of the four development concepts, the Cherokee/Build Inc proposal demonstrates the clearest understanding of current policy issues related to development and community development in the city's southeast sector neighborhoods. The business incubator component in particular is a recognition of the need to be forward-thinking in creation of new business entrepreneurialism in this city and associated new "green collar" jobs that promote the evolution of the city's light industrial/blue collar workforce. Similarly the recognition of the need to create a place that is in the interest of locals rather than just newcomers and vistors is an astute response to a general public disappointment with the homogeneity and isolation of much of the new development near the ball park and Mission Bay. Only a development team that has spent some time on the ground and in the local discourse can understand how critical these policy insights will be to the success of a major development project when it comes under intense community scrutiny.	pcohen_sf@yahoo.com	3/17/2008
Sharon Lee Polledri/ interested citizen	94109	GIANTS/CORDISH/FARALLON - Waterfront park is great asset to the eastern neighborhoods and the city. It celebrates a unique and memorable location. It strengthens and adds to the emergence of a waterfront park system. To enhance public understanding, please find another term for "Blue Greenway" or always explain that the terms refer to the potential to create a waterfront park system. The term doesn't convey anything to a general audience. The continuation of the larger SOMA/Mission Bay blocks into the parcel, which are then made into a smaller grid to meet the city's grid, is good. This scheme proposes a higher density that could be nearly twice that of the other schemes. Increased density contributes to the ability to pay the Port more rent, but what does it look like at the street level? What will the quality of the streetscape? Given the higher density, what are qualitative aspects of the retail and entertainment uses that are proposed-beyond the single and relatively minor feature of the Vintners' Alley. What is the look and feel? What kinds of tenants? Please address Cordish's retail success with national tenant strategy and how it will conform city preference for local retail. What is the feasibility of a new retail/entertainment district on Port property, and on a citywide basis? Retail/entertainment at Yerba Buena Gardens has been a struggle. Will a new retail/entertainment district come at the cost of Fisherman's Wharf? Is this a 24-hour environment? How will the scheme balance housing (local needs) with entertainment (visitor serving needs)?	sharon.polledri@comcast.net	3/17/2008

Seawall Lot 337 On-Line Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Sharon Lee Polledri	94109 interested citizen	<p>KENWOOD/BOSTON PROPERTIES/WMS</p> <p>This scheme is strongly compelling because it is a thoughtful and practical strategy to create a new neighborhood that connects to the rest of the city and to the water. There is a clear strategy so that the plan can be implemented overtime in any order with great flexibility to respond to market and /or social conditions. The urban design is backed by 40 years of research, policies and built work by Solomon ETC that may not be apparent in the drawings that were presented. (Apparently the designers had 2 weeks to develop the proposal) . The notion of affordable housing for artists is laudable, but is there an expressed need to create an artists' district for this area? .The proposed environmental art is an intriguing and fitting to the site. It is an exciting complement to the public art and outdoor exhibitions proposed by the Exploratorium at Pier 15. The proposed environmental art would contribute to the San Francisco waterfront as the exciting place for environmental art and science-from the Exploratorium to SWL 337 and the sciences at Mission Bay. The notion of involving housing non-profits to build the affordable housing component is great. They know how to do it and the involvement of many types of developers provides the variety and vibrancy of real neighborhoods developed accretively over time. (Versus a mega-developer partnership). This scheme has significant potential that is not yet expressed in the drawings. Since the urban design/ development strategy is so flexible, it would be interesting to see further development of the following: (1) A larger waterfront park that also serves the emerging adjacent neighborhoods. (2) Parking facilities that expressly meet the Giant's near-term and long term needs. (3) Increased density and introduction of income producing uses, such as life sciences and offices, that would enhance the potential financial contribution to the Port.</p>	sharon.polledri@comcast.net	3/17/2008

Seawall Lot 337 Public CommentsReceived Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
		<p>I am writing to support the Giants proposal for Seawall Lot 337. The amount of open space alone should be enough to grant them the win. I have read that the some were worried about the amount of retail and entertainment venues proposed? This is very needed on the southern part of town and I believe the amount of tax dollars the Port could gain from it could be very attractive. This would fix a small portion fix of the blighted piers that litter our waterfront and beautify the area with new trees, parks, views, etc. San Francisco's waterfront, although beautiful, is greatly underused. I feel like the Giants proposal could become as big of a destination as Pier 39 if not bigger considering the amount of people attending Giants games bring to the area and the much more desirable weather on that side of town. Please don't make the same mistake the city did with the Transbay Tower and choose the most bland design. Let's use this development to prove that San Francisco is once again the city that knows how. Thank you for your consideration.</p>	gfhayes@mac.com	4/5/2008
Hayes		<p>Please choose the Giants proposal for Seawall Lot 337 over the Kenwood proposal. Kenwood shuts off the rest of the bay with their 300 foot tower on the Northeast corner of the lot. That should be used for open space like the Giants have proposed. Please don't ruin this opportunity.</p>	imsellingout@gmail.com	4/5/2008

Seawall Lot 337 On-Line Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Freyer & Laureta	94401	Freyer & Laureta is a civil engineering firm that has provided extensive design and construction services for the Mission Bay Development. We believe we know more about this area than any other firm in the Bay Area and are interested in assisting the SF Port work with the development teams to come up with a plan the works for all parties. We can be reached at 650-344-9901.	laureta@freyerlaureta.com	4/7/2008
Thomas R. Kearney	94116	Comments on finalists: Giant's entertainment complex is the best part of the deal. Please keep a large entertainment complex (5,000 - 7,500 seats) as part of final package. Location is perfect based on N-Judah, Caltrain, and future central subway. Civic auditorium is awful. Cow Palace has uncertain future. We have no venue of this size between 3,000 seat opera/symphony and 38,000 seats ATT Park. SF already has plenty of retail, and we don't need a retail destination here, other than for basic services for the neighborhood. Look how many retail vacancies are at Embarcadero center. The 500 seat venue proposed by Kenwood is too small and not what's needed. We have yerba buena and lots of smaller halls already. Food complex is a bad idea. It might cannibalize ferry building and local merchants and farmers markets, especially. Giants proposal does a better job on open space and maximizing port. Artists' community not needed here. We have hunters point and lots of artists choose the Mission district. That has questionable financial viability, unless done in partnership with SFMOMA or something like that. While SF always needs more housing, we also need diversity of urban activities (such as new entertainment venues). Office space and apartments/condos make a lot of sense here given the good transit features of the site.	thomas.kearney@us.pwc.com	4/5/2008
safeway	95128	hello this is chris weitsman. i support misson rock.	chrisweitsman99@gmail.com	4/8/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Kim Ramsey	94061	<p>The entire area surrounding this lot has been developed. Since the inception of the ballpark, the team management has done everything possible to use public transportation in the mix with autos coming to the park. If this parking lot is not preserved, then I can see a scenario in the future where cars will be trolling through the city streets and taking up valuable street parking, and cramming into small private lots that were not designed for large venues like the ballpark. This would become an annoyance to all the surrounding neighbors. If you do develop this lot, it is crucial that a large parking garage be part of the project. But, even a parking garage has limitations as there is usually not a sufficient way to exit when everyone is leaving at the same time. Please consider keeping the lot, or at least the same number of spaces in the future if the lot will be developed.</p> <p>Thanks for your consideration of my thoughts, Kim Ramsey</p>	kramsey@usinternet.com	4/17/2008
Gerald Hsu/future Mission Bay resident	02446	<p>I am writing in support of the Giant's proposal. That waterfront park seems to be the most inspired element of any of the ideas presented in any of the proposals. Of the proposals considered, I think this park contributes the most to the fabric of the city. While I acknowledge that the Kenwood proposal demonstrates an enlightened understanding of what makes San Francisco and its neighborhoods unique, the focus on the arts as the anchor for seawall 337 seems unrealistic and impractical. Financially it seems risky. Culturally, it feels faddish; its like bell bottoms-- great for the 60's, silly for the 80's. It's one of those ideas that might be great on paper and in spirit, but let's face it, people want a destination they will visit habitually like a park, the mall or starbucks, rather than a museum, arts venue, or street of art galleries. The Giant's proposal strikes the balance between familiarity, comfort, and novelty.</p>		4/8/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Tom Dennedy/ Artiman Ventures	94303	Comments: I am very concerned about maintaining the careful balance between parking and public transportation that has been successfully managed since the ballpark opened in 2000. If the Port's proposed development of "Parking Lot A" does not require that significant ballpark parking resources be preserved, it could destroy this critical balance and significantly degrade the experience of ballpark patrons and the surrounding neighbors and businesses. The Port's decision not to set a reasonable parking requirement has resulted in the submission of plans that fail to meet the basic needs of the ballpark and fail to consider the needs of the surrounding neighborhood. The only plan that respects our needs and maintains this balance is the one submitted by the San Francisco Giants. We urge you to require that adequate ballpark parking be provided in all plans and that you reject any plan that does not recognize and meet this need.		4/22/2008
Flavio Ruffizzi	94111	The Build Inc. concept is by far the best. Takes advantage of the views into the site and from the site, is very good site plan with an excellent balance of open space in the right places though out the project. I has a great variety of uses and building design. They have an unbeatable team of Architect as well !!!! It's a dynamic and exciting scheme and is just what the City needs and deserves on this spectacular site. I really hope this scheme is still being considered.	r_geering@msn.com	5/5/2008 3:57:52 PM
FLAVIO RUFFIZZI	94941	As I have said before, The BUILD INC SCHEME IS THE FAR SUPERIOR SCHEME IN ALL RESPECTS!!!!	r_geering@msn.com	6/12/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Kevin Stewart	94107	<p>As a Mission Bay resident, I have a strong preference towards the Cordish, Farallon, SF Giants project over the Kenwood project, mainly b/c it's different. Aspects that really stand out to me: the waterfront park. This would become a beacon to the south mission bay neighborhood, and be a beautiful place to congregate for local neighborhood residents and enjoy the waterfront. It would also serve as a great attraction for people coming in for a game, but would also stand alone and draw people to the neighborhood just for the park, similar to Millennium Park in Chicago, and that would be good for neighborhood businesses and the overall vibrancy of North/South Mission Bay. People would come spend the day in Mission Bay similar to people going to Chrissy Fields. The renovation of the pier also stood out. I like their concept of a walkway wrapped around it, so you can get waterfront access around it and enjoy the incredible views. I also like the idea of a couple of cafes or restaurants so you can dine by the waterfront, something we don't have enough of currently. I always thought it would make a great space for a farmers market, but I like their plan for it, and think it's an important piece of the project. 3rd- As a resident, I like to entertainment part of the project. The Music Hall would be a great cultural beacon for our neighborhood, and could further the cause of South Mission Bay becoming a destination place. I also like the concept of the various restaurants and cafes, particularly the wine village. We really need something like that. 4th st. is not going to be the answer. What they have in their project would put us on par with other great neighborhoods for entertainment like the Marina or Mission or North Beach, and people would actually stay in our neighborhood at night or on the weekend instead of going to other neighborhoods. Lastly, I also like all the green aspects of their project. The Kenwood project to me does nothing to enhance the green space around the waterfront which is a terrible shame, and to be honest, it looks too much like every other residential box condo or apt. project that will be built in the South Mission Bay neighborhood in the next 10 years. We need something that can combine the green space, entertainment, and cultural components that we desperately need for our growing neighborhood, and Cordish delivers that.</p>	kevinstewart@sbcglobal.net	6/28/2008

Seawall Lot 337 Public Comments

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Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Alan Gin, AIA	94111	<p>I really like the SF Giants proposal, because it provides a grant open space full of wonderful activites that I feel is necessary for the future residential and commercial growth of the Mission Bay Development area. The proposed entertainment complex will be a big draw to this wonderful area (it could replace the old Cow Palace arena). I hope the SF Giants will relocate or keep the Jr. Giants diamond field. I also like how the high rise tower is set away from the waterfront rather smacking it right on the corner of the Lot 337 (ie. - the Boston Properties' proposal). The SF Giants' master plan proposal allows a sense of invitation into the proposed development, while also addressing the private open spaces for the future residence. Howeverm my concern is the "mega-block" housing complexes(that was prevelant in the 1960's) that may affect security issues. "Defensble Space" by architect Oscar Newman reminds us the need to incorporate the following four factors that make a defensible space:</p> <ol style="list-style-type: none"> 1. Territoriality- the idea that one's home is sacred. 2. Natural surveillance- the link between an area's physical characteristics and the residents' ability to see what is happening. 3. Image- the capacity of the physical design to impart a sense of security. 4. Milieu- other features that may affect security, such as proximity to a police substation or busy commercial area. <p>I'm glad to hear that the SF Giants have teamed up to submit their revised Urban Design Master Plan proposal.Let me know if how I can help the SF Port Division (since I work on the same floor with Engineering Division). Thank, Alan Gin, AIA Port of SF (415) 274-0589</p>	alan.gin@sfport.com	10/3/2008
Greg Ellis	94105	How's the schedule looking with all of the economic turmoil? Has development timing been pushed back?	gellis99@yahoo.com	10/12/2008

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
Edward Kim	94158	<p>What will happen to the abandoned pier on the 4th street bridge? It was formally the Carmen's restaurant. I know that a lot of a residents living in the area, myself included, would love to see a small cafe or local pub developed on that pier.</p> <p>I am highly interested in learning more about this property, and would be interested in developing and starting a business there. Would love to hear from you. My number is 951-440-1537</p>	eddie.kim@gmail.com	11/13/2008
tai schoeman (educator)	94107	I do appreciate some of the innovations that the proposals contain and the thought of green space is present but I feel that considering the density of buildings and population increase that the amount of park space seems small. If you look at the amount of real green space on this side of the city it is minimal. We need a real park not just greenways. I also object to the idea of having building that are from twenty to thirty stories tall changing the city scape from Portrero Hill. Is it really necessary to have such tall buildings in an area that is landfill? Thank you, Concerned citizen		11/17/2008
Kunal Patel	94116	Construct tall slender high rises with enough open space. build a performing arts theater in the area such as the Disney's concert hall. introduce new architects to the city new concepts. Increase the height limit increasing density is the way of the future and discourage urban sprawl. i hope you will take my opinion into some consideration.		1/23/2009
Bill Brase/Radiance Home Owners Ass'n	94158	Being immediately south of this proposed project and involved in other Mission Bay developments, I ask how you expect to override the 160 foot height limits of a long time approved plan for the Mission Bay Development area. Their are other Mission Bay design requirements that seem to be not evidenced here.	willi2web@comcast.net	2/1/2009
Steve Worthington	94117	Very thoughtful plan. Development is appropriate in scale, density and mix of uses demonstrating a clear future for San Franciscos precious waterfront. Job well done.	steveworthington@sbcglobal.net	2/10/2009
Christopher Perkins	94115	Let's build a skatepark!		3/5/2009

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-mail	Submitted Date
john prideaux	94122	Hello I'm writing this note to encourage those necessary to build a skatepark for our community at the swl 337 location We only have two parks currently in San Francisco. Skateparks are a much safer alternative to skating in the streets. Please consider this spot for this recreational sport. thank you	jp4sfallbay@yahoo.com	3/10/2009
Dennis MacKenzie / Round The Diamond - Consulting and Education / High School Teacher	94110	Please see attached	DennisMacKenzie@RoundTheDiamond.com	3/19/2009
Grace Romero, Community Mgr, Radiance Owners Assoc. Block 10A	94158	Will there be public restrooms? How will the proposed parking lot accommodate both office parking spaces and day games?	management@sfradiance.com	3/23/2009
Mike Bishop - SWAC - Hanson Aggregates	94124	I attended the workshop on March 18th and here are a few of my comments about the project; Kayaking access at the park is unrealistic. To launch from the park, the nearest parking is several blocks away and in a multistory lot. I can not imagine someone carrying their kayak through a multistory parking lot and then a few blocks to launch. Removing the dock in winter I believe is also unrealistic. I would like to see a more realistic to incorporation of Pier 50 into your presentations. As the pier is only a few hundred feet away from the project and could potentially have a large impact on the development in Pier 48 and the entry access to the whole project. I think it is import to illustrate how this project will facilitate and NOT impact the businesses at Pier 50 more clearly. Illustrate truck routes through the project, turning radius for trucks and potential oversize loads, hazardous cargo e.g. fireworks. What is the loading plan for the Military Ships? How is parking for the Ball Park being managed? Building heights illustrated show 30+ story buildings but you are claiming this is just conceptual. Buildings of this height are a aesthetic concern.	mike.bishop@hanson.biz	3/24/2009

Seawall Lot 337 Public Comments

Received Via www.sfport.com/swl337 (as of May 1, 2009)

Name	Organization / Zip Code	Comment	E-Mail	Submitted Date
Philip Chang	94158	<p>Please keep Terry Francois as a grand blvd. Current scheme has reduce street width which I take exception to. Rendering shows buildable lot line on Terry Francois projecting beyond parcel 9's eastern edge. This effective narrows the vista from China Basin St and from my window. Furthermore, it reduces Terry Francois a potential as a closed entertaining space like Sunday Streets, special events and staging. A wider, 4 line drive plus 2 lane parking plus 2 lane biking plus generous sidewalks should be maintained which plays homage and gives memory to the Embarcadero. If Terry Francois was kept wide, it would be a fabulous counterpoint to 3rd street which is starting to look canyon-like. Would not a wider street help disburse the wind? We can get some strong west winds. Which reminds me a wind study should be done eventually.</p>		3/30/2009
Golden Gate Audubon Society	94702	<p>Hi These comments are a follow up to the comments that I made at the Public Workshop on March 18, 2009 to provide additional information and resources. The public transportation access at this site is terrific.</p> <p>The Sustainability section which describes the use of solar, green roofs and good building design including LEED certification are important. In addition to this, we recommend that the architects also include bird friendly building design since this site is on San Francisco Bay which is an important part of the Pacific Flyway -a major migration path for birds. The tallest buildings appear to be what is referred to as a glass curtain so this is a potential concern for bird/building collisions. The Birds and Buildings Forum includes information from Chicago, New York Audubon and Toronto on bird friendly design at http://www.birdsandbuildings.org/info.html</p> <p>The 1.2 acres of sidewalks identified as open space is a sad statement. Also the 5 acre park listed partially exists today. More open space providing habitat for native species of plants, butterflies, and birds would encourage people to enjoy the open space. This site along the San Francisco Bay is important for waterbirds and for marine life. The wetland aspect of the plan is encouraged. Artistic informational signage and places for viewing the native habitat and species would be an important draw for residents, employees at the site, and visitors including children. Thank you for considering these comments.</p>	nweeden@goldengateaudubon.org	03/31/2009

Submitted on: 3/19/2009 10:48:23 PM

Name: Dennis MacKenzie / Round The Diamond - Consulting and Education / High School Teacher

Zip: 94110

Comments: March 19, 2009

To: members of the SWL 337 Advisory Panel:

Thank you for your Public Workshop presentation on March 18, 2009. I gave a brief comment regarding my proposal to create a public-private collaboration in order to build a Basketball Education and Career Pathway Arena within the Seawall Lot 337 development project. I respectfully ask you to review my enclosed proposal, and consider the long-term implications and mutual benefits for all parties concerned. As you deliberate the comprehensive needs of our entire San Francisco community, I wish you the best in your work, and look forward to working with the Port of San Francisco, the project development team, San Francisco Unified School District and San Francisco citizens and officials. Thank you once again for your time, consideration and support,

Sincerely,
Dennis MacKenzie

February 9, 2009
San Francisco Port Commission:
Honorable Rodney A. Fong, President
Honorable Stephanie Shakofsky, Vice President
Honorable Kimberly Brandon, Member
Honorable Michael Hardeman, Member
Honorable Ann Lazarus, Member
C/o Ms. Amy Quesada, Commission Secretary &
Executive Assistant to the Port Director
Ms. Monique Moyer, Executive Director
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Re: San Francisco Port Commission Meeting - February 10, 2009 Agenda Item - 9B: Seawall Lot 337

Self-Supporting Facility / Basketball Education & Career Pathway Arena
Sports Management & Facility Operations Pathway
Government & Public Service Career Pathways
Proposal to Initiate a Public-Private Collaborative / Non-Profit Foundation: "Education, Sports & Recreation Fund"
Dear President Fong, Commissioners, and Executive Director Moyer,

I respectfully ask the Port Commission to take into consideration the need for a long-term, comprehensive vision of how to meet the Port's goals for creating the "best and highest use" development of the 7½ miles of the Port's property. I request that the Port Commission initiate a collaborative, public-private Non-Profit Foundation in order to assist in developing an Education, Sports & Recreation Fund that can be financially supported by all current and future private developers of all the Port of San Francisco piers, property and seawalls.

Through a public-private collaboration initiated and supported by our local, state and federal Agencies, local Non-Profit Foundations, the San Francisco Chamber of Commerce, the San Francisco Giants, San Francisco 49ers, and the San Francisco Unified School District, I believe the Port of San Francisco can facilitate a comprehensive effort supported by all Port property investors and benefactors, in order to successfully meet the widest range of community, public, and private sector benefits.

I request that the Port Commission and the Port of San Francisco work with all public and private sector officials and developers, in order to provide the visionary leadership necessary to develop a partnership in support of my proposal to include within the original design and construction of the Seawall Lot 337, a Self-Supporting "Basketball Education & Career Pathway Arena" for the benefit of all our San Francisco Unified School District high school students. A Basketball Facility can create a practical, influential and inspiring education reform program, integrating career guidance, job training and internships through a Sports Management facility in collaboration with the San Francisco Unified School District.

I trust that this Basketball Arena can provide a national pilot project/model Facility, identical to my Round The Diamond-Ballpark Classroom proposal that I submitted to the current Giants ownership group, this Port Commission and local public officials in 1992. (My original proposal was provided to Mr. Bob Lurie, former owner of the San Francisco Giants, and Mayor Feinstein and the Board of Supervisors in 1985, entitled "A Healing Arts Orientation to the Ballgame Design and Facilities / A Self-Supporting Structure".)

During the Ballpark entitlement process between 1997-2000, I spoke to this Port Commission and the San Francisco Board of Supervisors, about the numerous community benefits that sports provides, including the reality that sports is "not just entertainment, and not just big business, but sports is also inherently an educational methodology". For example, professional athletes learn every day from continual practice, how to improve their individual and unique skills, while at the same time evolving the teamwork that is an essential element of any successful team on the field - as well as demonstrating the same positive qualities necessary to develop well-rounded, and successful personal and professional life's off the sports field or ballcourt.

This Educational Basketball / Sports Facility can initiate the creation of a model collaboration capable of offering real-life, school-to-career programs for San Francisco students throughout the school year, after school, and all year-round. This model Facility can be utilized to generate rental income opportunities from the Basketball Arena itself (Self-Supporting), while teaching and training students of the day-to-day business responsibilities necessary to succeed; while introducing them to numerous professional public and private sector careers at the same time, including: Sports facilities operations and management, related businesses and professions, labor union leadership, skilled trades, job training and work-study programs - all educational elements that can offer our high school students practical and real-world incentives and experiences.

Also, I am respectfully re-introducing my "Giants Ballpark Classroom" proposal to the Port of San Francisco, the San Francisco Giants and the City and County of San Francisco, in order to create innovative and practical, real-world field-study programs for our San Francisco Unified School Districts' high school students. This Sports and Public Service Pathway program can include the Giants Ballpark, as well as integrating several of our San Francisco public Golf Courses as a sports and environmental education component - capable of providing effective programs for the benefit of our high school and college age students, all year round.

By utilizing a self-supporting Basketball Arena, several of our San Francisco public golf courses, and our professional major league baseball team's San Francisco Giants ballpark, we can initiate a Sports Management Career Pathway for the comprehensive benefit of all our students and youth. Other interrelated institutions and programs can become partners; for example, San Francisco State University (SFSU) is currently working with former mayor Willie L. Brown, Jr., initiating a college level public-service studies program. The University of San Francisco (USF) has a Sports Management program, and the University of California at San Francisco (UCSF) has education and sports medicine programs, and has worked with SFUSD for many years in providing athletic trainers at ballgames for San Francisco high school sports teams.

When I spoke at the City and School District Select Committee at the Board of Supervisors in February of last year (2008), I mentioned the statement made by Madam Speaker Nancy Pelosi regarding the Federal Government's initial purpose of creating 'Ear Marks'. Congresswoman Pelosi said in an interview during the debates concerning the hundreds of millions of dollars that are added to the Federal budget 'ear marked' by individual Senators and House Representative members, that the original intent of 'ear marks' was to create "national model programs", comprehensive and valuable enough to be emulated around the country for the benefit of all American citizens. During public comment at that time, I also mentioned an article regarding a New Jersey public school district survey concerned with what programs to develop, that

described how the most popular of six career pathway's selected was 'sports management' - the first choice for 61% of the students. I believe working together, an innovative partnership can be initiated capable of creating model education and career development programs and facilities - worthy of state and federal support, and national emulation.

I respectfully ask all local, state and federal officials to work together in order to gain the financial support necessary to develop this Seawall Lot 337 - and all other Port of San Francisco, State of California public trust property - for the 'best and highest use' of all the people of the City and County of San Francisco and the State of California; and at the same time, cooperatively create a long-term, visionary model for the benefit of all our public and private sectors; including our public schools and all our nation's students and children - for future generations to come.

Once again, thank you President Fong, Commissioners, and Director Moyer for your time, consideration, and support. I look forward to hearing from you at your earliest convenience, and working with all parties concerned in the most beneficial capacity possible.

Sincerely,
Dennis G. MacKenzie

CC: Seawall Lot 337 - Proposed Developers: San Francisco Giants, Wilson Meany Sullivan, Kenwood Investments, The Cordish Company, Stockbridge Capital, Farallon Capital Management, LLC

Honorable Gavin Newsom, Mayor; City and County of San Francisco
Honorable David Chiu, President, and Members, San Francisco Board of Supervisors;
C/o Ms. Angela Calvillo, Clerk of the Board
Mr. Carlos Garcia, Superintendent; San Francisco Unified School District
Ms. Kim-Shree Maufus, President; San Francisco Board of Education;
C/o Ms. Esther V. Casco, Executive Assistant to the Board of Education
Mr. Dennis Kelly, President; United Educators of San Francisco
Mr. Don Collins, Commissioner of Athletics; CIF-San Francisco Section / SFUSD
Ms. Susan C. Saunders, Assistant Principal; George Washington High School, SFUSD
Mr. Val Cubales, Athletic Director / P.E. Teacher / Basketball & Volleyball Coach;
Balboa High School, SFUSD
Mr. Michael Rosenberg, Teacher / Social Science, In.Tech, Law; Balboa High School
Mr. Mark Fanderl, Athletic Director / Sociology, Government Teacher; Wallenberg HS
Mr. Pat Mulligan, P.E. Teacher / Basketball Coach; Wallenberg High School, SFUSD
Mr. Ethan Winterling, Athletic Director / P.E. Teacher; Galileo Academy of Science & Technology

February 22, 2009

Dear SFUSD Teachers, Administrators, Board of Education Commissioners, Superintendent Garcia, San Francisco Board of Supervisors and Mayor Newsom,

Please review my enclosed, updated proposal to the San Francisco Port Commission and share your support to build a "Basketball Education & Career Pathway Arena" within the development of Seawall Lot 337, near the Giants Ballpark and Mission Bay.

At the Port Commission meeting on Tuesday, February 10, 2009, the six-member development team of investors requested support from the Port Commission to allow them to build a mixed-use, public-private project, while at the same time, Port of San Francisco staff is in the process of exploring potential community benefits based on State of California, Port of San Francisco, and City and County of San Francisco public trust land requirements and recommendations. The developers will also be making another informational presentation and receive community input at a Public Workshop on March 18, 2009, from 5:00-8:00pm at the Prologis Exhibit Hall in the Mission Bay neighborhood.

The attached copy of the Port of San Francisco's 'Information on China Basin Seawall Lot 337', provides a link to the Port's website ([www.sfgov.org / city agencies / Port of San Francisco / Public Community Meetings / China Basin Seawall Lot 337](http://www.sfgov.org/city_agencies/Port_of_San_Francisco/Public_Community_Meetings/China_Basin_Seawall_Lot_337)), where the public can email suggestions and support for my proposal to construct a Self-Supporting education and career development Field Study-Basketball Arena. This facility will be capable of being utilized by all our San Francisco public high school students and community, and will allow students to learn through practical, real-world business experience, including renting this pilot-project facility for basketball, volleyball and other indoor sports tournaments, as well as musical and performing arts community events.

Our numerous San Francisco high schools will be able to include this Basketball Education Arena as a valuable resource for teachers and students involved in a variety of Pathways and Academies, already located within San Francisco Unified School District schools. The classrooms built above the ball court and behind the bleachers will provide a bird's eye view, and offer incentives and opportunities for junior and senior high school students to gain relevant experience and training in a variety of occupational professions such as: Video-taping/editing ballgames and events, public-address announcing and radio play-by-play, journalism and photography; as well as developing the knowledge and training necessary to become a recreational or professional coach, referee, or scorekeeper.

Through first-hand knowledge of the high school and college curriculum and requirements necessary to learn how to operate a Basketball Arena, this facility will also be capable of developing potential careers available in sports management, physical training and sports medicine, sports and social psychology and numerous other interrelated professions and businesses in effective, efficient and innovative ways.

This public-private collaboration will create a public-transit oriented, centrally located Basketball Arena for the 'best and highest use' possible, with maximum economic efficiency and equal access for our high school and college age students through the inclusion of classrooms surrounding the ball court itself. This design will also minimize the land use 'foot print' necessary to build this model, career development facility. This collaborative public-private partnership will benefit our San Francisco Unified School District, local businesses and our community, and provide positive, year-round resources to assist in developing valuable leadership skills, entry level jobs and work-study programs - including training for skilled trades and professional careers that will improve the lives of our youth and students - for generations to come.

Please share your ideas and thoughts with the Port Commission and Port of San Francisco, the San Francisco Board of Supervisors and Mayor Newsom, in order to enhance and expand the resources, options and opportunities for the mutual success and benefit of our public and private sectors - including all our nation's kids. Thank you for your time, consideration and support.

Sincerely,
Dennis MacKenzie

Email: DennisMacKenzie@RoundTheDiamond.com

EXHIBIT K

Financial Capacity Summary

PORT OF SAN FRANCISCO

MEMORANDUM

To: Phillip Williamson
Jonathan Stern

cc: Tina Olson

From: Lawrence Brown, Financial Analyst

Date: 1 May 2009

Re: Updated Financial Review of the Respondent to the SWL 337 RFP

Pursuant to your request, I have updated my financial review of the Cordish and Wilson Meany Sullivan (WMS) respondent teams that I prepared on March 18, 2008 in light of the following significant developments: i) the significant contraction in the US and world economies that has occurred within the past seven months, ii) the withdrawal of Boston Properties from the WM team, and iii) the merger of the remaining members of the WMS team and the Cordish team into a single development team.

The principal capital providers for the new team are Stockbridge Capital and Farallon Capital Management, each contributing 45% of the team's capital needs. Also contributing capital to the development team are Cordish, and WMS, each contributing 2.5% of the team's capital needs

In March of 2008, when I completed the first financial review of the Seawall Lot (SWL) 337 respondents, I determined that the respondents all envisioned a project that would cost approximately \$1 billion when fully completed. A project of this size would necessitate, in my opinion, an equity contribution of at least \$300M-\$400M, with the balance of the funding coming from debt financing. Thus, I analyzed the financial ability of the respondents to provide approximately \$300M-\$400M in equity financing toward the development of this project, and their ability to obtain debt financing for the remainder. I also noted in that financial review that the entire equity and debt financing would probably not be needed at the start of the project, as it would take several years for the improvements to be completely built-out.

Since March 2008, the proposed structure of development of the SWL has changed significantly. The newly formed development team, SWL 337 Associates LLC, has now submitted a development proposal for the site, whereby they would undertake the infrastructure development of the site, and then sell development rights to "entitled" development parcels within the site to other developers who, in turn, would construct the actual development. In their proposal, SWL 337 Associates has indicated that infrastructure development and financing costs will total approximately \$217 million. They expect to provide up to \$39 million in capital.

In spite of the development team's intentions, due to the uncertainty of the bond and tax increment financing at this early stage of development, it is more prudent to assume that the development team will need to provide all of the \$216.6 million in financing needed to complete the infrastructure improvements. Further, given that it is unknown at this stage whether or not SWL 337 Associates will be able to sell the development rights to the parcels that they entitle; it is more prudent to assume that SWL 337 Associates will have to complete the entire development of SWL 337 for purposes of determining the development team's financial capacity. Therefore, I analyzed the financial ability of SWL 337 Associates, LLC to provide approximately \$300M-\$400M in equity financing toward the development of this project, and their ability to obtain debt financing for the remainder.

Financial Capacity

The current economic downturn has had a significant negative impact on the development team's financial capacity, as determined by the combined shareholder's equity of the members of SWL 337 Associates, LLC. Nevertheless, the development entity still has considerable resources; and, in my opinion, should have no difficulty in providing the necessary capital needed for the project, and in obtaining debt financing for the remainder. In the worst case, should no debt financing be available, the team has sufficient resources to fully finance the development.

Total combined shareholder's equity of the development team as of 12/31/08 was in the mid ten figures. Securities consisting of common stock, government and corporate bonds, and cash and cash equivalents were in the low-mid ten figures. The investment portfolio was will diversified in terms of type of securities, industry, and geography. Of particular note was the fact that holdings of US Treasury securities were in the mid nine to low ten figures.

In addition to the above, one of the team's members, will be using a relatively new investment fund to provide funding for its portion of the project's equity financing. This fund, whose investors are all very large pension funds, has total commitments in the low ten figures. The fund also has at its disposal a credit line in the mid nine figures to finance its operations until the investors fund their commitments. This credit facility is secured by the investor's commitments. In spite of the economic downturn, none of the pension funds has withdrawn their funding commitment. Given the nature of the investors, and the fact that these investments represent a relatively small percentage of their total pension assets, I am confident that the funding commitments will be met.

Overall, the members who make up SWL 337 Associates, LLC have more than enough financial resources and funding commitments from investors to finance the SWL 337 development.