



Waterfront Plan Land Use Subcommittee

Port Seawall Lots

June 7, 2017

PORT OF SAN FRANCISCO

Bryan Allo Photography

The image is an aerial photograph of San Francisco, California, showing the city's dense urban landscape and the waterfront. The foreground features several long, rectangular piers extending into the water, with a marina filled with numerous sailboats to the right. The city skyline, including the Transamerica Pyramid, is visible in the background. The image is overlaid with an orange banner at the top containing the text 'Waterfront Plan Land Use Subcommittee' and 'Port Seawall Lots'. A date 'June 7, 2017' is displayed in the bottom left corner. The Port of San Francisco logo is in the top right, and 'Bryan Allo Photography' is in the bottom right.

Discussion of Seawall Lots

- 1** Brief history on North of China Basin seawall lots
- 2** Waterfront Plan Use policies and current projects
- 3** Discuss remaining undeveloped seawall lots
- 4** Relationship with Part 3 of Waterfront Plan process
- 5** Comments and Conclusions



- Port Seawall Lots (SWL) originally served as backlands for cargo shipping, warehousing, cruise ships and ferry operations in the piers and bulkhead buildings, or as railyard facilities to serve the Beltline Railroad along The Embarcadero.



- From the 1960's and 70's, City economic shifts led to conversion of upland privately owned industrial warehouses to office and commercial uses at the foot of Telegraph Hill and in the Golden Gateway Redevelopment Plan area that created the downtown Embarcadero Center.



- Some Port-owned SWLs followed suit; SWL 315-317 at Bay and Embarcadero were developed into an office and restaurant complex, Waterfront Plaza, currently leased to Jamestown Partners.

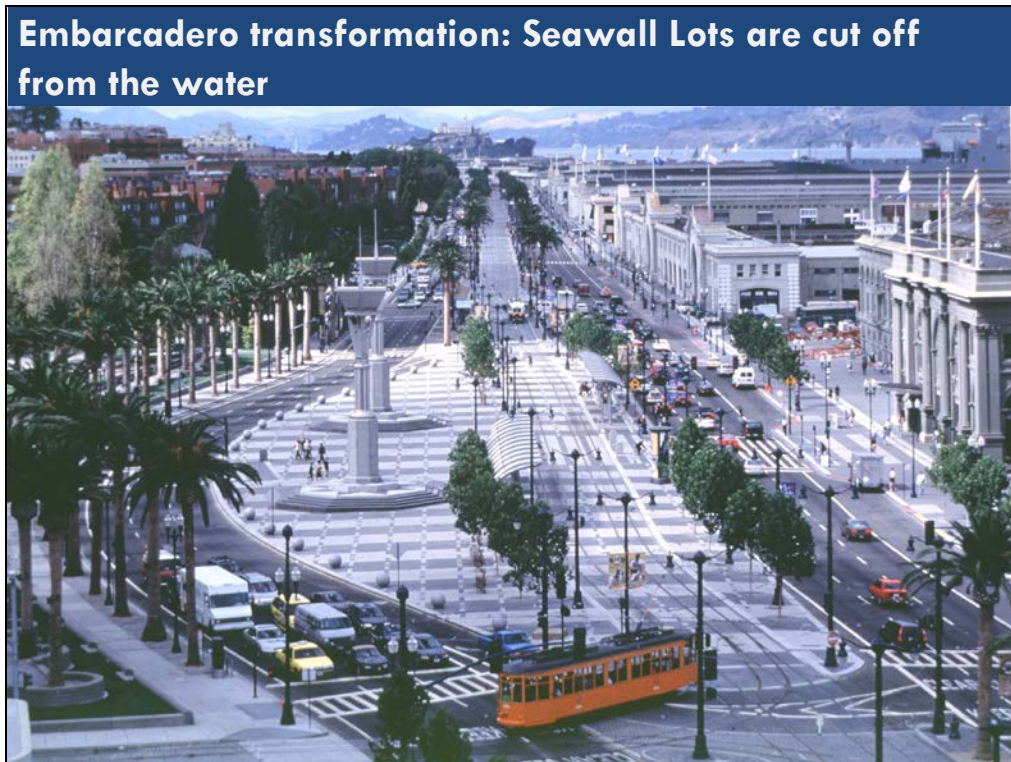


- The Rincon Point-South Beach Redevelopment Plan led to transformation of maritime industrial lands south of the Bay Bridge to a mixed use residential-commercial neighborhood.



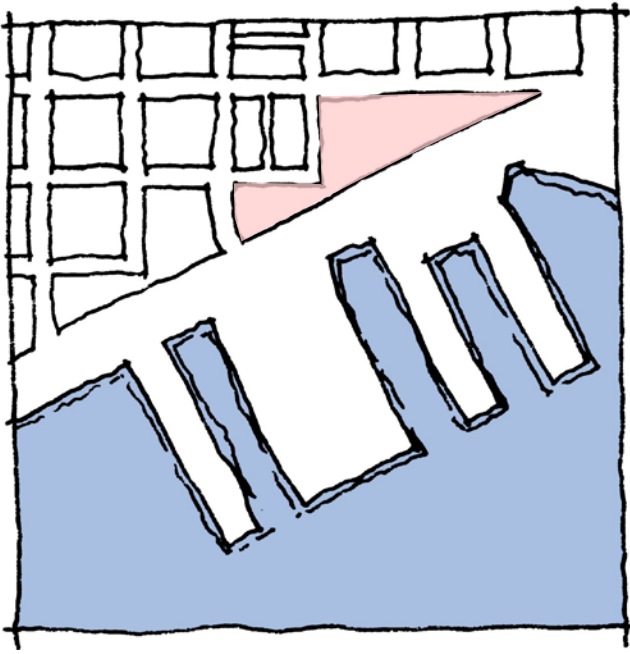
- Rincon Point-South Beach Plan policies promoted development of Port SWLs for the Delancey Street residential and work training program, and Steamboat Point family affordable housing apartments. Both projects required approval of State Legislation to permit these sites to be developed for housing, a non-trust consistent use.

Slide 8



City transportation planning efforts in the 1990's after the 1989 Loma Prieta earthquake transformed The Embarcadero, which cut the remaining Port SWLs off from the water.

Waterfront Plan Policies



Seawall Lots
Neighborhood Character
New Development will Enhance the Adjacent City Neighborhood

Piers
Waterfront Character
New Development will Reflect its Location at the Water

The Port's approval of the Waterfront Land Use Plan in 1997 included urban design policies which recognized that the upland neighborhoods and City districts set the context for the urban mix of land uses allowed by the Plan for the remaining SWLs.

Improvements to the piers, on the other hand, are to maintain a waterfront character. The Waterfront Plan policies promote a transition from the SWLs to The Embarcadero, to the piers, to the water to achieve the Plan's overarching vision to *Reunite San Francisco with its Waterfront*.

Waterfront Plan Policies for Seawall Lots

SWL Acceptable Uses reflect surrounding neighborhood mix of uses

**Housing, Office, Retail, Parking Acceptable Uses on most SWLs;
Assembly & Entertainment, Artist, Recreational and Open Space on
some sites**

**Provide transition and connections between the City and pier
waterfront**

**Mix of uses on piers and seawall lots that together complement
neighboring development and serve needs of diverse interest
groups**

**Architectural and urban design on west side that frames
Embarcadero Historic District on the east side**

SWL land uses on the west side of The Embarcadero reflect the upland City mix of uses, and the east side a mix of maritime, open space and public-oriented activities. The Waterfront Plan design policies also recognize that the architectural design of improvements must contribute to an overall urban design character that appropriately frames both sides of urban boulevard created along The Embarcadero.

SB 815 – SWLs determined surplus to Trust

Seawall lots are cut off from the water, surplus to trust uses

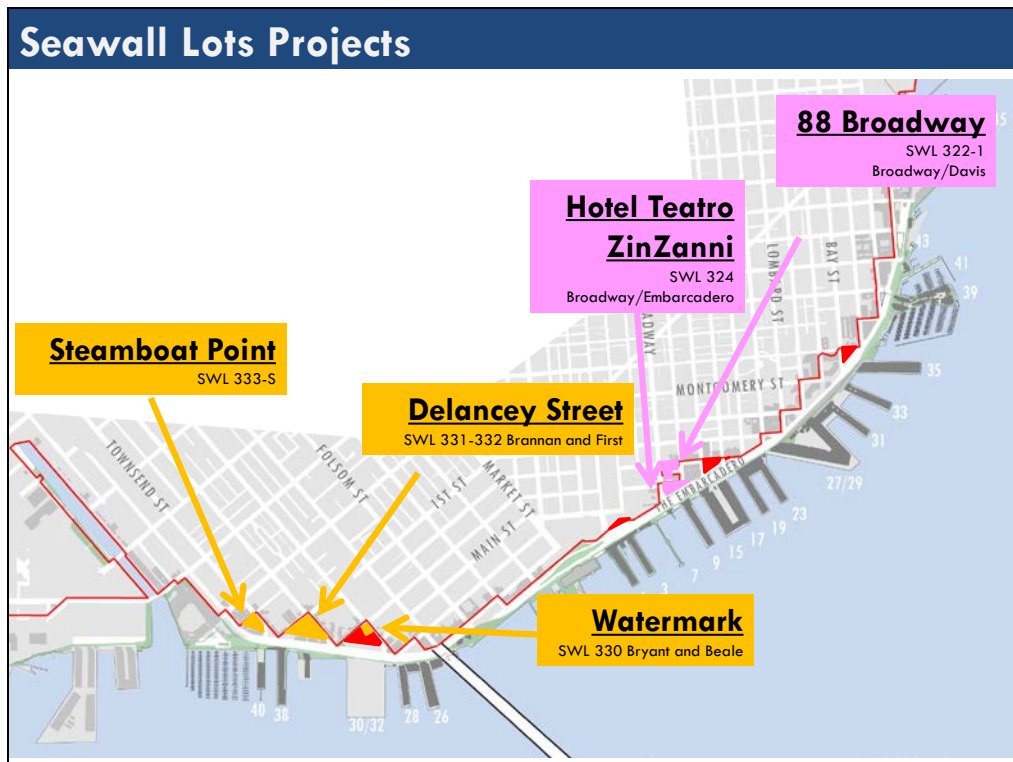
Seawall lots are last sites of former industrial lands converted to city neighborhoods

SB815 lifted trust use restrictions, allows non-trust uses which must generate fair market value for Harbor Fund

Revenues are to be expended on maritime, historic rehabilitation, and waterfront public open spaces recognized in BCDC plans

Originally proposed for all Embarcadero SWLs; final authorization applied to South of Market Street SWLs

- In 2007, the State Legislature approved SB815, which allowed non-trust uses to be developed on Port SWLs south of Market Street, because they were cut off from the water and were surplus to maritime needs.
- The revenue generated from these SWLs, which remain in the Burton Act trust, is required to be used to fund historic preservation of piers and waterfront historic structures, and public open space recognized in BCDC plans.
- SB815 originally was proposed to also apply to Port SWLs north of Market Street, but those sites ultimately were dropped from the legislation due to local opposition.



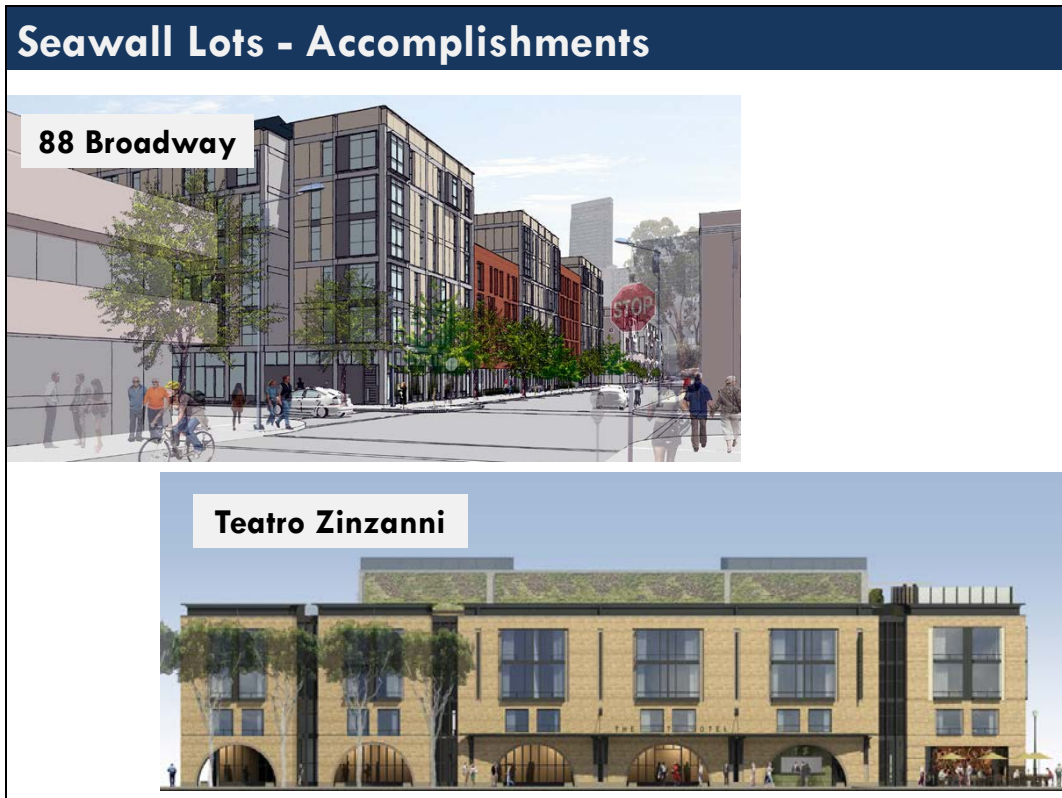
- The orange labeled sites are SWL developments that have been completed. The 88 Broadway affordable housing and Hotel Teatro ZinZanni projects are in the pipeline, proposed for SWL 322-I and SWLs 323-324, respectively.

Seawall Lot Development The Watermark



- **One-half acre site**
- **Sold to allow condo development**
- **Revenues for James R. Herman Cruise Terminal & Brannan Street Wharf**

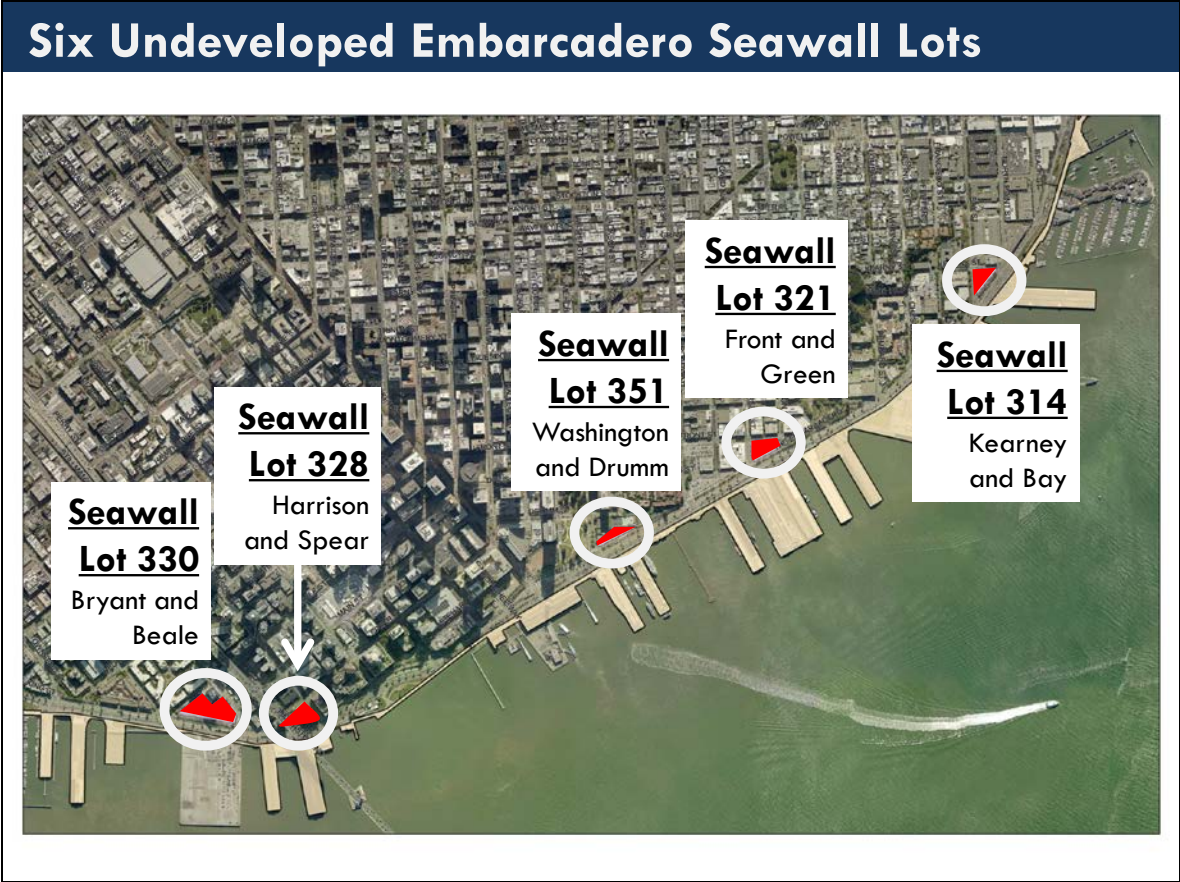
- The Watermark Condominium project at SWL 330 was approved as part of the Bryant Street Pier Mixed Use Cruise Terminal Project at Piers 30-32 and Brannan Street Wharf. It was envisioned that the condominiums would raise sufficient revenues to finance the pier improvements, which unfortunately was not realized.
- The development generated revenues which later helped finance construction the James R. Herman Cruise Terminal at Pier 27, and Brannan Street Wharf park.



While SB815 did not include SWLs north of Market Street, the Port secured separate State legislation to enable the Port to avail SWL 322-1 to the Mayor's Office of Housing (MOH) for development of affordable housing in the 88 Broadway project sponsored by Bridge Housing. Consistent with requirements under the legislation, the Port will receive fair market value of the site to be paid by future affordable housing fees collected by MOH.

The Hotel Teatro Zinzanni project at SWL 3232-324 is a trust consistent use.

Both project sites are located in the Northeast Waterfront Historic District, a City-designated historic district that requires architectural review of the new construction, to ensure project designs are compatible with the historic character and setting within the district.

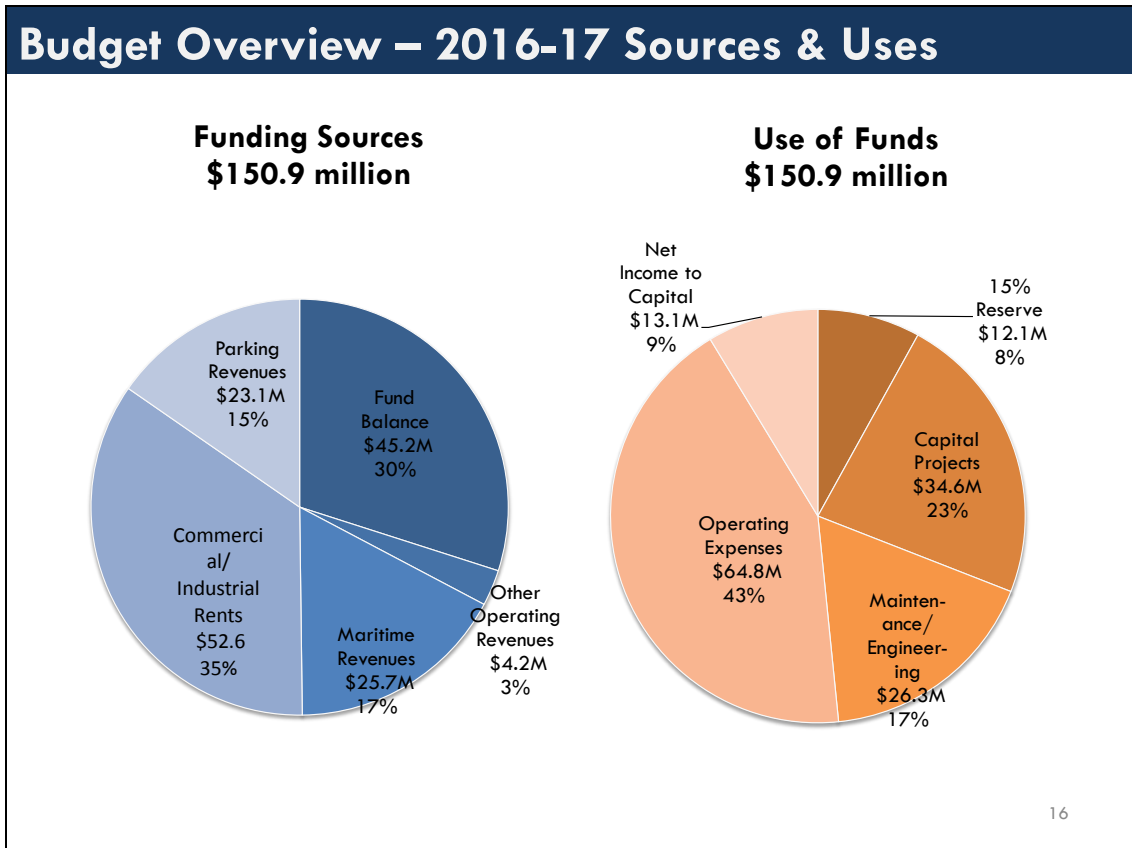


There are five remaining undeveloped SWLs which currently are surface parking lots.

Plan Update: Four Seawall Lots (Parking lots)		
Seawall Lot	Size	Annual Parking Revenue
314	31,115 SF	\$846,800
321 (Exploratorium, 2026)	53,199 SF	\$583,600
351 (Ferry Building)	27,938 SF	\$376,000
328 (Gap Inc, 2024)	26,793 SF	\$284,000
330	101,471 SF	\$707,000

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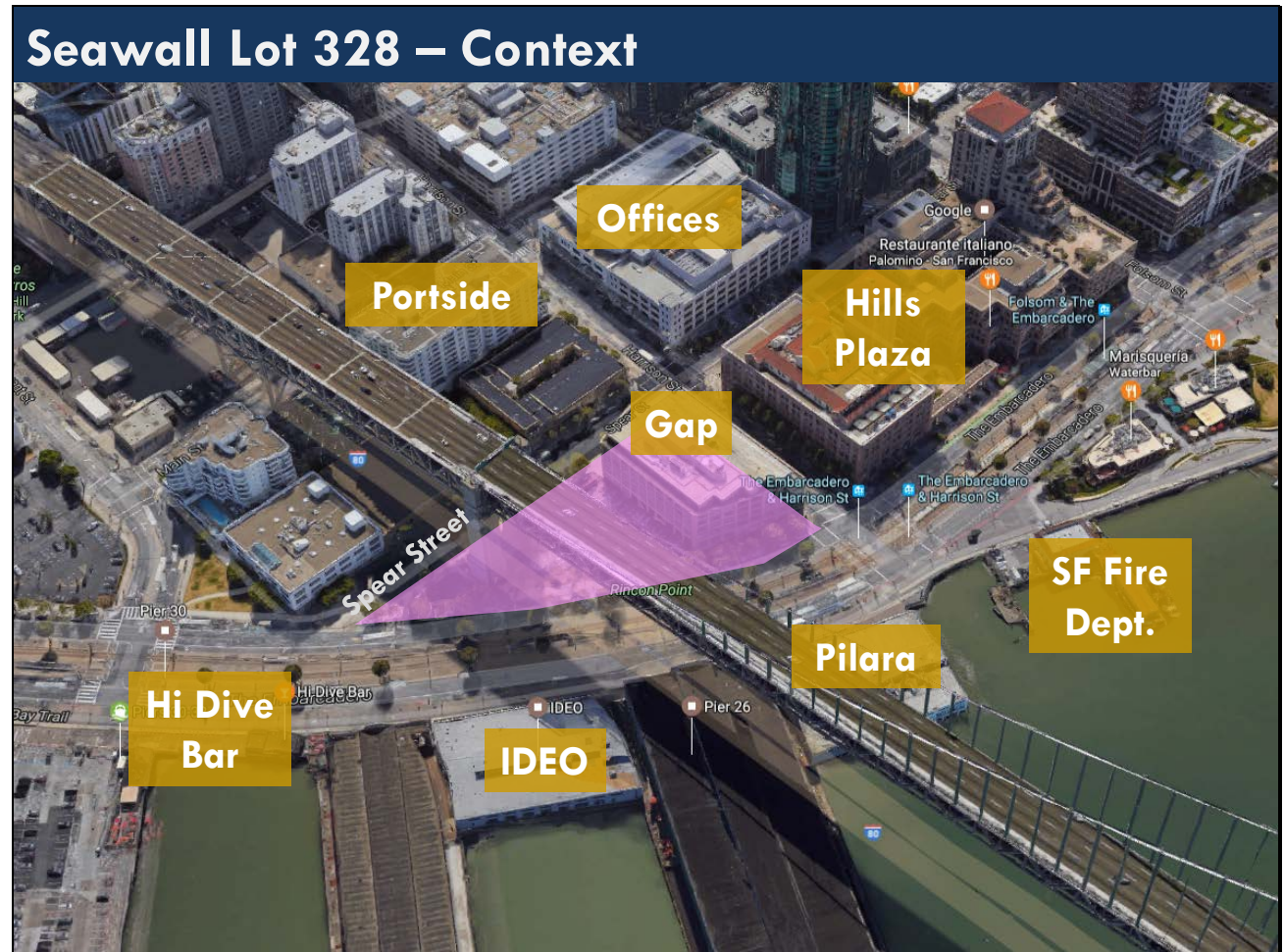
The Port receives substantial revenues from these SWL parking lots. Three of them are in term agreements to provide parking to Exploratorium (SWL 321) and Gap (SWL 328). SWL 351 is leased to EOP, which runs the Ferry Building. SWL 351 parking is important to the business success of the food businesses in the Ferry Building Marketplace, where many chefs and restaurants buy in volume.



Parking leases are a significant source (15%) of Port annual revenues, which provide funds for capital repairs and improvements of Port piers, parks and other facilities.

Seawall Lot 330 - Context









SWL 321 parking lot is under an agreement with the Exploratorium to meet parking needs of visitors to the museum

- Approximately 200 parking space for non-exclusive by Exploratorium visitors
- The agreement ends on December 2026; after 2026, Port and Exploratorium shall work together to secure another non-exclusive parking resource for the Museum (per terms of the Agreement)
- Port revenue is from percentage rent only @ \$584,000 per year



- SWL 314 is a parking resource for many Port/Waterfront restaurants and businesses that attract locals and visitors
- Parking operator pays minimum and percentage rent @ \$847,000 per year
- Parking resource for cruise ship calls at Pier 35
- This site is a candidate development site (because it is not subject to a commitment/term parking agreement)



SWL 328 is under Port lease to Gap, Inc for parking until 2024
\$284,000 per year – flat rate (CPI increase, every 3 yr

Considerations for Waterfront Plan Policy Discussions

- **Should Waterfront Plan continue to encourage SWL uses that reflect surrounding neighborhood?**
- **SWL development can generate revenue and IFD proceeds for Port capital improvements**
- **Ideas that should be considered to improve SWL integration with upland areas? With east side of Embarcadero?**
- **Should trust use restriction be lifted for north of Market St. SWLs?**
- **Note that Part 3 allows for more specific focus on South Beach and Northeast Waterfront areas, including SWLs for site-specific ideas and discussions.**

