

## **PORT OF SAN FRANCISCO**

### **POLICY FOR SOUTHERN WATERFRONT COMMUNITY BENEFITS AND BEAUTIFICATION**

**NOVEMBER 2007**

The Port of San Francisco (“Port”) is a public enterprise dedicated to recreational and maritime use, transportation, public access and commercial and industrial activities on a self-supporting basis through appropriate management, use and development of the waterfront for the benefit of the People of California.

#### **GENERAL PORTWIDE POLICY**

It is the general policy of the Port to foster and encourage public use, enjoyment and enlivenment along the San Francisco waterfront. In addition to Port initiatives and operations, public use and enjoyment activities are augmented through maritime and commercial rental activities, private investment and development of Port properties. It is also the general policy of the Port to integrate such uses into our waterfront surroundings and neighborhood community.

#### **OVERVIEW AND CONTENT**

This Policy for Southern Waterfront Community Benefits and Beautification Projects (this “Policy”) concerns the Port’s real property located from Mariposa Street in the north to India Basin in the south as illustrated on the attached map. The Southern Waterfront is home to the Port’s industrial maritime operations and a mixture of other users. It is also home to the Pier 66 public access area, Warm Water Cove, Islais Creek, Heron’s Head Park, India Basin and, eventually, the Blue Greenway. This Policy is intended to ensure that industrial, maritime and commercial uses on Port property are contributors to, rather than detractors from, these assets, our neighbors, community and shoreline.

The Port is committed to maximum utilization of the existing maritime terminal facilities and to attracting visitors to the shoreline. The Southern Waterfront presents a tremendous opportunity to generate beneficial economic and quality of life impacts to the southeast part of the City. To that end, the Port is amenable to inclusion of non-maritime land uses which are compatible with the area. Thus, the Port requires that the following *minimum* measures, benefits and rental surcharge be included in the terms of any new, amended or extended leases, licenses, permits, operating agreements or memorandums of understanding (together, “Leases”).

#### **COMMUNITY BENEFITS AND BEAUTIFICATION MEASURES**

The Port seeks the following beautification measures and community benefits from its Southern Waterfront tenants in consideration for the use of its facilities or properties in the Southern Waterfront:

1. Beautification, greening and maintenance of any outer edges of and entrances to the site or premises under the Lease;
2. Creation and implementation of a Community Outreach and Good Neighbor Policy to guide Lessee's interaction with the Port, its neighbors, visitors and users;
3. Use, as needed, or support of job training and placement organizations serving southeast San Francisco;
4. Commitment to engage in operational practices that are sensitive to the environment and the neighboring community by reducing engine emissions consistent with the City's Clean Air Program, and use of machines at the site that are low-emission diesel equipment and utilize biodiesel or other reduced particulate emission fuels;
5. Commitment to use low impact design and other "green" strategies when installing or replacing stormwater infrastructure;
6. Employment of a large percentage of the managers and staff at the site who live in the local neighborhood or community;
7. Use, as needed, of Local Truckers; for purposes of this Policy, "Local Truckers" means those truckers that are certified by the San Francisco Human Rights Commission as a "Local Business Enterprise" pursuant to the City's Local Business Enterprise and Non-Discrimination Ordinance; and
8. Use, as needed, of Local Businesses; for purposes of this Policy, "Local Businesses" means those businesses that are located within the Potrero Hill and Bayview Hunters Point Neighborhoods. Local businesses may include, but are not be limited to contractors, printers and service providers

#### **CREATION OF SOUTHERN WATERFRONT COMMUNITY BENEFIT AND BEAUTIFICATION FUND**

Pursuant to this Policy, the Port will set aside a portion of the monthly rents collected from Leases issued on or after the Effective Date for the lease or use of Port property in the Southern Waterfront. The amount of such set aside shall be adopted by the Port Commission annually as part of its review and approval of the annual Rental Rate Schedule beginning with approval of the 2008-09 Rental Rate Schedule. In accordance with the outstanding 2007-08 Rental Rate Schedule, the Port will set aside the following amounts from its monthly rental collections:

2007-08 MINIMUM MONTHLY RENTAL RATE SCHEDULE<sup>1</sup>

<u>TYPE OF USE &amp; LEASE</u>	<u>CLASS &amp; LOCATION OF FACILITY/SPACE</u>	<u>APPROVED MONTHLY RATE</u>	<u>SET ASIDE BENEFIT FUND</u>
<b>FULL SERVICE GROSS LEASES</b>			
	696 Amador	\$1.75 – 1.80	\$0.09
<b>NET LEASES</b>			
	Pier 70 Bldg 11	\$0.95 – 1.25	\$0.05
	501 Cesar Chavez	\$1.60 – 1.80	\$0.08
	Pier 96 Admin. Bldg.	\$1.25 – 1.50	\$0.06
	Pier 96 Gate House	\$1.25 – 1.50	\$0.06
<b>OFFICE STORAGE</b>			
	Southern Waterfront	\$0.90 – 0.90	\$0.04
<b>INDUSTRIAL GROSS LEASES:</b>			
	SWLs 343 & 354	\$0.60 – 0.75	\$0.04
	Pier 80	\$0.60 – 0.75	\$0.04
	Pier 92 & SWLs 344 & 349	\$0.60 – 0.71	\$0.04
	Pier 96 M&R	\$0.65 – 0.70	\$0.04
<b>OPEN LAND AND PIER SPACE USES: INDUSTRIAL GROSS</b>			
	Southern Waterfront	\$0.25 - .030	\$0.02

**UTILIZATION OF THE SOUTHERN WATERFRONT COMMUNITY BENEFIT AND BEAUTIFICATION FUND**

Funds set aside in the Port’s Southern Waterfront Community Benefit and Beautification Fund will be applied by the Port to any or all of the following Southern Waterfront beautification projects:

1. **Open Space:** As outlined in the Waterfront Land Use Plan, the provision of open spaces is a high priority for the Port, especially within the Southern Waterfront. Rental surcharge revenues may be applied to any of the Port’s existing open spaces, as listed above, reclaimed beaches, new parks (such as “Crane Cove Park” or the Blue Greenway) or various streetscape and landscape greenway improvements along Cargo Way to connect Third Street with Heron’s Head Park and India Basin shoreline open spaces.

<sup>1</sup> As approved by the Port Commission on June 12, 2007

2. **Wetland Restoration:** The restoration of wetlands is a high priority for the Port. Revenue from the Benefit Fund may be applied to the maintenance or enhancement of existing Port wetlands, such as the Pier 94 Wetlands, or creation of new wetlands within the boundaries of the Southern Waterfront.
3. **Pier Removal:** As outlined in the Waterfront Land Use Plan and BCDC Special Area Plan, removal of certain designated piers and pier sheds is desirable and would further public trust objectives by providing new open water and views of the San Francisco Bay. Piers and piles have deteriorated all throughout the Southern Waterfront. Many of the piers, such as Pier 64, are no longer serviceable and require removal. Revenue from the Benefit Fund may be applied to such pier removal.
4. **Public Art:** Support or sponsor temporary or permanent art installation(s), consistent with Mayor Newsom’s Blue Greenway Task Force recommendations, and applicable procedures for reviewing public art proposals. Specific sites for art were identified in the task force report and are located within existing Southern Waterfront open spaces.
5. **Historic Preservation:** As outlined in the Waterfront Land Use Plan, preservation of Pier 70 and other historic resources is a high priority for the Port. Revenue from the Benefit Fund may be applied to repairs, mothballing or other preservation efforts, consistent with ongoing Pier 70 and other Southern Waterfront planning efforts by the Port.
6. **Other:** From time to time, the Port anticipates that projects will arise in the Southern Waterfront that do not precisely meet the criteria stated above. Expenditures from the Benefit Fund may be for items not consistent with the above criteria provided (i) such expenditures are made solely for the benefit of Port interests in the Southern Waterfront AND (ii) expenditures in excess of \$10,000 are approved by the Port Commission.

#### **IMPACT OF POLICY OF REQUEST FOR PROPOSALS SOLICITATION**

Whenever the Port Commission issues a Request for Proposals (“RFP”) for a lease, development, rehabilitation or use of its real property, the Port Commission will include whichever criteria it deems appropriate to meet its goals for that lease, development or use in the RFP. Such criteria may include some, but not all, of the considerations contained in this Policy. Such criteria may also include considerations not contained within this Policy. The Port Commission shall make a determination of the appropriate criteria prior to the issuance of the RFP.

#### **IMPACT ON POLICY OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT**

Whenever the Port Commission executes an Exclusive Right to Negotiate Agreement (“ENA”), for a lease, development, rehabilitation or use of its real property, the Port Commission will include whichever criteria it deems appropriate to meet its goals for that lease, development or use in the ENA. Such criteria may include some, but not all, of the considerations contained in this Policy. Such criteria may also include considerations not contained within this Policy. The

Port Commission shall make a determination of the appropriate criteria prior to the Port's execution of the ENA.

#### EFFECTIVE DATE AND OPERATION

Upon adoption by the Port Commission, this Policy shall become effective on November 15, 2007. Any Leases delegated to be executed by Port staff in conformance with the Port Rental Rate Schedule and the Port's Standard Lease form shall adhere to this Policy. The Port Commission shall, but is not obligated, to make an independent determination of the appropriate criteria to be contained in any Lease which comes before the Port Commission for a separate approval to execute.