



MEMORANDUM

February 24, 2023

TO: MEMBERS, PORT COMMISSION
Hon. Kimberley Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director

SUBJECT: Stakeholder Engagement Process with Respect to an Unsolicited Proposal for the Leasing and Phased Development of Portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman's Wharf.

DIRECTOR'S RECOMMENDATION: No action – Information only

EXECUTIVE SUMMARY

On February 15, 2023 Port staff received an unsolicited proposal (the Proposal) to lease and develop portions of SWL 300/301 (sometimes referred to as the Triangle Parking Lot) and Pier 45 Sheds A and C.

The Port's draft Waterfront Plan, which will be considered for adoption by the Port Commission at an upcoming meeting, outlines a public engagement process for unsolicited proposals prior to the consideration of a waiver of the City's competitive bidding procedures by the Board of Supervisors. Port staff desires to apply the process set forth in the draft Waterfront Plan to this Proposal and confirm the Port Commission's support for such engagement.

STRATEGIC OBJECTIVE

The proposed engagement process supports two key goals of the Port's Strategic Plan:

THIS PRINT COVERS CALENDAR ITEM NO. 12B

- *Productivity:* Attract and retain tenants to build an economically successful and vibrant waterfront.
- *Engagement:* Engage constituents and the public on Port functions and activities.

BACKGROUND

On February 15, 2023, the Port received the attached unsolicited proposal for the lease and development of portions of SWL 300/301 (also known as the Fisherman’s Wharf Triangle parking lot) and Sheds A and C on Pier 45. The Proposal was submitted by Fisherman’s Wharf Revitalized LLC, consisting of Lou Giraudo, Seth Hamalian and Chris McGarry. The proposal is for a mixed-use development celebrating, highlighting and supporting the fishing and seafood industry of Fisherman's Wharf and increasing public access to and enjoyment of the Bay. The proposal includes an experiential museum, events center, public plaza and expanded non-vehicular resilient waterfront promenade, a combination winery/brewery/distillery, and short-term vacation rentals. (See *attachment A-Proposal Received*).

COMMUNITY ENGAGEMENT PROCESS FOR UNSOLICITED PROPOSALS

Through its work with the stakeholders in the Waterfront Plan Working Group, Port staff developed a process for reviewing unsolicited development proposals prior to submittal to the Board of Supervisors for consideration of a waiver of the City procedures for competitive bidding. The procedure is as follows:

Honor the City and Port policy (under the San Francisco Administrative Code and this Waterfront Plan) to provide for competitive bidding on development opportunities.

If and when the Port receives unsolicited proposals for unique development opportunities, ensure that the Port only enters a sole source lease for such opportunities if the San Francisco Board of Supervisors finds that it would be impractical or impossible to follow competitive bidding procedures.

Follow the Port Commission process for consideration of unsolicited (sole source) proposals:

- a. Require the developer to provide a written submittal that describes the proposal, any community outreach completed to date, specific ways in which the project proposed will achieve Waterfront Plan and public trust goals and objectives, and reasons that support waiving the competitive solicitation process.
- b. Convene Port Advisory Committee meeting(s) for review and comment on the proposal, if not already completed and described in Item a. above.

- c. Conduct a Port Commission informational meeting for review and public comment on the sole source proposal, including review of information in Item a. above.
- d. Seek a Board of Supervisors public hearing for consideration of waiving City competitive solicitation leasing policy provisions.

PROPOSED NEXT STEPS

Subject to Port Commission feedback at the February 28 hearing, Port staff plans to pursue additional community meetings to review the Proposal in order to satisfy the process outlined above and return to a future Port Commission meeting to (a) summarize community feedback from such meetings, (b) provide Port staff's preliminary analysis of the Proposal and the potential to seek Port Commission and Board of Supervisors waiver of the City's competitive solicitation procedures prior to entering into an exclusive negotiation agreement with Fisherman's Wharf Revitalized LLC[, and (c) receive any additional feedback on the Proposal from the Port Commission. Port staff will prepare a summary of the discussion at that subsequent Port Commission meeting for use in connection with any hearings by the Board of Supervisors to consider a waiver of the City's competitive bidding policy.

In terms of the specific community meeting strategy, Port staff notes that the Fisherman's Wharf Waterfront Advisory Group (FWWAG) has not met in a long period of time, as the pandemic restrictions combined with the departure of longtime tenants and related factors like the dissolution of the Fisherman's Wharf Portside Community Benefits District have proven challenging to maintaining FWWAG. Port staff are considering the best path forward to reconstituting a new FWWAG structured to provide spaces for collaboration in key issue areas both landside and waterside.

In light of FWWAG's status, Port staff is proposing a two-pronged engagement strategy to satisfy the provisions summarized above:

1. One or more meetings in Fisherman's Wharf convened specifically to review and provide feedback on this Proposal (discussions underway regarding timing and location in order to maximize participation); and
2. An information item on this Proposal at a regularly-scheduled Northern Advisory Committee (NAC) meeting.

Staff has developed this proposed engagement strategy in order to facilitate feedback from stakeholders in the vicinity of the proposed project while also taking advantage of the visibility and structure of the NAC to provide additional opportunities for the public to be heard.

RECOMMENDATION

Port staff recommends that the Port Commission direct staff to pursue the stakeholder engagement process described above and return to a future Port Commission meeting for further discussion regarding the Proposal.

Prepared by:

Michael Martin
Assistant Port Director

Andre Coleman
Deputy Director, Maritime

Rebecca Benassini
Deputy Director, Real Estate and Development

David Beaupre
Deputy Director, Planning Environment

Attachments: Proposal