



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

October 5, 2023

Via Email

Port of San Francisco
Pier 1
San Francisco, CA 94111

Attention: Mr. Michael Martin, Assistant Port Director, Chief Operating Officer, Port of San Francisco

Re: Seismic Improvement Decision Letter re Lease No. L-16997 of Building 49, Crane Cove Park, San Francisco

Dear Michael:

As discussed in detail with Josh Keene, Jamie Hurley and the Port Planning Team, the YMCA of San Francisco (YSF) proposes to alter the planned scope of work associated with the voluntary seismic improvements for Building 49 as described in the Lease. YSF had proposed to improve the structural integrity of Building 49 on a voluntary (i.e., not required by Code, RFP or Port standards) basis by installing new steel braced frames and a new steel roof truss diaphragm system, estimated at a total cost of \$1.5M (of which up to \$500k would be shared by the Port through rent abatement). This anticipated cost was within a total estimated project cost of \$6.7m.

Despite our substantial initial diligence, further site exploration and consultation with the Port's planning team indicate that the scope of work contemplated in the Lease will require additional extensive work with respect to the contaminated soils and other existing hazardous materials at Building 49, adding significantly more risk and cost to the project. Additional mitigation expenses of at least \$500,000 will be necessary, and there will be delays in project completion. The minimum cost increase alone is beyond our available resources and there are considerable risks that the ultimate scope and cost will be significantly greater. In particular, there is a substantial risk that the work may trigger the Maher Ordinance, which would lead to further permitting requirements, with associated significant further delays, costs and risks.

In consultation with our engineers and the Port's engineering team, we now intend to forgo any seismic improvements to Building 49 because the costs and risks associated with managing the hazardous materials make doing so infeasible. With the proposed change of use and low occupancy, we are willing to proceed without improving the building's seismic resilience. As a result, the Port will no longer be required to provide the \$500k of rent credits and we should be able to proceed more expeditiously to complete the project and commence operations for the benefit of all involved. This decision comes with YSF's continued enthusiastic commitment to the Building 49 Project as a whole and our desire to establish a vibrant community hub for both local residents and visitors to Crane Cove Park.

Our ability to complete all other improvements remains subject to the approval of the Port of San Francisco's Department of Building Inspection and applicable building codes.

YMCA of San Francisco

169 Steuart Street, San Francisco, CA 94105
P 415 777 9622 F 415 398 9622 www.ymcasf.org



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

We would like to proceed promptly on this basis and look forward to your confirmation that we may do so, hopefully without the need for additional approvals beyond the permitting process. We will be happy to answer any questions.

Sincerely,

Jamie Bruning-Miles
President & CEO
YMCA of San Francisco

cc: Ms. Elaine Forbes, Executive Director, Port of San Francisco
Mr. Josh Keene, Waterfront Development Manager, Port of San Francisco
Mr. Jamie Hurley, Real Estate Development Project Manager, Port of San Francisco