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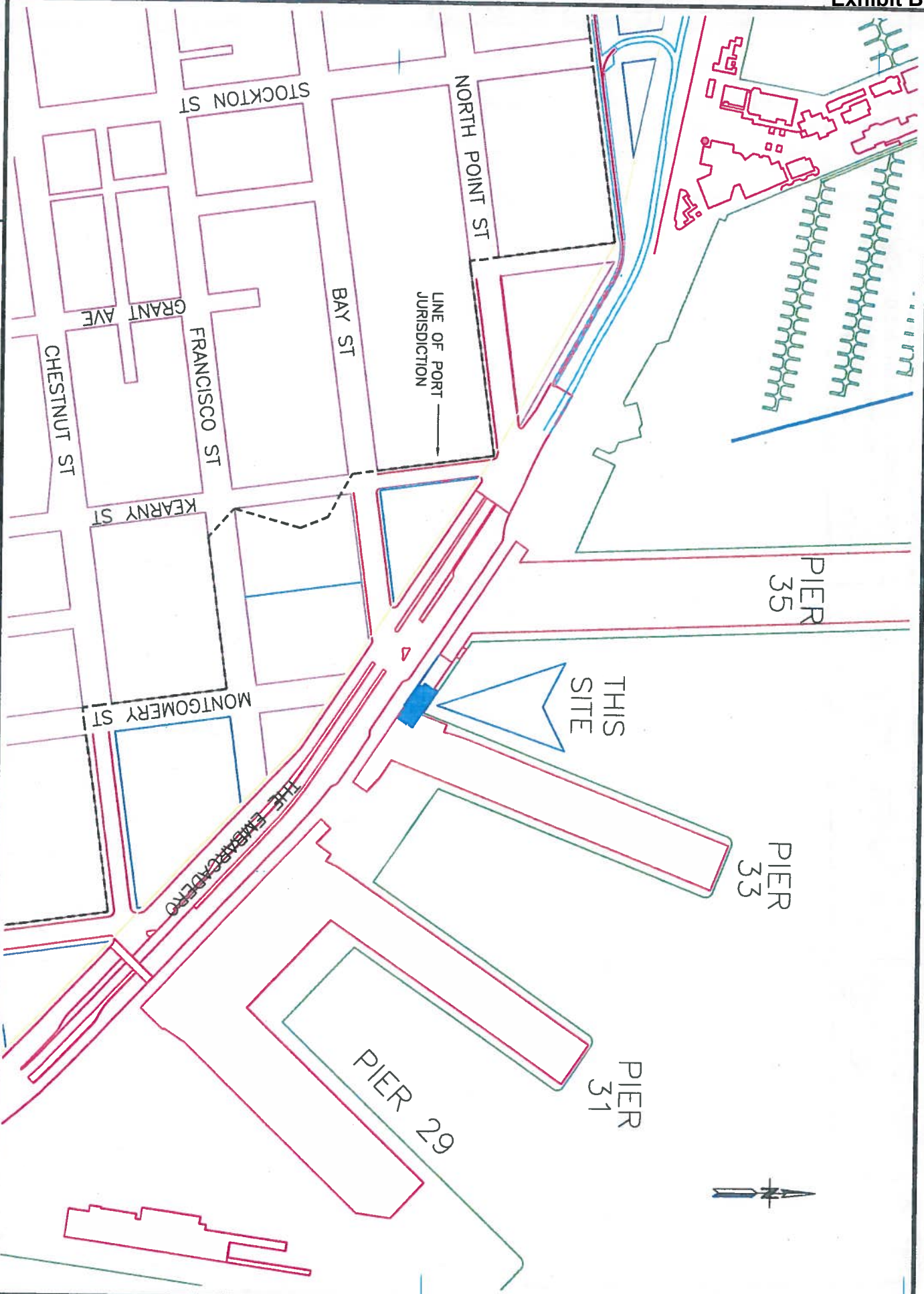



SAN FRANCISCO PORT COMMISSION  
 PORT OF SAN FRANCISCO  
 DEPARTMENT OF ENGINEERING

TENANT

FORMER  
 BUTTERFLY RESTAURANT  
 AT PIER 33 1/2

DRAWN BY: ECC	DATE: MAR 6, 2017
CHECKED BY: S. OBERLE	SCALE: 1" = 20'
PLACE CODE NO. 1335-00	SHEET NO.
OF SHEETS	




**SAN FRANCISCO PORT COMMISSION**  
 PORT OF SAN FRANCISCO  
 DEPARTMENT OF ENGINEERING

TENDANT  
**FORMER BUTTERFLY RESTAURANT**  
 AT PIER 33 1/2

DRAWN BY: ECC	DATE: MAR 9, 2017
CHECKED BY: S. OBERILE	SCALE: 1" = 20'
PLAGE CODE NO. 1335-00	SHEET NO.
	1 OF SHEETS







Name of Lease: Pier 33 North Restaurant  
 Name of Evaluator: \_\_\_\_\_

Scoring Legend 5 / 10 Points					
0	1	2	3	4	5
0	1	3	5	8	10
Does Not Meet Criteria	Poor	Fair	Average	Above Average	Outstanding

CRITERIA	Maximum Points	Proposers			

**1 Proposed Concept**

(i) Overall appeal of proposer's concept to Northern Waterfront residents, tourists and businesses.	10				
(ii) Proposer's plan for marketing the restaurant, and maximizing sales, revenue and customer satisfaction.	5				
(iii) Proposed operations plan, including hours of operation, menu,	5				
	<b>20</b>				

**2 Design Intention and Capital Investment**

(i) Overall appeal, interior design, signage, floor plan, front elevation, and images depicting interior and exterior.	10				
(ii) Amount of initial capital investment.	10				
	<b>20</b>				

**3 Experience and Financial Strength**

(i) Documented experience operating a full service, sit down restaurant along with annual gross sales for the latest 3 years of	10				
(iii) Source of funds for initial capital investment (cash, loan types, etc.).	10				
	<b>20</b>				

**4 Proposed Rent and Business Plan**

(i) Financial pro forma with projected sales, revenue to the Port, expenses and net income, with a demonstrated ability to fund continuing operations from the cash flow generated by the operation.	10				
(ii) Proposed Base Rent	5				
(iii) Proposed Percentage Rent	10				
	<b>25</b>				

**6 Local Business Participation**

(i) Respondent's Community Engagement Plan	5				
(ii) Respondent's Local Business Utilization Plan	10				
	<b>15</b>				

<b>MAXIMUM TOTAL POINTS</b>	<b>100</b>				
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Date Completed: \_\_\_\_\_

## **Attachment F Proposed Key Lease Terms**

If the Port Commission authorizes issuance of a competitive solicitation for Retail Leasing Opportunity at the Pier 33 North Bulkhead Building, Port staff recommends that respondents be required to indicate acceptance of the following Key Lease Terms, and to make a lease proposal that is consistent with these Key Lease Terms. Actual terms of the Lease are negotiated with a prospective tenant (“Tenant”) by Port staff and are subject to final approval by the San Francisco Port Commission and the Board of Supervisors.

### Use

Permitted use will be as a full-service restaurant open at least six (6) days per week, serving a minimum of lunch and dinner.

### Premises

The premises consist of approximately 3,500 square feet of former restaurant space inside the Pier 33 Historic Bulkhead as shown on Exhibit A.

Up to an additional approximately 2,000 square feet of adjacent shed space in Pier 33 can be leased separately for storage, trash/recyclables management and deliveries at additional rent.

### Rent

Greater of base rent or percentage of gross revenue:

- Minimum base rent per square foot, to be quantified by Respondent in the proposal but in no event less than \$3.50 per square foot monthly escalated annually by 3%.
- Minimum percentage rent based on gross revenue, to be quantified by Respondent in the proposal.
- Port may agree to a rent-free construction period of up to 12 months from the date the Lease is fully executed to complete design, permitting and construction conditioned upon Respondent submitting its proposed design, permitting and construction schedule.
- Ancillary shed space in Pier 33 may be leased independently at the then current Fair Market Value but in no event less than \$1.50 per square foot escalated annually by 3%.
- Respondents may offer a base rent and/or a percentage rent in excess of the minimums required by the RFP. The Port’s typical “market percentage rent” is 7% or greater of Gross Sales less Sales Tax.

## Term

Ten (10) years with a potential option to extend to be offered at the Port's sole discretion based on the proposed capital investment proposed at the time of the award. The Port will evaluate tenant performance, tenant proposed capital improvements and the Port Commission broader goals for leasing in formulating a recommendation.

## Capital Investment

Proposals must include descriptions of proposed capital investments and the anticipated level of proposed capital investment.

## Form of Lease

The successful Respondent will be required to enter into a lease to be negotiated by and between the Port and Respondent during the period of exclusive negotiations. A copy of the Port's standard form lease is included in the RFP package as Appendix E (the "Form of Lease") as an example of the Port's standard lease requirements. However, the final lease may be substantially different to: a) reflect the business terms negotiated between the successful Respondent and the Port; b) incorporate any City requirements adopted after the drafting of the Form of Lease; and c) incorporate any other provisions desired by the Port Commission or negotiated by the parties.

## Sale/Transfer/Refinancing

The Lease will include provisions detailing the Landlord's participation in the proceeds that the Tenant receives from the sale, transfer or refinancing of the leasehold.

## Maintenance/Repairs

During the term of the lease, the Tenant shall be responsible for all improvements, maintenance, repairs and operating expenses associated with the Site, including any non-exclusive areas such as access roads, utilities, and general buffer areas.

## Possessory Interest and Other Taxes

The Tenant will be required to pay possessory interest taxes on the assessed value of the leasehold interest. The Tenant also will be required to pay other applicable city taxes, including sales and payroll taxes.

## Security Deposit

A security deposit will be required in an amount equal to no less than two month's Base Rent in the form of cash.

## Insurance Requirements

Throughout the term of the Lease, the Tenant will be required to maintain insurance typical for the approved project in amounts and with limits determined appropriate by the Port, the City's Risk Manager, and with carriers acceptable to the Port. Insurance will include, but is not limited to: comprehensive general liability; workers' compensation; property insurance on the Premises; automobile liability; watercraft liability; personal property; business interruption; builder's risk; pollution legal liability; a policy endorsement in a form acceptable to Port; and any other insurance required by law. The Port and City must be named as additional insureds.



### Environmental Deposits

The lease will require two forms of environmental financial assurance designed to protect the Port and the community from liability arising out of the operation of a retail facility. Amount to be determined based Operations Plan.

### Hazardous Materials

During the “due diligence” period, the respondents may conduct environmental site assessments of the Site. The Port will make existing information about physical and environmental conditions available to respondents.

### Operations Plan

All Permitted Uses must be performed in compliance with an Operations Plan approved by the Port detailing environmental performance measures during construction and ongoing operations of the facility under the lease. The Operations Plan must address issues such as; health and safety mitigations during construction, dust control, manage stormwater, handle hazardous materials, recycling of unused materials, janitorial and cleaning operations, food preparation and handling, hours and full description of operations etc.

### Assignment/Sublease

The Port will have the right to approve any assignment, sublease or transfer of the Lease, subject to any participation provisions, as described above under the heading “Sale/Transfer/Refinancing”.

### Sea Level Rise and Seawall Resiliency Project

The lease will provide disclosures and reserve port's rights to address these issues as needed.

### City Requirements

The Lease will require the Tenant to comply with all City requirements in effect.

The Port Commission is interested in encouraging the participation of disadvantaged business entities in this RFP opportunity. The Tenant will be encouraged to consult with the City's Contract Monitoring Division to determine appropriate methods for promoting participation by disadvantaged business such as Construction Contracting, Trucking and Hauling, Janitorial Services, Food Preparation and sales, and Security Guard Services businesses.

The Port will also require the Tenant to pay prevailing wages in the construction of the project in accordance with prevailing wage and labor standards adopted by the San Francisco Board of Supervisors pursuant to SF Admin. Code Section 6.22(e).

The Tenant will also have an approved Local Hiring Plan as required by SF Admin Code Section 6.22(g) if improvements are in excess of \$1 million.

### Community and Good Neighbor Policies

Tenant shall be required to adhere to all Community and Good Neighbor Policies currently in effect and those that may be enacted in the future.

Performance Benchmarks

All documents governing the approval and development of the site will contain time and performance benchmarks, including provisions for payment of liquidated damages, with termination for non-performance.