

MEMORANDUM

September 7, 2018

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Informational presentation on the California Barrel Company LLC Mixed-Use project located on the former Potrero Power Station, including Port of San Francisco shoreline lands referred to as Pier 72 and 23rd Street directly south of Pier 70

DIRECTOR'S RECOMMENDATION: Information Only – No Action Required

EXECUTIVE SUMMARY

The Potrero Power Station Mixed-Use Development project is located on an approximately 29-acre site along San Francisco's central waterfront immediately south of Pier 70, encompassing the site of the former Potrero Power Plant that closed in 2011. California Barrel Company LLC, the project sponsor, seeks to redevelop the site for a proposed multi-phased, mixed-use development and to activate a new waterfront open space.

The project sponsor has been working with the Office of Economic and Work Force Development (OEWD) which leads an "interagency City team" including: the Planning Department, the Public Utilities Commission (PUC), Public Works (SFPW), Recreation and Parks Department (R&P) and the Port of San Francisco (Port) to rezone the site, establish land use controls, develop design standards, and provide for development of residential, commercial [including office, research and development / life science, retail, hotel, entertainment/assembly and production, distribution, and repair (PDR)], parking, community facilities and open space land uses (*see Attachment 1, Project Location*). The interagency City team makes certain that development is well coordinated and consistent with the OEWD-led Southern Bayfront Strategy.¹

¹ <https://sfport.com/sites/default/files/Item%2011A%20Southern%20Bayfront%20Informational%20Presentation.pdf>

Overall, the proposed project would construct up to approximately 5.4 million gross square feet (gsf), of uses, including between approximately 2.4 and 3.0 million gsf of residential uses (about 2,400 to 3,000 dwelling units), between approximately 1.2 and 1.9 million gsf of commercial uses (office, R&D/life science, retail, hotel, and PDR), approximately 922,000 gsf of parking, approximately 100,000 gsf of community facilities, and approximately 25,000 gsf of entertainment/assembly uses. Most new buildings would range in height from 65 to 180 feet, with one building at 300 feet. Approximately 6.2 acres would be devoted to publicly accessible open space.

Within the 29 acre site includes approximately 2.9 acres of Port owned property, consisting of three noncontiguous areas (*see: Attachment 2, Land Ownership*). The largest area is 1.6 acres located between the former Power Station sub-area and the bay and includes bay area for the potential recreational dock; the second largest is 1.3 acres, located along 23rd Street between the Power Station sub-area and Illinois Street; and the smallest piece is less than one tenth of an acre, located on the northeast corner of the site next to the bay.

Coordinating through an interagency process, the project sponsor proposes to lease Port land for shoreline parks and improvements to 23rd Street.

PORT'S STRATEGIC PLAN OBJECTIVE

This project supports the goals of the Port's Strategic Plan as follows:

Renewal:

Enhance and balance the Port's maritime and economic purpose, rich history, and its changing relationship with the City, so the waterfront continues to be a treasured destination.

- Expand the Blue Greenway and incorporate major new waterfront parks and public access into new neighborhoods while maintaining industrial maritime berthing and ship repair operations.
- Expand the Port's necklace of public open spaces and provide a broad array of recreational amenities and activities, including along the Blue Greenway.

Livability:

Ensure Port improvements result in advances in the environment, social equity and quality of life for San Francisco residents and visitors.

- Work with transportation agency partners to ensure an integrated transportation plan that includes programs to ease traffic congestion along the waterfront and expand public transit - including water taxis and ferries – as well as pedestrian and bicycle access.

PROJECT DESCRIPTION

In 2011, the former Potrero Power Plant was closed. The site has been used for various power producing and industrial activities since the mid-1800s. Starting in the 1870s and continuing until the 1930s, PG&E and its predecessors used the northeastern portion of the site for manufactured gas plant operations. Around 1910, PG&E began operating a

power plant on the site, which continued to be operated by NRG Potrero LLC and its predecessors after PG&E sold the site in 1999.

In 2017, California Barrel Corporation (the project sponsor) purchased the property and began to work with OEWD and the interagency City team on land use planning and entitlements. The project sponsor requested authorization to rezone certain Port lands for open space and infrastructure and agreed to reimburse the Port for staff cost associated with project approvals.

The proposed Potrero Power Station Mixed-Use Development project would rezone and establish development controls for a multi-phased, mixed-use development at the project site (*see Attachment 3 - Proposed SUD Land Use Plan*). The project would include amendments to the General Plan, potentially including the Central Waterfront area plan, and Planning Code and create a new Potrero Power Station SUD. The SUD would establish land use controls for the project site and incorporate design standards and guidelines in a new Potrero Power Station Design for Development document (D for D). The proposed project would include market-rate and affordable residential uses, commercial mixed uses, community facilities uses and parking. Commercial uses could include office, research and development/life science, retail, hotel, entertainment/assembly, or PDR uses. The proposed project would include public access areas and open space, playing fields and other active open space uses, shoreline improvements, an internal grid of public streets, shared public ways, and utilities infrastructure.

The proposed project would include transportation and circulation improvements, shoreline improvements, and utilities infrastructure improvements. Transportation and circulation improvements would include: a continuous street network, connection to the planned Pier 70 Mixed-Use District project directly north of the project site; a new bus stop and shuttle service; and the installation of traffic signals at the intersections of Illinois Street at 23rd and Humboldt streets. The roadway network would be accessible for all modes of transportation and would include vehicular, bicycle and pedestrian improvements. The proposed project improvements include an east-west alley type roadway that straddles the Port and Project properties that would meet the set-back obligations listed in the Pier 70 Design for Development. Port and OEWD staff along with both project sponsors will collaborate on the final design treatment, cost and management should the alley be developed. In addition to the development of waterfront parks including the Blue Greenway, proposed shoreline improvements may include construction of a floating dock extending out and above the tidal zone to provide access from the site to the San Francisco Bay for fishing and suitable recreational vessels.

Similar to the Pier 70 SUD, the proposed SUD would establish land use controls for the project site and would incorporate design standards and guidelines in the D for D. The D for D would set forth the underlying vision, standards, and guidelines for development of the project site and would be adopted as part of the proposed SUD. The standards and guidelines would cover building design, land coverage, density, setbacks, open space character, and the public realm, along with other design controls for development.

A majority of the Port's land on the site would be improved and used for shoreline open space and to close a gap in the Blue Greenway. The proposed project would provide a

total of approximately 6.2 acres of publicly accessible open space. These improvements are intended to complement the planned Pier 70 Mixed-Use District project waterfront improvements; extend the Blue Greenway and Bay Trail through the project site; and create an urban waterfront space, activated by the proposed uses in the buildings adjacent to the waterfront-facing open spaces (*See Attachment 4 - Open Space Concept Plan*). Key components of the open space program area are described below:

- **Waterfront Park.** This proposed approximately 3.6-acre waterfront park partially on Port land within the Potrero site would extend the Blue Greenway and Bay Trail from the Pier 70 Mixed-Use District project, and provide spill-out spaces for retail, quiet spaces, and waterfront viewing terraces and recreational area. Additional amenities could include trellis structures, barbecues, a recreational dock, and public art.
- **Louisiana Paseo.** This proposed 0.7-acre plaza-type open space adjacent to Blocks 6 and 10 could have gardens, trellis structures, and seating areas (not on Port land).
- **Power Station Park.** This proposed 1.22-acre central green space would extend east-west through the interior of the project site and connect the Louisiana Paseo to the waterfront. This park could contain play structures, art, trellis structures, barbecues, and outdoor dining areas. The eastern portion of the park would contain flexible lawn spaces suitable to accommodate two U-6 soccer fields. These soccer fields would not include amplified sound equipment, would not include bleacher facilities, and would be used after 10:00 p.m. The portion of the proposed Power Station Park between the Louisiana Paseo and Maryland Street is intended for community building activities and would include an outdoor game room (not on Port land).
- **Rooftop Soccer Field.** A public open space is proposed on a portion of the roof of the parking structure on Block 5. This rooftop open space would include a screened 0.68-acre U-10 soccer field (not on Port land).

Temporary events would be allowed in all open spaces on site. Events could include movie nights in the park, farmers markets, fairs, performances, food trucks, block parties and weddings.

SITE CONTAMINATION & REMEDIATION

PG&E through a Voluntary Clean Up with the San Francisco Regional Water Quality Control Board identified and characterized hazardous materials from the historical operations and other industrial operations in the soils and groundwater at the project site. When PG&E sold the power station to subsequent owners, it retained the responsibility to characterize and remediate soil, soil vapors, and groundwater to a commercial/industrial use standard. Remediation of a majority of that property has been completed to allow commercial/industrial uses, and remediation of the remainder is currently underway. The Port has been collaborating and cooperating with PG&E for cleanup operations on Port lands, including areas of the Bay sediments.

PORT AND PROJECT SPONSOR AGREEMENT

The project sponsor has requested that the Port allow it to lease lands for the project improvements, there would likely be two leases, one for the open space improvements and one for the 23rd Street improvements. The project sponsor proposes to lease the shoreline areas to be used as public parks for 65 years. The sponsor would be responsible for all project cost associated with improving the land, managing it for public use and be responsible for all liability associated with all activities that occur on site. The project sponsor would lease the area required to construct 23rd Street, be responsible for all cost associated with improvements of the street and liability during construction. The project sponsor would build the street improvements to SFPW and PUC standards so that the City could accept the improvements at which time the City would then be responsible for maintaining the street, utilities and associated liabilities.

SOUTHERN WATERFRONT COMMUNITY BENEFITS AND BEAUTIFICATION

The project sponsors propose improving Port land for public parks for the public to enjoy, which also includes closing a gap in the Blue Greenway. The improvements would open shoreline lands to the public for the first time. The sponsor will be responsible for all cost associated with improving the land, maintaining the land and any liability associated with activities that occur on the land. The project sponsor also proposes to improve 23rd Street to condition that would allow the SFPW to accept the street. These improvements not only provide benefits to the residents of the new community, but also close a gap in the Blue Greenway a benefit to the City and region. The land proposed for improvements likely would not be a project that would be feasible without the adjacent land being available for improvements and improving and managing the land reduces a liability in the Port's 10-year Capital Plan.

COMMUNITY OUTREACH

Since purchasing the site in 2016, intensive community outreach has been conducted by the project sponsor. In addition to eight publicly noticed community workshops where feedback on the proposed project was attained, the project sponsor has conducted monthly site tours and held over 100 stakeholder meetings. Biweekly open office hours are hosted by the project sponsor at various neighborhood establishments, members of the public are invited to converse with the team on any topic of their liking. The project was reviewed by the Central Waterfront Advisory Group (CWAG) on January 10, 2018, BCDC's Design Review Board on April 9, 2018, the Architectural Review Committee (a subset of the Historic Preservation Commission) on March 21, 2018, and the Eastern Neighborhoods Citizen Advisory Committee (ENCAC) on April 16, 2018. Informational hearings were held on the project by the Historic Preservation and Planning Commissions on August 1, 2018 and August 23, 2018, respectively.

SCHEDULE AND NEXT STEPS

This is an informational presentation for the Port Commission so the staff can receive Commission and public input on the project and the Port's role. The project sponsor and interagency City teams are aiming to have all project approvals complete in the summer of 2019. Key project approvals dates are:

- Planning Commission Approves EIR - June 2019
- Planning Commission Approves SUD - June 2019
- BOS Hearings on SUD - July 2019
- BOS Approves SUD - July / August 2019
- BOS Hearing on DA - July / August 2019
- BOS Approves DA - July / August 2019

Port staff will return to the Commission seeking authorization to enter into leases for Port lands, in the summer of 2019.

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Attachment

Attachment 1: Project Location

Attachment 2: Land Ownership

Attachment 3: Proposed SUD Land Use Plan

Attachment 4: Open Space Concept Plan