

Parameter Rate Schedule
Office Rents FY2020

Exhibit A-1

Full Service Office - Class B Rates			
Sub-Area	Location Type	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
NE Waterfront	Roundhouse Plaza	\$ 4.25 - \$ 4.89	\$ 4.04 - \$ 4.64

Full Service Office - Class C Rates			
Sub-Area	Location Type	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
Ferry Plaza	Ag. Building Interior	\$ 1.60 - \$ 1.84	\$ 1.52 - \$ 1.75
Ferry Plaza	Ag. Building Window	\$ 3.50 - \$ 4.03	\$ 3.33 - \$ 3.82
China Basin	401 Terry Francois	\$ 3.50 - \$ 4.03	\$ 3.33 - \$ 3.82

Office NNN - Class B Rates			
Sub-Area	Location	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
NE Waterfront	Pier 33 ½ North	\$ 3.50 - \$ 4.03	\$ 3.33 - \$ 3.82
NE Waterfront	Pier 33 Bulkhead Bldg.	\$ 3.25 - \$ 3.74	\$ 3.09 - \$ 3.55
NE Waterfront	Pier 35 Bulkhead Bldg.	\$ 3.50 - \$ 4.03	\$ 3.33 - \$ 3.82
NE Waterfront	Pier 9 Bulkhead Bldg.	\$ 4.25 - \$ 4.89	\$ 4.04 - \$ 4.64
NE Waterfront	Pier 9 Pier Office	\$ 4.25 - \$ 4.89	\$ 4.04 - \$ 4.64
South Beach	Pier 26 Annex Bldg.	\$ 3.25 - \$ 3.74	\$ 3.09 - \$ 3.55

Office NNN - Class C Rates			
Sub-Area	Location	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
Fishermen's Wharf	490 Jefferson St.	\$ 3.50 - \$ 4.03	\$ 3.33 - \$ 3.82
NE Waterfront	Pier 29 ½	\$ 2.25 - \$ 2.59	\$ 2.14 - \$ 2.46
NE Waterfront	Pier 29 Annex Bldg.	\$ 3.15 - \$ 3.62	\$ 2.99 - \$ 3.44
NE Waterfront	Pier 35 Interior Office	\$ 2.50 - \$ 2.88	\$ 2.38 - \$ 2.73
NE Waterfront	Pier 23 Bulkhead Bldg.	\$ 2.00 - \$ 2.30	\$ 1.90 - \$ 2.19
South Beach	Pier 28 Bulkhead Bldg.	\$ 2.75 - \$ 3.16	\$ 2.61 - \$ 3.00
South Beach	Pier 38 Bulkhead Bldg.	\$ 2.50 - \$ 2.88	\$ 2.38 - \$ 2.73
South Beach	Pier 26 Bulkhead Bldg.	\$ 2.75 - \$ 3.16	\$ 2.61 - \$ 3.00
China Basin	Pier 54 Office	\$ 1.60 - \$ 1.84	\$ 1.52 - \$ 1.75
China Basin	Pier 70, Building 11	\$ 1.10 - \$ 1.27	\$ 1.05 - \$ 1.20
China Basin	Pier 50 Bulkhead Bldg.	\$ 3.40 - \$ 3.91	\$ 3.23 - \$ 3.71
Southern Waterfront	501 Cesar Chavez	\$ 1.30 - \$ 1.50	\$ 1.24 - \$ 1.42
Southern Waterfront	601 Cesar Chavez	\$ 1.80 - \$ 2.07	\$ 1.71 - \$ 1.97
Southern Waterfront	671 Illinois St.	\$ 1.00 - \$ 1.15	\$ 0.95 - \$ 1.09
Southern Waterfront	696 Amador	\$ 1.35 - \$ 1.55	\$ 1.28 - \$ 1.47
Southern Waterfront	Pier 96 Admin. Bldg.	\$ 1.50 - \$ 1.73	\$ 1.43 - \$ 1.64
Southern Waterfront	Pier 96 Gate House Bldg.	\$ 1.15 - \$ 1.32	\$ 1.09 - \$ 1.26

Office Storage Rates			
Sub-Area	Location Type	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
Portwide	Office Storage	\$ 1.70 - \$ 1.96	\$ 1.62 - \$ 1.86

Parameter Rate Schedule
Pier, Shed, Land Rates FY2020

Exhibit A-1

Pier, Shed, & Land Rates				
Sub-Area	Location	Monthly Rental Rate Range PSF		Monthly Net Eff. Rental Range PSF
Fisherman's Wharf	Pier 47	\$ 1.60	- \$ 1.76	\$ 1.44 - \$ 1.58
Fisherman's Wharf	Pier 45	\$ 1.60	- \$ 1.76	\$ 1.44 - \$ 1.58
Northeast Waterfront	Pier 35	\$ 1.60	- \$ 1.76	\$ 1.44 - \$ 1.58
Northeast Waterfront	Pier 33	\$ 1.60	- \$ 1.76	\$ 1.44 - \$ 1.58
Northeast Waterfront	Pier 31	\$ 1.65	- \$ 1.82	\$ 1.49 - \$ 1.63
Northeast Waterfront	Pier 29	\$ 1.65	- \$ 1.82	\$ 1.49 - \$ 1.63
Northeast Waterfront	Pier 23	\$ 1.65	- \$ 1.82	\$ 1.49 - \$ 1.63
Northeast Waterfront	Pier 19	\$ 1.65	- \$ 1.82	\$ 1.49 - \$ 1.63
Northeast Waterfront	Pier 9	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
South Beach	Pier 24 Annex	\$ 3.40	- \$ 3.74	\$ 3.06 - \$ 3.37
South Beach	Pier 26	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
South Beach	Pier 28	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
South Beach	Pier 38	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
South Beach	Pier 40	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
China Basin	Piers 48	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
China Basin	Pier 50	\$ 1.75	- \$ 1.93	\$ 1.58 - \$ 1.73
China Basin	Pier 54 Shed	\$ 0.70	- \$ 0.77	\$ 0.63 - \$ 0.69
China Basin	Seawall Lot 343	\$ 1.25	- \$ 1.38	\$ 1.13 - \$ 1.24
China Basin	Seawall Lot 345	\$ 1.25	- \$ 1.38	\$ 1.13 - \$ 1.24
Southern Waterfront	Seawall Lot 349	\$ 1.10	- \$ 1.21	\$ 0.99 - \$ 1.09
Southern Waterfront	Pier 80	\$ 1.25	- \$ 1.38	\$ 1.13 - \$ 1.24
Southern Waterfront	Seawall Lot 354	\$ 1.25	- \$ 1.38	\$ 1.13 - \$ 1.24
Southern Waterfront	Pier 90	\$ 1.10	- \$ 1.21	\$ 0.99 - \$ 1.09
Southern Waterfront	Pier 92	\$ 1.10	- \$ 1.21	\$ 0.99 - \$ 1.09
Southern Waterfront	Seawall Lot 352	\$ 1.10	- \$ 1.21	\$ 0.99 - \$ 1.09
Southern Waterfront	Seawall Lot 344	\$ 1.10	- \$ 1.21	\$ 0.99 - \$ 1.09
Southern Waterfront	Pier 96 - M&R Building	\$ 1.25	- \$ 1.38	\$ 1.13 - \$ 1.24
Southern Waterfront	Facility 6019	\$ 0.75	- \$ 0.83	\$ 0.68 - \$ 0.74

Open Land & Pier Rates				
Sub-Area	Location Type	Monthly Rental Rate Range PSF		Monthly Net Eff. Rental Range PSF
Open Land	Improved Land & Sidewalk	\$ 0.85	- \$ 0.94	\$ 0.77 - \$ 0.84
Open Land	Paved Land	\$ 0.45	- \$ 0.50	\$ 0.41 - \$ 0.45
Open Land	Unpaved Land	\$ 0.35	- \$ 0.39	\$ 0.32 - \$ 0.35
Open Land	Subterranean Land	\$ 0.19	- \$ 0.21	\$ 0.17 - \$ 0.19
Open Land	Submerged Land	\$ 0.19	- \$ 0.21	\$ 0.17 - \$ 0.19
Open Pier	Open Pier Space	\$ 0.40	- \$ 0.44	\$ 0.36 - \$ 0.40
Open Pier	Apron Space	\$ 0.40	- \$ 0.44	\$ 0.36 - \$ 0.40

Parameter Rate Schedule
Industrial Rates FY2020

Exhibit A-1

Fish Processing & Wholesale Industry Rates

Sub-Area	Location Type	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
Fisherman's Wharf	Pier 45 2nd Fl Mezz.	\$ 1.10 - \$ 1.21	\$ 0.99 - \$ 1.09
Fisherman's Wharf	Pier 45 Office 1st Fl Office	\$ 1.40 - \$ 1.54	\$ 1.26 - \$ 1.39
Fisherman's Wharf	Pier 45 Shed	\$ 1.25 - \$ 1.38	\$ 1.13 - \$ 1.24
Fisherman's Wharf	Second floor warehouse	\$ 0.75 - \$ 0.83	\$ 0.68 - \$ 0.74
Fisherman's Wharf	SWL 302	\$ 1.20 - \$ 1.32	\$ 1.08 - \$ 1.19
Northeast Waterfront	Pier 33	\$ 1.50 - \$ 1.65	\$ 1.35 - \$ 1.49

Fishing Gear Storage Rates

Sub-Area	Location Type	Monthly Rental Rate Range PSF	Monthly Net Eff. Rental Range PSF
Portwide	Berthholders	\$ 0.45 - \$ 0.50	\$ 0.41 - \$ 0.45
Portwide	Non-Berthholders	\$ 1.50 - \$ 1.65	\$ 1.35 - \$ 1.49

Pier 40 Storage Locker Rates

Sub-Area	Location Type	Base Rent
South Beach	Pier 40 Lockers	\$ 100.00 Per Month

Telecommunications Site Rates

Sub-Area	Location Type	Base Rent
Portwide	Fixed Telecom Site	\$ 6,500.00 Per Month
Portwide	Small Cell Site	\$ 4,680.00 Per Year
Portwide	Temporary Telecom Site	\$ 500.00 Per Day

Parameter Rate Schedule
 Parking Rates FY2020

Exhibit A-2

Parking Stall Permit Rates				
Facility	Stall Type	Pre-Tax Rent	Parking Tax	Stall Rent
Agriculture Building	Building Tenant	\$ 340.00	\$ 85.00	\$ 425.00
Pier 9	Shed Tenant	\$ 340.00	\$ 85.00	\$ 425.00
SWL 302	Commercial Tenant	\$ 320.00	\$ 80.00	\$ 400.00
SWL 302	Restaurant Tenant	\$ 220.00	\$ 55.00	\$ 275.00
SWL 303	Commercial Tenant	\$ 320.00	\$ 80.00	\$ 400.00
SWL 303	Restaurant Tenant	\$ 220.00	\$ 55.00	\$ 275.00
Pier 26	Shed Tenant	\$ 200.00	\$ 50.00	\$ 250.00
Pier 28	Shed Tenant	\$ 200.00	\$ 50.00	\$ 250.00
Pier 40	Berthholder	\$ 100.00	\$ 25.00	\$ 125.00
Pier 80	Admin Bldg. Tenant	\$ 150.00	\$ 37.50	\$ 187.50
Pier 80	Industrial Trucking	\$ 160.00	\$ 40.00	\$ 200.00
Pier 90	Industrial Trucking	\$ 200.00	\$ 50.00	\$ 250.00
Pier 94	Industrial Trucking	\$ 200.00	\$ 50.00	\$ 250.00
Pier 96	Industrial Trucking	\$ 200.00	\$ 50.00	\$ 250.00

Color Curb Program Licenses				
Zone Type	Zone Use	Set-Up Fees	Monthly Fees	Size
Green Zone	Short Term Parking	\$ 425.00	\$ 325.00	Per 20 Feet
White Zone	Passenger Loading	\$ 425.00	\$ 325.00	Per 20 Feet
Yellow Zone	Commercial Delivery	\$ 425.00	\$ -	Per 40 Feet

Parameter Rate Schedule
Special Event Rates FY2020

Exhibit A-3

Athletic Event Rates						
Event Size		Application Submittal Date	Minimum Set-up Fees*		Minimum Event Fees*	
Small	< 2,000 People	120 Days	\$ 1,375.00	Per Day	\$ 2,750.00	Per Day
Small	< 2,000 People	45 Days	\$ 2,000.00	Per Day	\$ 4,000.00	Per Day
Large	> 2,000 People	120 Days	\$ 2,375.00	Per Day	\$ 4,750.00	Per Day
Large	> 2,000 People	45 Days	\$ 3,500.00	Per Day	\$ 7,000.00	Per Day

Private Event Rates						
Event Size		Application Submittal Date	Minimum Set-up Fees*		Minimum Event Fees*	
Small	< 2,000 People	120 Days	\$ 1,375.00	Per Day	\$ 2,750.00	Per Day
Small	< 2,000 People	45 Days	\$ 2,000.00	Per Day	\$ 4,000.00	Per Day
Large	> 2,000 People	120 Days	\$ 2,375.00	Per Day	\$ 4,750.00	Per Day
Large	> 2,000 People	45 Days	\$ 3,500.00	Per Day	\$ 7,000.00	Per Day

Public Event Rates						
Event Size		Application Submittal Date	Minimum Set-up Fees*		Minimum Event Fees*	
Small	< 2,000 People	120 Days	\$ 1,375.00	Per Day	\$ 2,750.00	Per Day
Small	< 2,000 People	45 Days	\$ 2,000.00	Per Day	\$ 4,000.00	Per Day
Large	> 2,000 People	120 Days	\$ 2,375.00	Per Day	\$ 4,750.00	Per Day
Large	> 2,000 People	45 Days	\$ 3,500.00	Per Day	\$ 7,000.00	Per Day

Pier 30/32 & Valley Event Rates*						
Event Size		Application Submittal Date	Minimum Set-up Fees*		Minimum Event Fees*	
All Events		120 Days	\$ 5,000.00	Per Day	\$ 20,000.00	Per Day

* Additional Fees may apply

Parameter Rate Schedule
 Film Photo Shoot Rates FY2019

Exhibit A-4

Photo Shoot Rates				
Sub-Area	Location Type	Description	Permit Fees	
Portwide	Outdoor	Simple	\$ 2,250.00	Per Day
Portwide	Indoor	Simple	\$ 2,750.00	Per Day
Portwide	Outdoor	Major	\$ 4,000.00	Per Day
Portwide	Indoor	Major	\$ 5,250.00	Per Day

Film Shoot Rates				
Sub-Area	Location Type	Event Size	Permit Fees	
Portwide	All	Simple	\$ 2,250.00	Per Day
Portwide	All	Major	\$ 4,250.00	Per Day

***Minor Film & Photo Shoots are those that require little to no support Functions;
 I.e. The Photographer, Subject, Minimal Equipment, etc.**

***Major Film & Photo Shoots are those that require substantial support;
 I.e. Film Crew, Props, Vehicles, Generators. Lighting, etc.**

***At no time shall the fee charged for Filming or a Photo Shoot at any facility be less than
 the Parameter Rental Rate for that facility as specified in the Rental Rate Schedule**

In researching market conditions and rates, Port staff employed the following sources of information:

Unemployment Rate: Federal Reserve Bank, April 2019

Office Market Summary:

1. Cushman & Wakefield: San Francisco Q1 2019 Office Report
2. Cushman & Wakefield: Oakland Q1 2019 Office Report
3. Kidder Mathews: San Francisco Q1 2019 Office Report
4. Kidder Mathews: Oakland Q1 2019 Office Report
5. Jones Lange La Salle: San Francisco Q1 2019 Office Report
6. Cornish & Carey Commercial: San Francisco Q1 Office Report
7. Tri Commercial Real Estate: San Francisco Q1 Office Report
8. Colliers International: San Francisco Q1 Office Report
9. CBRE Market Overview: San Francisco Q1 Office Report
10. Port of San Francisco Lease Activity: FY2019

Industrial Market Summary:

1. Kidder Mathews: San Francisco Q1 2019 Industrial Report
2. Kidder Mathews: Peninsula Q1 2019 Industrial Report
3. Cushman & Wakefield: Peninsula Q1 2019 Industrial Report

Fishing Industry Pier Shed and Land:

1. Port of San Francisco
2. Santa Cruz Harbor
3. Pillar Point Harbor
4. Spud Point Harbor
5. Morro Bay Harbor
6. Crescent City Harbor

Parking Market Survey:

1. Public Parking Facilities Located in the Vicinity
2. Private Parking Facilities Located in the Vicinity

Portwide Vacancy Report
June 1st, 2019

Exhibit C

Facility Code	Facility Description	Leasable Sq Ft	Occupied Sq Ft	Vacant Space
1001	Downtown Ferry Terminal	15	15	0
1005	Pier 1/2	1,232	1,232	0
1010	Pier 1	127,692	127,692	0
1030	Pier 3	289,270	289,270	0
1075	Pier 7 1/2	19,253	19,253	0
1090	Pier 9	187,842	187,842	0
1150	Pier 15	1,190	1,190	0
1170	Pier 17	448,160	448,160	0
1190	Pier 19	98,507	8,363	90,144
1195	Pier 19/23 Bulkhead	43,290	43,290	0
1225	Pier 22 1/2	3,920	3,920	0
1230	Pier 23	96,277	1,856	94,421
1235	Pier 23 1/2	4,385	4,385	0
1240	Pier 24	28,571	28,571	0
1260	Pier 26	68,450	68,450	0
1265	Pier 26 1/2	26,901	26,901	0
1270	Pier 27	354,360	354,360	0
1280	Pier 28	80,000	39,696	40,304
1285	Pier 28 1/2	2,459	2,459	0
1290	Pier 29	166,981	166,981	0
1295	Pier 29 1/2	41,186	41,186	0
1300	Pier 30	2,522	2,522	0
1310	Pier 31	224,160		224,160
1315	Pier 31 1/2	109,987	109,987	0
1330	Pier 33	67,377	62,497	4,880
1335	Pier 33 1/2	22,494	5,847	16,647
1351	Pier 35 Bulkhead	10,534	5,252	5,282
1355	Pier 35 1/2	1,896	1,896	0
1380	Pier 38	84,300	0	84,300
1385	Pier 38 1/2	2,125		2,125
1390	Pier 39	1,236,852	1,236,852	0
1400	Pier 40	90,690	87,246	3,444
1405	South Beach Harbor	1,490	1,490	0
1415	Pier 41 1/2	60,300	60,300	0
1435	Pier 43 1/2	35,772	35,772	0
1450	Pier 45 West	150,542	150,107	435
1451	Pier 45 East	52,775	52,775	0
1460	Pier 46	544,858	544,858	0
1470	Pier 47	14,219	14,219	0
1480	Pier 48	155,196	155,196	0
1485	Pier 48 1/2	17,187	17,187	0
1490	Pier 49	47,305	40,152	7,153
1500	Pier 50	376,667	366,899	9,768
1505	Pier 50 1/2	5,833	5,833	0
1540	Pier 54	30,000	24,692	5,308
1645	Pier 64 1/2	7,968	7,968	0

Portwide Vacancy Report
June 1st, 2019

Exhibit C

1680	Pier 68 (Shipyard)	558,818	6,400	552,418
1700	Pier 70	67,741	67,741	0
1800	Pier 80	3,070,000	3,075,565	-5,565
1840	Pier 84	11,470	11,470	0
1900	Pier 90	30,000	28,815	1,185
1920	Pier 92	367,737	343,772	23,965
1940	Pier 94	412,990	412,990	0
1960	Pier 96	1,460,000	1,457,752	2,248
1980	Pier 98	8,350	8,350	0
2000	Ferry Plaza	134,759	134,759	0
2010	Embarcadero Promenade	1,991	1,991	0
2275	Pier 27 Administration Building	798	798	0
2500	Hyde Street Pier	26,066	26,066	0
2505	Pier 50 Administrative Building	12,650	11,983	667
2750	Ferry Building	115,262	115,262	0
2780	Agriculture Building	25,550	20,694	4,856
2800	501 Cesar Chavez Street	38,000	19,512	18,488
2801	601 Cesar Chavez Street	11,604	11,604	0
3010	Sea Wall Lot 301	98,195	98,195	0
3020	Sea Wall Lot 302	79,796	79,796	0
3030	Sea Wall Lot 303	60,551	50,371	10,180
3130	Sea Wall Lot 313	47,277	47,277	0
3140	Sea Wall Lot 314	31,115	31,115	0
3150	Sea Wall Lot 315	54,540	54,540	0
3160	Sea Wall Lot 316	12,622	12,622	0
3170	Sea Wall Lot 317	86,195	86,195	0
3180	Sea Wall Lot 318 (Roundhouse)	48,910	36,414	12,496
3190	Sea Wall Lot 319	5,660	5,660	0
3200	Sea Wall Lot 320	2,992	2,992	0
3210	Sea Wall Lot 321	53,199	53,199	0
3220	Sea Wall Lot 322	75,724	75,724	0
3221	Sea Wall Lot 322-I	47,610	37,810	9,800
3240	Sea Wall Lot 324	56,906	56,906	0
3270	Sea Wall Lot 327	105,943	85,967	19,976
3280	Sea Wall Lot 328	27,993	27,993	0
3290	Sea Wall Lot 329	6,342	6,342	0
3300	Sea Wall Lot 330	103,329	103,329	0
3320	Sea Wall Lot 332	257,620	257,620	0
3330	Sea Wall Lot 333	129,193	129,193	0
3340	Sea Wall Lot 334	220,528	220,528	0
3350	Sea Wall Lot 335	9,858	9,858	0
3360	Sea Wall Lot 336	16,135	16,135	0
3370	Sea Wall Lot 337 - North	672,317	641,750	30,567
3372	Sea Wall Lot 337 - South	34,619	34,619	0
3430	Sea Wall Lot 343	2,400	2,400	0
3440	Sea Wall Lot 344 - East	554,168	554,168	0
3450	Sea Wall Lot 345	156,280	151,447	4,833

Portwide Vacancy Report
June 1st, 2019

Exhibit C

3471	Sea Wall Lot 347 - North	5,949	5,949	0
3472	Sea Wall Lot 347 - South	8,135	8,135	0
3490	Sea Wall Lot 349	1,286,141	1,286,141	0
3491	Noonan Building	32,664	26,083	6,581
3510	Sea Wall Lot 351	27,938	27,938	1
3520	Sea Wall Lot 352	875,000	725,622	149,378
3540	Sea Wall Lot 354 - West	138,413	138,413	0
3550	Sea Wall Lot 355	754,235	754,235	0
3560	Sea Wall Lot 356	92,129	92,129	0
4000	Tonquin Street	13,689	13,689	0
4002	Jefferson St - Hyde to Leavenworth	187	187	0
4007	Jefferson St - Taylor to Powell	96	96	0
4020	Commerce/Front/Union/Green Streets	149	149	0
4023	The Embarcadero - Folsom to Green	10,373	9,216	1,158
4024	Steuart/Folsom/Howard Streets	8,529	8,529	0
4027	The Embarcadero - Folsom to Pier 38	457	457	0
4029	Townsend Street	182,516	182,516	0
4031	The Embarcadero - Pier 38-46	90,254	90,254	0
4033	Third/China Basin Street	103,878	103,863	15
4034	China Basin/Mission Rock	309,700	309,700	0
4035	Illinois/Fourth/El Dorado/1st Streets	5,445	5,445	0
4036	Twentieth Street	88	88	0
4037	Illinois/23rd Street	519,331	519,331	0
4039	Waterfront Street	545,952	545,952	0
4042	Islais Street	12,975	12,975	0
5003	South Beach Marina	2,062,431	2,062,431	0
5005	Islais Creek Channel	7,600	7,600	0
5006	China Basin	100,000	100,000	0
5032	Mission Creek Harbor	193,592	192,400	1,192
5470	Fisherman's Wharf Harbor	5,216	5,216	0
6014	3rd Street/Cargo Way Triangle	37,050	28,050	9,000
6020	Intermodal Container Transfer Railyard	456,456	455,417	1,039
		22,741,361	21,298,513	1,442,848

Parking Lot	Beach & Hyde Garage	Anchorage Shopping Center Garage	Fisherman's Wharf Parking	Wharf Garage Lot#34	Longshoremen's Hall Parking Lot	Cost Plus Plaza Garage	North Point Center Garage	Triangle Parking Lot	Pier 39 Garage	Bay / Embarcadero & Kearny	Waterfront Plaza	Lot #93 Parking Garage	Levi's Plaza Garage	Pier 33	Pier 29.5	Pier 19.5	SWL 321	SWL 322-1	SWL 323-324
Web Source Region	[01] FW	[02] FW	[03] FW	[04] FW	[05] FW	[06] FW	[07] FW	[08] FW	[09] FW	[10] NE	[11] NE	[12] NE	[13] NE	[14] NE	[15] NE	[16] NE	[17] NE	[18] NE	[19] NE
Alt. Address	655 Beach	500 Beach	2850 Jones, 458 Beach or 450 Beach	350 Beach	400 Northpoint	425 Northpoint or 2552 Taylor	350 Bay	170 Jefferson or 2817 Taylor	2550 Powell or 16 Beach	2 Bay or Seawall Lot 314	80 Francisco	55 Francisco	101 Lombard or 1453 Sansome		1274 The Embarcadero	1098 The Embarcadero	1050 Front	88 Broadway	
Operator	Propark America	Ace Parking	Wharf Properties, Inc	Impark (aka Imperial Parking)	Impark (formally "City Park")	ABM Parking	Impark (aka Imperial Parking)	SP+ Parking	LAZ Parking	SP+ Parking	Impark (aka Imperial Parking)	Impark	ABM Parking	SP+ Parking	SP+ Parking	SP+ Parking	SP+ Parking	SP+ Parking	SP+ Parking
Phone	415-447-0232	415-673-7762 415-398-1900	415-885-4884	415-227-0114	415-495-3909	415-351-4450 415-351-4460	415-227-0114 877-909-6199	415-558-1663	415-705-5418	877-717-0004	415-398-4162	415-227-0114 415-398-4162	415-981-8213	Closed		415-558-1663	415-510-5401	Closed	415-558-1663
Covered?	Covered	Covered	Uncovered	Covered	Uncovered	Covered	Both	Uncovered	Covered	Uncovered	Covered	Covered	Covered	Covered	Covered	Covered	Uncovered	Uncovered	Uncovered
Manned?	Y						Y	N	Y						N	N		N	
In-Person Hours	7AM-12AM				11A-6PM														
Lot Op. Days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	M-F	7 days	M-Sa		7 days	7 days	7 days	7 days	7 days
Lot Op. Hours	7AM-12AM	24 Hours	9AM-2AM	7AM-11PM	5AM-12AM	6AM-10PM	24 Hours	8AM-12AM	24 Hours	24 Hours	7AM-8PM	6AM-10PM	6AM-11PM		7AM-8PM	8AM-10PM	24 Hours	24 hours	24 hours
Weekday (wd)	7AM-12AM		9AM-12AM								6AM-9PM	6AM-10PM	6AM-11PM		7AM-8PM	8AM-8:30PM			
Weekend (we)	7AM-12AM		9AM-2AM								8AM-9PM	8AM-10PM	9AM-6PM		8A-8P; 10A-6P	8AM-10PM			
Monthly:																			
Reserved	\$250	\$ 340.00										\$ 340.00	\$ 350.00						
Non-Reserved	\$200	\$ 240.00		\$ 225.00	\$ 225.00	\$ 175.00	\$ 240.00				\$ 325.00	\$ 300.00	\$ 325.00		\$ 310.00	\$ 310.00	\$ 310.00		\$ 310.00
Vacancy																			
In/Out Priv.	N												Yes						
Notes:		cruise ship parking \$15& \$20 daily	NO montly parking	FY18 \$240/m FY19 inc=6%			FY18 same	no monthly		no monthly must submit online request	cruise ship pkg: \$18/day (min 7 days)	tenant pkg only; will not disclose rate			FY18 \$300/m FY19 inc=3%	FY18 \$300/m FY19 inc=3%	FY18 \$300/m FY19 inc=3%	FY18 \$300/m	FY18 \$300/m
Daily:																			
Weekday:																			
Oversize Max																			
Daily Max	\$ 46.00	\$ 45.00	\$ 35.00	\$ 18.00		\$ 30.00	\$ 36.00	\$ 45.00	\$ 50.00	\$ 40.00	\$ 25.00	\$ 30.00	\$ 60.00		\$ 25.00	\$ 25.00	\$ 25.00		\$ 25.00
Early Bird		\$ 19.00	\$ 12.00	\$ 12.00			\$ 14.00			\$ 20.00			\$ 18.00		\$ 20.00	\$ 20.00	\$ 18.00		\$ 20.00
Weekend:																			
Oversize Max																			
Daily Max	\$ 46.00	\$ 45.00	\$ 45.00	\$ 20.00	\$ 30.00	\$ 30.00	\$ 35.00	\$ 45.00	\$ 60.00	\$ 45.00	\$ 20.00	\$ 20.00				\$ 30.00			\$ 30.00
Early Bird																			
Notes:	12 hrs=\$42 24 hrs=\$42	Daily Max: \$40 (Nov-Mar) \$50 (Apr-Oct) event rates available	dynamic pricing	event rates \$35-\$40	event rates \$25-\$45		event = \$35	event rates \$35-\$45	advanced reserved \$30		12 hr=\$25 24 hr=\$32 event rates \$25-\$45	12 hr=\$25 24 hr=\$30	12 hr=\$25 24 hr=\$60				3hr=\$15 4hr=\$20 night=\$10		we=Sat only we incld Sun
Hourly:																			
Full Hourly	\$ 10.00					\$ 5.00	\$ 12.00		\$ 11.00		\$ 8.00	\$ 8.00	\$ 9.00						
1/2 Hourly			\$ 6.50																
1/4 Hourly		\$ 3.00						\$ 3.00		\$ 10.00	\$ 2.00	\$ 2.00	\$ 2.25						
Notes:	add'l hr=\$8	\$3-1st hr w/validation		no hourly parking		2 hrs free w/validation	1.5 hrs free w/validation	3 hrs free w/validation	1.0 hr free w/validation				4 hr=\$10 w/validation				4hr=varies input disc code		
No. of spaces	26	630	174	254	64	103	350	225	178	107	528	368	577	0	111	289	170	0	150
Survey Notes & Color Key																			
date called	06/20/19	06/19/19	06/05/19	06/06/19	06/06/19	06/21/19	06/06/19	06/21/19	06/05/19	06/21/19	06/19/19	06/19/19	06/05/19	06/06/19	06/21/19	06/21/19	06/19/19	06/06/19	06/21/19
new info yr 2019																			
Region: "FW" = Fisherman's Wharf, "NE" = Northeast Waterfront, "SB" = South Beach, "CB" = China Basin																			
"bolded" = good contact info																			
blended rates - see comments																			
diff info per phone survey																			
cannot verify by phone or email																			

Parking Lot	847 Front Parking Garage	Embarcadero Square	750 Battery Parking Garage	900 Sansome Parking Garage	955 Sansome Parking Garage	350 Pacific Parking Garage	768 Sansome Parking Garage	Golden Gateway Garage	Embarcadero Center Garage	Hornblower Landing Parking Lot	Ferry Bldg Investors Parking Lot	1 Market Garage	Rincon Center Garage	75 Howard Parking Garage	Bayside Lot - Lot 26	Pier 26	Pier 30/32	Hills Plaza Garage	199 Fremont - Lot 344	China Basin Landing
Web Source	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]
Region	NE	NE	NE	NE	NE	NE	NE	NE	NE	NE	NE	SB	SB	SB	SB	SB	SB	SB	SB	CB
Alt. Address		750 Front	159 Broadway					250 Clay	Buildings 1, 2, 3 & 4	Pier 3	SWL351	55 Spear	121 Spear		1 Bryant			25 Folsom 345 Spear	166 Beale St	920 3rd
Operator	Pacific Park Management	Pro Park	Ampco System	Liberty Parking	Liberty Parking	American-West	California Parking	Impark	Impark	Hornblower Landing	Ace Parking	ABM Parking	Propark America	ABM Parking	Impark	Impark	Impark	ProPark	Impark (formally "City Park")	One Parking
Phone	415-434-4400	415-374-2047	415-956-8148 415-772-0671	650-342-3010 650-333-6285	650-342-3010 650-333-6285	415-596-8743	415-468-4860	415-433-4722	415-772-0670	415-788-8866	415-777-2292	415-777-2292	415-882-9468	closed 02/25/18	415-227-0114	415-227-0114	415-227-0114	415-820-5908	415-227-0114 415-495-3909	415-625-0755
Covered?	Covered	Covered	Covered	Covered	Both	Uncovered	Uncovered	Covered	Covered	Uncovered	Uncovered	Covered	Covered	Covered	Uncovered	Covered	Uncovered	Covered	Covered	Covered
Manned?		Y		Y	Y		Y	Y				Y								
In-Person Hours							6:30AM-7PM													
Lot Op. Days	7 days	M-F	M-F	M-F	M-F	7 days	7 days	7 days	7 days	7 days		M-F	7 days	7 days	7 days		M-F	7 days	M-F	M-F
Lot Op. Hours	6/10AM-8PM	7AM-7PM	7AM-7PM	6AM-9PM	6AM-9PM	24 Hours	24 Hours	4/7/9-10PM		8AM-10PM		6AM-7PM	24 Hours		24 Hours		6AM-11PM	6/11AM-11PM	6AM-8PM	6AM-7PM
Weekday (wd)	6AM-8PM										10AM-10PM									
Weekend (we)	10AM-8PM										10AM-1AM									
Monthly:																				
Reserved			\$ 340.00					\$ 530.00	\$ 650.00			\$ 650.00				\$ 260.00		\$ 500.00		\$ 500.00
Non-Reserved	\$ 330.00	\$ 362.00		\$ 300.00	\$ 300.00		\$ 394.00	\$ 420.00	\$ 435.00			\$ 550.00	\$ 425.00		\$ 315.00		\$ 215.00	\$ 425.00	\$ 430.00	\$ 400.00
Vacancy																				
In/Out Priv.								Yes	Yes										Y	
Notes:	FY18 \$330/m no longer managed by Pacific Park	FY18 \$375/m FY19 inc=4%	FY18 Same			no longer managed by American West		FY18 rates Res-\$500/m N.R-\$390/m FY19 6&8%inc	FY18 Same								Only Monthly \$ 1,200.00	FY18 \$195/m FY19 inc=10%	FY18 \$410/m FY19 inc = 5%	call for rates
Daily:																				
Weekday:																				
Oversize Max	\$ 25.00	\$ 47.00		\$ 35.00	\$ 35.00							\$ 65.00								
Daily Max	\$ 18.00	\$ 22.00	\$ 27.00	\$ 25.00	\$ 25.00	\$ 18.00	\$ 37.00	\$ 38.00	\$ 35.00	\$ 20.00	\$ 60.00	\$ 48.00	\$ 32.00		\$ 17.00		\$ 15.00	\$ 35.00	\$ 35.00	\$ 25.00
Early Bird		\$ 16.00	\$ 16.00	\$ 15.00	\$ 15.00			\$ 20.00	\$ 20.00				\$ 24.00				\$ 13.00		\$ 24.00	
Weekend:																				
Oversize Max	\$ 25.00																			
Daily Max	\$ 18.00						\$ 15.00	\$ 8.00	\$ 35.00	\$ 20.00	\$ 60.00		\$ 15.00		\$ 10.00		\$ 10.00			
Early Bird																				
Notes:	valet parking		12 hr=\$20 24 hr=\$27 valet only			Overnight=\$30		12 hr=\$27 24 hr=\$37 wd eve=\$10 we eve=\$15	night=\$3/hr		valet only	night=\$18	night=\$15 flat exit 12am=\$32	wd eve=\$8 we 4hr=\$6 we add 1 hr=\$6	night=\$10 flat event rates \$25-\$40	night=\$10 flat event rates \$35-\$40	night=\$10 flat	night=\$10 flat	12 hr=\$26 24 hr=\$35	
Hourly:																				
Full Hourly		\$ 8.00					\$ 7.00			\$ 5.00	\$ 12.00									\$ 12.00
1/2 Hourly							\$ 4.00	\$ 3.50	\$ 6.00			\$ 6.00	\$ 6.00							\$ 5.00
1/4 Hourly		\$ 2.25	\$ 1.88																	\$ 3.00
Notes:									varied disc w/validation	\$10 flat for Hornblower guests								2hrs=\$7 w/Red Java validation		\$ 3.75
No. of spaces	108	218	79	58	180	50	60	1095	2136	no info	68	170	129	538	289	109	1000	46	150	254
Survey Notes & Comments																				
date called	06/06/19	06/06/19	06/06/19	06/19/19	06/19/19	06/19/19	06/06/19	06/05/19	06/05/19	06/06/19	06/19/19	06/05/19	06/19/19	06/05/19	06/05/19	06/05/19	06/05/19	06/19/19	06/06/19	06/06/19
new info yr 2019																				
Region: "FW" = Fisherman's Wharf																				
"bolded" = good contact																				
blended rates - see survey																				
diff info per phone call																				
cannot verify by phone																				



- Port-managed Parking Facilities
- A SWL 303
- B SWL 302
- C Pier 9
- D Agriculture Building

Other Parking Facilities Located In The Vicinity

- | | | |
|-------------------------------|-------------------------------------|------------------------------------|
| 1 655 Beach / Leavenworth | 14 Pier 33 | 27 350 Pacific / Battery & Sansome |
| 2 500 Beach / Jones | 15 Pier 29 1/2 | 28 768 Sansome / Pacific & Jackson |
| 3 2850 Jones / Beach | 16 Pier 19 1/2 | 29 250 Clay / Battery & Front |
| 4 350 Beach / Taylor | 17 Green / Front | 30 Clay / Drumm, Davis & Front |
| 5 400 North Point / Taylor | 18 Front / Broadway | 31 Pier 3 |
| 6 455 North Point / Taylor | 19 Davis / Vallejo | 32 Embarcadero / Washington |
| 7 350 Bay / Powell | 20 Davis / Broadway | 33 1 Market / Spear |
| 8 170 Jefferson | 21 735 Davis / Broadway | 34 121 Spear / Mission & Howard |
| 9 Embarcadero / Stockton | 22 847 Front / Broadway & Vallejo | 35 75 Howard / Steuart & Spear |
| 10 Bay / Embarcadero & Kearny | 23 750 Front / Broadway & Pacific | 36 1 Bryant / Embarcadero / Beale |
| 11 80 Francisco | 24 Broadway / Battery & Front | 37 Pier 26 |
| 12 55 Francisco | 25 900 Sansome / Broadway | 38 Pier 30/32 |
| 13 Sansome / Greenwich | 26 955 Sansome / Broadway & Vallejo | 39 920 3rd Street |
| | | 40 199 Fremont Street |
| | | 41 25 Folsom Street |

APPROVED BY
 SAN FRANCISCO PORT COMMISSION
 DATE _____

 CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
 PORT OF SAN FRANCISCO
 DEPARTMENT OF ENGINEERING

EXHIBIT F-1

DRAWN BY: JLD	DATE: APRIL 03, 2017
CHECKED BY: T. LEE-LAM	SCALE: 1"=1750'
DRAWING NO.	SHEET NO.
	OF SHEETS



Memorandum

Date June 25, 2019
To: Jeffrey Bauer, Port of San Francisco
From: Seifel Consulting Inc.
Re: Review of FY 2019/2020 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates (Proposed Schedule)

At the request of Port of San Francisco staff, Seifel Consulting (Seifel) provided a due diligence review of the proposed Port parameter rate schedule—the FY 2019/2020 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, Special Event and Filming Rates (Rental Rate Schedule). As further described in this memorandum, Seifel concludes that the minimum office, industrial/warehouse and parking rates recommended in the FY 2019/20 Rental Rate Schedule are generally reasonable and consistent with overall market trends in San Francisco and Port lease transactions undertaken over the past year.

To reach this conclusion, we performed the following steps:

- Reviewed the Port’s proposed FY 2019/2020 Rental Rate Schedule and supporting information provided by Port staff.
- Reviewed last year’s Port Commission staff report and the adopted FY 2018/2019 Rental Rate Schedule, as well as supporting materials.
- Discussed the Port’s recent leasing activity with Port staff, as well as the market research that Port staff undertook to develop the proposed Rental Rate Schedule.
- Obtained and analyzed Port data on lease terms, rent roll and vacancy trends over the past two years.
- Obtained and analyzed relevant market data on office, industrial and parking uses in San Francisco.
- Surveyed and obtained current parking rates for properties that are owned by the Port and competitive parking facilities, updating the Port’s prior 2017 parking survey data.

A. Purpose of Rental Rate Schedule

The Port of San Francisco owns and leases a diverse array of properties, many of which are located on piers along the waterfront. The Port directly leases space for office, industrial, warehouse, maritime, parking, special events, and film uses. In addition, the Port has entered into long-term ground leases with master lessees who have redeveloped Port properties, and these master lessees handle the leasing for these buildings, which include the Ferry Building, Pier 1 and Piers 1½-3-5.

The purpose of the annual Rental Rate Schedule is to establish minimum parameter rents for Port properties that will be directly leased each Fiscal Year in order to most effectively administer the leasing process. Each year Port staff performs an analysis to assure that the minimum rents in the Rental Rate Schedule are consistent with market rates for similar properties. Typically, an outside consultant is retained to review the parameter rent analysis prepared by Port staff, and Seifel performed this review over the past month.

Once the Rental Rate Schedule is approved by the Port Commission, Port staff may enter into new leases or lease renewals that equal or exceed the minimum parameters contained in the Rental Rate Schedule upon approval by the Port's Executive Director. The Port Commission must approve all leases that fall outside the parameters of the Rental Rate Schedule.

This process provides clarity and certainty to the Port Commission, tenants and staff. It also furthers the Port's goals to execute a holistic and balanced real estate strategy to most effectively maximize its asset values and income while retaining affordable business space for certain maritime uses, non-profit entities and single proprietorships, consistent with the public trust regarding waterfront land. The Rental Rate Schedule and the Port's leasing policies take into account these key Port's goals.

The Rental Rate Schedule is established as a minimum threshold, and Port staff may lease properties at the highest rate achievable from a new lease or lease renewal. Based on discussions with staff and review of rent schedules for properties leased over the past two years, we understand that Port staff has been able to successfully negotiate the majority of its leases with rents above the minimum rent levels. At the same time, Port staff negotiates rents that minimize periods of prolonged building vacancies and address the Port's goals to provide affordable business space for certain uses.

B. Market Assessment

Overall, the San Francisco real estate market is very healthy, buoyed by strong employment growth and low unemployment. According to the Bureau of Labor Statistics (BLS), the County of San Francisco maintains an unemployment rate of 2.1%, well below the United States national annual average of 3.3% for 2019. Local unemployment declined slightly in 2019, by 0.2% when compared to the same time period in 2018, according to BLS.

As shown on Exhibit 1 at the end of this memo, we reviewed market data for office and industrial properties from eight real estate companies actively engaged in leasing and selling real estate in San Francisco. In addition, we reviewed parking survey data assembled by Port staff and gathered current parking data through our own independent research. The findings from our research regarding the three major uses that are included in the Rental Rate Schedule are summarized below.

1. Office

As described earlier, the Port has entered into long-term leases with several master tenants who have redeveloped Port properties and manage their leasing. These properties primarily consist of Class A office space and retail uses that are managed by Equity Office Partners (Ferry Building), Prologis (Pier 1) and San Francisco Waterfront Properties (Piers 1½-3-5).

The Port does not directly lease any Class A office space, so the Rental Rate Schedule focuses on Class B and Class C office space. Class B and C office space has lower quality building finishes and building systems, which are reflective of their older building conditions.¹

In addition to office condition and age, location is the most important factor in the determination of rental rates for office space. Many of the Port's properties along the Embarcadero have excellent locations featuring beautiful water views, access to frequent transit, and proximity to San Francisco's financial district and major downtown amenities. This adds a premium to rental rates for certain Port properties.

¹ The Building Owners and Managers Association (BOMA) classifies office space into three categories: Class A, Class B, and Class C. BOMA states that Class A facilities have "high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence." For Class B, "building finishes are fair to good for the area and systems are adequate." Class C buildings attract "tenants requiring functional space at rents below the average for the area."

According to Port staff, demand for office space along the Port's waterfront has strengthened. The current vacancy rate for office space that is directly leased by the port is 3.4%, a substantial decrease from last year's vacancy rate. A significant portion of the Port's vacant space is located at Piers 19 & 23, which the Port is actively marketing for interim leasing related to the upcoming Historic Piers RFP process. Port staff proposes to increase the Rental Rate Schedule in FY 2019/20 for office space except for selected properties with special leasing characteristics, such as Pier 23.

Based on a review of office market data from the sources identified in Exhibit 1, San Francisco's office market remains strong. New supply of Class A office space has helped to meet strong office demand due to recent additions and planned construction. About 3 million square feet of Class A office space was slated for delivery by the end of 2018, and over 770,000 square feet of office space was in construction in early 2019. Even with the large scale of deliveries, the office construction pipeline remains robust with over 4.1 million square feet yet to be delivered.

Despite the significant increases in supply, vacancy rates for Class A and Class B office space have declined according to most brokerage firms over the past year. Brokerage firms differ with respect to how they are reporting vacancy rate trends for Class C office space, with some indicating decreases in vacancy rates while others reporting increases. The Port's overall office vacancy rate of 3.4% for its primarily Class B and C office space is within the range of vacancy rates reported by Cushman Wakefield, Colliers, Jones Lang LaSalle, and Kidder Matthews for San Francisco in Q1 2019.

Overall, office rents are reported to have increased over the past year, and the consensus among real estate professionals is that vacancy will continue to tighten in 2019 based on continuing strong demand. Most firms predict that office rents for all classes of office will likely increase in the near term, but Class C office space may experience market softening if tenants choose to relocate out of San Francisco rather than pay higher rental rates.

Based on a review of all of the office market data sources, Jones Lang LaSalle (JLL) had the best comparative data for all three office Classes (A, B and C) for 2018 to 2019. According to JLL, average rents for Class A and Class B office space increased from the first quarter of 2018 (Q1 2018) to Q1 2019, as vacancy rates declined over the past year. Average rental rates for Class C office space continued to increase despite a reported increase in vacancy rates for Class C space over the past year according to JLL.

JLL reports that average monthly asking rents for Class B space are approximately \$6.22/Square Foot (/SF) while asking rents for Class C space are \$5.55/SF as of Q1 2019. (These rent levels are typically reported on a full service basis versus triple net basis.) The vacancy rate for Class B space is significantly lower than for Class C space, at 6.6% and 10.6% respectively. (Of note, JLL is reporting the highest vacancy rate for Class C space of all the brokerage firms that reported data for Class C space.)

While the monthly minimum rents in the proposed Rental Rate Schedule are less than the average asking rents reported by JLL and other brokerage firms, we believe that the Rental Rate Schedule is reasonable given the advanced age of the Port's properties and the fact that many of the Port's piers are not in optimal physical condition. Furthermore, the Port rents most properties on a Triple Net Basis and has limited ability to fund tenant improvement costs upfront in contrast to private landlords who may provide a significant tenant improvement allowance to incentivize occupancy.

2. Industrial and Warehouse

The majority of the Port's industrial and warehouse space is located in Pier sheds that are categorized as Class C space. These properties have various levels of building improvements, ranging from large open shed spaces that may or may not include interior walls, partitions, fencing and utilities. The majority of the Port's properties lack loading docks, attached office space and non-permeable concrete floors, and many share a common drive aisle, some adjacent to busy streets.

Despite these conditions, the Port has been able to negotiate favorable rental rate terms for much of its industrial and warehouse space given the scarcity of industrial property in San Francisco and the location of a substantial amount of the Port's shed space along the Embarcadero, which is in close proximity to downtown San Francisco and Fisherman's Wharf.

According to Port staff, demand for industrial and warehouse space varies from building to building based on its location and building condition. The current vacancy rate for industrial and warehouse space that is directly leased by the Port has increased to 6%. The increased vacancy rate is primarily due to vacant space in the Northeast Waterfront at Piers 19, 23, 29, and 31, as capital repairs are still underway or are planned to occur in the near future at these piers. However, the Department of Elections will be occupying Pier 31 in the near future, and Piers 19 & 23 are being actively marketed, which is expected to reduce the Port's overall vacancy rate for industrial and warehouse space.

During the past year, Port warehouse rates have typically averaged \$1.60 to \$2.00 per square foot in northern waterfront locations except at Pier 45, which is leased at more favorable rates to the fishing industry. The Port typically leases industrial and warehouse spaces under "net" or "industrial gross" lease rates with tenants often having to invest in capital improvements before or during occupancy.

Based on surveys of rates at other California Ports and harbors and recent industrial market trends, Port staff is recommending increases in the minimum monthly lease rates for piers and sheds at Piers 33, 35 and 45 in the northern waterfront from \$1.50/SF to current market rates of \$1.60/SF in FY 2019/20. Port staff is recommending a slightly higher increase for most its major Ferry Plaza and South Beach piers and sheds from \$1.60/SF to current market rates of \$1.75/SF in FY 2019/20, reflecting their easier access to major transportation corridors and the continuing trend of industrial and storage space moving southward along the Embarcadero. Most of the remaining piers and sheds are proposed to increase between \$0.05–\$0.10/SF/month depending on their location, quality of space and access. Fishing gear storage for non-bertholders is proposed to increase by \$.25/SF/month, but the Port rarely leases to non-bertholders.

Based on a review of industrial market data from the sources identified in Exhibit 1, San Francisco's industrial market remains strong as supply continues to be constrained in relationship to demand, leading to historically low vacancy rates that are reported by most sources to average between 2% and 3%. This has made it difficult for industrial users to find well-located, quality space for lease. Low vacancy rates for industrial and flex spaces are expected to continue in the next few years.

Based on review of the industrial market data sources, Kidder Matthews (KM) had the best market data for industrial and warehouse space in San Francisco. Based on KM data, average monthly asking rents for industrial space in San Francisco increased from \$1.56 in Q1 2018 to \$2.72 in Q1 2019, while vacancy rates increased slightly from 2.1% to 2.6%.² Of note, KM reports industrial and R&D market trends for the combined San Francisco and Peninsula market (including San Mateo County) and forecasts continued strong demand, particularly from the life sciences sector.

The proposed lease rate increases for Port industrial and warehouse properties are reasonable, as they reflect tightening market conditions for industrial space in San Francisco while taking into account the unique users, locations and characteristics of each property.

² The *availability* rate for industrial space is 4.0% as of Q1 2019 according to KM. The availability rate is equal to the total amount of space that is currently being marketed for lease divided by the total amount of existing inventory.

3. Parking

The Port owns and operates a diverse set of parking facilities along the waterfront, and the vast majority of parking spaces are leased to Port tenants. The Port has an active waiting list for all of its parking facilities, as there is currently more demand than supply from Port tenants.

At the request of Port staff, we updated the Port's parking rate survey for Port owned and competitive parking facilities along the northern waterfront and in China Basin. Based on our 2019 survey, we found that parking rates for most facilities have either remained about the same or slightly increased since 2017. We concur with staff's recommendations regarding rental rate increases given the location of the Port's parking spaces and the fact that many of the Port's parking spaces are leased to tenants who utilize them for business purposes. We also believe that charging parking rates based on current market conditions is one of the most effective strategies to encourage tenants to factor in the real cost of their travel choices, which is a key strategy for the Port to utilize to manage transportation demand.

Port staff is recommending that the minimum parking rates be increased consistent with their location and use. For example: commercial tenants in the northern waterfront would pay \$320 to \$340 per month pre-tax or \$400 to \$425 per month inclusive of the City's parking taxes, which is within the current range of monthly market rates for most parking facilities surveyed in downtown San Francisco. Industrial trucking tenants in the Southern Waterfront would pay \$160 to \$200 per month pre-tax or \$200 to \$250 per month inclusive of the City's parking taxes, which is reported by Port staff to be the market rate in these locations. On the basis of the results of the parking rate survey and our recent work for the Port on parking and transportation demand management, we concur with Port staff's parking rate recommendations for the Rental Rate Schedule.

C. Conclusion

In conclusion, we find that Port staff's proposed minimum rates for office, industrial/warehouse and parking uses in the FY 2019/20 Rental Rate Schedule are generally reasonable and consistent with overall market trends in San Francisco and Port lease transactions undertaken over the past year.

Exhibit 1: Market Report and Property Listing Reviews

Office Market Reports

- Avison Young, San Francisco Quarterly Office Market Report, Q1 2019
- CBRE Marketview, San Francisco Office, Q1 2019
- Colliers International, San Francisco Office Market, Q1 2019
- Cushman & Wakefield Marketbeat, San Francisco Office, Q1 2018 and Q1 2019
- Jones Lang Lasalle, San Francisco Office Insight, Q1 2019
- Kidder Mathews, Real Estate Market Review, San Francisco Office, Q1 2018 and Q1 2019
- Newmark Knight Frank, San Francisco Office Market, Q1 2019
- Tri Commercial Real Estate Services, San Francisco Trends, Q1 2019

Industrial Market Reports

- Calco Commercial, San Francisco Industrial Market Summary Q1 2019, and San Francisco and Peninsula Industrial Market Summary, Q4 2018
- CBRE Marketview, San Francisco Industrial, Q1 2019
- Kidder Mathews, Real Estate Market Review, SF Peninsula Industrial, Q1 2019
- Kidder Mathews, Real Estate Market Review, West Coast Industrial, Q4 2018
- LoopNet.com Commercial Property Searches

Synopsis of Port Leasing Policies

The Port Commission has delegated authority to Port staff to execute certain leases, licenses and memoranda of understanding that meet the following criteria:

1. Use Type:
The agreement is for an office building or bulkhead office space, open or enclosed pier shed space, paved or unpaved open space, or open pier or apron space or roof-top space but is not for a retail use.
2. Use Consistency:
Except for temporary uses (with terms not exceeding six (6) months), the use under the agreement represents a like-kind use to the existing or the immediate prior use of the facility.
3. Assignments and Subleases:
Unless otherwise explicitly provided by the Lease, staff is authorized to consent to assignments and subleases on a form approved by the City Attorney and provided the terms and the conditions of the sublease or assignment complies with the terms and conditions of the Lease.
4. As-Is Execution:
The tenant executes the Port's appropriate* standard form agreement with no alterations except for minor changes approved by the City Attorney or changes in insurance requirements approved by the City Risk Manager.
5. Term Limits:
The term of the agreement does not exceed five (5) years, except for those leases in the Fisherman's Wharf Seafood Center at Pier 45 Sheds B and D that have a maximum lease term of ten (10) years (Port Resolution No. 94-122; Amended February 28, 2006, by Resolution No. 06-15). Leases for telecommunication sites may be up to nine (9) years (Port Resolution No. 96-123).
6. Select Tenant Improvement Allowance:
Port staff has the authority to issue tenant improvement allowances for floor and wall coverings if those credits do not result in the net rent over the term of the lease to be below the Minimum Net Effective Rental Rates found in the Rental Rate Schedule. Allowances for paint (amended June 8, 2010 by Resolution 37-10) up to a maximum of \$3.50 per square foot, and for floor covering, up to a maximum of \$5.00 per square foot (amended July 10, 2012 by Resolution 12-52), are allowable when: 1) new paint and/or floor covering is necessary in order to lease space in full service office buildings; and 2) Port staff is unable to perform such work prior to the proposed lease commencement date. These allowances are considered "landlord's work"; therefore such work is not included in calculating the minimum Initial Lease Rental Rates.
7. Limited Early Entry:
One month rent-free early entry to include rent abatement for each year of lease term may be granted, up to three months, for the purpose of space preparation (not to exceed three months). (Amended July 14, 2009 by Resolution No. 09-34).

8. Compliance with Laws:
The standard forms require compliance with all laws, explicitly including requirements for compliance with environmental laws including hazardous materials handling and cleanup; City zoning laws; the Port Waterfront Land Use Plan; and consistency and compliance with the Secretary of the Interiors' Standards for the Treatment of Historic Properties and the Port of San Francisco Historic Preservation Review Guidelines for Pier and Bulkhead Wharf Substructures.
9. Large Land Discount:
Port staff is authorized to offer a 5% discount for land transactions with minimum premises of 43,560 square feet and a minimum term of 36 months (Amended June 8, 2010 by Resolution 10-37).
10. Rental Rates:
The Port's leasing policy provides for an annual update of the Rental Rate Schedule. The Rental Rate Schedule sets ranges of minimum lease/license rental rates per square foot and ranges of Minimum Net Effective Rental Rates per square foot (if any rent credits are to be provided) by type of use and facility for office, shed and industrial space.
11. Reporting to Port Commission:
Port staff provides a monthly report to the Port Commission indicating Leases, Licenses, Memoranda of Understanding, consents to sublease, and assignments executed pursuant to this policy.
12. The City's administrative policy is to competitively solicit leasing opportunities, except where impractical or infeasible. The Port has a high volume of leases (about 550) for relatively small leased areas at nominal rental rates. To competitively bid such a large volume of leases would be impractical because the benefit of doing so does not outweigh the cost of resources that would be required just for this effort. Moreover, Port is generally able to accommodate most entities that wish to enter into leases for general special events, offices, and pier and open land storage space. As such, it is the policy of the Port not to competitively bid leases or licenses for special events, office, warehouse space, or unimproved land. Instead, for these fairly routine leases, the Port relies on the parameter rental rate structure that is based on an analysis of comparable rent charged in the private sector and/or based on existing conditions of individual properties as adjusted annually to reflect market conditions. However, where a business model is highly competitive and represents a major revenue opportunity for the Port (e.g., development opportunities, retail leases, parking lots, concrete batching, construction materials recycling), the Port would issue a competitive solicitation.
13. The Port's Executive Director is authorized to waive Public Art use fees in license agreements and MOUs under the following circumstances: (i) there are no other uses for the space during the term of the license/MOU that would generate rent to the Port; (ii) no uses would be displaced; (iii) the Port does not expend any or only minimal or incidental resources or revenues to support the installation; (iv) there is a direct benefit to the Port in that Public Art enlivens and attracts people to the waterfront, and (v) the sites that are most likely to be attractive for large scale public art, and that have adequate space for a variety of types of installations include: Pier 14, Cruise Terminal Plaza, Harry Bridges Plaza, Brannan Street Wharf, Crane Cove Park, and Heron's Head Park. Port staff would continue the practice of informing citizen advisory committees and presenting informational items on public art installations to the Port Commission. (Port Commission Resolution No. 15-21.)

14. The Port's Executive Director is authorized to waive Subsurface Utility Distribution Infrastructure use fees in license agreements and MOUs under the following circumstances: (i) the infrastructure is intended to be utilized in whole or in part for distribution of public utility or fire suppression services to the Port or Port tenants, (ii) the utility is located beneath a current or future street right of way that is not anticipated for any other use and the applicable federal, state or local governmental agency, commission, or department has maintenance and repair obligations for the infrastructure; (iii) the term of the real property agreement does not exceed 66 years (subject to Board of Supervisors approval if otherwise required due to the term); and (iv) any real property agreement includes requirements for the removal of such infrastructure if the street right of way is vacated or if the use is no longer consistent with the public trust at some point in the future. The delegated authority would not extend to the issuance of real property agreements for non-public utilities or utilities that primarily support revenue-generating enterprise activities; transmission only facilities (as opposed to distribution facilities) or telecommunications, cable or wireless services. Such agreements will continue to be subject to compliance with the parameters established by the Commission.

Port of San Francisco
Parameter Transaction FY2019

Exhibit G

Facility	Tenant	Monthly Rent	Sq Ft
3270	369-399 Embarcadero, LLC	\$ 21,233	19,976
1450	A. La Rocca Seafood, Inc.	\$ 13,213	12,136
1680	Anderson Enterprises, Inc.	\$ 55,468	120,358
4023	Angler SF LLC	\$ 1,150	697
4023	Angler SF LLC	\$ 900	60
1500	BCCI Construction Company, Inc.	\$ 2,795	1,747
2780	California Preservation Foundation	\$ -	789
2800	CBS Films, Inc.	\$ 18,396	9,198
6019	Devaney Engineering, Inc.	\$ 2,700	6,000
1500	Distillery No. 209 Ltd. Napa, California	\$ 8,914	5,571
4023	DKLA Design, LLC	\$ -	400
1500	East Street Ventures, LLC	\$ 1,683	495
1260	Field Construction, Inc.	\$ -	5,478
2505	Fillon Solis Architects, Inc.	\$ 1,307	362
1960	Gamma Rebar, Inc.	\$ 8,108	17,625
3180	Garcia Tamjidi, Inc	\$ 9,767	2,298
4053	GHD Inc.	\$ 210	600
2505	Ghilotti Bros., Inc.	\$ 1,530	437
1500	Hotaling & Co., LLC	\$ 8,914	5,571
1800	Igber, Joe Terhemen	\$ -	403
4016	JPPF Waterfront Plaza, L.P.	\$ 2,331	5
2780	LM San Francisco LLC	\$ 598	352
1960	Look at the Moon Pictures LLC	\$ 4,624	2,312
1330	M.F.M. Seafood, Inc.	\$ 8,052	4,880
1450	M.F.M. Seafood, Inc.	\$ 8,099	7,364
1500	Ming River, Inc.	\$ 1,054	301
1400	New Cingular Wireless PCS LLC	\$ 6,500	233
3490	Nibbi Bros. Associates, Inc.	\$ 1,150	2,556
3010	Pacific Gas & Electric Co.	\$ -	300
9999	Pacific Gas & Electric Co.	\$ -	675,180
1500	Pacific Structures, Inc.	\$ 13,539	8,462
2505	Pipkin Marsh Advisors LLC	\$ 1,148	328
1680	Restoration Hardware, Inc.	\$ 6,125	7,950
1920	RMC Pacific Materials, Inc.	\$ 8,388	23,965
1500	SC Builders, Inc.	\$ 2,472	1,498
4033	SFCC Dept. of Public Works	\$ 10,800	15
3450	SFCC Public Utilities Commission	\$ -	4,833
4034	SFCC Public Utilities Commission	\$ -	-
4034	SFCC Public Utilities Commission	\$ -	-
6019	Sheeran Pipeline, Inc.	\$ 1,350	3,000
1500	Spoondrift Technologies, Inc.	\$ -	3,053
1500	Spoondrift Technologies, Inc.	\$ 2,670	1,669
2780	The Schmidt Family Foundation	\$ 8,502	2,800
1500	Trish's Dishes, Inc.	\$ 1,704	1,065
1500	Waterloo Beverages, Inc.	\$ 504	1,200
1450	West Bay Seafood Company, Inc.	\$ 8,076	7,605

Port of San Francisco
Parameter Transaction FY2019

Exhibit G

1500	Zemach Holdings LLC	\$	5,240	3,275
		\$	259,211	974,402