

MEMORANDUM

January 8, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Mel Murphy
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation regarding a Special Event in excess of 90-days pursuant to Lease No. L- 14980 and Revocable License No. 15810 to be used as a parklet for public benefit, both activities located on Port property at Terry A. Francois Blvd. and Seawall Lot 337 and both activities to be coterminous with Lease No. L-14980

DIRECTOR'S RECOMMENDATION: Information Only

Executive Summary

The purpose of this item is to provide an update to the special event and parklet uses previously approved by the Port Commission in May 2014. Specifically this report will highlight what has occurred since the earlier approval; will present the updated design and schedule for the special event and parklet spaces; will preview the activities that will soon activate this area; and will provide updated projections of financial information and participation rent as requested by the Port Commission last May.

Background

On October 25, 2011, the Port Commission approved Resolution No. 11-68, approving Lease L-14980 ("Lease") with CBBC allowing surface parking, special events and signage at SWL 337 and Pier 48. CBBC is a tenant in good standing pursuant to Port Commission policy. The Board of Supervisor's approved the Lease by Resolution No. 85-12 and it became effective on April 1, 2012. The Lease expires on March 31, 2017.

In May, 2014 the Port Commission approved Resolution No.14-34 for a multiple year special event at Seawall Lot 337 ("SWL 337") pursuant to the provisions of the Lease.

THIS PRINT COVERS CALENDAR ITEM NO. 12A

The Lease generally allows special events, but requires Port Commission approval for special events exceeding 90 days. The approved special event utilizes approximately 18,400 square feet (or 3%) of Seawall Lot 337 as shown on the attached Exhibit A.

Last May the Port Commission also approved Resolution No.14-35 for Revocable License No. 15810 with CBBC allowing use of Port property as a parklet for public benefit ("License"). The parklet comprises approximately 1,760 square feet of paved space along approximately 220 linear feet of curb space and approximately 8,048 square feet of paved space within Terry A. Francois Blvd as shown on the attached Exhibit B. The Port Commission approved a fee waiver for the License recognizing the parklet provides a public amenity benefitting the Public Trust.

Revised Schedule

Since gaining Port approval, CBBC has been refining its vision for the site with an eye towards a feasible, successful project that begins the transformation of the site from primarily seasonal parking use to a year-round public gathering space for the growing Mission Bay neighborhood. To accommodate this additional due diligence (and allow for a somewhat unexpectedly long baseball season!), the scheduled opening is now the first week of March 2015.

Revised Design

Special Event - The Yard

CBBC's proposed special event has been branded as "The Yard" and, as in earlier visions, continues to include temporary retail opportunities, including quick serve food and locally-made products, and an enhanced public realm with public seating, landscaping, and restrooms. The Yard will be subject to all the terms of the Lease and will be coterminous with the Lease and include the following elements:

- Approximately 17,000 square feet of open space and landscaping to create a new public pedestrian area along Terry A. Francois Boulevard.
- Approximately 3,000 square feet of interior space for retailers and the public within two levels of repurposed shipping containers.
- Approximately 10,000 square feet of publicly accessible space including an upstairs deck and adjacent seating area. Some portion of the site may be closed for ticketed events from time to time.

The Yard's total footprint at SWL 337 remains at approximately 18,400 square feet, or 3% of SWL 337. The hours of operation of the Yard will depend on the day of the week, but will not begin earlier than 7:00 a.m. or end later than 11:00 p.m. consistent with the Port's good neighbor policy. Food and beverages will be sold, including beer and wine in designated areas only. While attendance will vary based on seasonal, programming and other factors, CBBC estimates approximately 750 daily site visits.



Artistic rendering looking southeast from Lefty O'Doul Bridge

The Yard will include four distinct areas:

1. a coffee and street food patio;
2. a pop-up local retail area;
3. a beer garden with substantial food offerings; and
4. an upstairs outdoor deck

Occasional small-scale entertainment events, such as art performances, cinema-in-the-park, live or recorded music or stand-up comedy, may also occur within the Yard area (subject to regulatory permitting). Landscape elements and public areas will be oriented to provide views of the Bay, and offer areas for passive or active recreation, family picnics and small gatherings. Public restroom facilities, including ADA accessible facilities, will be provided. The Yard will include Port-approved signage, be secured by a perimeter fence, and necessary back-of-house areas will be provided for waste stream sorting, storage, and other operational needs.

Parklet License Area

In order to facilitate The Yard, the Port and CBBC have negotiated a revocable License area adjacent to The Yard to be used as a parklet solely for public access. The parklet will consist of movable platforms within a roadway area on the south side of Terry A. Francois Boulevard. These moveable platforms will be improved with landscaping, seating and gathering spaces, similar to the City's "parklet" program.

During events at AT&T Park, the moveable platforms will be moved out into the adjacent roadway portion of Terry A. Francois Boulevard which is closed to traffic before, during and after events at AT&T Park. A San Francisco Fire Department-approved emergency access lane will be maintained at all times, including when the Expanded License Area is in use. As with The Yard, under the License CBBC will

maintain the parklet improvements and indemnify the Port against any and all loss or liability.

Fee Proposal

Special Event – The Yard

Port Commission Resolution No. 14-34 approved a fee for The Yard that:

1. At a minimum, cannot be less than the Port Commission's minimum parameter rental rate for paved land, which for this site is approximately \$77,000 per year.
2. Is greater than parking revenues the Port could otherwise have expected to receive from the 70 parking spaces displaced by The Yard, which CBBC and Port have determined is approximately \$70,000 per year.
3. Anticipates an increase in Port parking revenues from patrons choosing to drive to The Yard and park in SWL 337. These anticipated new parking revenues total \$150,000 per year.
4. Includes upside, a so-called “homerun” opportunity for the Port once CBBC’s approximate \$2.5M investment in The Yard and parklet improvements has been recovered from on-site revenue generation. Based on its conservative proforma, CBBC estimates a recovery period of approximately 3 years. Once this has been achieved, CBBC will pay Port 25% of all net annual Yard revenues* in excess of the \$77,000 minimum parameter rental rate.

* Net Revenue is defined as all payments, revenues, fees or amounts received by CBBC for the use of The Yard less the cost of possessory interest taxes. CBBC will include information about revenues from the Activation in its regular monthly and annual reports under the Lease. Based on Port staff review of the project proforma, Port’s annual participation is estimated at approximately \$150,000 once CBBC’s recovery period has concluded.

Parklet License Area

With respect to the License for the parklet, Port Commission Resolution No. 14-35 waived the monthly license fee recognizing the parklet provides a benefit to the Public Trust based on the following: (1) the 11 displaced parking meters in Terry A. Francois Boulevard currently are not used during events at AT&T Park and do not otherwise generate significant revenue compared to the value of the proposed public amenities; (2) there are no other uses for the roadway License Area or Expanded License Area that would generate rent to the Port; (3) no other uses would be displaced; (4) CBBC will not use the space for either commercial or exclusive use, but solely for public access and seating; (5) the Port will not be expending any harbor fund resources or revenues to support this use; and (6) there is direct benefit to the Public Trust in that the parklet use will enliven the area, enhance the neighborhood area by attracting people to the waterfront, and provide public access and raise awareness of the waterfront and its public benefits and amenities.

What's Next

CBBC has applied for a Port building permit and is currently responding to comments from Port staff pertaining to disability access, structural, signage, electrical and Fire Department issues. The Terry A. Francois Boulevard roadway is already permitted for closure on game days so no additional permits are required for the street uses described in this staff report. The building permit is anticipated to be issued in early January. With the issuance of the Port Building Permit, CBBC will begin installation of the improvements over an approximately 6 week period followed by testing of the equipment and occupancy by the merchants leading to a soft opening in early March 2015.

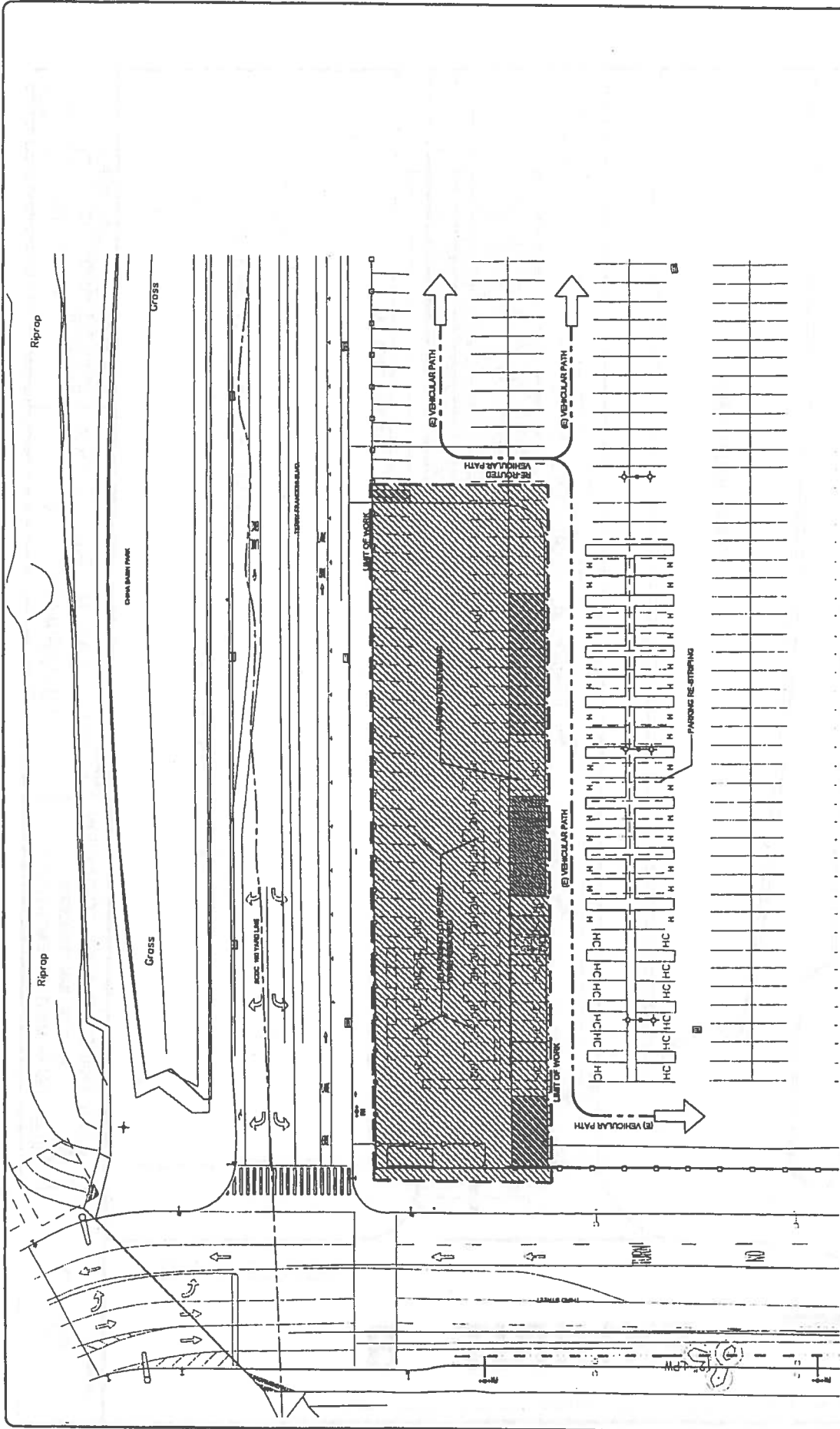
With these next steps accomplished, this generally quiet corner of the waterfront will be activated to begin its transformation into the active mixed use neighborhood envisioned by the community through the ongoing, multi-year Seawall Lot 337 waterfront planning and neighborhood development process. An informational update to the Port Commission and the public on that larger project is planned for spring 2015.

By: Phil Williamson, Senior Project Manager

For: Byron Rhett, Director of Planning and Development

Exhibit A Activation Area

Exhibit B License Area and Expanded License Area



	3300 20th ST San Francisco, CA 94110 Tel: 415.424.2200 Fax: 415.424.2202		LOT A ACTIVATION PLAN San Francisco, California		DATE ISSUE DESCRIPTION DESIGN DEVELOPMENT CONTRACTOR CONTROL	DRAWING NAME PARKING LOT RECONFIGURATION	DRAWING NO. G0.03
	SHEET 5 OF 34						

EXHIBIT A

McCOVEY COVE

CHINA BASIN PARK

TERRY A. FRANCOIS BLVD

PARCEL B

PARCEL A

THIRD STREET

SWL 337 PARKING LOT

PARCEL A = 1,760 Sq Ft

PARCEL B = 8,048 Sq Ft

EXISTING FENCE LINE

33.25

220.00

75.00

8.00



EXHIBIT B

INITIALS: PORT: _____ LICENSEE: _____ DATE: _____

LICENSE NO.

15810

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

LICENSEE

CHINA BASIN BALLPARK
COMPANY, LLC.

DRAWN BY: EDC DATE: MAY 8, 2014

CHECKED BY: P. WILLIAMSON SCALE: 1" = 40'

PLACE CODE NO. 4033-00 SHEET NO.

OF SHEETS