



Waterfront Plan Working Group
Land Use Subcommittee Meeting
Meeting Notes: May 10, 2017

Present: Alice Rogers (chair), Larry Beard, Kirk Bennett, Jane Connors, Jon Golinger, Ellen Johnck, Stewart Morton, Jasper Rubin, Corinne Woods, Dee Dee Workman

Not Present: Ron Miguel, Don Neuwirth, Karen Pierce

Other Working Group and Advisory Team Members Present: Linda Fadeke-Richardson, Stan Hayes, Adam Mayer, Nathan Nayman, Veronica Sanchez, Howard Wong

Port Staff: Diane Oshima, David Beaupre, Brad Benson, Anne Cook, Aaron Golbus, Norma Guzman, Mark Paez, Byron Rhett

Agency Staff: Sheri Pemberton and Jamie Garrett (State Lands via conference call), Andrea Gaffney (BCDC)

Introductions and acceptance of April 12, 2017 [Draft Meeting Notes](#) from the Land Use Subcommittee meeting (final version [here](#)).

Alice Rogers described meeting goals:

- a) Reaffirm: Does subcommittee support preserving the Embarcadero Historic District, as per Working Group Guiding Principles 3 and 4.?
- b) If so, subcommittee will discuss the leasing strategies presented in last two meetings by Rebecca Benassini and the EPS economic consultant team to stave off deterioration and facilitate rehabilitation and reuse of Embarcadero Historic District pier facilities; what range of tools and parameters should we recommend?
- c) Update public activity/use criteria: Currently, a limited range of activities are considered to be trust-consistent uses (e.g. passive recreation; visitor serving retail), although there are a variety of ways to attract the public to the waterfront. State Lands staff recognizes that the trust is an evolving doctrine, so are there additional public-serving uses that we can recommend which are compatible with Trust objectives and possibly contribute to repair and rehabilitation of the historic piers and bulkhead buildings?

EPS financial feasibility analysis of hotel use of a pier (a trust use currently prohibited under Proposition H) will be addressed at next Land Use Subcommittee meeting.

Links to background information documents for this agenda:

- [Examples of existing leases illustrative of EPS long-term and Intermediate lease scenarios for Embarcadero Historic District piers](#)

- [Embarcadero Historic District Pier Condition Information](#)

The rapid assessment/pier condition ratings are used by Port engineering staff to quickly identify structural issues that could impact existing uses of piers, and are not intended to determine pier reuse policy recommendations.

Subcommittee members and meeting attendees discussed pier conditions, priority for preserving Embarcadero Historic District and maritime uses, diverse uses, public activation, and financial feasibility requirements. Subcommittee members concluded that intermediate-term leases were needed to supplement long-term and short-term leases. Subcommittee tasked staff with drafting recommendations and criteria for review at the next meeting. Suggested criteria included location and land use context, diversity of public uses (i.e. pilot uses, pop-ups, temporary uses), more details in regular reporting on facility condition of Embarcadero Historic District piers and bulkheads. The public process for Intermediate-term leases also should be defined.

Responses to Questions

- On the pier condition map, the few structural condition categories — green, yellow and red — do not illustrate the nuances of the state of repair of each one of the piers. How would the Port know when to “triage” borderline piers if they are coarsely lumped into these 3 categories? Port Engineering staff conducts rapid pier assessments based on visual inspections to evaluate general condition of facilities, with additional inspections made when problems are found. Detailed pile and substructure analysis is costly and is conducted for major projects. Rapid assessments help the Port prioritize repairs to achieve state of good repair status for piers based on current industrial use.
- Has Port examined portions of piers that are in better condition in some areas than others and, for example, could allow pier aprons to be used for maritime berthing, even if adjacent areas of the pier are not usable? Possibly, depending on the facility condition details. Aprons are constructed of wood, which deteriorate quicker than concrete deck and piles. Port maintenance crews repair and can rebuild pier aprons.
- Do the estimated costs for rehabilitation include sea level rise adaptation? The estimated costs of rehabilitation do not include sea level rise cost estimates. (Staff followed up after the meeting and determined that there were no specific cost estimates included in the modelling analysis because of unknown costs and timeframe.)
- Have we analyzed how much dynamic force can be applied to pier structures, because some piles are in poor condition and may not withstand lateral disturbance? The Port’s engineering staff has studied storm events and staff recently received information on tsunamis. Overall, the piers were built to withstand ship collisions. As long as they are in good condition, they can perform well given current industrial occupancy.
- Do Planning Code Articles 10 and 11 (special conditional use) apply to the Embarcadero Historic District? Articles 10 and 11 apply to city-designated landmarks and historic district, but not National Register-listed districts such as Embarcadero Historic District.
- Given rising sea levels, shouldn’t investment in sea level rise adaptation be the highest priority? Sea level rise adaptation is very important, although the timeframe is gradual.

This issue is addressed in Resilience Subcommittee recommendations taken together with Land Use Subcommittee recommendations.

- Which existing Port business has an intermediate-length lease term? Port does not have 30-35 year leases as suggested in the analysis, but staff has considered them.
- Is there a maximum amount of maritime use that is needed on Port historic piers, or a sense of needs over the next 10 years? Ellen will pose that question to the MCAC. Vehicle and pedestrian volumes along The Embarcadero roadway and promenade impede traditional maritime warehouse and distribution operations. Some maritime operations struggle with traffic around the ballpark, south of China Basin.
- Will State Lands play a role in intermediate term leasing? Yes, Port expects to continue to consult with State Lands staff. For Pier 38, Port consulted with State Lands and the Port agreed to make findings that describe the trust purposes furthered by the project. A Port goal is to increase clarity in assessing public trust consistency, so if State Lands agrees with new approaches for achieving trust objectives in the Embarcadero District, the Port would have a reliable framework to guide development.
- Are pop-ups allowed? Yes, and we hear requests to advocate for more.
- Will Subcommittee discuss more water uses and marinas? The Subcommittee discussed water uses in a past meeting and minutes/documents are available on the [website](#).
- For the next meeting, can EPS provide comparable cities' pier/hotel examples? And revenues that have been generated? And cost of operations? It would be helpful to understand financial feasibility. Especially where design worked within and preserved a historic structure (like SF bulkhead/piers)
- In addition to hotel discussion at the next meeting, can Port provide similar analysis of other uses (eg museum or recreational)? Any hotel development on a pier would require voter approval. Please also provide estimated rehabilitation costs per square foot. In the March 22 meeting, we provided estimated revenues for various uses, grouped into comparable revenue 'buckets' and estimated rehabilitation costs with the Subcommittee. These are available on the Port's [website](#).

Comments

- There are a surprisingly high number of piers in green, or "good structural," condition. This handout may be overly simplistic, but it seems helpful to guide Port investment in piers.
- I am surprised to see the number of yellow piers as this implies that they will become red-tagged if the Port does not repair them. Port should invest in the yellow piers' substructures before they become red-tagged. Green indicates Port has more flexibility for how to use those with limited investment. Yellow or red call for greater investment.
- The economic environment shows that we need more rehabilitation financing tools. Part of this group's role is to suggest tools and resources for repairing piers. Regardless of current condition, this group should agree to prioritize the historic district, per the Working Group's adopted Guiding Principles and move on to how we save it.

- Given the great investment and successes along waterfront in past 20 years, the general public does not realize that the structures are in disrepair because they see the waterfront as a successful place.
- It took the Port a while to understand the value of historic district benefits, including tax credits, so damaged piers south of the Agriculture Building were [unfortunately] removed.
- We agree that preserving piers in the Embarcadero Historic District is a priority. Setting aside condition, we could rank the piers in some way, if some piers are better suited to commercial use, or expanded public use – not based on condition of pier. The piers have different characteristics (Pier 26 (Mission Revival) vs. Pier 23, 29) Some could be weighted toward commercial use and some more toward public uses.
- A better approach to prioritization might not focus on use, but on what lease approach to take. Example, Pier 38 is in poor condition so it needs the greatest level of outside investment to save the pier.
- Overlay that idea with input about what works best where. Pier 33 is also in poor condition, but it's in a busy part of waterfront. Should that be a pier that doesn't engage with public? On the other hand, Pier 1 is in a busy area and does engage the public with Bayside History displays in the bulkhead, public access around it, Port meetings, etc. You need to allow revenue generating uses to save the pier. Piers 1.5 – 5 had significant structural problems, but now are a mix of office and public access at the ground level.
- Should each pier stand alone, and be financially feasible? Outside funds may come into play.
- It feels uncomfortable listening to a discussion about making choices about one pier vs another rather than focusing on setting priorities. Shouldn't the focus be on policies that facilitate an overall approach, and delivering more resources being invested to enhance historic pier rehabilitation generally?
- Agree, we aren't doing specific planning here. One question was should the Port maintain a pier condition inventory of historic assets, ie piers that can be improved/not improved? The group seems to be suggesting that we develop criteria for evaluation, not evaluate each individual pier. We are reaffirming that the district needs to be saved and set on a forward path. It needs new tools to do that. But it also needs to be evaluated on an ongoing basis, year to year, and set criteria for the staff to evaluate success, along with the rapid assessment, capital plan, etc.
- Some of the criteria for evaluating pier rehabilitation, and historic district pier rehabilitation, include: 1) context and location (uses of nearby waterfront properties); 2) ability to generate Port revenue with limited investment (existing short-term use); 3) ability to preserve the historic asset in whole or part.
- Poor condition piers require more capital for repairs; intermediate term leases are important in amortizing these costs to incentivize repairs.
- Let's make a very clear statement that, yes, we want to preserve all historic piers in the historic district, period. Be clear in minutes of meeting. State that this is our priority.

- Piers should be saved with a diverse, balanced mix of uses with as much maritime and trust use as feasible; saving the piers is a trust objective.
- There doesn't seem to be any downside to the intermediate term approach. Why wouldn't we support a tool that provides more flexibility, and invites capital improvement of the piers? The length of lease term is directly related to amortization of specific value of investment.
- For an intermediate lease, the industrial occupancy load remains the same. Per the EPS scenarios, you get a high-degree of trust uses in the bulkhead building, but the pier shed is likely to remain in warehouse-industrial type uses that are low-occupancy, and may be used for maritime as need arises. But investment in limited shed areas may deliver some building repairs, some trust uses, some higher-revenue uses without changing industrial occupancy – it is a balance. If an intermediate term lease is given to a master-tenant, some area can be reserved that has greater flexibility for maritime use, if needed. Even though maritime rental rates are lower, it's an important trust purpose. Some language could be added that protects a small portion of the pier so that it can be easily adapted for maritime use, if/when needed. That would address it.
- And, you don't want to do this with every pier. Port should have some piers that are in short-term leases, to pivot quickly to maritime use as needed.
- The public review process for Intermediate Leases could include review by the relevant Citizens Advisory Group.
- Avoid terminology such as “prioritize” maritime use, because every time a non-maritime use is proposed it might be contested. Policy should be written to promote maritime uses but recognize that may not always be possible; provide flexibility and ensure financial accountability.
- The Subcommittee is supportive of Port Intermediate Leases (for historic piers) with some oversight and standards in place: some maritime use; some public access; etc. Looking at recent projects that fulfilled so much of original vision of the Waterfront Plan, we do need to provide the Port the opportunity to obtain investment in restoring a pier, or portions of a pier. Something that might incentivize a different type of investor for the Port. If we can protect the places that are best for maritime use, then we should support that approach.
- And maintain the diversity of uses, and an active public realm. There may also be pockets within these leases for ‘pop-up’ uses that are temporary and changing, but that might appeal to different demographics. Ferry Building has had success with starting small with tenants with little experience, and gradually testing their ability to grow. Public approval wouldn't be required, and could be tested on a short-term basis.
 - Art or craftsperson uses/exhibits could fall into this category of promoting creative uses in piers. The current display of photographs by Blue/Gold Ferry staff is an existing example, and it has drawn diverse people to the waterfront.
 - It'd be good to have a report on intermediate-term leases to learn what worked and didn't. That report could also evaluate how well the mix of uses fulfills the Port

objectives. This should not be an onerous task, just a check-in of sorts to report how it's contributing to the overall portfolio.

- These ideas are good, because they broaden 'access' to the waterfront.
- Can Port or Intermediate Term Tenants "afford" to do these types of pop-up uses? This idea is more playful and experimental. Low entry tenants can allow the public to experience Port facilities in a new way.
- Whatever policy we agree upon, let's make sure that leasing division understands policies so that they can implement them with potential tenants.

5. Future Topics and Land Use Subcommittee Meeting Dates:

- May 24, 2017 – Wrap-up of Embarcadero Historic District discussion including pier leasing recommendations and public-oriented use ideas; then, consider EPS evaluation of hotel use
- May 31, 2017 – Seawall lots and use parameters
- Save the following dates: June 7, June 21, and June 28, 2017 – Topics to include public process discussion and conclude Land Use Subcommittee discussions