

## MEMORANDUM

December 6, 2019

**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:** Request authorization to issue a Request for Proposals (“RFP”) for the development, lease and operation of a mixed-use project at Piers 30-32 and/or Seawall Lot (SWL) 330 generally located along the Embarcadero between Bryant and Brannan Streets, consistent with the goals and policies of the Draft Waterfront Plan and the Port’s Resilience Program.

**DIRECTOR’S RECOMMENDATION:** Approve attached resolution authorizing release of an RFP (Resolution No 19-48)

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### **EXECUTIVE SUMMARY**

On July 9, 2019 the Port Commission received an update on the status of advancing the long-term development of Piers 30-32 and Seawall Lot (“SWL”) 330. The presentation provided the histories of previous development efforts at these two sites, along with updated cost estimates for the rehabilitation and repair of Piers 30-32, including the accommodation of sea level rise, the Seawall Program and related seismic upgrades. The presentation also included a summary of relevant recommendations that have been incorporated into the Goals, Objectives and Policies of the Draft Waterfront Plan (“Waterfront Plan”), including an outreach strategy with the Port’s Advisory Groups and with neighborhoods surrounding the two sites. This outreach strategy was designed to ensure that the draft Request for Proposals (“RFP”) for release next month reflects the Waterfront Plan and the neighborhood-specific community values of the adjacent South Beach and Rincon Hill communities and other relevant waterfront land use advocates, as expressed during the community advisory meetings described below (the “Community Values”).

**THIS PRINT COVERS CALENDAR ITEM NO. 13A**

In summary, the Waterfront Plan promotes the seismic upgrade and redevelopment of Piers 30-32 for public use and enjoyment and for maritime uses, allowing for innovative urban design solutions that need not be subject to the guidelines of the adjacent Embarcadero Historic District but that should nonetheless respect the historic context of the adjacent piers within that District. The Waterfront Plan also promotes the development of SWL 330 in ways that sustain high quality-of-life and urban design standards in the context of the South Beach neighborhood, while reflecting the site's regionally-prominent and accessible location in proximity to Downtown San Francisco. For both sites, the Waterfront Plan calls for community engagement to "help complete improvements that achieve Waterfront Plan goals," and also calls for the financial feasibility of development projects to generate revenue that will help support the costs of Port-wide seismic and flood protection, sea level rise adaptation and Seawall repair. In particular, the Waterfront Plan recognizes the challenges of a financially feasible, structurally sound redevelopment of Piers 30-32.

On July 9, 2019, the Port Commission endorsed the development strategy proposed by Port staff for Piers 30-32 and SWL 330, acknowledging several key points that would guide the development of an RFP as further described below:

After July, Port staff has been planning the RFP, securing consultant assistance for the RFP process and conducting community outreach to identify Community Values for inclusion in the RFP, consistent with the process and draft policy outlined in the Waterfront Plan Goal: *Partnering for Success*.

Port staff came back to the Port Commission on November 12, 2019 to provide an informational update on the progress made in developing content for the RFP, including the identification of Community Values following the outreach meetings, and the staff proposals for Minimum Qualifications to screen for qualified respondents to the RFP, the composition of a scoring panel to review the qualified respondents and the selection criteria the panel will use to score responses, and the review and award process the Port Commission may use once the panel scores are complete and a staff recommendation is made.

This staff report provides an overview of key sections of the RFP and includes the following:

- I. Strategic Plan Alignment
- II. Background
- III. Development Context
- IV. Community Values (as heard from the community/stakeholders)
- V. Development Concept
- VI. Economic Minimums the Port will be seeking from respondents
- VII. Minimum Qualifications of Respondents
- VIII. Scoring Criteria Used to Review Responses
- IX. Response Scoring Panel Composition
- X. Port Commission Review and Selection Process
- XI. Next Steps

## **REFINEMENTS SINCE INFORMATIONAL ITEM**

This report includes all of the information presented in the staff report for the November 12, 2019 Port Commission informational hearing (Item 11A) for the Project, as well as updates to the Background section reflecting Port Commission feedback and staff clarifications from the November hearing. Refinements, including those made to the “Scoring Criteria Used to Review Responses” section, the “Response Scoring Panel Composition” section, and the “Port Commission Review and Selection Process” section, are shown in underline (addition of text to the staff report) or ~~strike-through~~ (deletion of text to the staff report) formatting.

The key areas of change include the following:

- Updating the “Background” Section to reflect the November 12, 2019 informational hearing and related discussion.
- Re-ordering of listed Scoring Criteria to emphasize the Respondents’ composition, expertise and qualifications that reflect a diverse development team with a history of successful community engagement and utilization of workforce and/or business development programs similar, to the certified San Francisco Local Business Enterprise program.
- Clarification of desired expertise in the composition of the scoring panel to include Financial Expertise and Architectural/Urban Design Expertise.
- Clarification of details regarding the recommended Port Commission actions as they pertain to the results of the scoring panel reviews.

Port staff is seeking:

- guidance and feedback on the proposed RFP content as presented in this staff report (*Exhibit 1: RFP Parameters* provides an overview of the Piers 30-32 and Seawall Lot 330 offering).
- approval of the attached resolution (Resolution No. 19-48), authorizing release of the Piers 30-32 and SWL 330 RFP.

## **I. STRATEGIC PLAN ALIGNMENT**

A successful solicitation will elicit proposals from highly-qualified development team(s) and include a range of public-oriented and maritime tenants (for Piers 30-32) and other revenue-generating uses that ~~represent~~ create a financially feasible project. The RFP’s success will be defined by its consistency with the Port’s goals for Piers 30-32 and/or SWL 330, including a proposal of high-quality urban design that is accessible to an economically diverse group of users and that enhances its spectacular, pedestrian-friendly and transit-rich waterfront location.

The issuance of the proposed RFP is a key step toward potential approval and implementation of a project or projects that would revitalize these sites. Such project(s) completed according to the terms described in this staff report ~~would advance~~ five all seven of the Port’s Strategic Plan objectives (2019-2023 Strategic Plan).

Evolution: Completed Piers 30-32 and SWL 330 projects will serve as milestones in the Port's ongoing transformation to better address the needs of the public and the Waterfront.

Resiliency: Completed Piers 30-32 and SWL 330 projects will prepare the Port for natural and human made risks and hazards through seismic strengthening of the adjacent Seawall and the construction of flood protection for the piers.

Engagement: Completed Piers 30-32 and SWL 330 projects will represent the values of the Waterfront communities and will provide the amenities that increase the public's awareness of each ~~the~~ site's remarkable history and setting.

Equity: Completed Piers 30-32 and SWL 330 projects will be accessible, attractive and beneficial to a diverse group of people who live, work and/or use the recreational assets along the Waterfront.

Sustainability: Completed Piers 30-32 and SWL 330 projects will represent environmental stewardship in protecting the Bay, reducing emissions and waste and prioritizing environmentally-sustainable transportation.

Productivity: Completed Piers 30-32 and SWL 330 projects will attract tenants who contribute to an economically-viable Port and capitalize on the Port's unique assets, including the deep-water berth on Piers 30-32.

Stability: Completed Piers 30-32 and SWL 330 projects will help maintain the Port's financial strength by (a) using investor capital to address the Port's deferred maintenance backlog and/or (b) generating revenues for the Port to sustain ongoing operations and address deferred maintenance.

## **II. BACKGROUND**

The Waterfront Plan recommendations developed through a 30-member stakeholder Working Group (the "Working Group") and public process include Port-wide Goals and Policies, Subarea Objectives, and Acceptable Uses, ~~and proposed policies on Embarcadero Public Trust Objectives ("Public Trust Objectives")~~ which will guide the redevelopment of Piers 30-32 and SWL 330. The Waterfront Plan process led to community consensus for a variety of land uses on both properties that would attract, serve and sustain diverse groups of people, creating a more resilient waterfront.

~~The Public Trust Objectives described below recognize that delivery of important Trust benefits must be part of a financially feasible project which generates fair market rent to the Port; thus the Trust Objectives allow revenue-generating uses (such as office) to meet these financial feasibility requirements.~~

As part of the Waterfront Plan update process, Port staff organized a "walkshop" (a walking tour and brainstorming workshop) with the Working Group and members of the public around Piers 30-32 and SWL 330 on May 2, 2018. At the workshop, staff provided information about the land use and development history of both Pier 30-32 and

SWL 330, summarized the 1997-adopted Waterfront Plan recommendations for re-use of the sites (including the increasingly outdated assessment that Piers 30-32 were structurally sound) and solicited public comments and ideas about possible approaches and options for site improvements going forward. The input from this workshop helped inform the Waterfront Plan update, including the “South Beach Acceptable Land Use Table” (see Table 1 below in “Development Context”) for Piers 30-32 and SWL 330 in the Waterfront Plan’s South Beach Subarea section.

The Port Commission received the summary of these planning sessions regarding Piers 30-32 and SWL 330 on August 14, 2018, and on February 26, 2019, Port staff presented the Commissioners with more information on the sites’ development history and the deteriorating structural conditions of Piers 30-32, as affirmed by previous developers’ studies to rehabilitate or rebuild the Piers (see “Development Context” below). During that presentation, the Port Commission requested staff update the costs of rehabilitating the Piers, including the costs of seismic retrofit and ~~incorporating the Piers’ proportionate cost of the Seawall Program repair.~~ At its May 28, 2019 meeting, the Port Commission discussed the potential issuance of RFPs for development of several Historic Piers and directed staff to undertake community outreach to support and advance the RFP process in sequential order: ~~starting with 1) Piers 38 and 40 (also known as the South Beach Piers); followed by 2) Piers 30-32 and SWL 330; and 3) with Piers 19, 19.5, 23 and 29 (also known as the Northern Waterfront Piers)-proceeding in 2020.~~

On July 9, 2019, Port staff reported to the Port Commission that it had formed an inter-divisional team to advance the RFP process for the above sites. Staff also provided the Commission with updated retrofit and rehabilitation cost estimates for Piers 30-32. ~~As a~~ A Port Engineering analysis estimates that the costs of upgrading Piers 30-32 to development standards that include Seawall repairs~~accommodate the Seawall Program~~, seismic retrofit and sea level rise adaptation, would range between \$264M and \$369M.

Importantly, this analysis also clarifies that the continuing deterioration of Piers 30-32 is a time-urgent and cost-intensive challenge even if the intent is to simply stabilize the conditions or remove the Piers altogether. Demolishing the Piers’ deck and substructure is estimated to range between \$45M-\$55M in 2019 dollars.

Port staff also presented the RFP milestone schedule and a community outreach strategy to seek input on Community Values to inform the RFP for developing Piers 30-32 and/or SWL 330. The Commission endorsed this progress and directed staff to advance with the RFP for Piers 30-32 and SWL 330 with these five specific directions:

- to consider developer responses with a proposal at both Piers 30-32 and SWL 330, or with a proposal at only one of the two sites,
- to include a deep-water berthing facility and related facility access at Piers 30-32
- to consider proposals for Piers 30-32 that might include a plan to only partially rebuild the Piers rather than propose to recover the entire 13-acre site, and
- to include a summary of “Community Values” reflecting Advisory Group and neighborhood input to guide the RFP development, and

- to move as expeditiously with the development and release of the RFP as reasonably possible.

On November 12, 2019, Port staff presented an informational update to the Port Commission that included an overview of the RFP content, a summary of the community meetings held on the RFP process and of the Community Values identified in these meetings, and a recommended RFP respondent Scoring Criteria and Port Commission Review and Selection Process.

The following provide details of key sections of the RFP.

### **III. DEVELOPMENT CONTEXT**

#### **Site Location, Setting and Current Conditions**

Piers 30-32 and SWL 330 are located within the Port's South Beach subarea, just south of the Bay Bridge along the Embarcadero between its intersections with Beale and Brannan Streets (*See Exhibit 2: Site Location and Setting*).

Piers 30-32 occupy about 13 acres and are located on the east side of the Embarcadero, directly north of the Port's Brannan Street Wharf Park, but for the purpose of this development opportunity RFP, the Piers do not include the parcel occupied by Red's Java House at the northwest corner of Pier 30.

SWL 330 is directly across the Embarcadero from Piers 30-32, occupying 2.3 acres on the triangular lot bounded by the Embarcadero to the east, Bryant Street to the northwest, Beale Street to the southwest, and does not include the rectangular parcel at the corner of Bryant and Beale Streets.

Both sites are within a short walk of Downtown San Francisco and are well-served by public transit, with the Muni Metro light rail's Brannan Street Station directly adjacent to both sites, and with the regional rail transit services of BART and Caltrain, the regional bus services at the Salesforce Transit Center, and the regional ferry services operated by Golden Gate Transit and SF Bay Ferry/WETA all within three-quarters of a mile. Both sites are well-connected to these transit hubs by the Embarcadero's pedestrian promenade (especially well-used during baseball games and other events at Oracle Park) and by the Embarcadero's Class 1 and 2 bicycle facilities and the broader South of Market District's numerous bicycle lane networks. Both sites have relatively direct access to ramps serving both I-280 and the Bay Bridge.

#### **Piers 30-32 Development History**

Piers 30-32 were built in 1912 as deep-water ship-berthing facilities that took advantage of their naturally self-scouring location on the Waterfront. They were extended east in 1926, and then spanned by a deck that effectively joined the two Piers in 1950. A fire in 1984 destroyed the Pier sheds and historic bulkhead buildings, rendering the Piers ineligible for the Embarcadero Historic District and the financial incentives and use and/or permitting exemptions that are designed to make redevelopment of historic properties financially feasible. On the other hand, the lack of a historic shed or bulkhead

building also removes Public Trust design-compatibility requirements that would otherwise govern historic structures.

In the time since the 1984 fire, Piers 30-32 and SWL 330 have been bundled together for several ambitious proposals that envisioned complex and architecturally-distinctive mixed-use developments. These proposals include the Bryant Street Wharf (a cruise terminal, shopping center and hotel complex) from 2000-2006; an event facility “base camp” with long-term development rights in connection with the America’s Cup host agreement from 2010-2012; and the Golden State Warriors initial proposal for an Arena and hotel from 2012-2014. In each case, the strategy to defray the significant costs of upgrading and rehabilitating the deteriorated Piers’ substructure has included the development of SWL 330 for revenue generation. Also in each case, the developer sponsored State legislation in consultation with the State Lands Commission that would have allowed certain uses on the Piers that were not consistent with the Public Trust, but would generate revenue needed to cover the Piers upgrade costs. Despite these strategies, the developers in each case ultimately abandoned their proposals, largely due to the high costs that a Piers 30-32 rehabilitation/reconstruction effort would have entailed.

Piers 30-32 today are only partially used for surface automobile parking because the deteriorating condition of the Piers’ substructure severely limits which portions of the facility are safe for such use. However, much of the Piers’ 13 acres are still safe enough to host temporary special events, such as the X Games and the Pro Beach Volleyball Tour, and the eastern edge is still intermittently used as a deep-water berth, including but not limited to berthing for Navy ships during Fleet Week.

### **SWL 330 Development History**

SWL 330 was historically used as a rail yard for the State Belt Railroad (and later, the San Francisco Belt Railroad) since 1889 and ceased operations in 1993. Since then, SWL 330 was paved and used for surface automobile parking. As noted above, SWL 330 was an integral part of the three mixed-use development proposals that did not advance to development.

In 2019, slightly more than half of the SWL 330 site was leased to the City for use as the Embarcadero SAFE Navigation Center, a temporary facility designed to offer low-threshold, high-service residential programs and services for adults experiencing homelessness in San Francisco and operated by the Department of Homelessness & Supportive Housing. The initial term of this temporary use is two years, with a possible and conditional extension of two additional years if the Port Commission determines the SAFE Navigation Center meets its “good neighbor” obligations.

### **Draft Waterfront Plan**

The Waterfront Plan<sup>1</sup> released in June of 2019 is an update to the “Waterfront Land Use Plan” originally adopted in 1997. The updated Plan is the outcome of a three-year community planning process that led to 161 policy recommendations, including Public Trust Objectives. Those recommendations were endorsed by the Port Commission at

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<sup>1</sup> [https://sfport.com/sites/default/files/UPDATED\\_COMPRESSED\\_FinalWaterfrontPlan\\_DigitalVersion\\_6.10.2019.pdf](https://sfport.com/sites/default/files/UPDATED_COMPRESSED_FinalWaterfrontPlan_DigitalVersion_6.10.2019.pdf)

its August 14, 2018 meeting<sup>2</sup> and incorporated into the Plan's proposed nine goals, policies, objectives and acceptable land use tables to guide development in five subareas along the Port's 7.5-mile waterfront, including the South Beach Subarea.

The nine Port-wide goals are summarized below:

1. **MARITIME:** Preserve and enhance the Port's diverse maritime industries
2. **DIVERSE USES AND PEOPLE:** Public-oriented, recreational, workplace and civic uses that complement maritime industry and provide economic opportunity
3. **PARKS AND OPEN SPACE:** Complete the waterfront open space network, protect natural habitat areas, create a new Ferry Building plaza, activate and enliven waterfront parks
4. **QUALITY URBAN DESIGN:** Respect the waterfront's maritime heritage, promote physical and visual connections between the City and the Bay
5. **FINANCIALLY STRONG PORT:** Stimulate investment and waterfront revitalization, and equitably providing new jobs, revenues, and amenities for everyone
6. **SUSTAINABLE TRANSPORTATION:** Safe and accessible for people and goods, by all modes, for workers, neighbors, visitors and Port tenant operations
7. **ENVIRONMENTAL SUSTAINABILITY:** Limit the impacts of climate change, improve the ecology of the Bay, and promote healthy waterfront neighborhoods
8. **A RESILIENT PORT:** Strengthen resilience to hazards and climate change effects while protecting the community, ecological, social and economic assets and services
9. **PARTNERING FOR SUCCESS:** Strengthen partnerships and community engagement to increase public understanding of Port and community needs and opportunities

The Waterfront Plan's *Chapter 3: Waterfront Subareas* includes the Section *South Beach: Rincon Park to the Ballpark* that includes seven specific objectives which provide a finer level of detail on the Port-wide goals and guide future development of Piers 30-32 and SWL 330:

1. Preserve and improve existing maritime uses and provide focal points for public enjoyment of maritime and water-dependent activities in South Beach.
2. Maintain and activate an integrated series of parks and public access improvements that extend through South Beach and provide a unifying pedestrian connection to Mission Bay at China Basin Channel.
3. Promote activities and public access in South Beach pier projects within the Embarcadero Historic District.
4. Create opportunity for the design of new development in South Beach to create a new architectural identity while respecting the Embarcadero Historic District.
5. Take advantage of proximity to downtown San Francisco by providing attractions for the general public while respecting the living environment of the Rincon Hill and South Beach neighborhoods.

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<sup>2</sup> <https://sfport.com/sites/default/files/Commission/Documents/Item%2011A%20Endorse%20WLUP%20recommendations.pdf>

6. Maintain close working relationships with the San Francisco Municipal Transportation Agency and transportation agency partners to expand public transit and alternative transportation services that improve the safety and comfort of travel along the Embarcadero in South Beach.
7. Coordinate closely with resilience proposals produced through the Embarcadero Seawall Program to build understanding and support for innovations required to adapt to the impacts of climate change while respecting the history, character, and authenticity of the South Beach waterfront.

The Waterfront Plan also identifies acceptable uses for Piers 30-32 and SWL 330 as shown in Table 1, an excerpt from the Plan’s “South Beach Acceptable Land Uses.” Details on types of publicly-oriented uses are further described in *Exhibit 3: Diverse Use Policies from the Waterfront Plan*.

*Table 1- South Beach Acceptable Land Uses (excerpt for Piers 30-32 and SWL 330)*

<p><b><u>Piers 30-32 &amp; SWL 330: Acceptable Uses</u></b>          Artists/Designers          Assembly/Entertainment          Museums/Cultural          Retail (including food/beverage)          Recreational Enterprises          Visitor Services          Academic Organizations          Short Term Interim Uses</p>	<p><b><u>Acceptable Uses unique to Piers 30-32</u></b>          Ferry/Excursion Boat/Water Taxi          Historic Ships          Maritime Office          Harbor Services/Maritime Industrial          Passenger Cruise          Recreational Boating/Water Recreation          Ship Repair          Temporary/Ceremonial Berthing          Parks/Open Space          Public Access/Public Realm          General Office</p>
<p><b><u>Piers 30-32 &amp; SWL 330: Accessory Uses</u></b>          Parking</p>	<p><b><u>Acceptable Uses unique to SWL 330</u></b>          Hotels          Residential</p>

**Public Trust**

The Waterfront Plan includes references to the Public Trust, its doctrine and its mission that define feasible adaptive reuse and design criteria for Port properties (and notably for the Historic Piers within the Embarcadero Historic District, whose historic architectural integrity the Plan calls adjacent, non-historic properties such as Piers 30-32 and SWL 330 to respect). Land uses that are determined to be consistent with the Public Trust generally support the following Trust missions:

1. Promote Maritime Commerce, Navigation and Fisheries
2. Protect natural (and cultural, including historic) resources
3. Provide facilities that attract the public (local and regional) to use the waterfront.

These objectives recognize the validity of using or reusing waterfront facilities to serve maritime and public access trust uses, activities that attract the public to use and enjoy these cultural and historic resources and uses that generate revenue to finance necessary improvements.

**SF General Plan**

The San Francisco Planning Department maintains the City’s *General Plan* and its Zoning Ordinance that together outline land-use zoning designations, parking and

building height/bulk standards and urban design guidelines for every parcel in San Francisco in accordance with the Charter provisions of the State of California.

Piers 30-32 and Seawall Lot 330 are located within the “East SoMa (South of Market) Area Plan” of the General Plan, which generally permits as-of-right:

- a wide variety of commercial, industrial and other uses on Piers 30-32, subject to the M-2/Heavy Industrial zoning district and limited by the 40-X height/bulk district (which sets a general height limit of 40 that is generally unrestricted in bulk); and
- residential and limited mixed-use development for Seawall Lot 330, subject to the SB-DTR/*South Beach – Downtown Residential* zoning district and limited by the 65-105R height/bulk district (which sets a podium height limit of 65 feet that is generally unrestricted in bulk, and sets the height of any tower(s) rising above the podium to 105 feet and restricts the tower(s) bulk by specific plan (90 feet) and diagonal (120 feet) dimensions.

### **Port Resilience Program**

Current seismic risk, current and future flooding risk present significant challenges to the Port properties along the Embarcadero. The Port is undertaking three efforts to address this concern, including:

- 1) the Embarcadero Seawall Program;
- 2) the U.S. Army Corps of Engineers (“USACE”) Flood Resiliency Study; and
- 3) the Historic Piers Rehabilitation program– to address these risks.

### *Seismic*

The 2016 Seismic Vulnerability Assessment of the Embarcadero Seawall revealed seismic risk to Port pier facilities. Without improvements to seismically strengthen the Seawall, Piers 30-32 may suffer significant damage in a large earthquake due to ground shaking, differential settlement or lateral spreading that causes the Seawall to move bay-ward.

### *Flooding*

Many Port assets along the Embarcadero, including the “finger” piers and many of the Seawall lots, are already at risk of flooding from a 100-year flood event and that risk is increasing due to rising sea levels. Projections of future water levels indicate episodic flooding by mid-century and regular flooding of the finger piers by 2100.<sup>3</sup> While there are approaches that can be taken to reduce the risks from flooding, it is also true that the increasing flood risk associated with sea level rise presents a narrowing window of opportunity to attract investors to pier rehabilitation projects. Acting quickly (and prudently) to attract capital partners to Pier and SWL development projects will help put the Port in a good position to negotiate leases with the greatest amount of public benefits possible, including those that incorporate measures to reduce flood risk.

### *Embarcadero Seawall Program and USACE Flood Resiliency Study*

Initial studies indicate seismic vulnerability exists along the Embarcadero, where Seawall failures due to liquefaction and lateral spreading caused by an earthquake

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<sup>3</sup> See Port of San Francisco and Sea Level Rise brochure for more information: <https://www.sfseawall.com/2904/documents/3734/download>

would likely have the greatest impact. Due to the proximity to the Seawall and the nature of Bay fill upon which Piers 30-32 and SWL 330 were constructed, liquefaction and lateral spreading is a structural concern for both facilities. Refined studies are now underway to better characterize earthquake risk at the facility level.

#### *Multi-Hazard Risk Assessment*

The Port is currently undertaking a Multi-Hazard Risk Assessment to assess expected casualties, economic damages to buildings, transportation infrastructure and utilities, and the consequences of those damages including business interruption. The Port expects to publish results of the Multi-Hazard Risk Assessment in Spring 2020. The results of this work will allow the Port to prioritize initial Embarcadero Seawall Program Phase 1 improvements to improve life safety and support the City's post-disaster emergency response efforts.

#### *USACE Flood Resiliency Study*

The Port and USACE are collaborating on the San Francisco Waterfront Flood Resiliency Study which is examining flood risk to the Port's entire 7.5-mile waterfront. If the study identifies a federal interest in a federal flood management project on the San Francisco waterfront, the Flood Resiliency Study will result in a Tentatively Selected Plan to manage flood risks and conduct preliminary engineering and environmental analysis of that plan. Federal interest in this context is defined as project benefits – mainly in the form of reduced economic damages – that exceed project costs. Dependent on a finding of federal interest, the study could lead to a USACE recommendation to Congress, expected in 2024 or later, to fund the Tentatively Selected Plan.

The Flood Resiliency Study will examine flooding on a range of expected sea level rise curves. The Tentatively Selected Plan, if approved by USACE and funded by Congress, is expected to provide flood protection throughout its design life (2080) and to be adaptable to subsequent sea level rise. To achieve this performance, the plan will require installation of flood management measures at a higher elevation – still to be determined – than the current Seawall. The potential location(s) of these measures is still being studied; options that are being analyzed include locations bay-ward of the piers, in the near shore area, at the shoreline or along the Embarcadero Roadway.

The Port will share available analysis and reports from these efforts with prospective bidders for the redevelopment of Piers 30-32<sup>4</sup>.

#### **2015 Waterfront Transportation Assessment (WTA)**

The "Study Area" is defined as SoMa (bounded by the Embarcadero, Mission, 12<sup>th</sup> & Division Streets and China Basin) and Central Waterfront (bounded by China Basin, the Waterfront, Cesar Chavez and I-280). The concerns of transportation impacts of Port property development in the Study Area are highlighted in both the Waterfront Plan and its South Beach Subarea. The Community Values (discussed in Section IV below) especially reflect the concerns about how street congestion and automobile traffic undermine local quality-of-life.

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<sup>4</sup> See Seawall Program library for study and related information, locate here: <https://www.sfseawall.com/seawall-library>.

The WTA identified the Study Area's local and regional transit services accessing these sites, highlighting where and how that these services are already limited and severely overcrowded, and how South Beach streets are disproportionately impacted by traffic that uses the bridge/freeway onramps and offramps during commute periods. The WTA emphasized the importance of strategically investing in and utilizing key infrastructure dedicated to the "sustainable" modes of transit (especially supporting the plans underway to the capacity of BART, Muni Metro and Caltrain rail transit and the ferry service expansion for East Bay and North Bay commuters), and enhancing the safety and connectivity of pedestrian and bicycle networks to accommodate growth without exacerbating street congestion.

For the purposes of the RFP for Piers 30-32 and SWL 330, the WTA findings emphasize the importance of ensuring investment and prioritizing access to these sustainable modes, including the integrity of a development's Transportation Demand Management programs that will direct and incentivize people to use these modes rather than to rely upon the automobile and exacerbate congestion.

### **Partnerships in Pier Rehabilitation**

A partner for pier rehabilitation provides both an opportunity to leverage private resources for important City infrastructure and a challenge to coordinate Port's construction activities with a private entity. Overall, the Seawall Program is an opportunity to protect and revitalize the Port's assets on both sides of the Embarcadero and ultimately to create a stronger and more vibrant urban waterfront. If a development partner is selected for Piers 30-32, the Port will manage the coordination of private partner design and construction with any nearby or adjacent design and construction activities related to the Seawall Program.

The Port expects to analyze the following elements of a development partner's rehabilitation and financing plans after award of an exclusive negotiating agreement and an appropriate period of due diligence and preliminary engineering:

- *Seismic Performance* – Under the Port's Building Code, project proponents will need to demonstrate code compliance including a demonstration that the Piers' substructure will be designed to withstand anticipated lateral spreading and other seismic forces.
- *Adaptive Flood Management* – In consultation with permitting agencies including the Bay Conservation and Development Commission, project proponents will need to demonstrate an adaptive management strategy for flood protection through the expected life of the project based on a range of sea level rise curves. A long-term lease will include lease provisions memorializing adaptive management requirements.
- *Project Relationship to City Flood Protection Determination* – Through the Port's Flood Resiliency Study or the City's own flood management policies and plans, the Port and City may select a line of defense for urban flood protection that

intersects with proposed project sites, which may result in design changes to proposed projects (or parts of projects), including changes in elevations.

- *Future Flood Protection Funding* – Consistent with other significant shoreline development projects approved by the Port Commission, the Port maintains the right to negotiate for ongoing funding to fund adaptive management for flood control, including a potential special tax.

### **State Lands & BCDC Coordination**

During the Waterfront Plan Update process, Port staff consulted with State Lands and San Francisco Bay Conservation and Development Commission (BCDC) staff on various issues of shared interest, including strategies for supporting the reuse and development of the Port's assets along the Embarcadero. State Lands staff also spent considerable time in public meeting discussions with the Working Group as part of its deliberations and recommendations.

As noted earlier, the Port has a history of collaborating with State Lands on refining developer-proposed legislative proposals that have addressed Public Trust use limitations for the redevelopment of Piers 30-32, given the financial and administrative challenge of upgrading the deteriorating facilities to a reasonable state of functionality. In updating the Waterfront Plan and coordinating it with the Public Trust missions, the Port will continue to consult with State Lands and BCDC staff regarding the details of rehabilitating and reusing Piers 30-32 that are essential for responsible stewardship of the properties (SWL 330 is more than 100 feet from the Bay shoreline and thus not subject to BCDC review authority).

### **Workforce Development and Local Business Enterprise (LBE)**

Once a development partner is selected, Port staff will work with the successful respondent and the City's Contract Monitoring Division (CMD) to establish LBE goals for the various phases of the entitlement and development. CMD will collaborate in negotiating the design of each LBE participation program tailored to the project, develop LBE goals, provide developers with technical assistance to maximize LBE participation, and where necessary, conduct outreach to LBEs regarding procurement opportunities. The project will also need to comply with the City's Local Hiring Policy for Construction (mandatory 30% of project hours by trade) and requirements for wage and apprenticeship programs.

## **IV. COMMUNITY VALUES**

In addition to the Goals, Policies and objectives articulated in the Waterfront Plan and the Public Trust doctrine, the Community Values below represent key points that Port staff heard at the Port Central Waterfront Advisory Group (CWAG) meetings on July 17, August 21 and October 16, 2019, at the Port Maritime Commerce Advisory Committee (MCAC) meeting on July 18, 2019, and the South Beach/Rincon/Mission Bay Neighborhood Association meeting on September 9, 2019.

For purposes of the RFP and community engagement process, the Port defines

“Values” to mean the places, spaces, experiences, or other attributes of the RFP project site that are public priorities. These values may include existing assets or resources the project should leverage, unique locations to curate different experiences along the waterfront, or specific conditions that lend themselves to a new use opportunities.

### **Community Values that Apply to Both Piers 30-32 and SWL 330**

#### *Funding and Economics*

- Balance the objectives of generating revenue with providing equitable use and access for diverse members of the public.
- Ensure revenue-generation to sustain viable operations and a public-realm maintenance program over the long term.

#### *Urban Design*

- Support high-quality urban design that meets the goals of the Waterfront Plan and the South Beach neighborhood.
- Promote waterfront site authenticity and sense of place in the design of development at both sites.

#### *General Land Use*

- Promote land uses that support a diverse, equitably-accessible and economically-viable waterfront.
- Prioritize land uses that can manage traffic to prioritize safety, minimize congestion and sustain neighborhood quality of life.

#### *General Sustainability*

- Ensure development supports the City’s environmental/emission goals, including protection of avian and marine life.

#### *Transportation*

- Prioritize safety for residents, employees, visitors and customers making trips to and around Piers 30-32 & SWL 330.
- Prioritize environmentally-sustainable transportation (including ferries) that serves users of all ages, abilities and incomes.
- Manage transportation demand to prioritize transit and avoid reliance upon the private automobile and exacerbating congestion.

### **Community Values that Apply Uniquely to Piers 30-32**

#### *Berthing and Berthing Access*

- Support the provision for Maritime Berthing (including for deep-water vessels) and related access needs at Piers 30-32.

#### *Land Use and Urban Design*

- Provide public Open Space/wildlife viewing/recreation opportunities on Piers 30-32, including as part-time use of berth access areas.
- Support the adjacent Embarcadero Historic District and its assets access needs in the design and development of Piers 30-32.

#### *Sustainability*

- Leverage the natural resources of the Piers 30-32 site to support generating sustainable energy (e.g., solar, wind & tidal).

#### *Museum/Arts/Cultural Center*

- Consider a Museum/Arts/Cultural Center that references the extraordinary site, with interpretive signage, site awareness.

- Consider a Museum/Arts/Cultural Center that appeals to and draws a diverse group of the public.

### **Community Values that Apply Uniquely to SWL 330**

#### *Ground Floor/Public Realm*

- Design ground floor uses that enliven the pedestrian experience, are inclusive and enhance & serve the neighborhood.

#### *Housing*

- Emphasize Housing at SWL 330 as an acceptable/desirable use and “good neighbor” to South Beach residents.

#### *Hotel*

- Consider Hotel as a revenue-generating use, provided that it specifically manages transportation demand consistent with Transportation Values above.

## **V. DEVELOPMENT CONCEPT**

Piers 30-32 includes approximately 574,000 square feet (about 13 acres) of an asphalt and concrete deck, approximately 950 feet deep and 625 feet wide, on the east side of the Embarcadero, bounded by the intersections of Bryant and Brannan Streets. The small rectangular portion at the northwest corner (approximately 65 feet by 260 feet) occupied by Red’s Java House is not included in this development RFP (see *Exhibit 4: Piers 30-32 Plan Diagrams*). As noted above, the Piers’ substructure, which includes the two original Piers that are over 100 years old and the 69-year-old deck that bridges them are deteriorated and compromised to the point of severe loading and would require upgrades estimated by Port engineering staff to cost approximately \$264M-\$369M (including seismic upgrade and adaptation for sea level rise), estimated in 2019 dollars.

SWL 330 includes approximately 101,500 square feet (about 2.3 acres) located on a roughly triangular parcel bounded by the Embarcadero on the east, Beale Street on the southwest and Bryant Street on the northwest. The property excludes the parcel occupying the western point of the triangle (adjacent to the intersection of Beale and Bryant Streets) which is the site of the Watermark condominiums (see *Exhibit 5: SWL 330 Plan Diagram*).

## **VI. ECONOMIC MINIMUM PORT IS SEEKING**

The Port’s economic benefits for the Piers 30-32 and SWL 330 RFP include significant investment in Port assets, minimum revenues (rent and/or special taxes), and participation in upside revenues.

### **Recent History**

Piers 30-32 is used for automobile parking, layberthing for vessels and also special events, subject to the structural limitations. In fiscal year 2017-2018, the Port received \$1.47 million in revenue from the site.

Until 2019, SWL 330 was used for automobile parking. In fiscal year 2017-2018, SWL 330 generated approximately \$832,000 in Port revenues. The Embarcadero SAFE Navigation Center began construction in summer 2019 and now occupies about half of the SWL 330 site. The Port has leased the property to the City's Department of Homelessness and Supportive Housing for about \$442,000/year. The City will operate the Navigation Center for two years at this site, after which (based on the "good neighbor" record of the Navigation Center in its South Beach context), the Port Commission may authorize a two-year extension of the lease.

Because the structural characteristics, capital improvement needs, scope of allowable uses/heights/bulk and other land use/contextual issues differ so widely between Piers 30-32 and SWL 330, Port staff are open to receiving responses for Piers 30-32 and SWL 330 combined as one master development proposal, or as one proposal for either SWL 330 or Piers 30-32 individually. While Port staff acknowledge the challenge in proposing a financially feasible redevelopment of Piers 30-32 at this planning-level stage, a positive response to an RFP at this site is anticipated for respondents who are willing to take on market risk associated with the project due to the attraction and scarcity of developable waterfront property of this acreage in San Francisco. RFP respondents will be able to leverage market knowledge and project implementation expertise to improve financial feasibility by, for example:

- Bringing a sharpened approach to redeveloping the unique space, including identifying methods to decrease costs and increase revenues.
- Leveraging the two sites as one combined project ~~RFP~~ for potential cross-subsidies and cost savings, and creating attractive leasing opportunities as a relatively large offering for tenants
- Identifying innovative approaches to use Piers 30-32 in ways that maintain consistency with the Waterfront Plan, Public Trust and Community Values.

### **Desired Economic Benefits for Port's Balance Sheet**

Based upon the recent and existing economic conditions of the sites, Port staff recommend the following economic benefits in evaluating responses to the South Beach Piers RFP:

1. *Removal of liability.* As the substructure of Piers 30-32 continues to deteriorate, simply sustaining the status quo is already an expensive prospect, while the alternative option of demolition is even more cost-intensive. A development proposal that assumes responsibility or generates sufficient revenue to support the critically-needed upgrades and facilitates on-going viability helps relieve the Port of the financial burden of maintenance and liability (and eventual demolition when the facility is no longer operable).
2. *Significant investment in Port assets.* Piers 30-32 facility rehabilitation, reduction of seismic risk from the fronting Seawall and flood protection represents hundreds of millions of dollars of investment. This is a significant benefit to the Port in addressing its agency-wide capital backlog and improving its asset management.

3. *Reliable revenue stream.* Port staff anticipate that over the long-term, a redeveloped SWL 330 would generate sufficient revenue to both repay the initial investment and produce revenues both to the lessee and the Port. Depending on the structure of the transaction the Port could also consider receiving all or a portion of the funds up-front, to help with addressing one-time capital needs.
4. *Participation in upside revenues.* Port long-term development leases include participation in revenues on an ongoing basis and participation in capital events (lease transfers and refinancings).

## VII. MINIMUM QUALIFICATIONS OF RESPONDENTS

Each respondent team must meet the following minimum qualifications as determined by Port staff for consideration of its development proposal. The Port will not consider or evaluate submittals from respondents that have not demonstrated they have met all of the following minimum qualifications:

- I. Obtained at least \$40 million in committed funding for a single development project.
- II. Entitled a single development project with a total cost of at least \$40 million.
- III. Completed construction of a single development project with a total cost of at least \$40 million.
- IV. For respondent teams proposing a Piers 30-32 project, successfully constructed a development project over water with a value of at least \$40 million,
- V. The submittal of a signed form verifying adherence to conditions governing communications with City staff (including the Port Commissioners and the Mayor) prior to execution of an Exclusive Negotiating Agreement (ENA).

The \$40 million threshold was established recognizing that a successful project will likely require a minimum investment of \$250 million. By setting the minimum qualification at a substantial but lower amount, Port staff seeks to avoid pricing out all but very large developers in hopes of fostering a wider range of potential experienced interest.

Minimum Qualification V requires respondents to agree to direct all communications related to the RFP to specified Port staff members. Only Port staff identified in the RFP as contacts for this competitive solicitation are authorized to respond to comments or inquiries from proposers, or potential proposers. The form referenced above will describe that communications relationship and will include the following text:

During the selection process under this RFP, potential proposers, their counsel, agents, contractors, representatives, and associates may not contact or solicit the Mayor and her staff, members of the Port Commission, any members of the Selection Panel (once those members are identified) or any other Port, City, or Commission staff member other than the contact persons designated by the Port (which may be updated at the Port's discretion through a written communication), regarding this RFP, the content of this RFP, any responses or proposals received in response to this RFP, or for the purpose of influencing the content of the

competitive solicitation, bids, or the award of the Exclusive Negotiating Agreement (ENA). Failure to comply with this provision may result in the disqualification of the proposer from the solicitation process at the sole discretion of the Port.

This prohibition extends from the date the RFP is issued until the date the ENA is executed. This prohibition does not apply to communications with the City regarding normal business not related to this RFP.

## **VIII. SCORING CRITERIA TO REVIEW RESPONSES**

Responses to the RFP will be scored by a scoring panel selected by Port staff and as described below. The panel will review proposals based upon a set of criteria established and described in the RFP. Only those respondents that have met the minimum qualifications described above will advance to panel scoring. The panel will review and score both written responses and in person interviews. A point system will be created for the categories below.

*1 - Quality of the Design and Development submittal* based on factors such as:

- a) response to RFP development planning objectives and goals, and community values and priorities
- b) evaluation of the development program's conformance with Waterfront Plan goals, Public Trust Objectives and Community Values
- c) character and design quality of the development (e.g., connectivity to the surrounding area, massing and treatment of buildings, quality of open spaces and public realm)
- d) effectiveness of ongoing management programs dealing with transportation demand, the strategic balance of maritime uses with public access, clarity and integrity of sustainability principles, comprehensiveness of "good neighbor" strategies, and inclusiveness of a diverse group of potential users and tenants
- e) programmatic balance of public-serving, maritime, and revenue-generating uses

*2 - Strength of Financial Proposal* based on factors such as:

- a) proposed economic return to the Port, base rent and percentage rent or other forms of participation proposed by the respondent
- b) evaluation based upon understanding of real estate/market assessment of the site(s)
- c) evaluation based upon financial feasibility assessment of the proposer's program and project proforma

*3 - Financial Capacity of the Respondent and Economic Viability of Proposal* based on factors such as:

- a) ability to raise and commit funds for the project and continuing operations and maintenance
- b) adequacy of projected revenues to support the respondent's proposed investment
- c) revenues to Port

- d) reasonableness of the cash flow analysis
- e) proposed capital investment for improvements including Seawall and flood protection

4 -*Experience, organization and reputation of the respondent's team, based on factors such as:*

- a) experience engaging the community
- b) team make-up and diversity reflecting San Francisco population
- c) experience and success in utilization of certified San Francisco Local Business Enterprise (LBE) businesses, California Small Business Enterprise (SBE) or similar municipal, state, or federal work force and business development programs in development projects
- d) team & key personnel qualifications and availability
- e) ~~team make-up and diversity reflecting San Francisco population~~
- f) ~~experience and success in utilization of certified San Francisco Local Business Enterprise (LBE) businesses, California Small Business Enterprise (SBE) or similar municipal, state, or federal work force and business development programs in development projects~~
- e) experience with over-water construction project (for responses-proposals that include addressing Piers 30-32)
- f) experience with complex regulatory environment
- g) history of on-time and on-budget projects
- h) economic success of similar ventures
- i) design excellence of completed projects
- j) clear lines of authority and responsibilities
- j) ~~team & key personnel qualifications and availability~~
- k) litigation and compliance record
- l) demonstrated ability to comply with City requirements
- l) ~~experience engaging the community~~
- m) experience with the Port/public agencies collaboration and coordination
- n) experience with sustainability with programs like 0-80-100 Roots

<b>Evaluation and Selection Criteria Summary</b>	<b>Written Total: 100 Points</b>
Quality of the Design and Development Submittal	35 pts
Strength of Financial Proposal	20 pts
Financial capacity of Respondent/economic viability of proposal	20 pts
Experience, organization and reputation of Respondent's team	25 pts

In addition to the 100 points achievable through the written proposal, up to 30 additional points may be awarded based upon performance in the oral interviews regarding the quality of design and development, experience, and team organization.

## **IX. RESPONSE SCORING PANEL COMPOSITION**

The draft Waterfront Plan goal of “Partnering for Success”, includes a policy that defines a scoring panel that represents diverse interests to assist the Port Commission in the selection of a development partner. As recommended by that policy, the scoring panel reviewing the Piers 30-32 and/or SWL 330 RFP teams that meet the Minimum Qualifications will include, at a minimum, the following types of representative individuals:

1. development expert
2. Port staff person
3. Port advisory group member
4. person representing a City or regional stakeholder perspective

Scoring panel members will also be selected for their expertise in the areas of finance and architectural/urban design. The scoring panel may include other stakeholder representations should the Port deem desirable. Development experts should include experts with development experience in the Bay Area, and particularly waterfront projects and projects with maritime berthing capacities and innovative mixed-use programs. The Port staff person should be a senior level person with a broad range of real estate, development, finance, or planning background. The Port Advisory Group member should be from the advisory group within the geography of the project, and the City or Regional representative should be a stakeholder that complements or fills an expertise gap or unique project quality or issue. The panel will be diverse, reflecting the San Francisco community.

## **X. PORT COMMISSION REVIEW AND SELECTION PROCESS**

The following process is proposed to seek Port Commission input and eventual approval to award the opportunity and enter into an ENA with the successful development partner. This process allows the Port Commission to hear from qualified respondents, receive background information regarding the proposals and their relative financial and regulatory feasibility prior to Port staff providing its recommendation for action based on the results of the scoring process. The process includes the following steps:

- The proposals meeting the Minimum Qualifications will be vetted by a third-party economics consultant for feasibility, with input from Port engineering for occupancy and code compliance consistency. This review will be summarized in a memo for use by the scoring panel in their evaluation and scoring of the proposals;
- The scoring panel will review the qualifying proposals and the third-party evaluation memo and then will interview the qualifying proposers, in order to score the proposals based upon the scoring and selection criteria outlined above;
- Port staff will develop up to three recommendations (the “Port Staff Recommendations”) for award of the right of exclusive negotiation: the highest-

scoring combined Piers 30-32/SWL 330 proposal (if any); the highest-scoring Piers 30-32-only proposal (if any), and/or the highest-scoring SWL 330-only proposal (if any). The number of Port Staff recommendations will depend on whether there are qualifying proposals in each category.

- After scoring is complete, all respondents meeting the Minimum Qualifications will be invited to make a brief presentation as part of an information item at a Port Commission meeting. The RFP will require that all respondents provide an executive summary of their proposals; accordingly, the staff report for the information item will attach all of the executive summaries from qualifying respondents and will include the results of the scoring panel reviews. The Port Commission will be advised that in order to keep the process balanced, that the information item is intended simply to provide information to the Port Commission and public about the responses received and not for scoring purposes.
- At that same Port Commission meeting, but after the item described in the preceding bullet, Port staff will provide a staff report and presentation laying out the Port Staff recommendations.
- At a subsequent meeting, Port staff will calendar an action item under which the Port Commission can then decide to (a) select the top-scoring combined Piers 30-32/SWL 330 proposal (if any), (b) select both top-scoring single-site proposals (if any of either), (c) select only one of the top-scoring single-site proposals and reject the other, or (d) reject all proposals and terminate the process.

In addition to the key sections of the RFP outlined in this staff report, the RFP will also require that respondents agree to: a) enter into a lease disposition and development agreement substantially similar to the form presented in the RFP; b) execute a lease substantially similar to the form presented in the RFP; and c) agree to abide by all City polices and laws. Additionally, issuance of an RFP does not commit the Port to proceeding with any agreement or project, and the Port cannot approve any lease or other development agreement for the project until after environmental review has been completed in compliance with the California Environmental Quality Act.

## **XI. NEXT STEPS**

If the Port Commission approves the release of the RFP ~~in December 2019~~, Port staff will complete drafting and target January 2020 for release of the RFP. Assuming that target holds, staff projects the schedule to proceed as follows:

- |                     |   |
|---------------------|---|
| • late January 2020 | Pre-submittal open house                          |
| • February 2020     | Respondents' questions to Port due                |
| • early March 2020  | Port responses to questions published             |
| • late March 2020   | Proposals Due                                     |
| • April/May 2020    | Form scoring panel and review proposals           |
| • May 2020          | Informational presentations at Port Commission    |
| • June 2020         | Seek authorization from Port Commission to select |

Development partner(s) and enter into ENA(s)

The Port has and will continue to reach out to potential and interested developers to make them aware of the RFP opportunity and will conduct the following outreach:

- Update and notify potential respondents to the RFP
- Run advertisements or otherwise seek news coverage in professional periodicals and newspapers
- Conduct outreach through professional organizations
- Conduct outreach with the neighborhood, local, regional and ethnic Chambers of Commerce
- Coordinate outreach with CMD and through other City agency outreach events

Prepared by:

Peter Albert  
Project Manager  
Real Estate and Development

Assisted by:

David Beaupre  
Senior Project Manager  
Real Estate and Development

Rebecca Benassini  
Assistant Deputy Director  
Real Estate and Development

Prepared for:

Michael Martin  
Deputy Director  
Real Estate and Development

Exhibit 1: RFP Parameters

Exhibit 2: Site Location and Setting

Exhibit 3: Diverse Use Policies from the Waterfront Plan

Exhibit 4: Piers 30-32 Plan Diagram

Exhibit 5: SWL 330 Plan Diagram

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 19-48**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, regulate and control the lands within Port jurisdiction; and
- WHEREAS, The Port owns in trust the Piers 30-32 site, consisting of approximately 13 acres of paved deck currently used primarily as a parking lot; and the Seawall Lot (“SWL”) 330 site, consisting of approximately 2.3 acres and currently used as a parking lot and a SAFE Navigation Center
- WHEREAS, Piers 30-32 and SWL 330 represent a rare waterfront resource of significant developable acreage; and
- WHEREAS, On May 28, 2019 the Port Commission directed staff to prepare for a release of a development Request for Proposals (“RFP”) for Piers 30-32 and SWL 330; and
- WHEREAS, On August 14, 2018 the Port Commission endorsed the Draft Waterfront Plan Goals, Public Trust Objectives, and Plan Objectives and 161 Policy Recommendations; and
- WHEREAS, The Draft Waterfront Plan recommends that Piers 30-32 and SWL 330 be redeveloped for publicly-oriented, waterfront-activating, maritime, and revenue generating uses; and
- WHEREAS, Successful redevelopment of Piers 30-32 and SWL 330 would be consistent with the following Port’s Strategic Plan objectives: Evolution, Productivity, Stability, Resiliency, Equity, Sustainability and Engagement; and
- WHEREAS, Successful redevelopment of Piers 30-32 would be consistent with the Port’s Resilience Program and must mitigate seismic and flooding risks for the piers and marginal wharfs; and
- WHEREAS, The Port will continue to collaborate with the State Lands Commission and Bay Conservation Development Commission on accommodating uses to benefit the Public Trust; and
- WHEREAS, The Port and a selected developer respondent will work with the City’s Contract Monitoring Division to establish appropriate Local Business Enterprise and work force development goals; and

- WHEREAS, Port staff has conducted community and stakeholder outreach consistent with the Draft Waterfront Plan policies and has identified Community Values for redevelopment of Piers 30-32 and SWL 330; and
- WHEREAS, The Draft Waterfront Plan identifies potential development concepts for Piers 30-32 and SWL 330; and
- WHEREAS, Port staff presented an informational update to the Port Commission on November 12, 2019, on the development of the RFP, the results of the community and stakeholder outreach that contributed to the identification of Community Values to be included in the RFP, the proposal for Minimum Qualifications and selection criteria to be used by Port staff and a scoring panel in evaluating responses to the RFP, and a recommendation to the Port Commission for reviewing and awarding responses to the RFP; and
- WHEREAS, Staff will first determine whether respondents meet the Minimum Qualifications described in the staff memorandum accompanying this resolution (“Staff Memorandum”); proposals submitted by respondents who fail to meet the Minimum Qualifications will not be considered; and
- WHEREAS, In addition to meeting the Minimum Qualifications regarding experience and communications with City representatives as specified in the attached staff report, as a Minimum Qualification, each team responding with a proposal for Piers 30-32 must have experience with a project that included over-water work; and
- WHEREAS, As further described in the Staff Memorandum, the RFP will include a communications policy (“blackout policy”) that prohibits respondents from having certain communications with Port staff and Port Commission members; the blackout policy will also prohibit respondents from communicating with members of the scoring panel except during oral interviews; the blackout policy will not prohibit respondents from participating in Port Commission meetings; and
- WHEREAS, Proposals submitted by respondents meeting the Minimum Qualifications will be scored by a panel selected by Port staff, with scoring based on a set of criteria as described in the Staff Memorandum; and
- WHEREAS, The scoring panel will be a diverse panel, including, at a minimum, a development expert, a Port staff employee, a Port Advisory Group member and a person representing the City or regional interest; additional members may be added should the Executive Director deem it appropriate; and
- WHEREAS, After scoring of the proposals are completed by the panel, staff will present as an informational item at a Port Commission meeting, an executive summary of each proposal scored by the panel and the scoring

results; all respondents whose proposals were scored by the panel will be given an opportunity to present their proposal at the meeting; and

WHEREAS, At a subsequent Port Commission meeting, as an action item, staff will provide up to three recommendations of award for the Port Commission's consideration as follows: (i) one recommendation of the respondent receiving the highest score by the scoring panel for a development proposal that combines both Piers 30-32 and SWL 330 (if any); (ii) one recommendation of the respondent receiving the highest score by the scoring panel for a development proposal for Piers 30-32 alone (if any); and (iii) one recommendation of the respondent receiving the highest score by the scoring panel for a development proposal for SWL 330 alone (if any); and

WHEREAS, If the Port Commission does not award to one or more of the highest scoring respondent(s), the RFP process will be terminated; and

WHEREAS, The RFP will include a requirement that the proposals must include an economic benefit package, which will provide Port a stable revenue stream and participation in additional revenues and capital events as described in the Staff Memorandum; and

WHEREAS, Port staff recommends that publicly soliciting proposals through a RFP process for the development of Piers 30-32 and SWL 330 will garner the best market response(s) and provide the Port with the best opportunity to meet its overall goals for the sites; and

WHEREAS, Issuance of an RFP does not commit the Port to proceeding with any agreement or development project, and the Port cannot approve any lease or other development agreement for the project until after environmental review has been completed in compliance with the California Environmental Quality Act; now, therefore, be it

RESOLVED, That the Port Commission has reviewed the goals and objectives of a RFP for Piers 30-32 and SWL 330, the proposed Minimum Qualifications, selection criteria, selection panel representation, Commission review and selection process, and economic benefit package to Port, all as described in the Staff Memorandum and authorizes Port staff to issue a RFP and manage the solicitation process described herein and in the Staff Memorandum, and be it further

RESOLVED, The Port Commission authorizes Port staff to take further actions in connection with the RFP to achieve the purposes described in this Resolution.

***I hereby certify that the Port Commission at its meeting of December 10, 2019 adopted the foregoing Resolution.***

---

## Exhibit 1- RFP Parameters

Location: Piers 30-32 and Seawall Lot 330, The Embarcadero between Bryant and Beale Streets

Site Areas and Uses:

### *Piers 30-32*

- 574,000 gross square feet (approx. 13 acres) paved surface over two piers bridged by a deck, currently operated by the Port as a surface parking lot and occasional special event location
- Piers linear dimension (extending east from the Embarcadero): 950 feet
- Piers width (fronting the Embarcadero) 625 feet
  
- Waterfront Plan Uses: maritime (ferry/excursion, passenger cruise, historic ships, ship repair, temporary berthing), public access, public open space, publicly-oriented (artist, cultural, assembly, entertainment, museum, retail, restaurant, beverage, recreation, visitor services, academic organizations), revenue generating (short-term interim uses, office)

### *Seawall Lot 330*

- 101,471 square feet (approx. 2.3 acres) of paved land, currently operated as a parking lot with a portion occupied by a temporary structure housing Embarcadero SAFE Navigation Center homeless services for limited-term duration
  
- Waterfront Plan Uses: publicly oriented (artist, cultural, assembly, entertainment, museum, retail, restaurant, beverage, recreation, visitor services, academic organizations), revenue generating (short-term interim uses), residential, hotel

Term: Dependent on investment and sea level rise adaption plan, up to 66 years

Existing Tenants: Port will work with developer so that existing users, including automobile parking operations, are kept informed of timing of development, consistent with the limited-duration terms of the Embarcadero SAFE Navigation Center

Resilience: There are two active Port efforts to address resilience for the Port's piers: the Embarcadero Seawall Program and the US Army Corps of Engineers Flood Resilience Study. The successful respondent will be required to coordinate and collaborate on each of these efforts and the Port will provide criteria on seismic and adaption thresholds.

Public Financing:

- Infrastructure Financing District

Projected RFP Timing:

1. Release RFP ~~December 2019~~ January 2020
2. RFP Responses Due March 2020
3. Port Commission Informational Item May 2020
4. Port Commission /Action Item June 2020

# EXHIBIT 2: Piers 30-32 and Seawall Lot 330 Site Location and Setting



## **Exhibit 3: DIVERSE USE POLICIES**

(excerpted from [Draft Waterfront Plan](#), pages 37-41)

### **Public-Oriented Uses**

1. Leases and Port developments should support a diversity of public-oriented uses that equitably serve and attract visitors of all ages, races, income levels, and abilities from California and the world.
2. Provide more equitable access by increasing the number of free or low-cost activities and events along the waterfront.
3. Include activities that promote physical activity, connection with nature, and healthful living for visitors of all ages.
4. Design public-oriented uses to be inclusive, to create visitor experiences, and to convey a sense of place that is oriented to San Francisco Bay (e.g., include lower-cost takeout/happy hour offerings from restaurants, creative public access/public realm design amenities, lobbies open to the public).
5. Highlight visual connections with maritime features and public access improvements in the design of public-oriented uses in new pier developments, where possible.
- ~~6. In historic properties, include tenant improvements that enhance visitor enjoyment of the Port's maritime history and architecture, consistent with Waterfront Plan urban design and historic preservation policies.~~
7. Give top priority to public-oriented uses that are water-oriented and provide water-dependent activities uses that are open to the public.
8. Encourage temporary public-oriented uses that promote a dynamic waterfront. Allow pilot projects and small business opportunities.
9. Integrate commercial revenue generation with public-oriented uses and benefits as needed to meet project financial feasibility requirements.
10. For developments that include academic organizations, require programs and facilities that offer public educational opportunities (e.g., short courses or workshops) as well as public events and gatherings that enhance and activate public access areas.

### **Commercial and Industrial Uses**

- ~~11. Maintain maritime and non-maritime industrial leasing opportunities in Port pier sheds, warehouses, and industrial properties.~~
- ~~12. Maintain leasing opportunities for maritime and general office uses in existing office building developments, historic buildings that are listed in the National Register of Historic Places, and as permitted.~~
- ~~13. Consistent with Chapter 2A, Maritime Policies 14 & 15, pursue development of new warehouses on the Pier 90-94 Backlands to maintain industrial facilities in San Francisco that protect the viability of Port cargo and maritime support businesses at Piers 80, 92 and 94-96, generate economic activity and jobs for the city, Port revenues for capital investment, and improved properties in the Bayview-Hunters Point community.~~
14. Develop commercial and industrial projects that are consistent with applicable urban design and architectural policies (in Chapter 2D) and environmental sustainability policies (in Chapter 2G), and that complement and enhance the waterfront public open space network (see Chapter 2C).
15. Prohibit new private clubs with exclusive memberships (i.e., clubs that require members to be voted in). Allow clubs that may charge membership fees (e.g., YMCA) but that provide pay-as-you go use of facilities or other measures to allow occasional club use by the public to the maximum feasible extent.
16. Promote the use of public transit and alternative transportation modes in commercial and industrial projects, consistent with Waterfront Plan transportation policies (in Chapter 2F).

## **Other Uses: Transportation Services**

17. Provide attractively designed and inviting passenger waiting and service areas to encourage use of public and private water transportation services, including terminals, docks, and public spaces that support water transportation facilities/

18. In major developments, encourage ticket sales for all local and regional public transportation modes to and within San Francisco.

19. Plan vehicle staging areas that minimize congestion on nearby streets and adverse impacts on public access.

## **Other Uses: Community Facilities**

20. Allow public safety and other community service facilities on sites that are strategically located to provide service to the Port or the City and County of San Francisco (City).

21. Where rational and feasible, include spaces in new developments that can be used by the public (e.g., community meetings, government services) and that activate the waterfront.

22. Maintain the Port Executive Director's authority to direct the utilization of Port facilities for medical airlift and other emergency services.

## **Seawall Lots**

34. Encourage uses on seawall lots that integrate and connect with the surrounding neighborhood and waterfront.

35. Activate and clean up underused northern seawall lot areas, and promote new uses and design that enhance the public realm on the west side of the Embarcadero.

36. Promote design of seawall lot developments along the Embarcadero so they provide physical and visual access to the west side of the Embarcadero, the Embarcadero Historic District, and the Bay, and access to a diverse range of users.

37. Ensure that seawall lot developments:

- a. Incorporate public-oriented uses that enliven the pedestrian/ground level experience in a variety of ways.
- b. Provide land uses that, whether oriented to residents, visitors, or workers, support and attract diverse populations to the waterfront.

38. Allow hotels as an acceptable use on seawall lots and Port properties more than 100 feet upland of the Bay shoreline, consistent with Proposition H.

~~39. Seek state legislation to lift trust restrictions on the remaining seawall lots north of Market Street on a case-by-case basis, only if necessary, and ensure that development includes public-oriented use(s) to activate or enhance the public realm.~~

40. To support Port capital improvements, generate revenue from a broad range of uses, including non-trust uses (e.g., office, residential, general retail) where permitted by Senate Bill 815 or other state legislation, and invite new ideas to enhance surrounding neighborhoods and connections across the Embarcadero; support development that is well-designed and advances public goals.

41. Pursue significant financial benefits from seawall lot developments that rely on state legislation, to support historic rehabilitation of piers, waterfront parks, and public access.

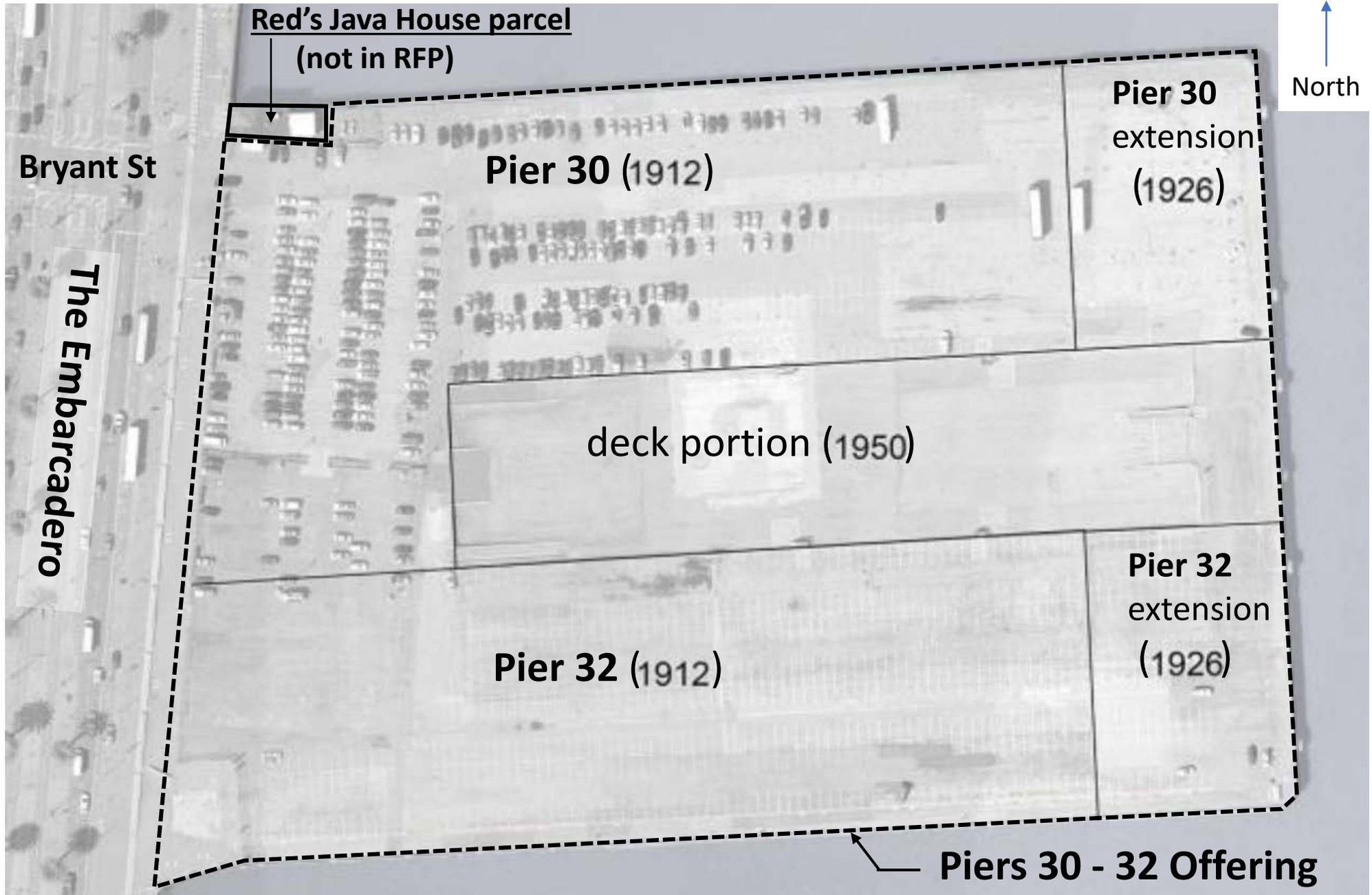
42. Comply with applicable City policy regarding provision of affordable housing in new residential development projects and, whenever possible without undermining financial value to the Port, exceed the City's policy.

43. Encourage inclusion of social and common areas that could be available for community meetings to serve on-site or nearby residents.

44. Recognize that parking on seawall lots is a trust use that furthers trust objectives by:

- a. Accommodating Port visitors who drive from elsewhere in the region or state, especially families with children, seniors, people with disabilities, and tour buses.
  - b. Supporting Port businesses, their service needs, and their employees who are currently underserved by transit (e.g., maritime operators, Fisherman's Wharf businesses).
  - c. Providing a revenue stream for Port capital needs on an interim basis, until other uses are approved.
45. Ensure that seawall lot parking uses are consistent with transportation policies in Chapter 2F and informed by further studies of people visiting the waterfront, delivery and loading needs, and transit and bicycle use.

# EXHIBIT 4: PIERS 30-32 PLAN DIAGRAM



# EXHIBIT 5: SEAWALL LOT 330 PLAN DIAGRAM

North →

