

MEMORANDUM

December 7, 2018

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

FROM: Elaine Forbes
Executive Director

SUBJECT: Summary of Responses Received to the Request for Interest for Public Oriented Concepts in the Embarcadero Historic District Facilities

DIRECTOR'S RECOMMENDATION: No action – Informational Only

EXECUTIVE SUMMARY

In August 2018, the Port Commission accepted and endorsed policy recommendations that the Waterfront Plan Working Group produced following an extensive public process. These recommendations will guide Port staff work to draft amendments to update the Waterfront Land Use Plan (WLUP), the guiding land use document for Port property.¹ Several of those recommendations include redefined public trust objectives to support lease and development projects in Embarcadero Historic District pier facilities. The public trust objectives support reopening piers to the public and include financing strategies to support historic rehabilitation projects that are financially feasible.

As an initial step to test the viability of these recommendations, Port staff encouraged issuance of a Request for Interest (RFI), to elicit market feedback from potential pier tenants. On May 8, 2018, the Port Commission approved a resolution² authorizing Port

THIS PRINT COVERS CALENDAR ITEM NO. 12A

¹ See Port Commission Resolution 18-45 staff report and resolution here: <https://sfport.com/sites/default/files/Commission/Documents/Item%2011A%20Endorse%20WLUP%20recommendations.pdf>

² Staff report and accompanying Resolution 18-31 may be found here: <https://sfport.com/sites/default/files/Commission/Documents/Item%2012A%20RFI%20authorization.pdf>

staff to issue a RFI from prospective master tenants and smaller tenants³ for public-oriented concepts for facilities in the Embarcadero Historic District.

The RFI was issued on August 1, 2018⁴ with responses due October 31, 2018. During the 3 month response period, Port staff and Port consultants led an engagement campaign with multiple prongs including 10+ presentations, more than 500 direct email and phone calls, and three Port-sponsored RFI events including an online presentation (50 participants), in-person RFI presentation and Q&A (45 attendees), and an Open House tour at selected facilities in the RFI (120 visits to 3 facilities).

The Port received 52 responses by the RFI closing date. Staff have the following observations from review of the responses:

- The responses represent a mix of tenant types including roughly 35% Master Tenants, 35% Smaller Tenants, 20% which may be either Master or Smaller, and 10% partner organizations.
- Respondents represent a mix of concept types including:
 - Knowledge transfer: Education, training, incubator
 - Live performances & other attractions
 - Museums and cultural exhibitions
 - Food and beverage
 - Recreation
 - Art and maker studios and specialty retail
 - Maritime excursion and transportation
 - Mixed-use concepts including hotel components (understanding the Proposition H prohibition on hotels)⁵
- Respondents were asked to rank, in order, any number of the sites they felt would be a good fit for the proposal. At this stage, the Port did not provide respondents details on facility condition. The RFI did describe each site's location, adjacencies, size, and historic features.
- The top 'ranked' sites by respondents are: Piers 29, 19, 38, 28, and the Agricultural Building.
- Rankings of sites differ, however, when broken down by category, for example:

³ "Master Tenants" are defined as entities with a concept and the wherewithal to undertake the major capital and seismic repair costs required for a whole pier rehabilitation project. "Smaller Tenants" are defined as entities with a concept which requires a portion of a pier and which can undertake some repairs on their own behalf.

⁴ Request for Interest may be found here: https://sfport.com/sites/default/files/Planning/082018_SFPort-HistoricPiersRFI.pdf

⁵ In 1990, San Francisco voters passed Proposition H which required the development of a Port land use plan and prohibited hotels on the historic piers.

- Knowledge transfer: Education & training category ranked Agricultural Building, 26, and 28 highest
 - Museums and cultural exhibitions category ranked Piers 29, 31, and 19 highest
 - Recreation ranked Piers 29, 38, and 28 highest
 - Art and maker studios and specialty retail ranked Piers 29, 19, and 48 highest
- 15 of the 52 respondents proposed rental rates their concept may support
 - Keeping in mind that the rent data are non-binding and represent only about 30% of responses, the average proposed rental rate is \$30 per square foot per year and ranged from \$0 to \$75 per square foot per year.
 - As a point of reference, the financial feasibility analysis the Port commissioned in 2017 as part of the Waterfront Plan Update process found that average rents, across all uses in a pier project, of \$45 to \$65 per square foot per year⁶ may achieve financial feasibility (based upon 2017 cost estimates for two piers).

The number and breadth of responses to the RFI has provided the Port with relevant information about interest from public-oriented operators in Port facilities. Port staff anticipate incorporating information from the RFI responses along with public feedback, Port Commission feedback, and implementation considerations (opportunity cost of project, financial feasibility, Embarcadero Historic District public trust objectives, the public values expressed in the updated WLUP, the Port's Strategic Plan goals, among others) in order to develop a Request for Proposals (RFP) strategy.

STRATEGIC OBJECTIVES OF THE RFI

The RFI generated interest from a wide range of public-oriented entities and potential tenants, a first step to determine how one or more requests for proposals to rehabilitate and preserve historic assets within the Embarcadero Historic District could be advanced. The successful rehabilitation and investment in more of these historic facilities would achieve a number of the Port's strategic plan objectives:

- **Stability/Renewal/Resiliency/Sustainability:** Successful rehabilitation projects will prevent further deterioration of the Port's historic assets and will reduce seismic and flooding hazards.
- **Economic Vitality:** Successful rehabilitation projects will enliven these assets with a new generation of revenue-generating uses combined with public oriented uses designed to attract visitors to Port property.

⁶ Lease rates quoted are "NNN" triple net lease terms, meaning the tenant pays operating costs such as utilities and taxes.

- **Engagement:** The RFI outreach was not only to prospective tenants already considering the waterfront but also to sectors and organizations not traditionally associated with waterfront development. Follow-up public engagement will further reinforce the positive public dialogue that the Waterfront Plan Update process created.

BACKGROUND

Embarcadero Historic District

The Embarcadero Historic District extends for three miles between Pier 45 in Fisherman’s Wharf to Pier 48 at China Basin. Over the last 20 years, the Ferry Building, Piers 1½, 3,5 and other pier historic rehabilitation projects have opened the San Francisco waterfront to the public while continuing to host a diversity of maritime businesses. Of the Historic District’s 20 larger pier resources, 15 have major capital needs. Beginning in the early 1900s, these industrial finger piers and bulkheads were built for warehousing and maritime industry. They continue to be well-suited for modern day production, distribution and repair (PDR) businesses, but require substantial capital investment that exceeds Port resources to address deferred maintenance and make seismic improvements necessary to allow larger numbers of people to access the buildings. The rate of deterioration of these century-old facilities further challenges the Port’s asset management efforts to continue stable leasing of these piers for ongoing maritime and PDR uses.

Waterfront Land Use Plan Update and Embarcadero Historic District

For much of 2016 and 2017, Port staff and the Waterfront Plan Working Group (Working Group) collaborated to develop a detailed framework for the update to the Waterfront Plan. The challenges and desires for the Embarcadero Historic District have been a key focus among the wide variety of policy issues that the Working Group addressed in the public process to update the Waterfront Plan. In August 2018, the Port Commission accepted and endorsed the Working Group’s 161 policy recommendations which will guide Port staff work to draft amendments to update the Waterfront Plan. Those recommendations address many issues including waterfront resilience, environmental sustainability, transportation, maritime industries, land use and development, and public process procedures.⁷

While keenly aware of the need to work across sectors to address resilience planning for sea level rise and improvement of the Seawall, the Working Group recognized the public value and responsibility for stewardship of the Port’s historic pier facilities in the Embarcadero Historic District. After detailed orientation and public discussions and a financial feasibility model analysis focused on leasing and development scenarios for Embarcadero Historic District facilities, the Working Group produced recommendations

⁷ Waterfront Plan Part 2 report can be found at the link below:
<http://sfport.com/sites/default/files/Planning/WLUP%20Documents/9.11.17%20Waterfront%20Update%20Part%202%20Summary%20Report.pdf>

that are intended to expand the tools for viable leasing and development of these facilities, within a public trust framework.

Public Trust Objectives and Public-Oriented Uses

The recommendations provide public trust objectives criteria, including historic rehabilitation, capital improvements, maritime, public access and public oriented uses, and Port revenues. Based on an updated understanding of the extraordinary cost of historic pier repair and rehabilitation, the recommendations (1) recognize the need for longer lease terms to amortize capital repairs and improvements and (2) provide a rationale for allowing high revenue-generating uses to finance pier rehabilitation, as part of an overall program that achieves public trust objectives (**Exhibit E** provides a summary of public trust objectives for the Historic District facilities).⁸

While embracing the responsibility for managing the Port's architectural and maritime resources and heritage, the Working Group recommendations also emphasize the need to protect and expand opportunities to invite people into the facilities along the waterfront. Successful projects and leases to date, including AT&T Ballpark and the Exploratorium, have demonstrated how recreational, entertainment, and museum and educational centers offer unique and varying ways to expand and diversify public enjoyment of the waterfront. These uses are in addition to restaurants and retail attractions, like Pier 39, that traditionally have been recognized as trust consistent uses. Similarly, public oriented maritime businesses that focus on activities that attract more people to use and enjoy the San Francisco Bay provide additional unique experiences on the waterfront (e.g. sightseeing, education, water-related recreational activities).

REQUEST FOR INTEREST

Rationale for Issuance of RFI

While the Port has experience with many of the criteria described in the public trust objectives (seismic repair, historic rehabilitation, maritime improvements, among others), the concept of "public oriented" uses contains a broader palate of activities that are beyond visitor retail and restaurant uses that have traditionally been part of typical Port pier development solicitations. To close the information gap on (1) the categories of public oriented use operators interested in Port piers and (2) the economics of such uses (market rent and typical tenant improvement investment), the RFI process was developed to:

- Receive real world feedback to help the Port identify market-based solutions that maximize public serving uses;

⁸ The matrix is a tool Port staff developed in collaboration with State Lands staff. It reflects the organizations' working agreement on the public trust objectives for projects within the Embarcadero Historic District. In addition, Port staff anticipate recommending other specific criteria and objectives for any RFP for the Historic District piers. These specific criteria and objectives will be guided by policies contained in the Port's Strategic Plan, Capital Plan, and Waterfront Land Use Plan, among others.

- Generate creative and imaginative concepts;
- Seek new market-based opportunities and approaches to deliver more public oriented uses and test what is possible;
- Understand possible partnering opportunities between maritime and public oriented use entities and developers;
- Explore the modern place of work through review of PDR, office or other revenue-generating anchor tenants that can subsidize the rehabilitation of pier spaces for public oriented uses;
- Learn from the public and the Port Commission concepts that should be further explored in Requests for Proposals; and
- Further inform the Waterfront Plan Update.

RFI Sites

The Request for Interest solicited responses for interest for the following 13 piers and the Agricultural Building (see **Exhibit A** for map):

- | | |
|--|---|
| <ul style="list-style-type: none"> • Pier 35 (for longer horizon projects, in recognition of the license for the facility that has 6 to 11 years of term remaining) • Pier 33 (recognizing Alcatraz embarkation) • Pier 31 (recognizing Alcatraz embarkation) • Pier 23 • Pier 19½ • Pier 19 | <ul style="list-style-type: none"> • Pier 29½ • Pier 29 • Agricultural Building • Pier 26 • Pier 28 • Pier 38 • Pier 40 (maintaining water recreation uses) • Pier 48 (recognizing Mission Rock's option to lease facility) |
|--|---|

RFI Response Requirements

All respondents were asked to: provide basic information about their organization and key personnel, identify as Master Tenant, Smaller Tenant, or both, describe their proposed use, how it is public-oriented, and to describe their related experience, and rank preferred facilities. Master Tenants were also asked to describe their concept physically, meaning where different types of uses would be located within the pier(s) and what types of enhancements and alterations would be required for the concept, and to describe the entity's access to capital funding to undertake the project. Smaller Tenants were asked about their capacity to pay rent and fund tenant improvements and anticipated length of lease term required to amortize tenant improvements outlay.

RFI OUTREACH

Because of the expanded definition of public trust-supporting uses recommended from the update to the Waterfront Plan and because of the number of facilities included in the solicitation, the intended audience of respondents to the RFI is broader than recent public engagement efforts the Port has undertaken. Outreach for the RFI involved a multi-pronged approach of education, research, information sharing, and marketing and used a mix of in-person presentations, a website with substantial and relevant information, online presentations, Open Houses, and social media (see Exhibits B and C for further detail on outreach effort).

Outreach was targeted to reach both Master and Smaller Tenant respondents to educate them about the opportunity. This required early and repeat communications. For example, after Port Commission authorization to issue the RFI, but two months prior to the RFI-document publication, the outreach team launched the RFI webpage. The Port refined and updated the webpage continually, and used it to: educate potential RFI respondents about the RFI process, the scope, vocabulary, and background; send additional documents; request their emails so we could keep in touch with them through the process; and give them an easy way to reach and fill out the RFI itself. This page served as an information-sharing hub and a reference point for all associated documents.

From the webpage launch in May to the close of the RFI on October 31, over 4,000 visitors viewed the page. This considerable website activity—the RFI webpage was within the top five pages visited at www.sfport.com from May to October—contributed to the growth of the RFI mailing list. Over 90 people joined the list prior to the RFI release and the list grew to over 260 names.

47,500 views of RFI posts

517 businesses and organizations directly contacted

250 attendees to Port-sponsored RFI events

2,600 views of RFI document

26 social media posts

260 people signed up to receive RFI updates

Reaching the largest possible pool of respondents required substantial background research. Consultants gathered lists of market leaders in both the Master Tenant and Smaller Tenant categories including local and national professional groups (such as real estate professionals and industry associations like American Alliance of Museums and the Specialty Coffee Association) as well as local business organizations including San Francisco African American Chamber of Commerce, Golden Gate Restaurant

Association, San Francisco Local Business Enterprise Advisory Committee, and San Francisco Chamber of Commerce).

Port interns and consultants emailed this assembled contact list with general information about the RFI and followed up with telephone calls, and then with an additional email. In total, the outreach team contacted 517 businesses and organizations about the RFI.

As part of information sharing, Port staff presented the RFI to civic leadership organizations with sizable potential RFI respondent members including SPUR's Infrastructure and Building groups, Bay Area Council, BisNow, and the San Francisco Chamber of Commerce. Port staff also presented at NEWAG, CWAG, MCAC, and staffed information boards at the two major Seawall community engagement events. The San Francisco Arts Commission sent out the RFI twice in their newsletter and the San Francisco Office of Small Business also sent notification of the RFI to its mailing lists. Additionally, Port staff shared the RFI with current Port tenants and endeavored to keep Waterfront Citizen Advisory Groups informed about the RFI process.

The Port also held three well-attended, informative events about the RFI, including:

- **Online Presentation.** Sixty-three individuals registered and over 50 attended an Online Presentation and Q&A on August 22. Since posting a recording of the Online Presentation, it has been viewed over 200 times.
- **In-person Presentation.** On September 13, 72 individuals registered for the On-Site Presentation held at Pier 1 and over 45 attended.
- **Open House.** Lastly, the Port held Open Houses at Pier 29, the Agriculture Building, and Pier 38 on October 12th. Forty-nine people came to Pier 29, 40 to the Agriculture Building, and 34 to Pier 38. Attendees were a mix of Master Tenant, Smaller Tenant, and potential partner organizations.

Much of the webpage activity and public meeting attendance came from RFI marketing efforts. Prior to its release, the RFI document was featured in the Port's digital magazine, @SFPort, and received over 2,600 views. When the Port released the RFI August 1, the Port issued a press release to local and national media as well as government agencies. A focused email marketing campaign used the growing mailing list to inform potential RFI respondents and those following the efforts of the RFI release and public events. Each email campaign had robust opening and click rates and resulted in an uptick in public event RSVPs. RFI marketing also used social media to educate and increase the RFI audience. Cumulatively across all platforms, the RFI posts received over 47,500 views.

RFI RESPONSES

Responses by Tenant Types

By the RFI due date on October 31, the Port had received 52 responses. The responses represent – in a relatively balanced manner - potential small and master tenants (see **Figure 1**). RFI respondents were asked to self-identify as particular tenant types, as follows:

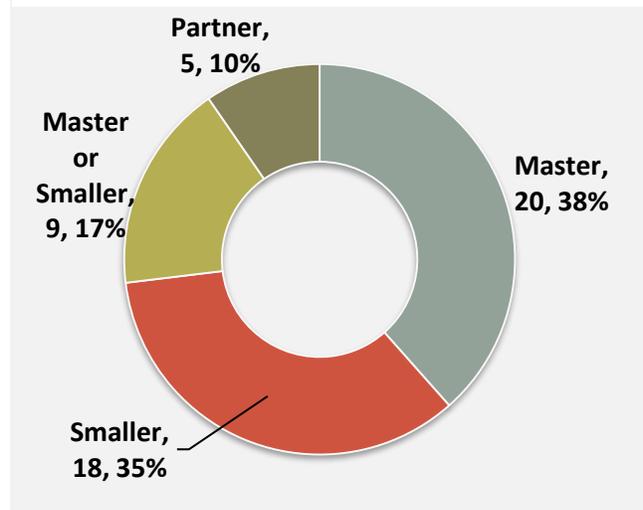
- Master Tenant – meaning an entity capable of rehabilitating and operating (with or without subtenants) an entire pier facility.
- Smaller Tenant – meaning an entity is interested in leasing a portion of a facility
- Master or Smaller – meaning an entity could do either
- Partner, meaning an entity not interested in leasing space but with expertise which may assist planning or design of a facility⁹

A handful of responses represent existing Port tenants and partners seeking to expand their locations along the Port (Red and White, San Francisco Runs) or to develop and operate different uses (Pacific Waterfront Partners, Boudin's, and Kenwood Investments)..

Responses by Category of Public-Oriented Use Type

Port staff categorized the 52 responses into nine categories. **Figure 2** reports the number of responses within each category and **Table 1** defines the nine categories of responses and provides use examples.

Figure 1. Summary of Responses by Tenant Type



⁹ Note “partner” was not a category defined in the RFI, rather, Port staff categorized some tenants as “partners” based upon review of the responses.

Figure 2. Number of Responses by Category of Response

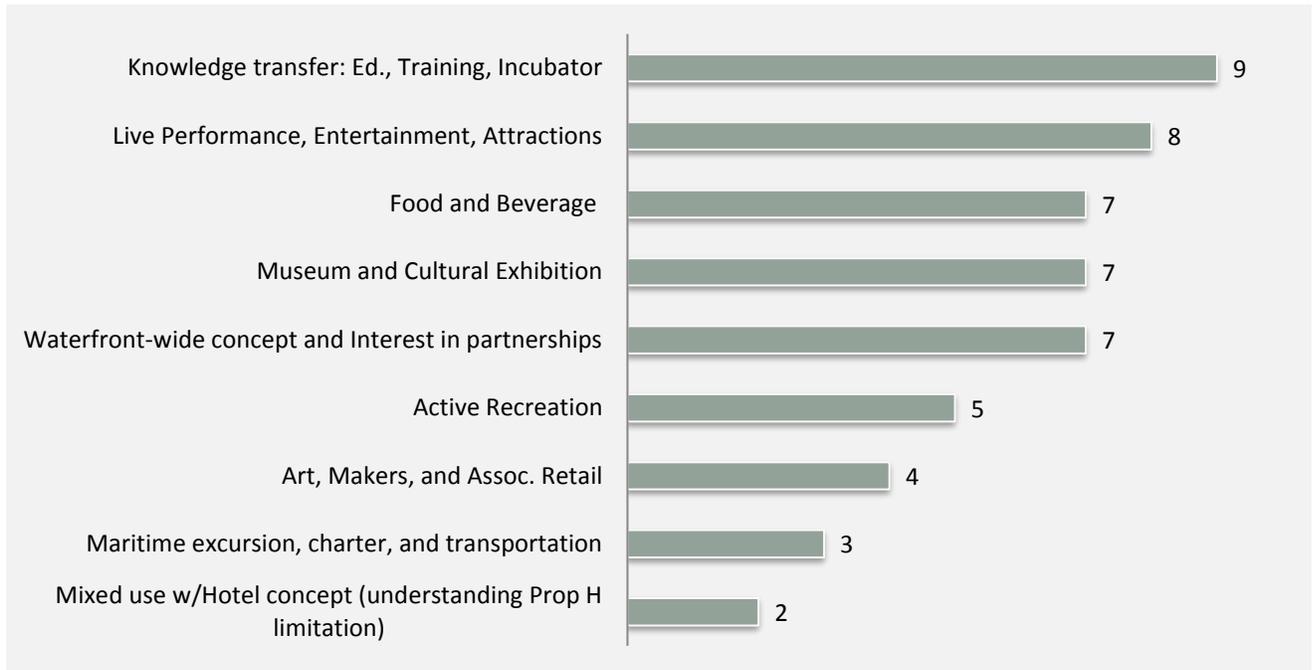


Table 1. RFI Responses Summary by Category

Category Name	Description & Examples	Number of Responses in Category
A Knowledge transfer: Education, Training, Incubator, Innovation hub	Nonprofit and mission-driven co-working and public meeting space; Innovation, incubator, and entrepreneur support space with public education components; Educational programs focused on music and youth prayer.	9
B Live Performance, Entertainment, Attractions	Experiential attractions including escape room; miniature golf; food trucks; gondola ride; installation on San Francisco's past, present and future; music recording space; NBA exhibition space; among others.	8
C Waterfront-wide concept and Interest in partnerships	Include master tenants expressed interest in a broad mix of uses to be defined through the RFI and RFP process; urban design, landscape architecture, and facilitation planning organization-produced images of waterfront-wide concepts and ideas for public spaces; among others.	7
D Museum and Cultural Exhibition	African-American art and history museum; HUMM museum focused on human problems and possibilities; indoor botanical	7

Category Name	Description & Examples	Number of Responses in Category
	gardens; Women’s Museum; flexible cultural event space; Museum of Dance; and Kulturehaus immersive art and events.	
E Food and Beverage	Food and beverage proprietors (Japanese cuisine, homemade pastas and pizzas, and bar, museum, and pipe organ lounge) and larger concepts like food market, wine tasting, craft beverage production, and night markets, Asian-style food courts, and pop-up restaurants.	7
F Active Recreation	Mixture of membership clubs and nonprofits operating following types of sports and recreation: basketball/futsal/ volleyball/ dodgeball facility; future sports (fitness, robotics, public video arts and events), tennis, running, and bay swimming	5
G Art, Makers, and Assoc. Retail	Artist studios, maker space, art exhibition space, art programming, and associated retail.	4
H Maritime excursion, charter, and transportation	Maritime excursion; vintage vessels excursions; and hovercraft transportation.	3
I Mixed-Use w/Hotel concept (understanding Prop H limitation)	Mixed-use concept for hotel (if approved by voters) or office/retail in Agricultural Building along with vision for Ferry Plaza and Mixed-use concept including hotel (if approved by voters) in potential pier locations.	2

Preferred Pier Locations

Respondents were asked to select one or more of the RFI facilities and to rank them in terms of attractiveness for the respondent’s proposed use, with “1” being the top rank. Respondents were provided information about the facility size, location, and architectural elements but were not provided facility condition reports (this information would be provided at the RFP stage).

The top ‘ranked’ sites by all respondents for all facilities are: Piers 29, 19, 38, 28, and Agricultural Building (see **Table 2** and **Figure 3**). Of the top three facilities, all three are currently vacant.

It is important to note, that all sites received a level of interest from respondents.

Table 2. Location Preferences of All Responses¹⁰

Rank	Pier
1.	Pier 29½ & 29
2.	Pier 19½ & 19
3.	Pier 38
4.	Pier 28
5.	Ag Building
6.	Pier 26

Rank	Pier
7.	Pier 23
8.	Pier 31
9.	Pier 48
10.	Pier 33
11.	Pier 40
12.	Pier 35

Locations preferences do differ by category of RFI response (see **Table 3**) which shows differences among top ranked sites by use. For example, while three categories ranked Pier 29 ½ & 29 first (Active Recreation, Live Performance, Entertainment, Attractions, and Museum and Cultural Exhibition categories), other sites receiving top ranking include Pier 38, Pier 28, and Agricultural Building,

¹⁰ * Note there are 14 facilities in the RFI but 12 facilities were ranked by respondents. For ease of ranking, two marginal wharfs (19 ½ and 29 ½) were combined with the primary finger piers of 19 and 29, respectively.

Figure 3. Location Preferences of Respondents



Table 3. Top Ranked Five Sites, by Category of Response¹¹

Active Recreation	Art, Makers, and Assoc. Retail	Food and Beverage	Live Performance, Entertainment, Attractions
Pier 29½ & 29	Pier 29½ & 29	Pier 38	Pier 29½ & 29
Pier 38	Pier 19½ & 19	Ag Building	Pier 23
Pier 28	Pier 48	Pier 19½ & 19	Pier 19½ & 19
Pier 26	Pier 23	Pier 40	Pier 28
Pier 19½ & 19	Pier 28	Pier 29½ & 29	Pier 31

Maritime excursion, charter, and transportation	Mixed use w/Hotel concept (understanding Prop H limitation)	Museum and Cultural Exhibition	Knowledge transfer: Education, Training, Incubator, Innovation hub
Pier 28	Ag Building	Pier 29½ & 29	Ag. Building
Pier 19½ & 19	Pier 26	Pier 31	Pier 26
Pier 26	Pier 28	Pier 19½ & 19	Pier 28
Pier 38	Pier 38	Pier 28	Pier 38
Pier 33	Pier 29½ & 29	Ag Building	Pier 19½ & 19

Economic Terms Responses

Proposed Rental Rates

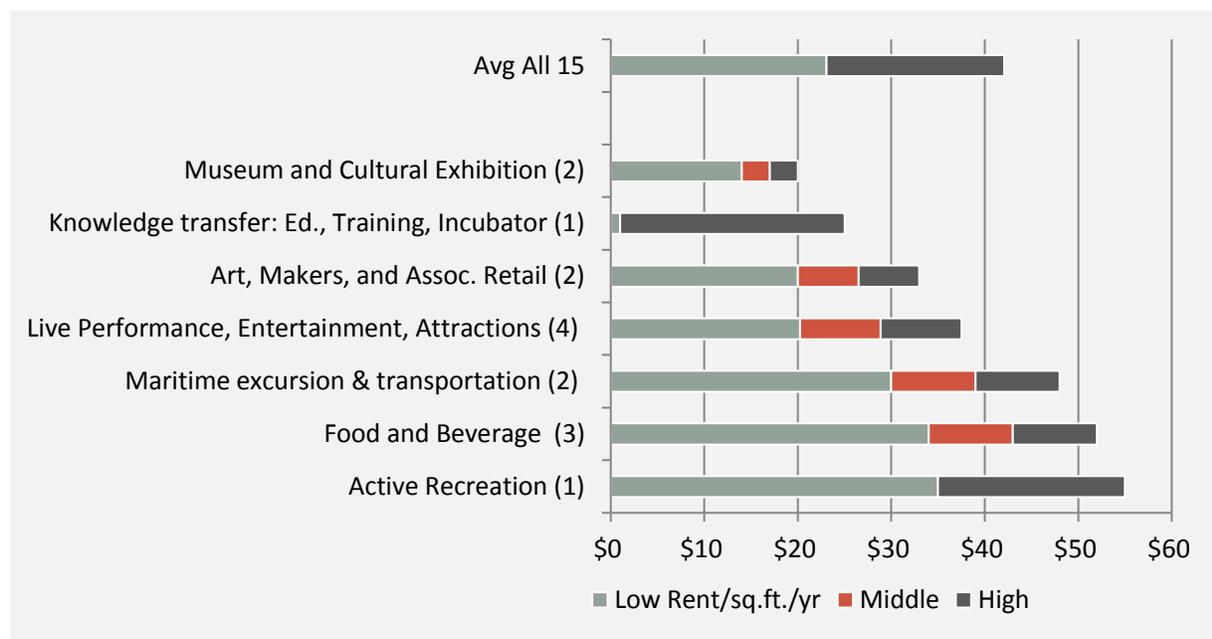
One of the goals of the RFI was to elicit information on rental rates that public-oriented uses could support and typically pay in other locations. Of the 52 respondents, 15 provided specific rental rates or a range of rental rates. The average proposed rate is \$30 per square foot per year and proposed rental rates ranged greatly from \$0 to \$75 per square foot per year. This information is presented in **Figure 5**.

It is important to bear in mind that the number and specificity of the responses to the rental rate question limit the conclusiveness of any analysis which relies upon a specific rental rate for these uses.

Figure 4. Rental Rate Responses (n=15, all responses non-binding)

¹¹ * Note that the Port grouped RFI responses into 9 categories. Only 8 are shown in this table because one category – Waterfront-wide concept and Interest in partnerships – includes responses related to waterfront-wide concepts which do not lend themselves to facility ranking.

*Note: This information is indicative only due to the limited number of responses and range of responses.



Capital Improvements

Similarly, 12 respondents provided a numeric response to the amount of capital investment they expected to put forward in support of their concept. For context, respondents were not provided cost estimates to rehabilitate each of the RFI facilities. The RFI library included cost estimates presented in the Waterfront Plan Update process for Pier 19 and Pier 38 (\$90 million and \$130 million, respectively, prior to application of tax credits or public financing, as may be available).

For the 3 responses within the combined 12 “master” or “master or smaller” tenant categories, respondents estimated their concept could support between a \$7 million and a \$50 million investment. For the remaining 9 respondents in this group, in the smaller tenant category, the typical estimated investment is in the tens to hundreds of thousands of dollars, though two respondents estimated \$2 million to \$5 million in investment.

ENGAGEMENT EFFORTS SINCE RFI CLOSING DATE

On November 13, Port staff posted all RFI responses. The web posting is framed to ease public review, with responses placed into the nine defined categories and accompanied by a title, a brief summary of the concept, the sites ranked by the respondent and a pdf file of the full response. Reviewers are invited to fill out a brief survey requesting input on categories of responses and preferred location. As of the date of this memorandum, more than 30 surveys have been completed. Staff plan to close the survey on January 31, 2019 and analyze results.

Port staff also held an open house on November 27 to provide the public and RFI respondents the opportunity to review responses in person and learn about the goals of and framework for the RFI process. About 65 people attended the event, the majority of whom were RFI respondents. Informal feedback from the event indicated that RFI respondents appreciated the opportunity to learn more about the process and to network with one another.

NEXT STEPS

As noted above, no pier project would move forward based on a response to this RFI process alone. The Port will not rank, score, or otherwise evaluate RFI responses nor use the responses to create a pool for potential future solicitations for the reasons set forth above. Instead, Port staff intends to build on information from the RFI to produce an RFP strategy for the Port Commission to consider early next year. It has been critical to emphasize this dynamic at every communication opportunity, so respondents and the public understand the purpose of this preliminary step towards a true competitive solicitation.

With respect to the likely RFP recommendations, it is anticipated that the Embarcadero Historic District Public Trust Objectives would provide a framework for RFP strategy proposals, and incorporate information from survey responses and further staff analysis to propose the facilities and additional RFP criteria for Port Commission and public review and discussion. These discussions also should include timelines associated with the different rehabilitation options and will assume ongoing short-term leasing in pier and bulkhead buildings to maintain use of facilities and revenue generation that would not conflict with these longer-term development efforts (as described to the Commission at its October 23, 2018 meeting).

This work will require further consultation with stakeholders and Port Commission public meetings. Accordingly, Port Commission and public dialogues following the receipt of RFI responses are critical bridges to transforming this improved market understanding into one or more actionable competitive solicitations.

Port staff anticipate the following next steps:

December 11, 2018	RFI responses informational item at Port Commission
January 2019	Communications, RFI information items at Port advisory committees
January 31, 2019	Close online survey for public input on RFI responses;
February 2019	RFP strategy and criteria informational item at Port Commission
February/ March 2019	RFP strategy and criteria informational items at CWAG and/or NEWAG meetings

March/
April 2019

Seek RFP issuance authorization item at Port Commission

CONCLUSION

With the recommendations the Waterfront Plan Working Group has offered and interest made evident from the RFI process thus far, Port staff believes that the time is ripe to explore whether the Port can secure more private investment in the Embarcadero Historic District pier facilities. There is excitement about the opportunity to bring more and different types of public-oriented attractions and economic activity to further enhance public use and enjoyment of the San Francisco waterfront. Port staff believes this will spur more interesting and financially feasible project proposals. Port staff welcome Commission's feedback on responses to the RFI and timeline and outline of process to proceed to an RFP strategy.

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For: Elaine Forbes
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LIST OF EXHIBITS

- Exhibit A: Map of Embarcadero Historic District Structures Included in Request for Interest
- Exhibit B Organization Types Directly Contacted via Email and Phone Regarding RFI
- Exhibit C Attendees by Type to Online Presentation, Onsite Presentation, and Open Houses
- Exhibit D Ranked Locations (Highest to Lowest) for All Responses and By Category of Response
- Exhibit E Public Trust Objectives

Exhibit A: Map of Embarcadero Historic District Structures Included in Request for Interest

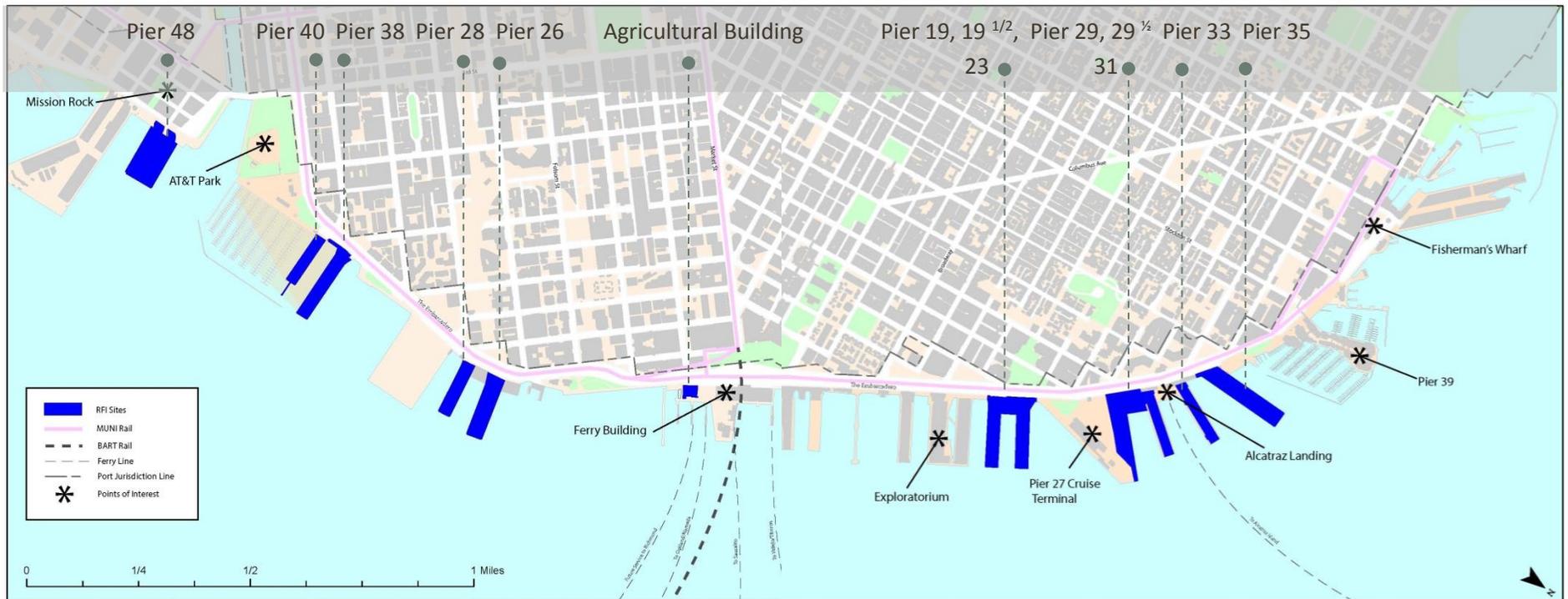


Exhibit B
Organization Types Directly Contacted via Email and Phone Regarding RFI

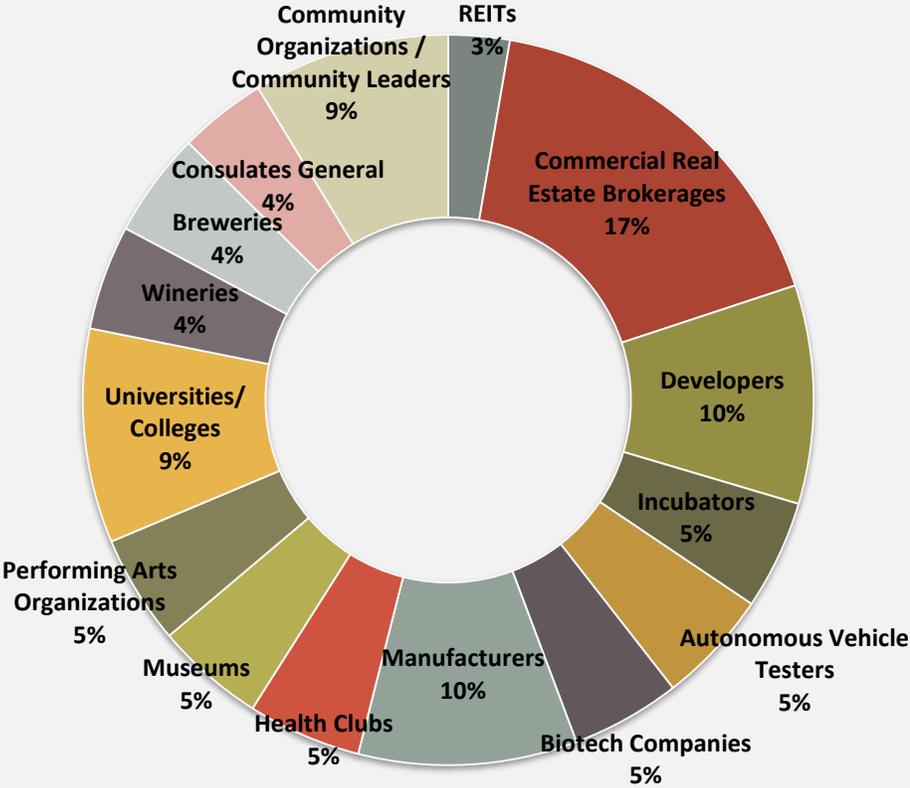


Exhibit C

Attendees by Type

Online Presentation, Onsite Presentation, and Open Houses

Attendee Type	Count	Attendee Type	Count
Aquaculture/Aquafeed consultant	1	National Parks Service	1
Architecture	59	Network Startup Accelerator	3
Art Consultancy	5	Non-profit	1
Art Gallery	7	Non-profit Art Space	3
Art Venues	1	Non-profit policy org	1
Artist Residency	1	Non-profit, Climate Chronograph	1
Artist/Gallery	1	Performance Arts	1
Bar & Lounge	3	Philanthropic Partner	2
Building Design Company	1	Physical Fitness	2
Business Development, Partnership	1	Physical Fitness Promotion	2
Circus Training, Performing Arts	1	Plenty Farms, Vertical Farming	1
Civic Leadership Org	2	Private equity	1
Commercial Real Estate	2	Private Ferry	1
Community arts stabilization trust	6	Promotes Dance/Dancers' Organization	1
Construction	3	Public relations	6
Coworking/digital training/networking	2	Real Estate	26
Developer	7	Real Estate	1
Education/Procurement Services	1	Real Estate Developer	1
Engineering	1	Real Estate Investment	1
Engineering Consultants	1	Real Estate Investor	4
Engineering/Environmental Consulting	1	Realtor	1
Event Spaces	4	Restaurant	3
event/happening	1	Software Company	1
General Contractor	1	Startup Co-Working/Co-Living	1
Individual	8	STEM education lab & sports venue	7
Investment	3	Structural Engineer	6
Juice/Tea/Community	2	Structural Engineering	6
Landscape Architecture	1	Sustainability Consultant	1
landscape architect	1	Tech Product Manager	1
Landscape architecture	8	Theater	3
Lawyer	1	Theater Design & Lighting	13
Lighting/Grip Equipment Rentals	2	Venture Capital/Equity	1
Maritime	1	Venture Capitalists	3
Maritime - Ferry	4	Winery	1
Museum	3		
Grand Total			258

Exhibit D

Ranked Locations (Highest to Lowest) for All Responses and By Category of Response

All Responses	Active Recreation	Art, Makers, and Assoc. Retail	Knowledge Transfer: Education, Training, Incubator, Innovation hub	Food and Beverage	Live Performance, Entertainment, Attractions	Maritime excursion, charter, and transportation	Mixed use w/Hotel concept (understanding Prop H limitation)	Museum and Cultural Exhibition	Waterfront-wide concept and Interest in partnerships
Pier 29½ & 29	Pier 29½ & 29	Pier 29½ & 29	Ag Building	Pier 38	Pier 29½ & 29	Pier 28	Pier 26	Pier 29½ & 29	Pier 29½ & 29
Pier 19½ & 19	Pier 38	Pier 19½ & 19	Pier 26	Ag Building	Pier 23	Pier 19½ & 19	Ag Building	Pier 31	Pier 19½ & 19
Pier 38	Pier 28	Pier 48	Pier 28	Pier 19½ & 19	Pier 19½ & 19	Pier 26	Pier 28	Pier 19½ & 19	Pier 38
Pier 28	Pier 26	Pier 23	Pier 38	Pier 40	Pier 28	Pier 38	Pier 38	Pier 28	Pier 23
Ag Building	Pier 19½ & 19	Pier 28	Pier 19½ & 19	Pier 29½ & 29	Pier 31	Pier 33	Pier 29½ & 29	Ag Building	Pier 26
Pier 26	Pier 40	Pier 35	Pier 35	Pier 23	Pier 48	Pier 29½ & 29	Pier 19½ & 19	Pier 33	Pier 28
Pier 23	Pier 48	Pier 33	Pier 23	Pier 26	Pier 26	Pier 31	Pier 35	Pier 23	Pier 40
Pier 31	Ag Building	Pier 31	Pier 48	Pier 31	Pier 38	Pier 23	Pier 33	Pier 26	Pier 35
Pier 48	Pier 33	Ag Building	Pier 29½ & 29	Pier 28	Pier 33	Pier 48	Pier 31	Pier 35	Pier 33
Pier 33	Pier 31	Pier 38	Pier 33	Pier 48	Pier 35	Pier 40	Pier 23	Pier 38	Pier 31
Pier 40	Pier 35	Pier 40	Pier 31	Pier 35	Pier 40	Pier 35	Pier 40	Pier 48	Ag Building
Pier 35	Pier 23	Pier 26	Pier 40	Pier 33	Ag Building	Ag Building	Pier 48	Pier 40	Pier 48

Exhibit E Public Trust Objectives¹²

Embarcadero Historic District Request for Information (RFI)

Objective: Open more historic pier facilities for public-oriented uses, maritime and business partnerships to activate and invite the public to enjoy the Embarcadero Historic District and public waterfront at the Port of San Francisco.

<p>The Embarcadero Historic District RFI process was initiated in response to citizen recommendations and desire to open more piers to public use and economic productivity. The RFI focuses first on inviting concepts that can expand recreational, maritime and public-oriented activities within pier facilities that attract people of all ages and backgrounds to the waterfront, and to solicit public input about desirable activities. To incorporate these types of uses and reopen piers to the public, lease and development plans also will need to satisfy other objectives and requirements, described below. The unique mix of uses and pier structural conditions in any project will vary and influence how these objectives and requirements are addressed in the project.</p>	
Historic Preservation	<p>Port pier rehabilitation projects must meet federal historic architectural and preservation standards (“Secretary of Interior Standards”) targeted at preserving the “character-defining features” which reflect the historical maritime activities and history represented in the facility and Historic District. Any pier projects for public-oriented and other uses need to be designed to comply with Secretary of Interior Standards.</p>
Capital Repairs	<p>Embarcadero Historic District pier facilities are approaching 100 years old or older. They are in varying states of deterioration which require structural, utility and capital repairs to meet applicable Port Building Code requirements for any pier use program.</p>
Seismic & Life Safety	<p>Pier facilities were built for maritime and industry, prior to modern seismic building requirements. Opening up piers for public use typically will trigger seismic improvements to the pier deck and piles (“substructure”) and/or pier bulkhead and shed (“superstructure”).</p>
Exterior Public Access & Maritime Improvements	<p>The walkway or “apron” around the perimeter of piers are valuable for providing public access to the Bay and/or maritime work space and berthing for ferries, cruise ship, tug boats and other harbor vessels. Any pier development project will include public access and/or maritime public trust benefits.</p>
Interior Uses in Pier	<p>Traditional maritime public trust uses and visitor-serving and public-oriented uses (including public access) are highly desirable inside piers. The more area occupied by these types of uses, the better, with the bulkhead buildings that front on the Embarcadero Promenade being the most desirable for public-oriented attractions and activities.</p>
Revenue Generation	<p>Historic pier rehabilitation projects are expensive and will likely require high revenue-generating uses or other strong economic engine to fund pier repairs, seismic retrofit and historic preservation costs. The Port, as an enterprise agency, also must generate revenue to finance other capital improvements to maintain the waterfront.</p>
Length of Lease Term	<p>The length of a Port lease is based on the amount of time required to amortize (pay off) pier improvement costs. The more expensive the repairs and improvements, the longer the lease term. The Port may enter into leases for up to 66 years.</p>

¹² This matrix is a tool Port staff developed in collaboration with State Lands staff. It reflects the organizations’ working agreement on the public trust objectives for projects within the Embarcadero Historic District. In addition, Port staff anticipate recommending other specific criteria and objectives for any RFP for the Historic District piers. These specific criteria and objectives will be guided by policies contained in the Port’s Strategic Plan, Capital Plan, and Waterfront Land Use Plan, among others.