

## MEMORANDUM

March 3, 2010

**TO:** MEMBERS, PORT COMMISSION  
Hon. Rodney Fong, President  
Hon. Stephanie Shakofsky, Vice President  
Hon. Kimberly Brandon  
Hon. Michael Hardeman  
Hon. Ann Lazarus

**FROM:** Monique Moyer  
Executive Director

**SUBJECT:** Informational presentation on the comments received and proposed revisions to complete the Pier 70 Preferred Master Plan and on the Pier 70 Development Solicitation Process

**DIRECTOR'S RECOMMENDATION:** Informational Only - No Action Required

---

### Executive Summary

This informational presentation is the culmination of the Port of San Francisco's public planning process to define Pier 70's future. Pier 70, the historic Bethlehem Steel Shipyard, is a 65 acre site on San Francisco's Central Waterfront just south of Mission Bay, bounded generally by Mariposa Street to the north, Illinois Street to the west, 22<sup>nd</sup> Street to the south and San Francisco Bay, to the east.

The Port released a Draft Preferred Master Plan for Pier 70 in July 2009, which has undergone extensive public review and comment. The Plan crafts a vision to balance the needs of the ongoing ship repair operations, preserve historic resources, create new waterfront parks and a new jobs center in a financially and environmentally sustainable manner. Interested parties are encouraged to review the Plan on the Port's website and detailed information about Pier 70 at [www.sfport.com/pier70](http://www.sfport.com/pier70). In addition, there have been a series of Port Commission presentations regarding the studies and steps followed to complete the Pier 70 planning process, which are available to the public on the website.<sup>1</sup>

This staff report summarizes the Port, Planning and Historic Preservation Commission's feedback and public comments received and proposed revisions to complete the

**This Print Covers Calendar Item No. 11A**

---

<sup>1</sup> Previous Port Commission presentations: June 12, 2007, December 16, 2007, January 11, 2008, April 22, 2008, August 12, 2008, July 14, 2009, and August 11, 2009.

Preferred Master Plan. In general, comments have been positive, affirming the vision and purpose of the Plan. Some revisions to the Plan's goals and objectives are proposed based on comment received. They are presented in this staff report with supporting documentation, to fine tune the policy direction to guide future rehabilitation and development efforts. If the Port Commission concurs, Port staff will complete the Preferred Master Plan and publish it in early April 2010.

This Plan will guide the Port's next actions regarding Pier 70 which also are proposed in this staff report. One of the key goals of the Plan is to preserve and rehabilitate Pier 70's extraordinary collection of historic buildings which are fast deteriorating. This drives the need to move forward with implementation efforts as quickly as possible. To achieve this, public and private sector investments are essential. The Port, with the support of San Francisco's voters and elected officials, has secured significant public financing tools for this project and continues to seek public funds. Attracting private partners is the next step. This staff report presents for Port Commission and public review and comment Port staff recommendations for two development solicitation efforts to attract private partners.

- The first offering would be the southeast corner of the site, almost 20 acres with capacity for 2.5 million square feet of new development, termed, the "Waterfront Site". (Exhibit A is a map of the site). This site's rent and tax revenues will support investment in parks, infrastructure and historic buildings for all of Pier 70.
- The 20<sup>th</sup> Street Historic structures are proposed as the second offering. Partnering with developers, businesses, or institutions that can re-purpose these buildings will advance the case for public and private investment.

While these developer solicitations proceed, Port staff will continue to address critical planning and development issues including environmental investigations and remediation planning, park planning, coordination with the shipyard tenant and pursuit of state and federal funds. Further investigations of infrastructure conditions and phasing will be needed to negotiate the development terms. Separately, critical repairs and building stabilization are advancing as Port-led projects to enhance the future prospects for the site and increase interim leasing revenues<sup>2</sup>.

### **Pier 70 Master Plan Background**

In 2007, the Port of San Francisco commenced a public planning process to develop a Preferred Master Plan for Pier 70. The purpose of the Plan is to define a framework that will recognize and preserve Pier 70's historic resources, invite new economic development of this brownfields site and provide a generous waterfront open space network, in an economically and environmentally sustainable manner compatible with the Port's ongoing maritime ship repair operations at Pier 70.

Specifics of the Pier 70 Plan include:

- Continued operation of the ship repair yard on approximately 15 acres;

---

<sup>2</sup> The Port's proposed capital budget for FY2010/11 and FY2011/12 includes several Pier 70 projects.

- Establishment of a Pier 70 National Register Historic District and adaptive reuse of approximately 700,000 square feet of historic buildings;
- 3,000,000 square feet of new infill development compatible with the historic district predominately for job creating uses such as office and technology space;
- 6,000 – 8,000 new jobs;
- Approximately 11 acres of waterfront open space and an additional 9 acres of internal open space; and
- Environmental remediation and infrastructure to support the Plan's mix of land uses.

The Plan also includes recommendations regarding historic preservation, built form, open space and public access, transportation and parking.

The three-year public planning process has been extensive, involving seven Port Commission meetings and over 70 public workshops and community presentations to incorporate insights and comments from the City's diverse stakeholders. The Port worked with a consultant team to address the complexities of adaptive reuse and infill development at Pier 70. In addition, the Port has worked closely with sister City agencies, as well as key state and federal agencies with jurisdiction over development within Pier 70.

Since the Draft Preferred Plan was released and presented to the Port Commission in August 2009, Port staff has conducted further community outreach to seek comment on the Plan. In September 2009, both the City's Planning and Historic Preservation Commissions received informational presentations on the Draft Plan. Each of these Commissions will play an important role in future Pier 70 development. Comments by both bodies were extensive and very supportive, applauding the clearly defined policy approach to the Plan, integrated with strategies to address financial challenges of implementation.

Port staff also met and solicited comments through stakeholder meetings with the Port's Central Waterfront Advisory Group (CWAG), San Francisco Planning and Urban Research Association (SPUR), San Francisco Tomorrow, San Francisco Architectural Heritage, San Francisco Housing Action Coalition, and the Potrero Boosters. In addition, exhibits on the Plan were featured in the main exhibit hall at the Urban Land Institute's November 2009 Annual Meeting in San Francisco and also at SPUR's new Urban Center from November 2009 through January 2010. The Plan was accessible through the Port's Pier 70 web site ([www.sfport.com/pier70](http://www.sfport.com/pier70)) which allows the public to comment on the draft.

Comments on the Plan have been very positive overall. There is public consensus regarding the Plan's historic preservation, maritime, open space and environmental objectives, and the need for new development to provide the economic resources to deliver those public benefits. Comments were received from a variety of sources, and are summarized, by Plan chapter, in Exhibit B.

Based on the comments received, Port staff proposes some revisions and refinements to the Plan goals and objectives, presented below. The revisions are intended to sharpen or clarify the intent of the policy rather than change its content. Port staff also will be revising the supporting narrative of the Plan to incorporate details raised in the public comments, consistent with the revised Plan goals and objectives. The completed Preferred Master Plan will be available in early April 2010.

## **Proposed Changes to Goals and Objectives**

### *Pier 70 Vision*

Create a vital and inviting landmark status district at Pier 70 that integrates historic rehabilitation, activates new waterfront open spaces, creates a new jobs center that recalls Pier 70's historic activity level and generates revenues critical to realize public benefits, consistent with and supports a continuing ship repair industry operations.

### *Master Plan Goals*

1. Create a Pier 70 National Register Historic District and rehabilitate its extraordinary historic resources.
2. Preserve the long-term viability of the maritime ship repair industry.
3. Create a major new shoreline open space system that extends the San Francisco Bay Trail and Blue Greenway to and through Pier 70.
4. Extend the City street grid to enhance public access and integrate new development with the Central Waterfront.
5. Provide sites for office, research, emerging technologies, light industry, commercial, cultural, and recreational uses to expand San Francisco's economic base, and generate revenues to fund public benefits.
6. *(Integrated into Vision statement, reduce redundancy):* ~~Develop a thriving district that recalls Pier 70's historic activity, accommodates ship repair operations, and invites visitors to work, learn and play along the City's waterfront.~~
6. Promote development that is pedestrian-oriented and fosters use of alternative, sustainable transportation modes and practices.
7. Promote sustainable mixed-use infill development and economic vitality that places jobs near existing housing to reduce the carbon footprint of regional growth, and includes climate adaptation strategies appropriate to this waterfront location.
8. Remediate environmental contamination to enable use and public enjoyment of Pier 70 and its waterfront, and improve environmental quality.

### *Historic Preservation Objectives*

1. Recognize continuation of viable ship repair and drydock operations as an act of preserving Pier 70's history, and give priority to shipyard changes necessary to support the contemporary needs of the industry while maintaining the overall integrity of the historic district.

2. Protect the integrity of the Pier 70 historic district by directing major new construction to open and vacant areas or locations containing non-contributing resources, reflective of the history of the built environment at Pier 70.
3. Encourage ~~the appropriate~~ adaptive reuse of the historic resources that add new life to ~~complement the architectural character and context of~~ Pier 70, consistent with Secretary of the Interior's Standards for the Treatment of Historic Properties ("Secretary Standards").
4. Apply ~~infill~~ development design criteria for new infill development to ensure new construction meets Plan objectives and is sensitively designed, consistent ~~complies~~ with Secretary-Standards.
5. Prioritize the stabilization and rehabilitation of Very Significant resources along 20<sup>th</sup> Street for public and private investment as early as possible.
6. Promote an understanding of the site's history and significance through a program of coordinated interpretive exhibits as part of new development and historic rehabilitation improvements.

#### *Land Use Objectives*

1. Recognize that the continuation of ship repair industry ~~operations~~ is consistent with the historic preservation objectives of this Plan and the Port's public trust mission. Ensure that new development and land uses ~~and are compatibly~~ designed and managed to respect and be compatible with ship repair operational needs.
2. Invite a wide range of activities that promote public use and appreciation of the waterfront and ~~adaptive reuse through of~~ the rehabilitation of Pier 70's historic resources.
3. Promote a mix of uses oriented toward commercial, office, educational, retail, cultural and entertainment uses along 20th Street, to provide an active entrance to Pier 70.
4. Target publicly-oriented uses for the Union Iron Works Machine Shop as an anchor facility ~~with uses that~~ to activate the Pier 70's historic core along 20th Street corridor to attract broad public appreciation of this very significant grouping of historic resources.
5. Allow office, biotech, research and development, light industrial and institutional uses in new construction and rehabilitated historic resources.
6. Consistent with the open space policies of this Plan, encourage the imaginative architectural design of new development that ~~which~~ contributes to the experience, activity and enjoyment of shoreline parks and public spaces.
7. Allow limited residential development opportunities ~~on parcels along Illinois Street,~~ if conflicts with ship repair operations and other adjacent uses are appropriately addressed. ~~minimized.~~

#### *Open Space and Public Access Objectives*

1. Create public open spaces that establish a sense of identity and focus for new

development at Pier 70 that is sensitive to ship repair operations and attract a diverse spectrum of users.

2. Develop a diverse network and program of parks, paths, roads and public spaces that connect upland areas to the waterfront, to provide recreational amenities for the community and access to water recreation in the Bay that also ~~and~~ celebrate and reveal the rich history of Pier 70.
3. Integrate the Bay Trail, Bay Water Trail, and Blue Greenway into the design of the Pier 70 open space network, which creates an interconnected path that links public open spaces along the shoreline, includes areas that support natural habitat for birds and other wildlife, and provides access into or on the Bay.
4. Require sensitive design and site placement of new development adjacent to the shoreline that provides comfortable sunlight access and micro-climate conditions to support a high level of public enjoyment of those open spaces.
5. Use hardscape paving and materials to improve streets, pedestrian ways, and other public spaces that interface with historic resources to respect the historic industrial character of Pier 70 and create shoreline access wherever possible.
56. Create and improve pedestrian ways, promenades and recognize historic pathways to provide a variety of routes through Pier 70 as an integral element of the open space network connecting the Pier 70, Mission Bay, Dogpatch, and Potrero Hill neighborhoods to the bayfront.
67. Create a program of interpretative signage within the open spaces areas that provides information on the history and importance of the site, ship repair operations, and labor history.
78. Allow ancillary structures in major open spaces if they directly support waterfront recreational activities and users.

#### *Form and Character of Infill Development Objectives*

1. Respect the district as a historic landscape that reflects the industrial shipbuilding processes including the evolution of the Union Iron Works/Bethlehem Steel operations and ~~the ongoing ship repair activity on the site.~~
2. *(Integrated with next objective):* ~~Enhance the unique industrial heritage of the area.~~
32. Showcase the historic district's resources, industrial heritage, landscape features and waterfront location.
43. Develop an urban pattern that reflects the unique building/open space relationships that were characteristic of the historic district.
54. Allow for architectural diversity that is compatible with the historic character of the district. Add new architecture that complements the surrounding resources and promotes life and vitality ~~in the area.~~
65. Encourage the design of buildings and open spaces that not only respond to Pier 70's historic qualities but also strengthen connections to Dogpatch and Potrero Hill neighborhoods.

76. Encourage public access and views to the waterfront and connect shoreline parks and promenades with proposed open spaces that are integrated with the development.

#### *Transit, Circulation and Parking Objectives*

1. Increase public transit service by providing ferry and shuttle connections between Pier 70 and other public transit hubs.
2. Extend 19th Street access to ensure continued reliable maritime industrial access to the shipyard.
3. Establish a street system within Pier 70 that connects with the street grid from Potrero Hill and the Dogpatch neighborhoods.
4. Create walkable and bikeable streets.
5. Introduce a network of pedestrian ways integrated with new development.
6. Locate and manage parking facilities to promote shared use operated on a market-rate pricing basis, consistent with smart growth objectives.

#### **Role of the Plan to Guide Implementation**

The Pier 70 Master Plan presents a framework for development across the site. It informs the planning of parks and open space, reconfiguration of ship repair leasehold, reconciliation of public trust obligations, and prioritizes historic buildings for investment. The Plan implementation strategy lays out the regulatory and administrative approvals needed to realize the Pier 70 vision, the public funding sources available, and the role for the private sector in realizing the plan. Policymakers will consider the Goals and Objectives stated in the Plan when reviewing future projects at Pier 70 as the necessary tradeoffs are made between competing uses of financial, land and building resources.

The planning process has served an even greater role than defining a land use plan. This intensive investigation of Pier 70's future also included staff level coordination with the State Lands Commission, State Office of Historic Preservation, Bay Conservation and Development Commission, and Regional Water Board. Each of these agencies has an oversight role at Pier 70 and will need to understand the overall complexities of the project moving forward. The Plan provides a touchstone for Port staff, regulatory agencies, and future developers to use in crafting the myriad of agreements and permits needed to revitalize the site. The capital needs of Pier 70, identified through the planning work, has led lawmakers, at the Board of Supervisors and in Sacramento, to provide the Port with new financial and legislative authorities to address the capital required for Port facilities at Pier 70 and beyond. The Plan allows sister City agencies, including the Planning Department, SFMTA, the SFPUC and Office of Workforce and Economic Development, to include Pier 70 in their thinking about San Francisco's future. While Pier 70 is Port property, realizing the vision of the Pier 70 Master Plan will require actions by a full range of local and state policy bodies to realize its potential.

The Port is proud that the planning process has crafted a plan supported by lawmakers, regulatory agencies, historic preservationists, neighborhood groups, environmentalists and civic leaders. The public support for Pier 70 was demonstrated in the 68 percent voter approval of Proposition D, specific funding and policy mechanisms for the project, on the November 2008 ballot. Seeking private sector partners with this civic consensus – and public finance tools – greatly advances the revitalization of Pier 70.

As part of the planning process, consultant studies of the building conditions and rehabilitation costs, a market study and a comprehensive financial feasibility analysis were prepared to guide plan development. The financial reality, underscored by these studies, is that re-purposing vacant land at Pier 70 generates significant land rent. Short of securing public funds not backed by Pier 70 taxes, *new buildings are the economic engine that Pier 70 requires to preserve its historic structures*. The next step is to secure real estate development partners attracted to the new development and historic preservation opportunities.

### **Pier 70 Implementation and Developer Solicitation Strategy**

The completion of the Plan begins the process of securing private sector investment in Pier 70. Pier 70 will require the best of the public and private sectors. Many aspects of the Pier 70 project are unknown at this time; true market value will be hard to determine without further design and cost analysis. Current financial and real estate markets compound the uncertainty. Private sector real estate market acumen, construction management and strategic planning can take the project to the next level – meeting the needs of future users of new and historic buildings. Further program details are needed to rezone the site and to fully access the public funding sources available from growth in payroll and property taxes. With the assistance of private sector partners, the Port can secure these approvals, allowing Pier 70 to be ready for new users as the regional and national economies recover from the current market cycle.

To advance the project forward, the Port has several options on how to partner with the real estate development sector. The financial feasibility assessment prepared as part of the planning efforts suggests that as a single 50 acre project (excluding the ship repair area), Pier 70 would have difficulty attracting investment without additional public resource commitments. If all of Pier 70 was offered on a master developer basis, the Port would have a protracted negotiation with the developer to determine a financially attractive project. Rather than securing a master developer at this concept plan stage, the Port could refine the project proposal and undertake the necessary entitlement actions including an environmental impact report to rezone the site and later offer sites for development. However, the entitlement effort is costly and would benefit from the real estate market expertise that a developer brings to a project.

In addition to consultant analyses, the Port drew on real estate sector insights in developing this solicitation strategy. In November 2009, as part of the Urban Land Institute's annual conference in San Francisco, a panel of real estate industry professionals reviewed the draft Plan. Port staff asked for insight on how to implement the plan, especially in light of current market conditions. Exhibit C summarizes the feedback received. A strong theme from this discussion was to reduce development



uncertainties, identify funds that are not dependent on real estate taxes or rents, and secure approvals and build on current community support. The need for a “big idea” or vision for the site was also stressed.

After considering the feedback from the real estate sector, the results of the financial analysis and the full range of issues regarding Pier 70 considered in the planning process, Port staff is recommending a multi-pronged implementation effort for the Pier 70 Master Plan. In particular, the implementation initiatives build on Pier 70’s strengths, and the funds in hand, while recognizing that the project still faces a multi-year entitlement effort. Rather than seeking one partner to realize the entire Pier 70 vision, the following initiatives are proposed:

**Waterfront Development Site:** Offer for development in 2010 approximately 20 acres of largely bare land at the southeastern corner of the site. Exhibit A shows the location of this site and the current conditions. This initiative will form the financial and infrastructure backbone of the implementation effort as this site can create jobs, tax and rent funding streams, and the momentum the project requires.

**Continued Search for Public Funding:** As presented with the 10-year Capital Plan FY2011-20 update, the Port continues to seek federal and state funds for Pier 70 capital projects. Where possible, the Port has targeted its own capital funds for repair of Pier 70 historic resources. Specific projects, for example historic building stabilization, can occur as funds are available without waiting for a developer partner.

**20<sup>th</sup> Street Historic Structures:** Beginning in 2010, seek partners for rehabilitation of these historic buildings. In particular, the Port has prioritized the Union Ironworks Machine Shop as a centerpiece of Pier 70 requiring a publicly oriented partner to achieve that vision.

**Crane Cove Park:** The Port will continue to work with the Port Commission and community to plan the Blue Greenway Park System including priorities for the \$22 million of park improvements funded by the 2008 Proposition A. The first stage of Crane Cove park improvements will be part of this effort as a Port public project. The planning process will consider park programming including water related uses.

**BAE Shipyard:** The Port will continue to work with BAE Systems, the Port’s ship repair operator, to address facility needs in the shipyard including refining plans for an extension of 19<sup>th</sup> Street taking shipyard traffic off of 20<sup>th</sup> Street.

As discussed further in this report, these efforts will include a site-wide entitlement strategy to secure re-zoning, public trust realignment and National Register Historic District listing. Additional historic building projects and building sites will be offered for development at subsequent stages of implementation.

### **Waterfront Development Site Recommendation**

To attract private investment requires offering the ability to realize significant real estate returns. The largely undeveloped southeast corner of the site represents, in the long

run, the highest market value portion of Pier 70. Exhibit A delineates this area, termed the “Waterfront Site”. The Plan calls for creation of a jobs center use in this area. The waterfront location and scale of the site allows for the creation of a new economic node, potentially a corporate campus or multi-tenanted business park.

San Francisco’s economic development efforts target retaining the small innovative, knowledge based firms that start locally as they grow into mid-size and larger firms. Pier 70 is in the middle of where Mayor Gavin Newsom, recently termed, the “innovation corridor” stretching from the Central City through Mission Bay to Hunters Point Shipyard. Offering this key waterfront site now allows a developer to undertake the land planning and approvals needed to be able to meet the needs of growing technology businesses as the economy recovers without burdening that effort directly with the complexities of the 20<sup>th</sup> Street historic resources.

Port staff recommends seeking a well qualified developer for this site in 2010. The site can accommodate up to 2.5 million square feet of new buildings and also includes the large scale Building 12 historic rehabilitation project, Slipway Park, and the Central Plaza. Exhibit D presents the proposed development parameters for the Waterfront Site. During the entitlement phase, the Waterfront site developer will undertake the following roles:

- Further the vision for Pier 70 (with the Port) and develop site plans with private sector expertise.
- Develop the financing plan for roads, utilities, and other infrastructure that includes the full 65 acres, off-site needs (if any) and, perhaps, addresses the Potrero Power Plant or other neighboring sites.
- Negotiate term sheet with the Port for waterfront site land lease.
- Rezone (with Port participation) the entire Pier 70 site with a flexible entitlement structure, including building form-based zoning to ease responding to differing market conditions.
- Secure Prop D Land Use and Finance Plan approvals through Board of Supervisors.

Port Staff recommends a Request for Qualifications (RFQ) process be used to select a developer for the Waterfront Site. A RFQ process lowers the cost to respond and is more likely to attract strong developer interest than a Request for Proposals process. The RFQ process allows the Port and a qualified developer to collaborate on detailed site plans to realize the Vision for Pier 70. If the Port Commission concurs with this approach, Port Staff will propose specific terms for the RFQ and ask for authority to issue it on April 13, 2010.

### **Historic Buildings Recommendation**

Pier 70 historic buildings are threatened by rapidly advancing deterioration and must be addressed as a top priority, both directly through investment and indirectly through advancing new development at Pier 70 to fund rehabilitation. The 20th Street buildings form the historic core of Pier 70 and will require expertise in historic rehabilitation and substantial investment to restore this street to its prior grandeur. These buildings (in particular, Buildings 113, 101, 102 and 104) are high on the Port’s priorities in seeking

local, state and federal capital funding. Partnering with developers, businesses, or institutions that can re-purpose these buildings will advance the case for investment and aid in refining the plans for the area as a whole.

The historic rehabilitation costs are estimated at \$355 million site-wide. On a risk adjusted basis, historic building costs exceed value supported by rent and historic tax credits by \$72 million. Using available funds, the Port will stabilize and invest in buildings as feasible. The Union Iron Works Machine Shop stabilization and Building 2 new roof, elevator, and other repairs are included in the Port's FY2010/11 and FY2011/12 capital budgets. However, the condition of the buildings will not allow historic rehabilitation to be successful only at a pay-as-you go pace.

The historic buildings at Pier 70 are unique buildings that call for creative reuses. 20<sup>th</sup> Street buildings in particular need reuse partners identified as soon as possible. Specialized, user specific, due diligence will be needed to re-purpose these buildings. The relatively limited number of buildings allows for case by case consideration of partners. For the right user, Pier 70 structures offer an identity location and the ability to partner with the Port to secure public and philanthropic funding. To begin the revitalization of these buildings, Port staff recommends seeking developers/users for the 20th Street Historic structures starting in Summer 2010. The initial feasibility estimates find that buildings on the northern side of 20th Street are the closest to financially feasible on the site. Additionally, the Port would like to attract the appropriate development partner for the Union Ironworks Machine Shop, early in the Plan implementation.

The developer solicitation process recommended for these buildings is a Request for Interest (RFI). Other public entities including The Presidio Trust have used RFIs to successfully find adaptive reuse partners. This RFI would be separate from the RFQ process for the Waterfront Site. Interested users would submit a short proposal indicating the proposed use, the development entity, and the type of financial structure required for the project. After review of the statements of interest, the Port Commission would determine which parties to ask to make more refined proposals. In particular, the RFI initiative would reach out to cultural, institutional, and educational users who could bring life to Pier 70's vacant buildings. Identifying interest in these buildings now will allow the Port to identify resources and infrastructure needed to revitalize 20<sup>th</sup> Street.

### **Next Steps**

Exhibit E presents an overview schedule of the proposed Pier 70 implementation. If these developer offerings are successful and there is sufficient capital and real estate market support, rehabilitation and construction could be under way as soon as 2013. Once responses are received from the RFQ and RFI, the Port will have more information about the pace of implementation of the Pier 70 Master Plan.

At the next Port Commission meeting on March 23, 2010, Port staff will make an informational presentation regarding the progress of the environmental site investigations and preliminary findings available to date. That information provides

important background to understanding the development constraints on the Waterfront Site.

As discussed in this report, if the Port Commission concurs, Port staff will revise the Pier 70 Master Plan and publish the Preferred Master Plan in early April 2010. The Plan will guide the implementation initiatives at Pier 70.

Based on direction received from the Port Commission, public comment and further policy analysis, Port Staff will return at the April 13, 2010 meeting to seek authority to issue a Request for Qualifications for the Waterfront Site and a Request for Interest for 20<sup>th</sup> Street Historic Structures.

Prepared by: David Beaupre, Senior Waterfront Planner  
Kathleen Diohep, Development Project Manager

Prepared for: Byron Rhett, Deputy Director, Planning &  
Development

Through: Jonathan Stern, Assistant Deputy Director for  
Waterfront Development

Diane Oshima, Assistant Deputy Director for  
Waterfront Planning

**Attachments:**

- Exhibit A Map of Waterfront Site
- Exhibit B Public Comment on the August 2009 Draft Plan
- Exhibit C Summary of Feedback from November 5, 2009 Urban Land Institute  
Project Analysis Session on the Pier 70 Master Plan
- Exhibit D Development Parameters for Waterfront Site
- Exhibit E Pier 70 Project Schedule

**EXHIBIT A  
LOCATION OF PIER 70 WATERFRONT DEVELOPMENT SITE**



## EXHIBIT B

### PUBLIC COMMENT ON THE AUGUST 2009 DRAFT PIER 70 MASTER PLAN

Comments on the Plan were received from a variety of sources, including many of the groups identified above and by individuals. In general, most comments addressed items or expressed support of issues already covered in the Plan's policies and direction. The summary below includes topics or issues raised in public comments and Port staff proposed Plan revisions, which also will include editorial, formatting and changes that are not indicated here.

#### *Chapter 1: History of the Site and the Preservation of Its Legacy*

Public Comment:

- The natural history of the site should be described.
- The 30-year history of the artist use within the Noonan Building (Building 11) should be recognized.

Proposed Plan Revisions:

- Discuss the natural history of shoreline prior to industrialization.
- Include information about artist community at Pier 70, particularly the Noonan Building.

#### *Chapter 2: Ship Repair, a Continuing Legacy*

Public Comment:

- The exhibit illustrating the Ship Repair Master Plan needs to be corrected to illustrate that the 300-foot security buffer is established by the location of ships and is not constant.

Proposed Plan Revisions:

- Revise exhibit to illustrate appropriate security boundary.

#### *Chapter 3: Context for Change*

Public Comment: There were no public comments regarding this chapter.

#### *Chapter 4: Bringing Together the Past, Present and Future*

Public Comment:

- The overriding Plan Goals need to be strengthened to highlight the opportunity Pier 70 offers to become a major new jobs center.

Proposed Plan Revisions:

- Revise to strengthen the jobs message.

### *Chapter 5: Historic Preservation*

#### Public Comment:

- The Historic Preservation strategy language needs to be strengthened to prioritize early investment into the historic core buildings.

#### Proposed Plan Revisions:

- Revise to highlight need to prioritize investment into the historic core.

### *Chapter 6: Land Use and Adaptive Reuse*

#### Public Comment:

- The Plan should encourage new uses that support the ship repair operations.
- The Plan should provide more flexibility to allow housing.
- The Plan must consider potential land use compatibility constraints of introducing housing proximate to continuing ship repair operations.
- Plan should recognize continued artist studio use within Pier 70.
- The Plan must make certain new uses adjacent to ship yard are compatible with the industrial operations.
- Plan should encourage uses that activate the site on weekends and evenings.

#### Proposed Plan Revisions:

- Revised to encourage new uses that support and are compatible with ship repair.
- Include a side bar regarding the history and work of the Noonan Building artists and on the appropriateness of artist studio use within Pier 70.

### *Chapter 7: Form and Character of Infill Development*

Many comments received addressed this chapter; the consensus is that it was too detailed and prescriptive. The intent of the details was to demonstrate that a substantial amount of new development could be built and achieve the Plan's Goals and Objectives. However, members of the public perceived that this information represented a specific program for the siting, density and massing of new development, which is not the case. The intent is for the Plan's Goals and Objectives to set clear guideposts but allow flexibility for developers to propose varying approaches to achieve them. Staff will move the density massing studies to an appendix, as background material.

#### Public Comment:

- New development should reflect the urban historic pattern of the site.
- The Objectives should include a reference to require historic interpretation to occur throughout all new development and not just within public spaces or adaptively reused buildings.
- The infill development guidelines should be amended so that new development in parcels 6-8 not be literal in the interpretation of the forms of the former slipways.

- The plan articulates too much detail about building locations and heights;
- The plan is too prescriptive regarding spacing between new and existing buildings.
- Concerns were raised about proposed building heights along Illinois Street, north of 20<sup>th</sup> Street.
- The Plan should allow more density.
- The density needs to be sensitive to the historic character and future district.

Proposed Plan Revisions:

- Revise to eliminate the details regarding suggested building heights and locations. Continue to include the infill design criteria to make certain new development is consistent with the historic setting and future district.
- An Objective will be added to insure that historic interpretation occurs throughout the site, including open spaces, historic building and within new development.

*Chapter 8: Open Space and Public Access*

Public Comment:

- Water recreation and access needs to be specifically called out.
- The Plan should encourage open space improvements that support native bird species and a “natural-like” shoreline.
- Open space improvements must be phased in with new development and can not be the last phase of the project.
- Open space improvements should be designed and programmed in a manner that activates the site on weekends and evenings.
- The plan should include language about designing waterfront buildings to avoid avian mortality.
- New buildings should be designed and oriented to limit or reduce impacts from shading on open spaces.
- New open spaces should be designed to be inviting and easily accessible.
- The Plan should allow limited new buildings in major open spaces for recreation and visitor serving uses.

Proposed Plan Revisions:

- Revised to include water recreation activities and natural areas for wildlife as part of the open space system, contributing to the Bay Water Trail and Blue Greenway.
- Revised to allow limited new buildings in proposed open spaces to help activate the space and provide amenities to the visitors.



- Revised to include a new objective encouraging the design of buildings to address shading of parks in a manner that encourages access to new parks. The Plan will not address specific uses and programs for the open spaces. The details for the open space program uses will be conducted as a part of the Blue Greenway Planning and individual park design review.

### *Chapter 9: Transit Circulation and Parking*

#### Public Comment:

- The Plan should accommodate future improvements planned for Illinois Street, specifically as it relates to the Bay Trail, Blue Greenway and Bicycle Plans.
- The Plan should encourage the extension of the Muni “E” line onto the site.
- The Port must continue to coordinate with MTA on the ENTRIPS Planning and on the T-Line Turn around loop and station stop.

#### Proposed Plan Revisions:

- No Plan revisions are recommended for the Pier 70 site, but the Port continues to work with MTA on the planning of the T and E- Line opportunities and on the ENTRIPS Study affecting the Central Waterfront. In addition, the Port will address Illinois Street improvements as part of the Blue Greenway planning process.

### *Chapter 10: Implementation Strategy*

#### Public Comment:

- In this economy, does it make sense to move forward with a development solicitation process immediately?
- Prioritize stabilization of UIW Building 113 as a publicly accessible use.
- Seek federal funds to stabilize historic core.
- Prioritize jobs creation/center as development criteria.
- Plan appears to suggest project should be by a master developer, which may not be best approach.
- Require public benefits such as parks to be provided contemporaneously with new development.

#### Proposed Plan Revisions:

- Additional details about the Blue Greenway Planning Process and ENTRIPS study will be added
- The discussion of the 2009 financial feasibility analysis will be reduced and the findings moved to an appendix of the Plan.

**EXHIBIT C**  
**SUMMARY OF FEEDBACK FROM NOVEMBER 5, 2009 URBAN LAND INSTITUTE  
PROJECT ANALYSIS SESSION ON THE PIER 70 MASTER PLAN**

---

The format of this session was to discuss the draft Pier 70 Master Plan and respond to questions posed by the Port. The panel did not provide a complete recommendation.

**Questions for Panel Addressed**

- What uses and development approaches will activate 20th Street, especially the Union Iron Works Machine Shop?
- Where to start with the project, especially in this economic climate? How to move forward and allow flexibility for future prospects and opportunities?
- How to approach the campus/business park opportunities (Parcels 6-8)?
- How to capitalize on the waterfront parks, historic buildings to catalyze reuse of Pier 70?

**Historic Buildings**

- Are we preserving too many buildings?
- Consider if historic buildings serve new identity – do they block water view/access or constrain the site?
- Should we ask what site should be and then how many buildings to save rather than reverse?

**Real Estate Market Response to a Development Offering**

- Too much risk for a developer to take on site – too uncertain. There is too much of a disconnect between timing of the revenue projects and need for initial funds.
- Why does Port think a developer would have more success at getting approvals than Port would as a public agency?
- Can the Port reduce uncertainties to better attract investment?
  - Environmental
  - Re-zoning, approval
  - Securing funds
  - Committing to Public Role
- Consider incremental projects – Illinois Street Parcels and Crane Cove Park.

**Land Use**

- What is the identity of Pier 70? Should we build on maritime?
- Is Tech Office/Biotech appropriate given amount of space at Mission Bay?
- Residential uses should be part of the mix – especially near the water and parks

**Implementation Recommendations**

- Identify 100% corner and build from there.
- Clean up area visually to attract investment, shield interim uses
- Work with Mirant project to coordinate redevelopment
- Site Capacity – do further analysis of footprints/site to confirm site capacity.
- Consider a developer as a consultant to refine the plan

**EXHIBIT D**  
**DEVELOPMENT PARAMETERS FOR WATERFRONT SITE**

---

Gross Land Area:	Southeast corner of site, about 20 acres including park/plaza sites
Parks/Plazas:	Slipway Park and Central Plaza – 3 acres
New Development:	Maximum of 2.5 million gross building square feet above ground. Density analysis done for the Master Plan showed 2.3 million sq. ft. gross with 300,000 in use as parking. This area is illustrated at building heights of ranging from 50 to 90 feet.
Use:	Job Center Uses: office, research and development, light industrial. Incidental commercial uses to support project.
Design Guidelines:	Pier 70 Master Plan includes design criteria for infill development to ensure compatibility with the historic resources.
Height Limit:	No specific height limit in RFQ – rather a square feet cap and requirement that design is appropriate for historic district.
Parking:	Site must park itself; no more than one space per 1000 square feet of leasable area, subterranean parking does not count against square foot limit
Historic Buildings:	Building 12 – 60,000 SF foot print, now 2 stories, can be more. Building 2 – 6 Story, 100,000 sq. ft. – now PDR, likely remain. Responsible for rehabilitation, demolition, or relocation of other smaller buildings in this area.
Existing Tenants:	Port will work with developer so that existing users are kept informed of timing of future displacement. Building 2 can include light industrial space similar to buildings that may be removed in future. Major current use is SFMTA towed car storage under a short-term agreement. SFMTA will work with the Port to plan relocation.
Infrastructure:	Developer will collaborate with the Port, PUC, and other city agencies to design, construct and finance infrastructure for the Waterfront Site in the context of the planned development for all of Pier 70. As warranted, financing mechanisms will be structured to compensate the Waterfront Site developer for trunk infrastructure investment that will serve other portions of the Pier 70 plan area.
Public Funding:	IFD and Prop D funds generated from this site are for greater Pier 70 project benefit – planning costs, historic preservation and parks.
Timing on RFQ:	Issue April 2010 Responses Due July 2010 Evaluate Fall 2010 (possible short list asked for more specifics) Select end of 2010

**EXHIBIT E  
PIER 70 PROJECT SCHEDULE**

**Waterfront Site/Overall Project**

Port Commission Review of Development Strategy	March 9, 2010
Finalize Draft Preferred Master Plan	April 2, 2010
Port Commission Authorize RFQ for Waterfront Site	April 13, 2010
Issue Waterfront Site Offering	April 2010
Responses for Waterfront Site	July 2010
Evaluate Responses	
Port Commission Review Responses chose next step.	Sept 2010
Choose Waterfront Site Developer	Late 2010
Develop Project Description/Entitlement Approach/ Initiate EIR	2011
Infrastructure design/funding mechanisms	2011
Entitlements/Approvals	2011/ mid 2012
Negotiate Waterfront Site Transactions	2011+
Port consider offering Illinois Parcels for development (after rezoned)	2012
Infrastructure/remediation work begins	Late 2012
Waterfront Site Break Ground	2013+
Waterfront Site Occupancy	2015+

**Historic Building Offering Schedule**

Port Commission Authorizes Request for Interest	April 13, 2010
Issue RFI for 20 <sup>th</sup> Street Buildings	Summer 2010
Initial Response Deadline	Fall 2010
Port Commission Review Interest	Late 2010
Request/Consider Historic Building Projects	Early 2011
North of 20 <sup>th</sup> Street Buildings Rehabbed	2013-16
Union Ironworks Machine Shop Occupancy	2015+

**Blue Greenway/Crane Cove Park Schedule**

Planning Process	Summer 2010
Develop long term vision and costs	End of 2010
Initial Design for Phase 1 Crane Cove Park	Spring 2011
Initiate Phase 1 Construction Crane Cove Park	2012
Complete Phase 1	2013

**Site-wide Environmental Investigations and Remediation**

Preliminary Results of Field Investigation	March 23,2010
Site Investigation and Risk Assessment Report	May,2010
Historic Building Hazardous Materials Identification	Fall 2010
Feasibility Analysis of Potential Remedial Alternatives	Fall 2010