

MEMORANDUM

June 7, 2013

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

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation Introducing the Respondents to the Request for Proposals for the Pier 38 Bulkhead Rehabilitation Project, located at Delancey Street and The Embarcadero

DIRECTOR'S RECOMMENDATION: Informational Item – No Action Required

SUMMARY

On March 25, 2013 the Port received real estate proposals from two development teams: 1) San Francisco Pacific Waterfront Partners, LLC and 2) Pier 38 Partners, LLC, a joint venture partnership consisting of TMG Partners and Premier Structures.

At the Port Commission's June 11, 2013 meeting, each development team will present an overview of its qualifications and visions for the Pier 38 bulkhead building rehabilitation. Brief summaries of select sections of the team's proposals are attached hereto as exhibits.

Port staff intends to evaluate the proposals and return to the Port Commission by August 13, 2013 with a recommendation to award the development opportunity to the highest ranked proposer.

BACKGROUND

In 1908, the original pier at Pier 38 was constructed and measured 84,500 square feet in length. A shed structure measuring 32 feet tall was constructed atop the pier. In 1931, the pier was extended by 31,200 square feet for a total length today of 115,700 square feet. In

THIS PRINT COVERS CALENDAR ITEM NO. 11A

1934, a bulkhead building of approximately 18,000 square feet was added to the facility. The bulkhead building straddles the existing seawall and the marginal wharf structure.

The Pier 38 structure is divided into two parts: the two story bulkhead office building fronting the Embarcadero and the pier shed extending east over the Bay which was built for break bulk storage. In 1999, a portion of the pier shed was improved: on the ground floor level the space was built out as a restaurant use but never occupied, while the upper floor was initially used for storage. Both floors were eventually used for office use, but without appropriate building permits.

Recent Port Commission staff reports provide important Pier 38 background information including the following:

- **Pier 38 Closure:** Port staff reported on the background regarding the eviction proceedings and site conditions that led to closure of Pier 38 in October 2011.¹ In brief, on August 1, 2011, the Port took possession of Pier 38 from the Pier 38 Maritime Recreation Center and Carl Ernst. On September 2, 2011, the Port's Chief Harbor Engineer declared Pier 38 shed, office spaces, and north apron deck unsuitable for any occupancy due to existing health and safety violations. Occupants were asked to vacate the premises on September 30, 2011. By October 20, 2011, all occupants housed in the Pier 38 bulkhead building and pier shed were vacated.
- **Pier 38 Reuse Options:** In January 2012, Port staff reported on building occupancy options to bring Pier 38 into Code Compliance.²
- **Pier 38 Solicitation Options:** On September 11, 2012, Port staff reported on the trade-offs between soliciting a development entity to rehabilitate and re-tenant the Pier 38 bulkhead building only versus an entity to redevelop the entire Pier 38 facility.³
- **Port 38 Solicitation Approval:** On September 25, 2013, Port staff received approval to issue a request for proposals for the Pier 38 bulkhead building and limited pier shed improvements for re-occupancy while qualifying this entity to consider the long-term reuse of the entire or the majority of the pier structure.⁴ The request for proposals was issued on November 16, 2012. Responses were received on March 25, 2013.

OVERVIEW OF THE REQUEST FOR PROPOSALS

The Pier 38 request for proposals relates to a real estate leasing opportunity. The City's competitive bidding policy for leases, which is set forth in Sections 2.6-1 and 23.33 of the Administrative Code (collectively, the Code), provides for certain leases to be awarded

¹ <http://www.sfport.com/modules/showdocument.aspx?documentid=2403>

² <http://www.sfport.com/modules/showdocument.aspx?documentid=3231>

³ <http://www.sfport.com/modules/showdocument.aspx?documentid=4638>

⁴ <http://www.sfport.com/modules/showdocument.aspx?documentid=4720>

through competitive bidding procedures unless such competitive bidding procedures are impractical or impossible. The Code defines competitive bidding procedures as "a request for proposals, request for qualifications, or other publicly noticed competitive solicitation with specified criteria for selection." The Code does not contain any more specific guidelines for competitive bidding of a lease opportunity so the process is more flexible than competitive solicitations for professional services and public works projects, which are subject to different legal requirements under Chapters 21 and 6 of the Code, as well as regulations and policies of the Office of Contract Administration, the Controller and the Contract Management Division (formerly the Human Rights Commission).

The intent of the request for proposals was to solicit respondents with experience in rehabilitating, developing and operating facilities similar to Pier 38. An ideal candidate would have experience with historic rehabilitation of waterfront structures, an ability to identify and secure target tenants, and an ability to operate and maintain real estate projects once completed. In addition, such a candidate would have a proven ability of working with public agencies to achieve results desired by the Port.

A response to the request for proposals would include a short-term implementation strategy of the Pier 38 bulkhead building and would also allow a respondent to submit qualifications to undertake developing the remaining pier structure in the long-term.

The Port would require that the rehabilitation of Pier 38 would be funded through private sector investment and that the Port expects the successful respondent to fund physical improvements and provide for on-going operating/maintenance costs as well as provide security for the entire pier.

The request for proposals specifically included these project objectives:

- Repair the Pier 38 bulkhead building which may include: remedy structural deficiencies, replace or repair mechanical, electrical and plumbing systems, and construct any other improvements, including egress and ADA, needed to meet the City's building code requirements as well as other regulatory requirements, including consistency with the Secretary Standards.
- Develop the most effective implementation strategy to quickly re-tenant the Pier 38 bulkhead building in order to achieve the Port's goal of bringing it back into economic use and provide an on-going revenue stream to the Port.
- Encourage the re-tenanting of the Pier 38 bulkhead building to include: office, high technology uses, visitor-serving commercial, entertainment and cultural uses, and, maritime uses that complement adjacent waterfront development.
- Continue the redevelopment of the South Beach waterfront from the Bay Bridge to AT&T Ballpark, by reviving this historic structure, and helping knit Pier 38 into the South Beach neighborhood by bringing people and business activity to the waterfront.
- Demonstrate how the short-term Pier 38 bulkhead building rehabilitation will not inhibit a long-term reuse of Pier 38 (i.e., ensure that the short-term construction and

operation would not hinder possible subsequent redevelopment of the entirety or majority of Pier 38).

- Develop a plan to improve the physical appearance of the bulkhead building and pier shed.
- Require that any adaptive reuse will be consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties.
- Require a sustainable development program that minimizes the reliance on private automobiles, uses energy efficiently and, as possible, includes alternative energy sources that comply with the City's Green Building Standards.
- Secure private financial investment to rehabilitate and revive the Pier 38 bulkhead building in the near term.
- Provide business and employment opportunities for local workers and businesses during the design, construction and operation phases of the Pier 38 bulkhead building.
- Provide security for the entire Pier 38.

RESPONSES TO THE RFP

On March 25, 2013, the Port received proposals from two development teams, listed alphabetically:

- 1) Pier 38 Partners, LLC, a joint venture partnership consisting of TMG Partners and Premier Structures
 - Perkins & Will, architects
 - Holmes Culley, structural Engineers and Holmes Fire, fire engineering
 - Plant Construction Company, general contractor
 - Gibson Dunn, land use and transactional counsel
- 2) San Francisco Pacific Waterfront Partners, LLC
 - Page & Turnbull, architect of record/historic preservation architect
 - Lundberg Design, interior architect
 - Moss Wong, design architect
 - Rutherford + Chekene, structural engineer
 - Moffat and Nichol, maritime engineer
 - Glumac, mechanical and electrical engineer
 - Cahill Contractors, contractor
 - Power Engineering, substructure contractor
 - ACCO, Decker Electric, other mechanical and electrical systems
 - Gibson Dunn & Crutcher, legal/land use
 - Remy Moose Manley, legal/CEQA
 - Farella Braun and Martell, legal/historic tax credits and land use

NEXT STEPS

Port staff expects to complete the submittal review and return to the Port Commission with a recommendation for award of the request for proposals at the August 13, 2013 meeting. The following factors will inform the staff's recommendation to select the respondent for negotiations:

- Written submittals
- Interviews
- Evaluation and scoring by evaluation panel
- Reference checks
- Review of financial materials

The Port Commission, upon considering the staff recommendation, could then award the development opportunity to a respondent. The first step would be to negotiate an exclusive negotiations agreement (ENA), consistent with the Port Commission's direction in awarding the development opportunity. Once in the ENA period, the selected developer and the Port would formulate a project description, negotiate transaction terms, and seek regulatory approvals. As these aspects are negotiated, Port staff would present them to the Port Commission for review, comment and direction by the Port Commission.

The following represents a tentative schedule:

June 18, 2013	An evaluation panel will score written submittals and interviews with the two development teams
August 13, 2013	Port Commission authorization to negotiate an exclusive negotiation agreement with the highest ranked development team
Late 2013	Approval of a Pier 38 rehabilitation lease with the highest ranked development team

Port staff are pleased to have the opportunity for each development team to present their qualifications and visions to the Port Commission and the public.

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Planning & Development

For: Byron Rhett, Deputy Director
Planning & Development

Exhibit 1 – RFP Evaluation Criteria

Attachments:

- A) Pier 38 Partners, LLC Proposal Summary
- B) San Francisco Pacific Waterfront Partners, LLC Proposal Summary

Exhibit 1 – RFP Evaluation Criteria

Evaluation of the submittals from all respondents that meet minimum qualifications will focus on the capability of the respondent and the strength of the Rehabilitation Concept proposed. The evaluation criteria below will be used to assess the relative strength of each submittal.

1. Developer Qualifications (25 Points)

- a. Respondent's track record in successfully rehabilitating and developing projects of comparable size, land use, visibility and expense, especially for projects located in the San Francisco Bay Area
- b. Experience of respondent's team members and key personnel
- c. Experience with waterfront and/or historic preservation projects, in particular with meeting Secretary Standards
- d. Experience with projects in identifying and securing target tenants, defining the scope, structuring the transactions, securing necessary approvals, and managing the construction process
- e. Demonstrated ability to operate and maintain real estate projects once completed, including sustaining occupancy and addressing on-going operational needs
- f. Proven ability to work with public agencies to achieve development
- g. Track record of local hiring and participation of locally owned businesses in prior projects
- h. Demonstrated ability to work with local organizations and/or address community concerns
- i. Demonstrated understanding, ability and flexibility to obtain key approvals in a complex political and regulatory context

2. Financial Capability (15 points)

Demonstration that the respondent has the required equity and/or the ability to attract equity or debt for projects similar in scope and cost to the proposed Rehabilitation Concept as evidenced by:

- a. Financing of comparable projects
- b. Access to sufficient debt and equity, including risk equity, for the project proposed
- c. Ability to offer guarantees of bonding arrangements to ensure timely completion of the proposed project
- d. On-going relationships with financial sources

3. Proposed Design, Construction and Tenant Program (40 points)

- a. Strategy to re-tenant the bulkhead building with uses that best meets the Development Objectives
- b. Design and construction plan to ensure the repairs to the bulkhead building will be consistent with the City's building code and Secretary Standards.
- c. Strategy to obtain approvals for the proposed design and construction, as noted above in the Regulatory Context
- d. Demonstrated strength of real estate market for proposed tenant use
- e. Demonstration of how the short-term Pier 38 bulkhead building rehabilitation will not inhibit a long-term reuse of Pier 38 (i.e., ensure that the short-term construction and operation would not hinder possible subsequent redevelopment of the entirety or majority of Pier 38).

4. Proposed Financial Terms (20 Points)

- a. Cash flow projections that demonstrate the project, once operational, will meet all lease, debt service, and operating expenses
- b. Proposed annual rent structure to the Port



PIER 38

BULKHEAD
REHABILITATION
PROJECT

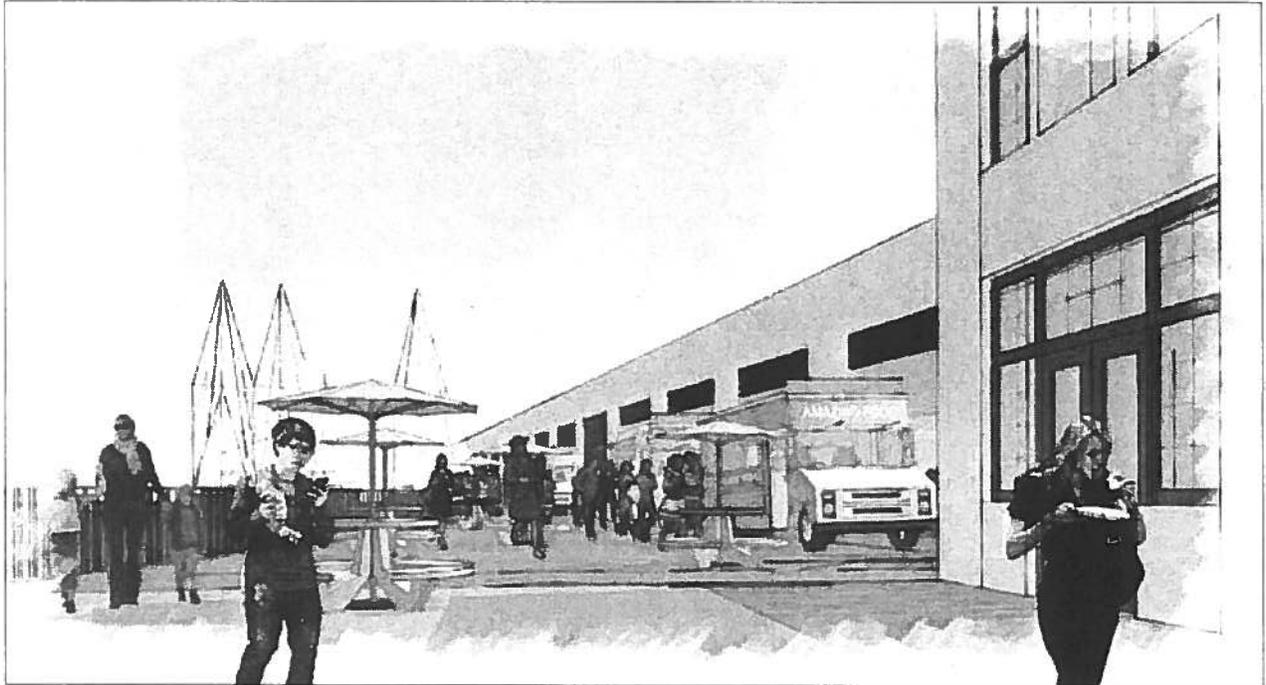
Project Summary

RESPONSE TO REQUEST FOR PROPOSALS
PORT OF SAN FRANCISCO
25 MARCH 2013

A black and white photograph showing a corner of a pier structure. The ground is light-colored and has the words 'PIER-38' painted on it in a large, bold, sans-serif font. The structure consists of dark, heavy-duty metal beams forming a rectangular frame.

PIER-38

C1. OUR HOLISTIC CONCEPT



Our team's approach looks at the Rehabilitation potentials of Pier 38 in two different phases, the first of which meets the Port's RFP objectives in every way, while preserving and in fact enhancing the Port's future ability to bring the entire Pier 38 into a vibrant new life as a state-of-the-art, mixed-use waterfront facility. Per the RFP, Phase 1 is focused on the bulkhead building and the immediate infusion of activating uses into the existing reusable spaces. We plan to create a lively waterfront destination in concert with the Brannan Street Wharf, while realizing immediate income for the Port, with a reasonable up-front capital investment. In recognition of the active public space that The Embarcadero has become, we propose placing a revolving Food Truck program and informal dining space in the northern section of the bulkhead. The southern half of the bulkhead would remain in office use, as will the western portion of the mezzanine. Extending approximately 200 feet to the west into the Pier building itself we include 40-60 parking spaces for temporary use. In short, the proposed rehabilitation concept will bring the building back into active use while undertaking required code repairs. It will bring the public into the structure to enjoy the historic maritime character of the pier shed in sections where they can quickly, safely and economically be accommodated.

The second, long-term phase of development, if the Port chooses to move forward, would result in the full rehabilitation of Pier 38 into a mixed-use retail, maritime, and office project. This Phase 2 work would include a full seismic retrofit, rehabilitation of the historic bulkhead and pier structure in accordance with Secretary of the Interior standards, full public access to new pier aprons, and additional maritime facilities on the south side of the pier.

Our analysis of the immediate Phase 1 rehabilitation of the bulkhead has included consideration of the future strategies for the full Phase 2 work, to ensure that these efforts can be undertaken in a compatible manner.

C2. PORT DEVELOPMENT OBJECTIVES

- **Repair Pier 38 Bulkhead Building, etc:** Our Phase 1 project will repair the Pier 38 bulkhead building, including remedying minor structural deficiencies, replacing mechanical and electrical systems, make all needed Phase 1 egress, ADA and code and other regulatory requirements. All the work we perform will be done in accordance with the Secretary of the Interior Standards.
- **Implementation strategy:** Our goal is to quickly re-tenant the Pier 38 bulkhead, and to bring it back to a series of uses that bring it back into economic viability, while providing a revenue stream to the port. Our “food truck court,” dining space and re-tenanted tech-oriented office areas will accomplish this objective.
- **Re-tenanting the Pier 38 bulkhead:** Our proposal accomplishes the Port’s objectives for use of the Bulkhead: office, high-tech, visitor-serving commercial, entertainment and cultural uses, and maritime uses:
 - **OFFICE AND HIGH-TECH:** the Phase 1 project will include approximately 20,000 sf of office which we believe will be highly desirable to technology and creative tenants. These tenants generally favor open-layout space, which is highly compatible with the historic preservation goals for the pier.
 - **VISITOR-SERVING COMMERCIAL AND CULTURAL:** the planned ‘food truck court’ and Embarcadero dining space Embarcadero dining space will attract visitors as well as area residents and workers, and will add an activated use adjacent to the new Brannan Street Wharf.
 - **MARITIME USES:** We plan to reuse the existing northern finger pier as a visitor-serving “guest dock” and water taxi location to expand the maritime use of the Pier and its environs.
- **Redevelopment of South Beach etc:** Our Pier 38 proposal will revive this historic bulkhead building in a manner compatible with the new Brannan Street Wharf and the surrounding South Beach community The new “food truck court” and dining space, which can accommodate occasional live music programming, will provide a welcoming public destination between the Ferry Building and AT&T Park, catering to residents, visitors and ballpark attendees. Visible from The Embarcadero and surrounding streets, the dining will spill out onto the Pier apron adjacent to The Embarcadero, animating Pier 38’s historic bulkhead. Similarly, reuse of the repaired north-side guest dock and water taxi will bring maritime activity to the area. Together, these will knit Pier 38, currently a fenced-off shell, into the ever-growing public life of the southern Embarcadero.
- **How Pier 38 short-term uses will not inhibit future development of Pier 38:** Our Pier 38 proposal involves a reasonable initial investment in anticipation of being able to bring on-line a new and vibrant, refurbished Pier 38 in its entirety. Nothing we plan to do in the bulkhead precludes this development and will accomplish several benefits. Our proposal will bring very rapid change to the Pier 38 bulkhead as described above, and will provide a revenue stream to the Port and animate what is now a shuttered waterfront asset. It will come on line in the near-term and complement the Brannan Street Wharf while providing some opportunity for public access along the north Pier apron and guest dock.
- **Develop a plan to improve the appearance of Pier 38:** Phase 1 will improve the building’s appearance through cleaning and refurbishing of the bulkhead’s windows, facades and details along with lively signage and retail awnings. The tables that spill out onto the pier apron will have umbrellas, and complement the Brannan Street Wharf to make a welcoming and civic public place on The Embarcadero. Further improvements to the appearance of the pier shed building would be part of Phase 2.
- **Adaptive reuse according to the Secretary of the Interior Standards:** TMG Partners has successfully completed prior projects in San Francisco — One Market Street and 1000 Van Ness, under Secretary of Interior Standards. In addition, our team’s architectural consultants, Perkins & Will (architects for Pier 1 and the Ferry Building), and Architectural Resources Group, are experienced with the rehabilitation of historic waterfront finger pier structures such as Pier 38, and have full expertise to accomplish the planned work program in accordance with the Secretary of the Interior Standards. As a team, we are enthusiastic about the rehabilitation and transformation of these historic structures and know how to bring them into vibrant contemporary use that will be an asset, long term, to the San Francisco waterfront.

- **Sustainability:** As a public agency, the Port of San Francisco has an important leadership role in demonstrating environmental stewardship. This development and design team hold environmentally contextual design as a primary driver for our work. This is key both for the natural environment and for the social and cultural environment in which this project will exist. Both TMG and our partners and consultants are highly experienced in sustainable development practices. We will work as an integrated team to identify opportunities and develop strategies to reduce the environmental footprint of the project.

- **ENTITLEMENTS:** If available, the long term renovation of Pier 38 would qualify as a Commercial Alteration as defined by the San Francisco Department of Building Inspection's "Green Building Requirements." As such, it would be required to meet a minimum of LEED Gold or similar. The short term use would not trigger these requirements, though short term improvements would be done with consideration to long term sustainability objectives.

- **ENERGY:** The Pier 38 rehabilitation will be designed with energy efficiency as a key driver, including building envelope upgrades where appropriate and mechanical systems and controls designed to limit energy use. Windows and skylights will enable good daylight for much of the interior space; sensors and controls can reduce the usage of artificial lights during the day. The design team will study the physical feasibility and financial procurement options of onsite renewables; the opportunity for photovoltaics on the large roof of Pier 38 is considerable and the project in theory could be net positive.

- **WATER:** We will specify water efficient plumbing fixtures including waterless fixtures where appropriate. Stormwater and its impacts on bay water quality will be mitigated to the extent possible for a pier structure.

- **MATERIALS:** We will only use interior materials that are low emitting as well as regional and recycled where possible. We are also committed to reusing as much of the original materials as possible, both for historic integrity and to minimize the carbon footprint of the new construction.

- **AMENITIES:** Parking impacts will be minimized and pedestrian, bike and boat access will be emphasized. Public access is a key part of the program and our team will ensure that public spaces are of high quality and designed for meaningful use.

- **Financial:** Our proposal offers the Port payments during construction, ongoing rental income during the term of the lease and investment of over \$6 million in development costs. Additionally, we will be paying parking tax to the City and County, possessory interest tax, building permit fees and required impact fees.

- **Local workers:** TMG is committed to establishing a workforce participation program that focuses on local hiring for construction and participation by small local firms (LBE, MBE and WBE firms) in the design and construction of the improvements.

- **Security:** As part of the property management plan, TMG will provide security for the entire Pier 38 structure including those sections that are not being put to use in the Phase I.

Constructability

We have reviewed all of the existing condition reports and plans prepared by the Port as part of the RFP Process. Holmes Culley, our structural engineering firm has prepared a memorandum (see next page) that outlines our approach towards the required code upgrades and other work. Plant Construction Company has inspected the property and reviewed the reports as well and prepared a budget and general scope of work that supports our proposed use of the space.

The major principles we have established are:

- Introduce active and appropriate uses to the pier with limited code and capital upgrades so as to fully meet building code requirements while maintaining the economic feasibility of the overall reuse plan.
- Meet all accessibility requirements for the re-occupied space.

Under Phase I of the proposed Rehabilitation Concept plan, redevelopment work will be limited to that necessary to achieve an acceptable level of Building Code compliance for the Bulkhead and Shed areas to be reoccupied under the interim scheme. As such, the scope of implementing modern building systems for Phase I is limited, and historic building aspects will be essentially unaffected aside from minor improvements to meet Building Code.

The following table outlines the proposed scope under the Phase I interim use scheme as compared with Option 1 – Basic Code Compliance, documented within Appendix B – Pier 38 Building Code Compliance and Occupancy Study, Port Of San Francisco, January 13, 2012. The table also shows work proposed to be undertaken during the long term “Phase 2” full rehabilitation of Pier 38, which is discussed in greater detail in succeeding sections of this proposal.

ITEM	SCOPE FROM PORT OF SAN FRANCISCO OPTION 1 – FIRST FLOOR	PROPOSED PHASE I INTERIM USE SCHEME – FIRST FLOOR
01	Add new LULA elevators and elevator machine room in two locations, create lobbies.	<p>One LULA elevator and elevator machine room at the northern historic stairs.</p> <p>Note: the second level office space south of the train pass thru remains inaccessible and not code compliant without installation of 2nd LULA. This area is not proposed for re-use as part of Phase I re-development. This scope to be covered under Phase II redevelopment.</p>
02	Reconstruct north and south aprons to the eastern extent of a new pedestrian walk at the eastern end of the parking. Level aprons to provide code compliant path of travel.	<p>Northern concrete apron to be reconstructed to only accommodate access to finger pier. Remaining portion will be fenced off with appropriate signage per Item 11.</p> <p>Southern apron to remain inaccessible. This area will be fenced off with appropriate signage per Item 11.</p> <p>Egress from the carpark portion of the shed, will be internal leading to the Embarcadero via either the drive aisle, or north apron.</p> <p>Replace guardrail at northern apron to meet code requirements.</p> <p>Full pier apron reconstruction to be covered under Phase II redevelopment.</p>
03	Re-grade sidewalk outside of historic south stairwell at promenade along the Embarcadero for ½” threshold at door.	<p>South historic stair is not proposed for re-use for Phase I redevelopment.</p> <p>To be reconstructed under Phase II redevelopment.</p>
04	New level landings added outside all doors.	New level landings at all doors opening to the exterior.
05	Permanent concrete ramp to be added to the north side of the bulkhead.	New ramp at northern “dining” area
06	Hand railings added to the ramp near drive aisle.	New handrails to be provided to ramp near drive aisle.
07	Create vestibule/foyer for access to north side offices from shed.	<p>Not proposed under Phase I scheme.</p> <p>Bulkhead spaces will be considered non-separated occupancies for Phase I redevelopment. No occupancy separations are proposed between drive aisle (S-2) and north side offices (B).</p>
08	Reconstruct exit stairs from second floor on north side of building to meet maximum code riser height (7”)	Remove exterior metal stair to northern office area.
09	Add striping at pedestrian path through parking areas.	Striping for pedestrian crossing at parking drive aisle.

ITEM	SCOPE FROM PORT OF SAN FRANCISCO OPTION 1 – FIRST FLOOR	PROPOSED PHASE I INTERIM USE SCHEME – FIRST FLOOR
10	Add new storefront with man door to west end roll up door for access control.	Not proposed under Phase I scheme.
11	Add fence and man gate with pad lock at east end of parking with new signage "Warning Authorized admittance by port maintenance only. Maximum 3 persons".	Fence and man-gate with pad lock at east end of parking with signage.
12	Float new concrete floor in the north office area and/or lower existing floor drain locations.	Float new floor finish in north dining area or lower floor drains in kitchen.
13	Reconstruct sidewalk outside of southern exit stairs/ doors for level landing.	See Item 3.
14	Remove temporary structures in the shed.	Clean up shed and remove temporary structures.
15	Add insulation at piping at all lavatories.	Clean and repair toilet rooms on ground level, provide insulation at piping.
16	Replace all unlabeled fire rated doors and frames in walls between B (office) occupancies and S-2 (parking) occupancy.	Upgrade wall separating bulkhead and shed to a two-hour firewall to separate parking (S-2) and bulkhead space. Provide 90-min roll-up door in firewall at drive aisle. Replace non-labeled fire rated doors from bulkhead area to food truck/parking area in shed, located within separating firewall.
17	Extend/Rebuild existing wall of north exit stair from second floor former shed space.	Rebuild one-hour enclosed north east stair shaft.
18	Create level landing at door into main historic stair by reconfiguring floor.	Level landing at door to main historic stair to be provided.
19	New sprinklers in the 1908 original portion of the shed to bring building into fully sprinklered category.	Shed to be separated from bulkhead with 2-hr firewall. Shed to remain un-sprinklered for Phase I interim use scheme. Full sprinkler protection to be provided under Phase II long term scheme.
20	Add signage on all three sides of the exterior wall of the "vacated" Bulk storage portion of the shed – to "keep out- Port of san Francisco maintenance only"	Refer to item 11.
21		Remove bar and miscellaneous partitions in office and dining areas
22		Cleaning, paint, floor finish for all non-shed areas.
23		Industrial lighting fixtures and picnic tables for dining area
24		Signage for food truck/dining area

ITEM	SCOPE FROM PORT OF SAN FRANCISCO OPTION 1 – FIRST FLOOR	PROPOSED PHASE I INTERIM USE SCHEME – FIRST FLOOR
25		Provide built-up wood floor at train pass thru on ground level.
26	Rebuild north exit stair from northernmost bulkhead office space.	Refer to Item 8.
27	Rebuild one hour enclosed north east exit stair to avoid head knocker condition, extend walls at shed to roof of shed.	Rebuild one-hour enclosed north east stair shaft to compliant stair.
28	Add new ramp between bulkhead and former shed space. Create vestibule for entrance into office space.	Access ramps to be provided where necessary for access between 2nd level bulkhead and shed office space.
29	Add new ramp in north side of former shed space to make accessible path of travel.	Add new ramp in loft area (shed space) at the north side
30	Remove selected partitions to open up space for new tenants.	Internal partitioning to be reconfigured to provide optimal office space.
31	Remove non conforming single stall toilets.	To be removed, as part of Phase I scheme.
32	Add contrast striping to the stairs and code conforming railings at historic stairs.	Replace historic railing with code compliant railing and provide contrasting striping at nosing for both historic stairs.
33	Remove all non wood floor finishes throughout.	Not proposed under Phase I scheme.
34	Remove non code compliant spiral stair.	Remove spiral stair, patch floor.
35	Provide railings under all structural braces where head clearance is non code compliance.	Provide railings under all structural braces where head clearance is less than 80".
36	Remove portion of corridor wall in southern most portion of Bulkhead to create elevator lobby.	Refer to Item 1.
37	Level floor as required between office spaces in bulkhead.	See Item 29.
ITEM	ADDITIONAL SCOPE ITEMS FOR PHASE 1 INTERIM USE SCHEME (MECHANICAL, ELECTRICAL, PLUMBING)	
38	Seismically brace existing HVUs, unit heaters and plumbing piping (is there enough heat in existing condition?)	
39	Ensure existing power supply to pier is adequate to support Food Trucks as generators used in the shed could be a health risk.	
40	Replace/relocate electrical panels, strobe/horn fire alarm units, emergency exit signs, smoke detectors, and fire alarm pull station as required.	
41	Mechanical venting and cooling for elevator machine room	

C3. USE PROGRAM

Food Truck Court and Dining

Capturing the zeitgeist of San Francisco's diverse food culture, our intent is to locate an ever-changing series of the region's best food trucks on a small portion of the Pier per the attached plan, and use a portion of the Bulkhead for informal dining, activating the northern portion of the Pier apron adjacent to the Embarcadero and the new Brannan Street Wharf Park, taking advantage day and evening of the waterfront views and lively Embarcadero atmosphere. The dining space will be fun and festive, with picnic tables, and possibly, controlled live music on evenings and weekends, especially in the spring, summer and fall. New lighting, mechanical systems and paint will be used to create an informal, waterfront ambiance.

We feel this is the most appropriate solution to publicly activating the Pier with a reasonable capital investment at a scale appropriate for the surrounding uses. This approach will provide economic opportunities to San Francisco's growing number of food entrepreneurs, who will provide a variety of food offerings in a manner that can be tailored to meet various peak period demands (such as during baseball season). We believe the food trucks will appeal to visitors as well as local residents in the adjacent South Beach neighborhood, where convenience food offerings are somewhat limited.

High-Tech Office Program

We propose re-creating approximately 20,000 square feet of office space on two floors, facing The Embarcadero on the south portion of the bulkhead building and on the existing mezzanine, per the attached diagram. This strategy reflects no change of use or occupancy which would trigger a seismic upgrade of the entire Pier. We will do needed work to the Pier shell and core as required, introduce new HVAC and electrical systems, sign the tenant leases and provide market-driven tenant improvement allowances to attract potential users.

We plan to re-tenant the office space with creative and technology-oriented firms. We are in negotiations with several of the former technology sector subtenants at Pier 38. TMG has deep experience and relationships in tech office leasing, including recent lease agreements with Macys.com and Riverbed Technology at 680 Folsom, and with a strong roster of technology tenants at the Hamm's Building and other projects.

We believe technology users will be attracted to Pier 38 by the unparalleled waterfront location, the mix of uses, including the proposed food truck court, and by the unique character of the pier bulkhead. Because of their attraction to open floor plan with minimal interior divisions, we believe technology companies are an excellent fit with historic preservation projects.

Maritime Uses

We propose to continue use of the existing docks on the north side of Pier 38. The dock will be repaired and made usable in order to allow San Francisco Water Taxi to provide water taxi service to Pier 38 (see attached letter). Water taxi service will be provided from Marin County and other San Francisco locations. Short term guest berthing will also be permitted which is consistent with the physical condition of the docks.

Public Access

On the north side of Pier 38 we will refurbish the Pier apron to allow new public access along the portion of the Pier we are occupying, and, will be adding a guest dock program to the existing dock. We also anticipate launching a water taxi program for Pier 38, which will be accessible from the existing floating dock.

Parking

Using a relatively minor portion of the Pier 38 shed building, we have located 40-60 new parking spaces to be used in tandem with the refurbished office space we will be leasing. The Phase 1 area of Pier 38 to be used for this and the above program uses has been calculated on the basis of not triggering an entire Pier 38 seismic upgrade. A full seismic upgrade and refurbishment of the pier and shed will be undertaken in Phase 2.

Phase 1 Program Summary

The following summarizes our proposed Phase 1 program:

SPACE	GSF	%
Office (1st Fl)	6,600	11%
Office (2nd Fl)	12,915	21%
Dining Area	6,800	11%
Parking	22,400	37%
Public Access	9,400	16%
Guest Dock	2,400	4%
Total GSF	60,515	100%
Total RSF	19,515	

D1. REHABILITATION CONCEPT PLAN

Historic Integrity

Our team has extensive experience with rehabilitating projects according to the Secretary of the Interior Standards. The team expects to pursue historic tax credits as part of the financing package for the long term development, so the project be reviewed through the State Historic Preservation Office and National Park Service process. Our approach is to conduct a full assessment of existing conditions and provide a historic structures report. We then ensure that architectural interventions as well as structural and systems upgrades are planned with sensitivity to construction sequencing and preservation of historic features and compatibility with those features. A full summary of the design intent and documentation of compliance with the Standards will be included in our report to SHPO and NPS. Our construction drawings will identify these features and call out protection, salvage, reinstallation or rehabilitation where needed to clarify scope for the contractor.

Life Safety

We have reviewed the Port's code compliance assessment and conducted our own analysis. We will undertake several improvements in the short term leading to full life safety improvements for the long term development. For the short term we will ensure compliance of fire separation assemblies for all occupied spaces, provide code required exits and repair the fire alarm system for occupancy. In addition, the bulkhead building will receive full fire sprinkler protection. For the long term development, the building will conform to current life safety codes and have a full fire alarm and fire protection system for both the bulkhead and pier. See the report by Holmes Fire (Section C2 on page 12) for our detailed remediation approach.

Accessibility

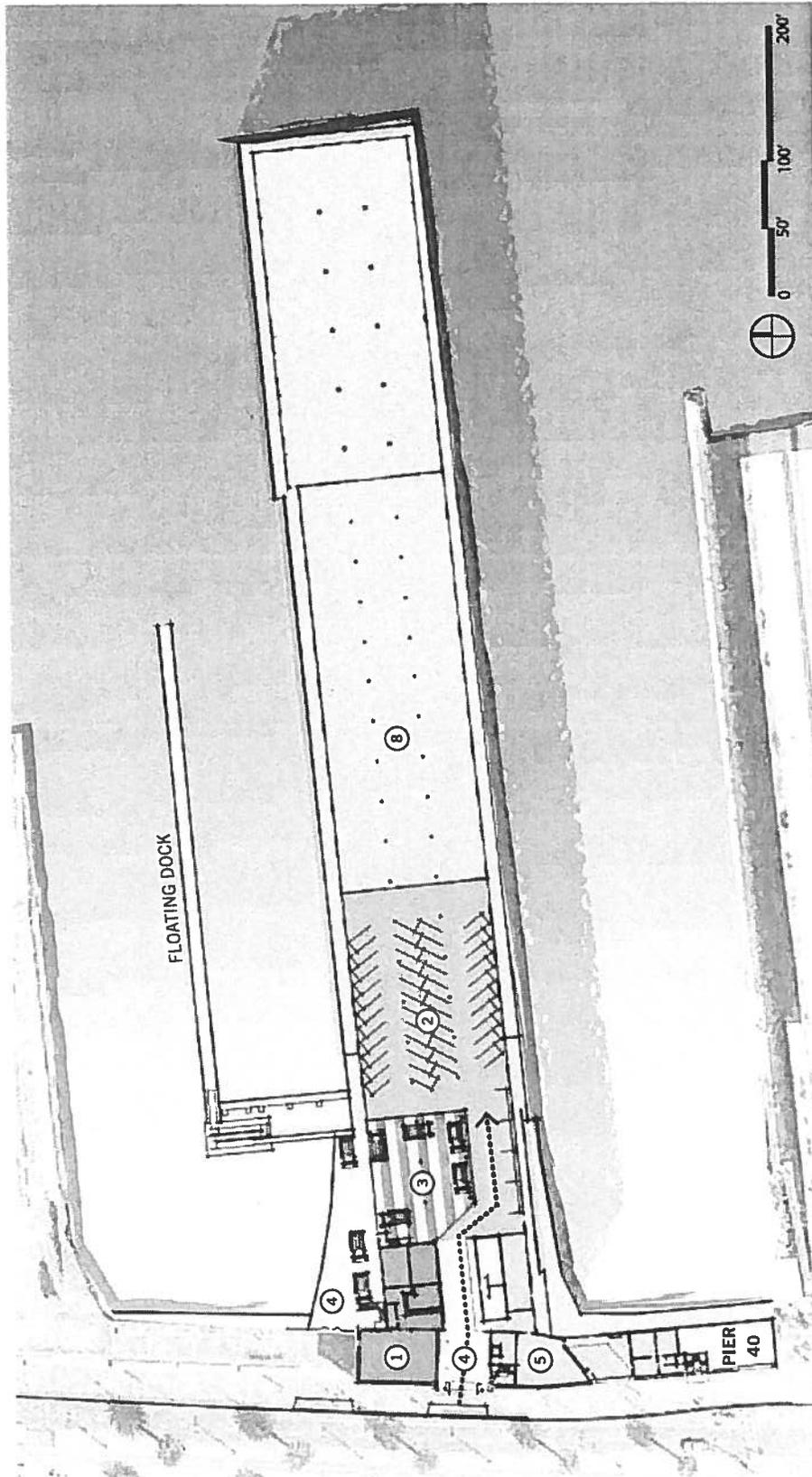
In addition to life safety upgrades, the bulkhead building will be remediated for accessible path of travel to all occupied spaces in the short term. Upgrades will include a LULA elevator to the second floor, revised ramps and level landings where required, code compliant handrails and grab rails and code compliant signage and way finding. The long term development will ensure ADA compliant access throughout. See report by Holmes Fire (Section C2 on page 12) for our detailed remediation approach.

Structural Upgrades

Both the bulkhead building and the finger pier will require significant upgrades for long term seismic safety. These upgrades are summarized in the structural narrative by Holmes Culley presented in Section D5. We have analyzed both the short term use and long term development and have included selected remediation for immediate occupancy, followed by phased full upgrades for the long term use. Most short term upgrades occur in the bulkhead building, both to correct nonconforming existing work and provide for accessibility. All such upgrades will be sensitive to historic fabric and be designed to either not disturb historic finishes or to remove and reinstall or recreate them where appropriate.

D2. SITE PLAN

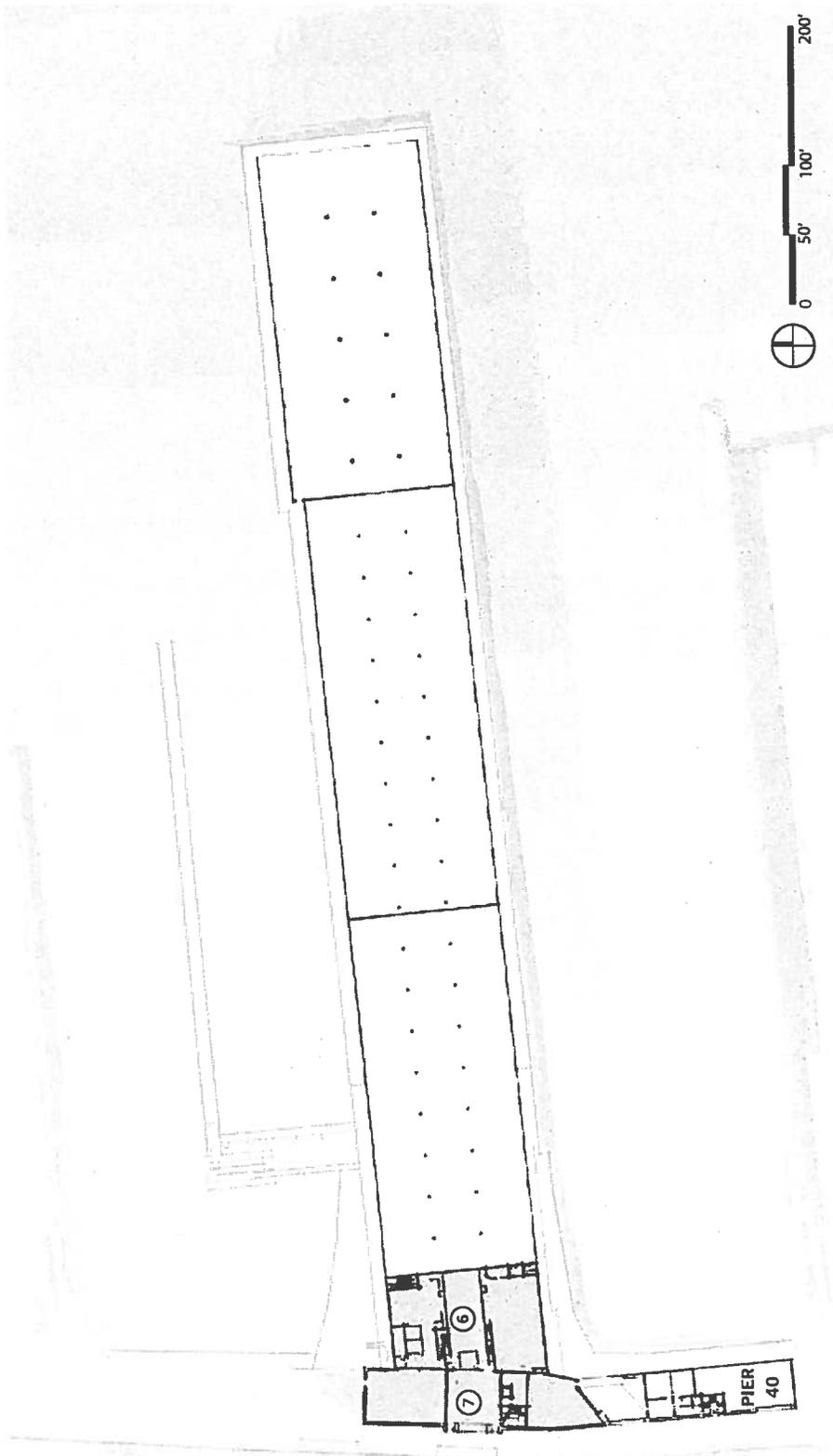
First Floor — Phase I



PUBLIC TRUST USES		OTHER USES	
①	RETAIL / DINING	⑤	1ST LEVEL OFFICE
②	PARKING (+/- 45 SPACES)	⑥	2ND LEVEL OFFICE (SHED)
③	PUBLIC ACCESS / FOOD TRUCK	⑦	2ND LEVEL OFFICE (BULKHEAD)
	SUBTOTAL		TOTAL OFFICE
④	PUBLIC ACCESS GUEST DOCK	⑧	NOT ACCESSIBLE / NO IMPROVEMENTS
	TOTAL		TOTAL

	6,800 SF	6,600 SF
	22,400 SF	7,415 SF
	6,000 SF	4,887 SF
	35,200 SF	18,902 SF
	9,400 SF	78,300 SF
	2,400 SF	97,202 GSF
	47,000 GSF	

Second Floor — Phase I

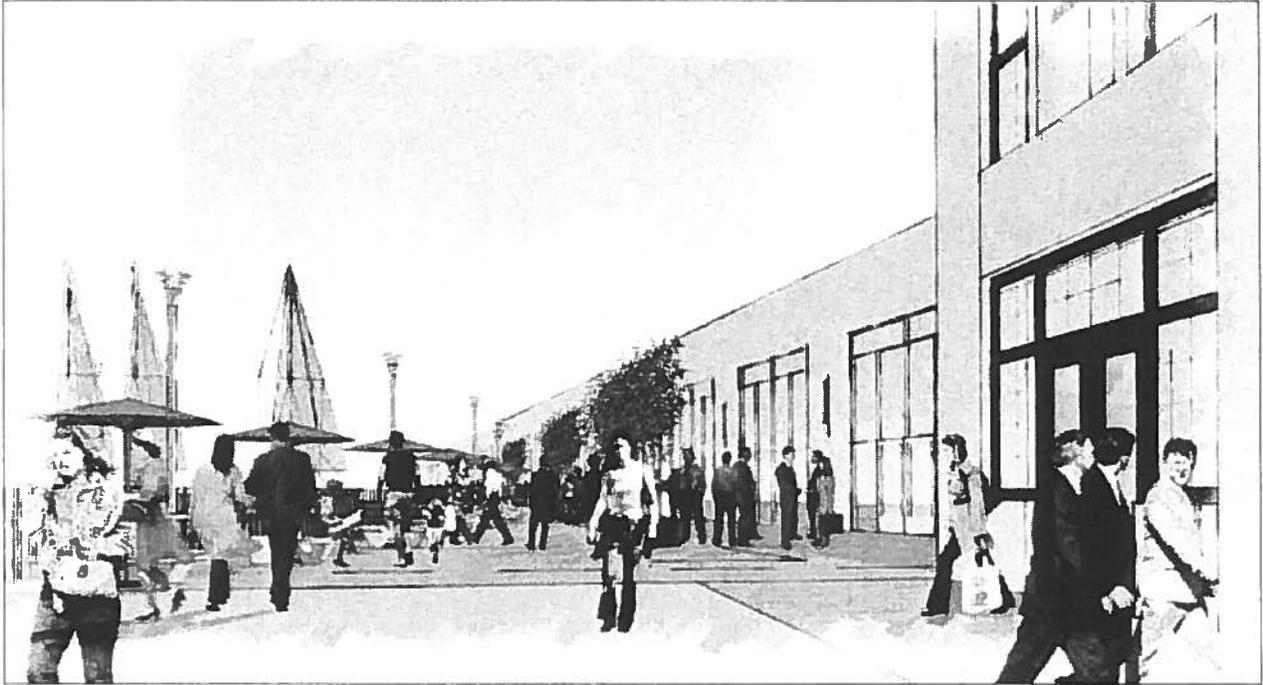


PUBLIC TRUST USES		
①	RETAIL / DINING	6,800 SF
②	PARKING (+/- 45 SPACES)	22,400 SF
③	PUBLIC ACCESS / FOOD TRUCK	6,000 SF
SUBTOTAL		35,200 SF
④	PUBLIC ACCESS GUEST DOCK	9,400 SF
TOTAL		47,000 GSF

OTHER USES		
⑤	1ST LEVEL OFFICE	6,600 SF
⑥	2ND LEVEL OFFICE (SHED)	7,415 SF
⑦	2ND LEVEL OFFICE (BULKHEAD)	4,887 SF
TOTAL OFFICE		18,902 SF
⑧	NOT ACCESSIBLE / NO IMPROVEMENTS	78,300 SF
TOTAL		97,202 GSF

D5. LONG-TERM DEVELOPMENT

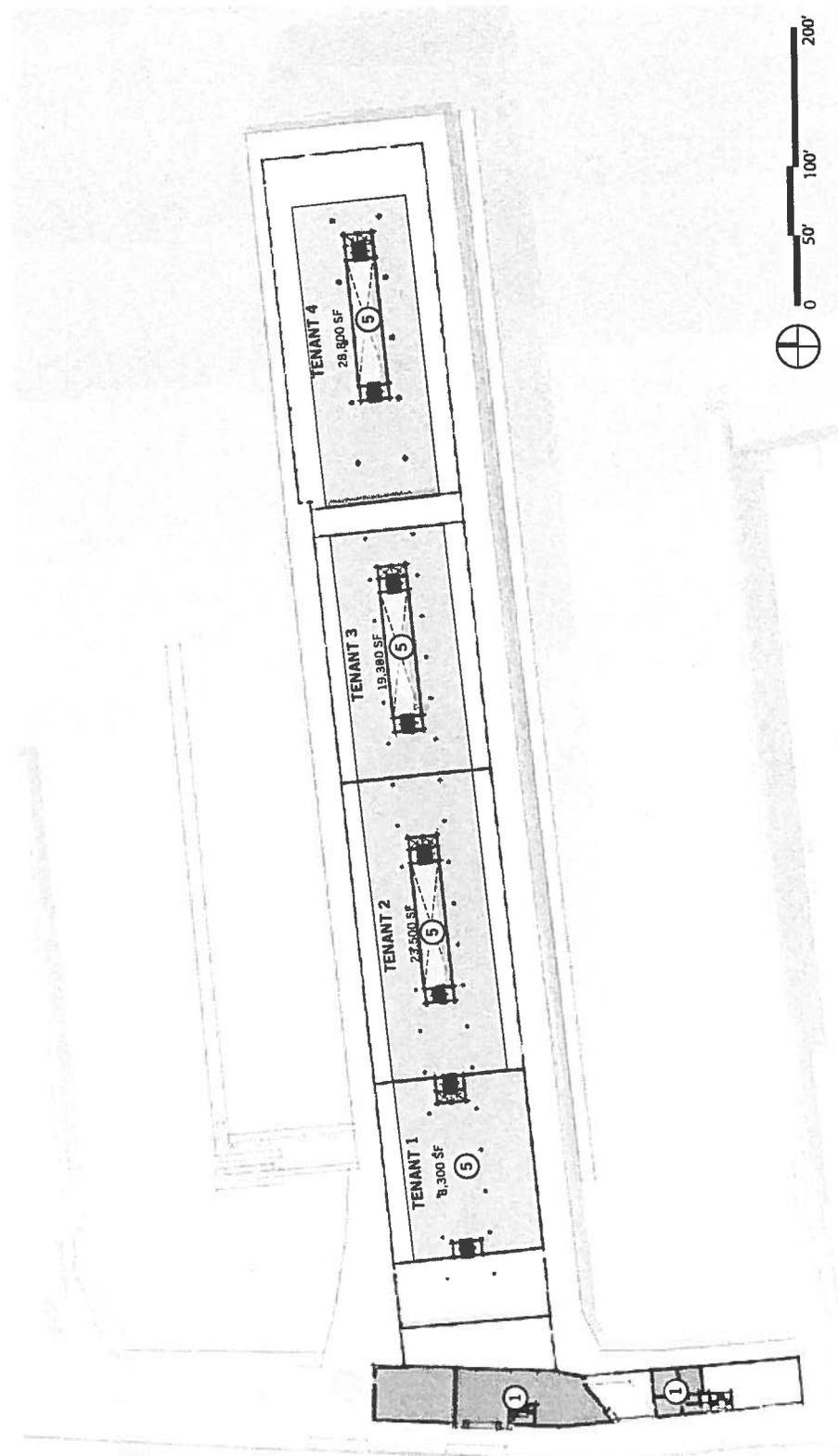
Phase II Concept



Our Pier 38 Phase 2 concept anticipates reuse of the entire finger pier as a long-term, productive real estate asset for the Port of San Francisco. We anticipate transforming this dilapidated, under-utilized structure into a vibrant, water oriented mixed-use development with state-of-the-art, seismically safe maritime, office and retail uses seamlessly integrated into the historic Pier 38 shed and bulkhead. Repurposed in accordance with the Secretary of the Interior Standards, Pier 38 will contribute to the ongoing renewal of Port properties, following in the path of projects such as Piers 1, 1½-5, the Ferry Building, The Exploratorium, and the new Cruise Ship Terminal at Pier 27.

The attached drawings illustrate an approach to the redevelopment and revitalization of Pier 38. Following the drawings, we present our structural engineer's assessment of the future seismic upgrade of the pier and how it fits with the Phase I undertaking.

Site Plan + Uses — Second Floor



PROJECT TOTALS		
PUBLIC TRUST USES W/O WATER	67,000 SF	
OFFICE TOTAL	139,200 SF	
TOTAL	206,200 SF	
PUBLIC TRUST USES WITH WATER	262,750 SF	
OFFICE TOTAL	139,200 SF	
TOTAL	401,950 SF	

OTHER USES	
④ GROUND FLOOR OFFICE	79,900 SF
⑤ SECOND FLOOR OFFICE	59,300 SF
TOTAL OFFICE	139,200 SF

PUBLIC TRUST USES	
① RETAIL / DINING	13,600 SF
② MARITIME USE (FINGER PIER)	2,400 SF
GUEST DOCK	2,400 SF
LEASEHOLD OVER WATER	195,750 SF
BOATING SERVICES	4,500 SF
SUBTOTAL	205,050 SF
③ PUBLIC ACCESS	37,030 SF
APRONS	7,070 SF
PASS THRU LOBBIES	44,100 GSF
SUBTOTAL	44,100 GSF



PIER 38

A Development Proposal to the Port of San Francisco
San Francisco Waterfront Partners, LLC
March 25, 2013



SAN FRANCISCO WATERFRONT PARTNERS, LLC



PORT of
SAN FRANCISCO

C) PIER 38 REHABILITATION CONCEPT

Creating sensitive and measured change within historic environments is a critical part of maintaining a vibrant and useful city. The key in the rehabilitation of the Pier 38 Bulkhead and Transit Shed is to identify the features that imbue the buildings with lasting character and to retain those features while balancing them with the needs of a contemporary use. The Secretary of the Interior's Standards for Rehabilitation allow for a compatible new use and they encourage adaptive reuse that is sensitive to, yet differentiated from, the old. Our approach is to create a language of interventions that are clearly differentiated from the old: interventions that may be contemporary in character, secure and efficient in function, and sustainable by nature.

As part of the Port of San Francisco's Embarcadero Waterfront Historic District, Pier 38 has a story to be told.

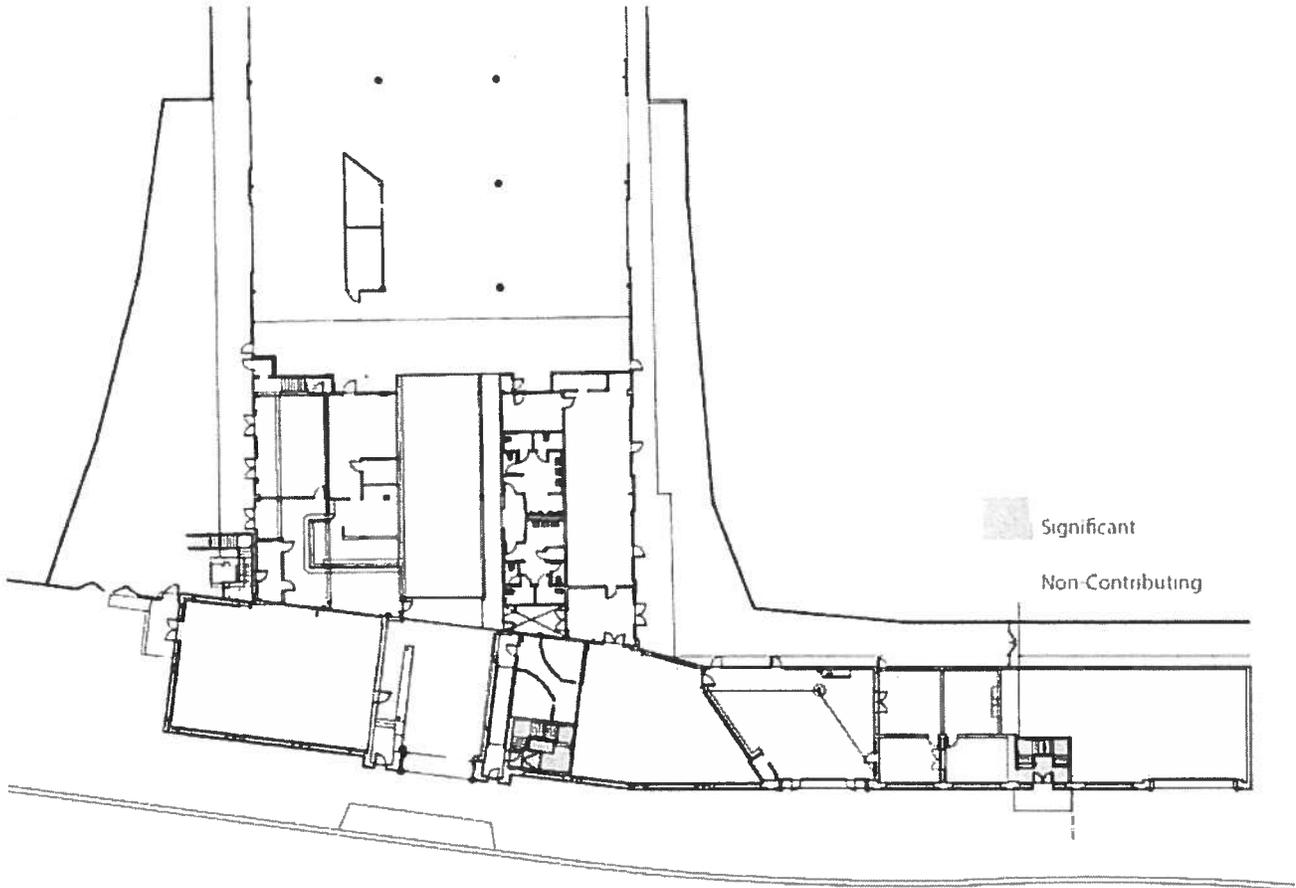
Because of the building's status as an historic resource and its importance in the overall development of the City of San Francisco, we anticipate working closely with local preservation advocates and we will collaborate with the Port's historic preservation officer, advocate for early review by the City's Historic Preservation Commission (if desired by the Port), the State Historic Preservation Office and the National Park Service. These layers of review and engagement are critical in ensuring a lasting legacy, and we understand the importance of this process in the overall stewardship of waterfront resources.

Following the guidelines of The Secretary of the Interior's Standards for Rehabilitation, interventions will be compatible and differentiated from the existing historic fabric, and use a language of simplicity and clarity to acknowledge the original design intent.

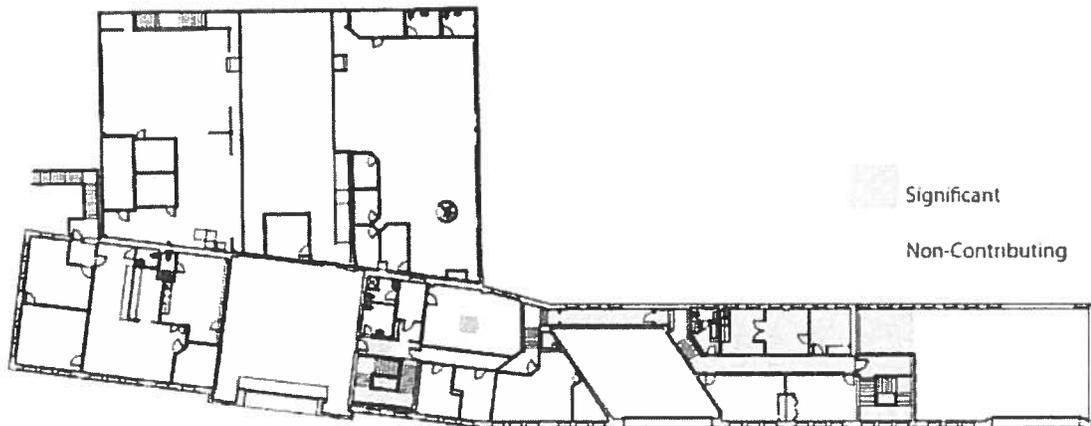
The approach to façade renovations must be gentle and non-invasive. The painted stucco or concrete wall surfaces, distinctive form and details, and terracotta roofing will be investigated, cleaned and repaired. An approvable approach to window rehabilitation or replacement will be developed to meet program, environmental and mechanical requirements. Focused attention will be paid to the primary entries and original stairwells, the entire building exterior, and special features and fixtures to enhance their historic character and prolong their lifecycle. Universal access and up to date life safety and egress provisions will be incorporated sensitively.

Our team's approach not only aligns with – but DRIVES – our philosophy and values: an appreciation of the building's history and significance; a comprehensive knowledge of the regulations applicable to historic buildings; a sustainable design approach to the built environment; a commitment to contemporary spaces in the information age; a record of exceptional architecture and place-making; and a respect for community in every project we undertake.

Historic Significance Drawings



First Floor



Second Floor

C) PIER 38 REHABILITATION CONCEPT

(1) Meeting the Port's Development Objectives:

PORT'S OBJECTIVES

SFWP RESPONSE

Repair the Pier 38 Bulkhead building

SFWP and its consultant team have performed extensive due diligence on the pier. We have identified all code violations and have addressed solutions which are both time and cost efficient. See attached code summary in Appendix A.

Develop the most effective implementation strategy to quickly re-tenant the Pier 38 bulkhead building in order to achieve the Port's goal of bringing it back into economic use and provide an on-going revenue stream to the Port.

SFWP recognizes the Port's desire to bring Pier 38 back to its useful condition as quickly as possible. However, during our investigation, we have identified various structural and environmental (CEQA) considerations that will require consultation with the Port's Planning and Development and Building Inspection Departments. For this reason, we are presenting two Alternatives to the Port in this submittal:

Alternate 1: Develop Port's Option 1c (first and second floor) of the Bulkhead as set forth in the RFP with a portion of the parking allowed under 1d.

Alternate 2: Develop Option 1a (ground floor only) as set forth in the RFP but do so only as an accelerated phase1 as part of the development of the balance of the overall Pier 38.

These Alternates are discussed more fully in Section d): "Rehabilitation Strategy to ensure a Successful Project"

Encourage the re-tenanting of the Pier 38 bulkhead building to include: office, high technology uses, visitor-serving commercial, entertainment and cultural uses, and maritime uses that complement adjacent waterfront development.

We propose to develop a mixed use project that would respond to the Port's objectives:

- **Office:** High tech office tenants.

We have formed an alliance with SOMA Central, the former Pier 38 tech hub subtenant who is interested in returning to Pier 38. We believe that a mix of tech hubs/entrepreneurial start-ups, established tech firms and venture capital companies would be best served in Pier 38.

- **Retail:** Casual cafés and restaurants, including a beer garden with outdoor dining.

We have an exciting list of potential operators who have expressed interest in the three restaurants / café spaces.

- **Maritime:** Public dock, water taxi landing, kayak landing, small boat launch. We have a longstanding relationship with Paul Nixon and Tidelines and will reactivate and expand the existing berths to provide an exciting boating activity center for water taxis, kayaks and public transient berthing and install a 2 ton boat launch crane to permit the launching of small craft. See letter of support from Paul Nixon at Bay Access and letter of interest from Tidelines in Appendix B.

- **Parking:** 24 self-park or approximately 55 valet parking spaces. Parking will be priced for short term use only.

C) PIER 38 REHABILITATION CONCEPT

(1) Meeting the Port's Development Objectives:

PORT'S OBJECTIVES

Continue the redevelopment of the South Beach waterfront from the Bay Bridge to AT&T Ballpark, by reviving this historic structure, and helping knit Pier 38 into the South Beach neighborhood by bringing people and business activity to the waterfront.

SFWP RESPONSE

Pier 38 provides a unique opportunity to not only knit together this section of the waterfront but to also knit the surrounding residential and high tech community across the Embarcadero with the waterfront.

On the Bay side of the Embarcadero we will adapt the northern apron to be seamless with the new apron of the Brannan Street Wharf and adapt the design of the southern apron to create a continuous Port Walk from the Brannan Street Wharf on the north, across the repaired Pier 38 apron, through the repaired Shed and on to Pier 40 in the south while incorporating a History Walk in the Shed to provide visitors with and interpretative history of the area. We will also take the bold step of removing the office space on the ground floor in the location of the old railroad passage and connecting the Embarcadero to the southern apron via a broad public walkway so that the Port Walk will be more apparently accessible to the public. The new public walkway will be bordered by cafés and restaurants to encourage visitor access to the water.

While many of the developments on the southern waterfront have been successful in attracting visitors to the waterfront, there has also been a shift in demographics on the land side of the Embarcadero. More people are living in denser conditions and more businesses are choosing to office South of Market. By continuing Pier 38's high tech history, Pier 38 would become part of the City's next generation of tech-makers, helping to keep our workforce's greatest asset, its brain trust, within our City. Additionally, the restaurants and cafés would provide a new and exciting reason to visit Pier 38 would capture Giant's and Warrior's foot traffic and would provide a quality waterfront amenity to those residents living in the area. In particular, the northern most restaurant would animate and secure the new Brannan Street Wharf with outdoor tables and chairs facing the new park. Casual take away dining could be brought and enjoyed on the park, taking advantage of the magnificent Bay views. Details are presented in Section d).

C) PIER 38 REHABILITATION CONCEPT

(1) Meeting the Port's Development Objectives:

PORT'S OBJECTIVES

SFWP RESPONSE

Demonstrate how the short-term Pier 38 bulkhead building rehabilitation will not inhibit a long-term reuse of Pier 38 (i.e., ensure that the short-term construction and operation would not hinder possible subsequent redevelopment of the entirety or majority of Pier 38).

Our team has devoted a considerable amount of time to studying the extent of work to be undertaken in Phase I and the means by which the temporary repairs can be executed in a manner that will not impede subsequent long term development of the Phase 2.

In order to do this, we have asked our structural engineers to consider alternative structural approaches for the permanent seismic upgrading that will have to be undertaken in Phase 2.

In some cases, such as in the newly created Port Walk café spaces, facilities will have to be developed on a temporary basis. Some relatively minor moment frames and shear walls will have to be installed in Phase I and these will contribute to, but not hinder, the ultimate development to be conducted in Phase 2.

There are several interim improvements such as the new apron that will have to be removed for the permanent seismic upgrading of Phase 2 and discussions with the Port's Planning and Development Department will be necessary to resolve these improvements. Further discussion on this item is presented in Section d).

Develop a plan to improve the physical appearance of the bulkhead building and pier shed.

As demonstrated in our prior work along the waterfront, SFWP is committed to respecting the history of Pier 38 while also delivering a high quality project that encourages the public's use of the waterfront.

The Bulkhead and Phase I of the Pier shed will be resurfaced and upgraded. New Port Walks will be constructed, providing more porosity and public access through the Pier. The dock and marina will be repaired and put back into use. The bulkhead building will be restored and upgraded in conformance with the Secretary of the Interior's Standards.

Require that any adaptive reuse will be consistent with the Secretary of Interior's Standards for the Treatment of Historic Properties ("Secretary Standards").

All plans will be consistent with the Secretary of the Interior's Standards and would be completed with the goal of obtaining historic tax credits during Phase 2.

See memo from Farella Braun + Martel summarizing the major issues related to obtaining historic tax credits at Pier 38 as well as a letter of interest from US Bank in Appendix C.

C) PIER 38 REHABILITATION CONCEPT

(1) Meeting the Port's Development Objectives:

PORT'S OBJECTIVES

SFWP RESPONSE

Require a sustainable development program that minimizes the reliance on private automobiles, uses energy efficiently and, as possible, includes alternative energy sources that comply with the City's Green Building Standards.

Currently, we are anticipating that no more than 55 total cars required for restaurants and cafés will be provided. No commuter parking will be included and all of the parking spaces would be priced to encourage short term parking. Bike lockers would also be provided for tenants and visitors within the Pier shed and free parking racks provided along the Port Walk.

We will provide water taxi landings free of charge (within the Port's policies) to encourage the use of public water transportation. A transportation education and management program will be prepared for our tenants, their employees and their visitors. The development will comply with the City's Green Building Standards. The building will be designed to a minimum of LEED Silver standards and we will strive to achieve LEED Gold. We will incorporate alternative power sources such as solar panels, 100% outside air and will investigate the use of Bay water cooling for Phase 2 of the project. We will employ state of the art composting, recycling and trash handling facilities in the Shed building and undertake a Green Restaurant programs with your tenants. A condition of all restaurant leases will be that they undertake to support sustainably farmed produce.

Secure private financial investment to rehabilitate and revive the Pier 38 bulkhead building in the near term.

SFWP is sufficiently capitalized to immediately undertake the Pier 38 rehabilitation, marketing, tenanting and property management. See Section 3.

Provide business and employment opportunities for local workers and businesses during the design, construction and operation phases of the Pier 38 bulkhead building.

SFWP is dedicated to an aggressive LBE program and has exceeded the agreed upon participation goals on prior Port projects. On Piers 11/2, 3, 5 we achieved 22% participation against a target of 15%.

On 8 Washington, we have achieved 24.8% LBE participation to date during the "soft costs" phase and have been working effectively with the City's Human Rights Commission and Finbarr Jewell, the Port's compliance officer.

We will look forward to continuing the relationship on Pier 38.

Provide security for the entire Pier 38.

SFWP will provide security for the project immediately upon direction from the Port.

As property manager for Piers 1 ½, 3 & 5, our Director of Security is well versed in the unique requirements of the waterfront and is prepared to staff and manage Pier 38 immediately.

C) PIER 38 REHABILITATION CONCEPT

(3) Use Program

Restaurant and Cafés: SFWP proposes to convert most of the ground floor space to public serving restaurants and cafés, enhancing the porosity of the Pier, encouraging public access and improving its position and value in this ever popular section of the waterfront. SFWP is proposing three potential retail spaces at Pier 38 and has identified several local, exciting tenants. Pier 38 restaurants and cafes will be oriented towards the growing SOMA, South Beach and Rincon neighborhoods, the burgeoning tech community and the visitors to the Giants and Warriors stadiums. See Appendix E for restaurant and café space plans.

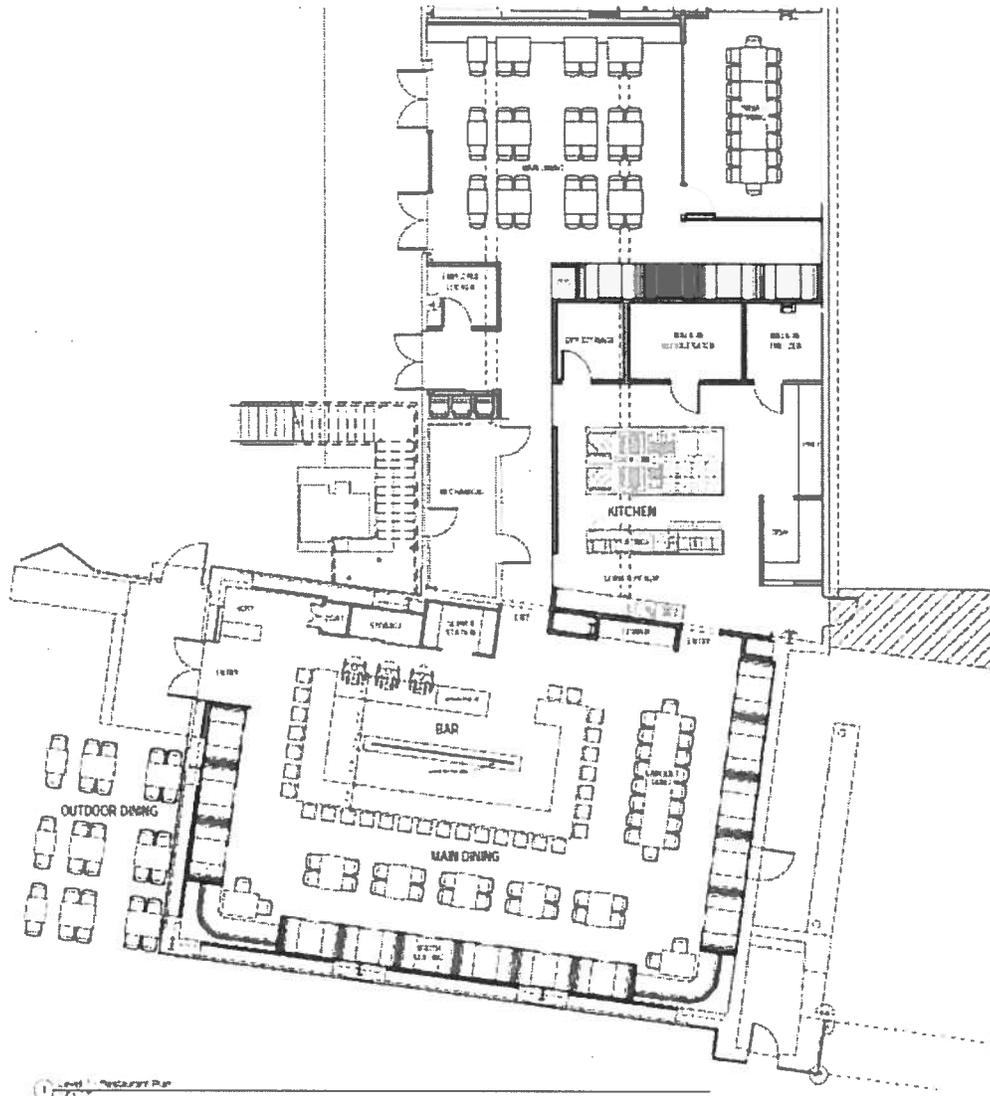
We will also propose to the Port to add the lease for the Pier 40 restaurant space due to expire in April 2013 to the scope of Pier 38 so that the entire Bulkhead building can be rehabilitated at the same time. Doing so would enable us to clean up the southern extremity of the building and the apron connecting Pier 38 to Pier 40.

Space #1: approximately 2,100 SF – 3,500 SF: We see this as a casual restaurant with some outdoor seating facing the north apron and the Brannan Street Wharf beyond. This space may provide take-out food to be enjoyed in the new Brannan St Wharf park and for boaters in the marina. A portion of the space may be set aside for a maritime office and a security office. We are currently in discussions with a tenant to operate a Prague-style beer garden at this location. A description of the tenant and their concept are attached is Appendix F.

Space #2, 1,604 SF (with potential back of house of 1,830 SF): This is envisaged as a small casual café that will front on the railroad passage facing Space #3. We have been working with local chef, Charles Phan, on an Asian fast-food concept for this location. A letter of interest from Charles Phan is attached in Appendix G.

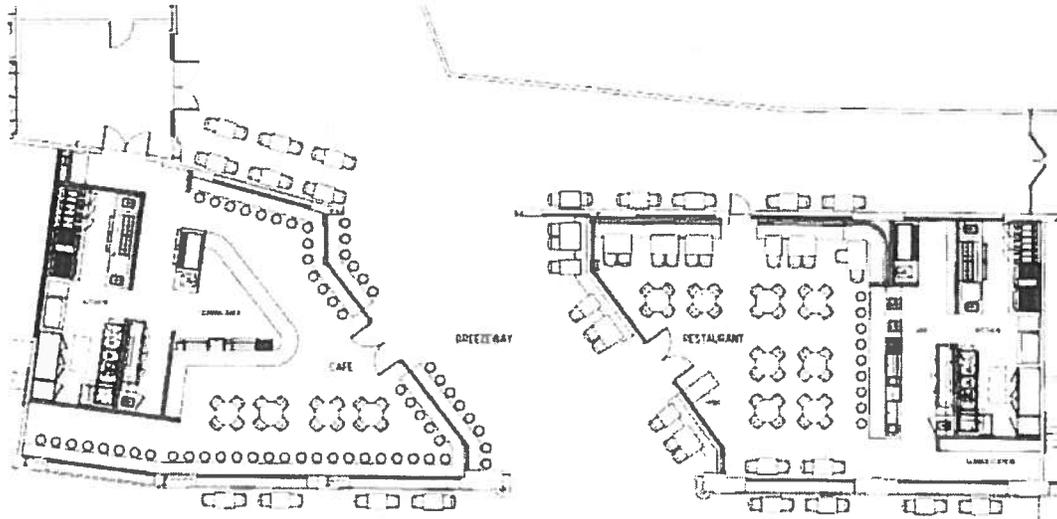
Space #3, 1,606 SF: This is immediately south of the “Railroad Passage” currently blocked by the large green door that would be converted from office to café. The potential exists to combine this with the Pier 40 Bulkhead restaurant space that is commonly known as Carmen’s should the Port decide to combine the space with Pier 38 thereby creating a restaurant of approximately 3,600 SF.

All initial retail leases will have a shorter term with lower capital investment and a suspension option to provide for the potential of temporary interruption for the Phase 2 seismic work.



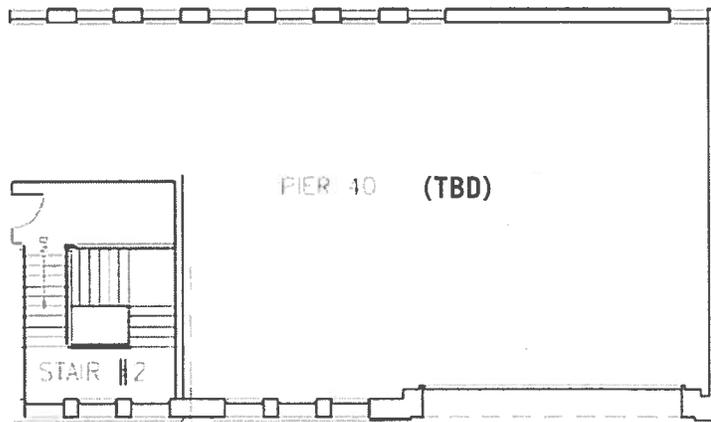
**Pier 38 North Restaurant
Space #1**

Pier 38 South Cafes



Space #2

Space #3



C) PIER 38 REHABILITATION CONCEPT

(2) Use Program

Parking

With regard to the code compliance set forth in the RFP, we propose to adopt a portion of the parking allowed under Port Option 1d with a slight modification. We believe that "B" occupancy (i.e., no public assembly on the second floor) will be appropriate. This would enable us to utilize the greater length of the 1908 Shed for parking. However, the impact on occupancy calculations resulting from the addition of restaurants on the ground level will result in the maximum parking allowed under Option 1d to be reduced to a maximum of 48,765 SF from the 70,200 that was calculated without the restaurant assembly in order to stay within the maximum allowable occupancy of 634. This would result in up to 80 self-park (or 167 valet) spaces.

In both our Alternate 1 and Alternate 2 proposals, we propose to not utilize all of this capacity and to stay with the smaller car park of 19,600 SF which would yield 24 self-park or 55 valet spaces. Since Piers 30-32 were re-opened to parking, demand for 38 has dropped. However we recognize that, should Piers 30-32 be redeveloped and occupied by the Warriors, the demand may increase. We will be flexible and cooperate with the Port and their Planning Department in determining the appropriate amount of parking that should be provided for its requirements as surrounding demand changes.

Maritime Use

Existing Facilities

SFWP will repair the existing northern dock and resume the use for short term and transient boat berthing. In addition, we would be prepared to expand its use by providing space for a water taxi landing and would also augment this facility with space for a kayak landing and a subsidized junior sailing program. We will install a two ton capacity derrick on the northern apron to enable the public to launch kayaks and small boats.

The water taxi and kayak landings could potentially provide the Port with a much less expensive option than providing them at the Brannan Street Wharf.

Future Expansion

The potential for a future expansion of the Marina has been studied extensively by Moffat and Nichol and is shown as potential future amenity in the Phase 2 planning. While planning and structural provisions along the Pier apron will be incorporated under Alternate 2, further discussions with BCDC, South Beach Harbor (Port) management and Cal Boating will be required before the economic feasibility of this facility can be determined.

C) PIER 38 REHABILITATION CONCEPT

(3) Use Program

Public Access

Pier 38's location is destined to be one of the most highly pedestrian trafficked areas on the waterfront, given its orientation between the Ball Park and the Warriors Arena. Therefore, SFWP is proposing to repair and create new public access points on Pier 38, including a new public passageway on the southern side of the project. This will encourage the public to pass through the bulkhead building onto the Bay side of the Pier. In addition, a public access breezeway would be created within the shed, allowing the public to pass through the shed to the northern apron, connecting to the Brannan Street Wharf.

Under Alternate 2, a public apron surrounding the project and varying from 15 ft. – 30 ft. would be incorporated with two additional public walkways bisecting the shed in the north south direction. See Appendix I.

Overall summary of Uses:

Alternate 1: Phase 1 Only, Port Option 1c (With portion of parking under 1d)

PROGRAM USE	SQ. FT
Office (rentable)	21,018
Restaurant & Cafés	6,847
Maritime (approx.)	6,000
Public Access	15,868
Parking / Bike Lockers	18,843

Alternate 2: Phase 1 and 2 combined: Port Option 1a (Phase 1) and Phase 2 Combined

PROGRAM USE	SQ. FT
Office (rentable)	181,144
Restaurant & Cafés	6,296
Public Event Space	5,517
Maritime (Phase 1)	6,000
Public Access	48,520