



Waterfront Land Use Plan Update

Working Group Land Use Subcommittee - Final Recommendations

The final recommendations of the Land Use Subcommittee are provided below, by topic.

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February 3, 2017

TO: Members, Waterfront Plan Working Group Land Use Subcommittee

FROM: Diane Oshima, Kari Kilstrom, Aaron Golbus

RE: Final Policy Guidance and Recommendations: Water Recreation, Maritime Berthing and Public Access

The following recommendations are proposed for Land Use Subcommittee review and endorsement on February 8, 2017. The proposed recommendations incorporate comments and direction from the December 14, 2016 and January 18, 2017 Land Use Subcommittee meetings, to provide guidance on water recreation, maritime berthing and related public access needs that should be addressed in amendments to the Waterfront Plan.

WATER RECREATION RECOMMENDATIONS

1. Water access to and from the Bay along the Port of San Francisco's shoreline is currently underserved. Water access to the shore, available to diverse users at low or no cost, is a public benefit and should be recognized as a form of public access by the Port and BCDC.
 - Add new policy language to recognize the San Francisco Bay Area Water Trail and human-powered water recreational users (including swimmers) in the Waterfront Plan Update. The Bay Area Water Trail system includes water landing facilities and upland support services, such as storage, restrooms and vehicle loading/unloading areas.
 - Add new policy language to also recognize the need for additional transient berthing for small recreational power boats and sailboats.
2. Continue partnerships with ABAG, BCDC, Coastal Conservancy and the water recreation community to promote a variety of safe water recreation opportunities for users of all abilities by providing information about water-landing locations and related activities via maps, websites, digital news and other communication channels.
3. New facilities and capital improvements for water recreation landings, transient berths, and supporting amenities should be planned to provide benefits for multiple water recreation users to the extent feasible, within the Port's fiscal constraints.

- New facilities should complement existing facilities to maximize functional use and the public benefits of water recreation capital investments, and should minimize bay fill.
- Water recreation access points should be planned around desirable destinations such as restaurants and entertainment venues. Doing so will augment landside public access.

The Port should consider the following ideas from the Land Use Subcommittee discussions:

- Evaluate whether new guest docks or conversion of existing boat slips at existing marinas (e.g. South Beach Harbor and Pier 39 or future projects (Pier 38, Mission Rock/SWL 337)) can occur to provide secured overnight transient berthing
 - Promote commercial operations such as boat rentals and chandlerys that support water recreation
 - Assess whether off-shore moorings are feasible in the Bay
4. Seek partnerships with organizations (e.g. YMCA, Bay Area Association of Disabled Sailors [BAADS], commercial operators) that promote water-oriented recreation, instruction, youth programs and/or funding to support the development and operation of water recreation facilities for people of all physical abilities and economic circumstances.
 5. Promote understanding about maritime vessel operations, water safety, environmental protection, and cooperation by all water-dependent users and industries.
 - Water access by deep water vessels and terminal/shipyard operations and water recreation users may require limitations in certain locations to address vessel and public safety needs.
 - Environmental conditions and wildlife protection needs dictate limitations on human access in certain areas.
 - Protocols, communications and rules of access should be developed to promote safety standards that are recognized by maritime operators and water recreation users, and supporting public and community organizations.
 - Coordinate with the Bay Area Water Trail program to provide signage at each landing that includes safety warnings about commercial vessels, guidance for respectful treatment of natural wetlands and sensitive habitat areas, and other special attributes related to the landing site, to educate the public and promote safe and sensitive water recreation.
 6. The Port should work with the full range of water recreation community stakeholders to develop a framework for implementing water recreation projects and improvements which includes identifying locations that provide the greatest benefits and actively soliciting new funding partners and sources, and coordination with BCD and State Lands. This work also should be coordinated with updates to the Port Strategic Plan and Capital Plan, and capital budget process, and recognize that Port capital funding is limited and must be allocated to support all maintenance and enhancements.

MARITIME BERTHING and PUBLIC ACCESS RECOMMENDATIONS

1. Include policy language in the Waterfront Plan that affirms the Port's maritime mission expressed in the Burton act and Proposition H support for its diverse maritime and water-dependent industries.
 - While the finger piers in the Embarcadero Historic District no longer serve cargo shipping terminal operations, the pier aprons are valuable maritime berthing facilities. Adjacent portions of pier sheds are still needed to support maritime storage and working areas in the northern waterfront which should be acknowledged in the Waterfront Plan update.
 - The ability to provide and maintain berths and requisite pier fendering requires access to limited Port capital funds, which require prioritization and trade-off decisions among competing Port capital projects and public trust benefits. *(Item #7 from 1/13 memo, moved here)*
 - Consistent with the objectives and principles for the Pier 80-96 Maritime Eco-Industrial Strategy, identify and maintain deep water berths necessary for Southern Waterfront cargo shipping terminal operations along with environmental resource protections, and public access and water recreation improvements promoted in the Blue Greenway Design Guidelines and San Francisco Bay Trail Design Guidelines and Toolkit.
2. The Waterfront Land Use Plan should be consistent with, and support, the Port's Maritime Preservation Policy.
 - Identify and maintain deep water berth facilities north of Pier 80-96 where feasible, including Pier 70 ship repair and drydock facilities, Pier 27 Cruise Terminal and other current deep water berth facilities at Piers 54, 50, 48 (east), 30-32, 15-17, 35 and 45.
 - Consistent with the Maritime Preservation Policy, support the maritime berthing and operational needs of Harbor Services (including bar pilots, tug and tow boats, crew and supply taxis and fireboats) which seek waterfront locations that are central to accessing the Golden Gate and other Bay ports, ships at anchor and maritime businesses. Harbor Services are industrial operations and usually subject to homeland security and workplace safety requirements which are generally incompatible with public access. *(Item #5 from Jan 13 memo, moved here)*
3. The Waterfront Plan should recognize the need for additional, shallower-draft maritime berths to meet the growing demand and operational requirements for ferries, excursion boats and water taxis. in .
 - Ferry and excursion operators need passenger service facilities, and separate maintenance facilities (e.g. Blue and Gold and WETA operations) in close proximity to support reliable water transportation. Passenger-serving facilities (ticketing, queuing

areas) generally are compatible with shared public access, but maintenance and work areas are not.

4. In the northern waterfront, generally maintain a water depth of 12 feet or more for berthing ferries, excursion boats, fishing vessels, and recreational craft, as well as harbor service vessels. For piers north of Pier 27, priority consideration for maritime berthing should be provided along the south (or east) sides of Embarcadero finger piers, which are less exposed to prevailing tidal and surge movement.

5. Promote shared public access on pier aprons where it is safe and compatible with berthing operations, and where it is economically feasible for the Port or tenant to maintain the public access. A number of transient and long-term maritime operations can function alongside public access areas, with allowance for occasional use of pier aprons and shoreside facilities. Pier apron areas used to support maritime berthing and/or public access also must be planned to accommodate fire exiting requirements associated with uses in pier shed and bulkhead facilities. Features that accompany such shared-use arrangements include:

- Gates along the pier edge, in some cases, to secure the vessels from passersby on the apron public access areas
- Floats at which to berth vessels, including requisite fendering and security
- Occasional temporary closure of public access on pier aprons to comply with vessel security requirements, typically for government and military vessel, or temporary use of the pier apron for equipment or loading

6. The Waterfront Plan should provide greater clarity about the types of maritime operations that preclude or restrict share public access. Port staff should work with maritime operators to outline the functions and industrial activities for various maritime business lines which, for operational, security and safety reasons, are incompatible with public access.

7. The Waterfront Plan should recognize that berthing and maritime operations at the Port, particularly in the Embarcadero Historic District, maintain an authentic working waterfront purpose and character that is interesting to the public, even if some of these functions are not compatible with public access.

- Where physical access cannot be provided, evaluate opportunities for nearby public access areas from which operations can be viewed safely, and can be improved (e.g. seating, lighting, bike parking) to encourage use.

8. BCDC plan policies currently recognize public views of open water areas and open water basins as visual public access. Consideration should be given to the positive value that views of maritime vessels at berth and/or maritime operations add as a component of visual public access to and along the waterfront.

9. The Port should work jointly with BCDC to update and provide clearer direction in both the Waterfront Plan and BCDC Special Area Plan on:

1) Conditions when maritime berthing and public access are expected to be compatible activities vs. when they are not, and associated policy guidance and criteria; 2) When views of maritime vessels and operations can be recognized as positive features of the working waterfront, and associated policy guidance and criteria.

CONFLICT ISSUES FOR FURTHER ADDRESS BY WATERFRONT PLAN WORKING GROUP

The Land Use Subcommittee meeting discussions identified conflicts associated with competing maritime and non-maritime transportation access needs in the southern waterfront. Illinois Street and Cargo Way are both industrial truck routes that also are part of the Bay Trail. This issue is recommended for further address by the Working Group and Transportation Subcommittee to determine how safe access and management of these public rights-of-way can be improved to serve multiple transportation modes and industrial uses concentrated in the Southern Waterfront.

Final Accepted at 1/18/17 Subcommittee meeting, p. 5



April 12, 2017

TO: Members, Waterfront Plan Working Group Land Use Subcommittee

FROM: Diane Oshima and Kari Kilstrom

RE: Final Policy Guidance and Recommendations: Activation of Port Open Spaces

At its meeting on February 8, 2017, the Land Use Subcommittee engaged a public discussion about the use and public enjoyment of Port parks and outdoor open spaces, with focus on ideas about desirable activities, including recreational uses, to broaden the appeal and increase use of these spaces across all age groups. State Lands Executive Officer, Jennifer Lucchesi, and her staff attended to provide information about how public trust principles affect the use and improvement of parks and open spaces on public trust lands, which must function as a recreational resource for waterfront enjoyment by locals as well as residents from the Bay Area and state. The public trust doctrine is an evolving body of law based on the changing needs of the public, in current use and into the future. The February 8th meeting enabled direct exchange between citizens and State Lands and Port staff to share ideas, questions and comments about possible trust-consistent improvements for Port open spaces. Draft policy guidance and recommendations were reviewed at the March 15, 2017 Land Use Subcommittee meeting, and some modifications were suggested.

This memorandum incorporates revisions from the March 15th meeting discussion. The policy guidance and recommendations distill the ideas and consensus points to support future Port staff work to draft amendments to update public open space policies in the Waterfront Plan. The recommendations below are proposed for Land Use Subcommittee review and endorsement at their next meeting on March 22, 2017.

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Activation of Port Public Trust Parks and Open Spaces

1. The public trust is an evolving doctrine that can embrace new ideas that promote trust objectives, including opening up the shoreline for public recreational use and enjoyment. Context is important in determining whether recreational uses are appropriately sited and designed to serve a balance of local and state public trust needs. In considering opportunities to increase active uses in Port open spaces, proposed improvements should demonstrate how they provide benefits to waterfront visitors from outside San Francisco, and local residents.
2. Encourage the Port to explore open space design and activities that promote diverse recreational and entertainment opportunities for a full spectrum of users--local residents as well as regional visitors of all ages.
3. The City of San Francisco should not rely upon trust lands as a substitute for fulfilling its mission to create municipal park and recreation services for its residents.
4. Strive for design that gives waterfront parks and open spaces unique character and authentic identity, with features that may reflect the "story" of this waterfront place. Avoid generic designs. Design should encourage public art, and create a sequence of public spaces that relate to the unique characteristics of nearby neighborhoods.
5. Where possible, combine open space areas with water-dependent recreation, including swimming. Support active water recreation programs and partners (e.g. Kayaks unlimited, UCSF on Mission Creek), which can promote water-related enjoyment, and increase public interest and activity within the adjacent open space area.
6. Waterfront open spaces should promote connecting the public of all ages with nature.
7. Recognize that younger generations are tech-savvy and socialize differently. Consider how technology may influence youth engagement with outdoor spaces, or promote interactive exhibits and education that create new interest points in parks and public access areas.
8. Learn from successful programmed events, such as SF Symphony concerts, America's Cup Village at Pier 27, or children's summer camp programs associated with the Bay Club, which appeal to and attract diverse populations to the waterfront, and enliven public open spaces for all ages, abilities, and income levels, while recognizing and addressing impacts on, and respecting concerns of, affected neighborhoods.. Support pilot programs to explore how recreational opportunities can be expanded or diversified.
9. Partnerships and concession opportunities should be considered to broaden resources that support active enjoyment of Port parks. Such site stewards could support pick-up recreational games in open spaces by managing sports gear, provide food and refreshment, add "eyes

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on the park" to increase security and ensure compatibility among diverse park users, and create opportunities for public restroom management.

10. Port should explore ways to draw attention to open space and water recreation areas that are under-utilized, beyond the continuous spine of access along roadways.



Memorandum
May 30, 2017

TO: Members, Waterfront Plan Working Group Land Use Subcommittee

FROM: Diane Oshima & Kari Kilstrom

RE: Policy Guidance Recommendations for Embarcadero Historic District Leasing & Development

For the upcoming May 31st Land Use Subcommittee meeting, we have produced draft policy guidance recommendations that summarize findings, criteria and conclusions regarding leasing and development tools and strategies for Embarcadero Historic District piers, bulkhead buildings and wharves discussed at the March 22, April 12, and May 10 and 24th Land Use Subcommittee meetings.¹ The Land Use Subcommittee will consider acceptance of these recommendations at the May 31st meeting.

The recommendations in this memorandum iterative, subject to further revision and reconciliation with recommendations generated by the Transportation and Resilience Subcommittees, and review and discussions at future Working Group meetings. These policy guidance recommendations will support later Port staff work to draft proposed updates to the Waterfront Land Use Plan.

I. EMBARCADERO HISTORIC DISTRICT – A UNIQUE PUBLIC TRUST RESOURCE

Findings

The Embarcadero Historic District embodies a rich maritime history and establishes the character of the northern waterfront. It is unique in California. The need to support the waterfront's evolving needs and to rehabilitate historic maritime structures (a primary trust purpose), and therefore the integrity of the Embarcadero Historic District, justifies a broad range of leasing and development strategies. The State Lands Commission has recognized that historic preservation projects, and by association the application of the Secretary of Interior Standards for Historic Rehabilitation can, along with other elements, be consistent with the public trust and that preserving the historic piers may require new sources of revenue and/or investment including private fundraising, targeted public investment and a variety of high revenue-generating and other financially feasible uses. The preservation of historic structures will give the public opportunities for learning and

¹ Links Land Use Subcommittee meetings on [March 22](#), [April 12](#), and [May 10 and 24, 2017](#) and [Working Group Guiding Principles](#)

appreciating California's maritime history and will provide access to the waterfront for trust-related education and recreation.

The Port's finger piers, no longer needed for their original breakbulk cargo purpose, are highly adaptable to new uses and can be rehabilitated for a variety of maritime, industrial, commercial and public-oriented activities that attract people to enjoy and appreciate San Francisco Bay. Examples of successful Port projects in this vein over the past 20 years can be found along the Northern Waterfront. Port leases and development projects to date illustrate a range of ways in which diverse businesses and activities deliver public trust benefits in a variety of forms. Attachment 1 presents the Public Trust Objectives matrix which illustrates the categories of functions and attributes through which public trust objectives can be achieved by short-, intermediate- and long-term leases of Embarcadero Historic District facilities.

II. NEW ASSET MANAGEMENT TOOLS AND STRATEGIES FOR EMBARCADERO HISTORIC DISTRICT RESOURCES

Findings

The finger piers, bulkhead buildings and wharves, and other waterfront structures such as the Agriculture Building were constructed to serve as warehouses and to support heavy maritime uses, such as shipping, and maritime support functions. These structures are about 100 years old and thus predate modern seismic building codes. The cost to achieve a "state of good repair" under the Port Building Code for the pier bulkheads, sheds, utilities and aprons for current industrial use occupancy has grown substantially over the past 10 years. Whereas lease terms of 5 -10 years used to be sufficient to amortize most basic tenant repairs and improvements, the age and deterioration of facilities have driven up these costs, increasing the need for longer lease terms. Rehabilitation costs also have increased because the Port has shifted its focus to locating public-oriented businesses and activities into bulkhead buildings fronting the Embarcadero Promenade to serve the millions of annual visitors attracted to the waterfront; these retail, food and assembly establishments involve higher-cost tenant improvements than maintaining industrial space. Longer lease terms are increasingly required to meet industrial, commercial and small business needs, and lending and amortization requirements.

Introducing commercial, retail and people-intensive uses in pier sheds rated for industrial occupancy requires Port Engineering staff to review carefully the type of use and area of improvement against site-specific pier condition information and Port Building Code occupancy standards. Industrial pier sheds can accommodate a limited amount of public-oriented, office or PDR uses that are more people intensive, but restricted so that the combined uses and occupant densities do not trigger Building Code seismic upgrade requirements of the facility.

Any substantial conversion of pier sheds for higher-occupancy commercial or public-oriented uses generally triggers very costly pier substructure and superstructure seismic improvements that require long-term development leases. However, experience has shown that pier condition is not necessarily a determinant of which facilities are improved for long-term development; location, economic cycles and dynamic real estate markets also affect asset management leasing opportunities and decisions.

Current Waterfront Plan policies generally allow non-trust interim leases for 10 years with certain provisions for longer terms in the northern waterfront. Short-term leases will continue to be an important asset management method to maintain flexibility and provide small business opportunities. However, after considering the above factors and an EPS consultant team financial feasibility analysis of long-term and intermediate-term lease scenarios, the Land Use Subcommittee concluded that Port asset management needs justify a dynamic mix of short-, intermediate- and long-term leases to maximize options to preserve, repurpose and activate Embarcadero Historic District resources in accordance with the public trust objectives and goals set forth in the Waterfront Plan and the Working Group's Guiding Principles. All repairs and rehabilitation must comply with Secretary of Interior Standards for Historic Rehabilitation.

Attachment 2 presents an illustrated summary of long-term and intermediate term lease scenarios that are financially feasible and can achieve public trust objectives in different ways. Long-term development leases (50-66 years) provide the best opportunity to deliver multiple public trust benefits. Port development and open space projects completed to date provide a strong framework for a public-oriented urban waterfront within the Historic District; long-term leasing therefore remains an important strategy in order to advance Waterfront Plan goals. In addition, the consultant's financial feasibility analysis has demonstrated that higher pier improvement costs and amortization requirements dictate the new need for Intermediate-term leases to continue active use of remaining industrial piers. Absent outside funding and financing resources such as private fundraising or targeted public investment, intermediate- and long-term leases both require high revenue-generating and other financially feasible uses to finance historic rehabilitation and capital improvements.

The Land Use Subcommittee recommends additional policy guidance below, to supplement the above findings:

- a) **Consider the location and context for intermediate-term lease opportunities.** Intermediate-term leasing should be managed to meet revenue generation requirements, support diverse business and job opportunities, and also add to the diversity of public-oriented activities that make the waterfront interesting and enhance the public character of the Embarcadero waterfront. Because public entry may necessarily be limited or precluded from maritime, industrial/PDR or office uses and operations lease areas inside pier shed, bulkhead buildings fronting on the Embarcadero Promenade should be prioritized for retail, cultural and public-oriented uses. Also see other Land Use Subcommittee recommendations for prioritizing maritime berthing, public access and water recreation which achieve public trust objectives and add to use diversity. Piers that offer limited public-oriented uses should be distributed among other developments and attractions. If it is feasible to make amenities available in private lease areas for community or public use, this should be prioritized and recognized as a form of public benefit.
- b) **Encourage pilot and pop-up uses.** Encourage pilot and pop-up (sub)lease opportunities for retail, restaurant, recreation or cultural activities and events. Such temporary venues and changing activities make the waterfront more dynamic and open up more opportunities for small businesses, and encourage activities for a broader range of users.
- c) **Flood protection and resilience.** Depending on length of lease term, the Port should require flood risk analysis to determine whether flood protection measures should be required for Intermediate-term

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leases. Also review Resilience Subcommittee recommendations for additional measures that may be applicable to intermediate-term leases.

- d) **Monitor and report on pier condition as an integrated part of the Port capital planning cycle and capital budget and implementation process.** Given the Port's capital backlog and revenue constraints, investments should be focused on historic district assets that can continue to usefully contribute to the Port's public trust mission.
- e) **Intermediate-term leases will need a newly-defined public review process.** The extended leasing time frame reduces use flexibility and should have public review and buy-in. Pending Land Use Subcommittee community engagement and public process recommendations will include address of intermediate-term leases.
- f) **Assess and report successes and outcomes from intermediate-term leases.** Assess the performance of intermediate-term leases to ensure they provide effective historic resource stewardship, meet public trust objectives, and positively contribute to the public waterfront experience and enjoyment over time. The Port should work with BCDC and State Lands staff in developing the assessment, and making ongoing improvements, as warranted.

III. IMPROVE DEFINITION OF PUBLIC TRUST OBJECTIVES FOR EMBARCADERO HISTORIC DISTRICT RESOURCES

- a) **Utilize the Public Trust Objectives Matrix (See Attachment 1).** The Public Trust Objectives Matrix defines the different types of public trust benefits specific to the Embarcadero Historic District, scaled to the length of lease terms. This matrix is intended to improve clarity and predictability for intermediate- and long-term lease and development project details, and public trust consistency determinations.

Attachment 1: Public Trust Objectives for Embarcadero Historic District Finger Piers

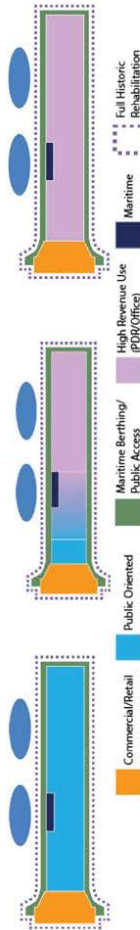
There are multiple public trust objectives for Embarcadero Historic District piers and bulkhead structures, which are described in the column headings of this matrix. Within each trust objective category, the matrix describes characteristics that are most desirable for the trust in that category, scaling down to those that are least desirable. Depending on mix of uses, level of repair, capital investment and revenue generation, projects provide different combinations of public trust benefits. This matrix provides a framework of definitions and standards to improve understanding and predictability in achieving public trust benefit objectives.

	Historic Preservation of the Trust Asset (comply with Secretary Std.)	Seismic/Use Safety Improvements to the Trust Asset	Exterior Public Access and/or Maritime Improvements	Facility Capital Repairs and Improvements	Revenue generation	Interior Uses Serving Trust Purposes (use types)	Interior Uses Serving Trust Purposes – (amount of area occupied)	Lease Term/ Flexibility that allows facility to accommodate changing uses
Most Desirable for Trust	Full historic rehabilitation to Sec. Int. Standards	Full substructure and superstructure repair and seismic upgrade	Full repair and improvement of apron for public access and/or maritime use	High capital investment	High revenue generation	Traditional trust uses: maritime office, visitor-serving, retail/restaurant, water-related recreation, public access	Entire bulkhead building and pier shed	No lease – allows most flexibility to respond to trust use needs and market demand
	Partial historic rehabilitation (bulkhead only; or bulkhead + partial shed)	Superstructure repair, but no or partial substructure repair; partial seismic upgrade (e.g. seismic joint between bulkhead and shed)	Repair and improvement substantial portion of apron for public access and/or maritime use	Medium capital investment	Medium revenue generation	Public attraction uses: museum/gallery, general indoor recreation, entertainment, specialty (local/maker) retail/manufacture	Entire ground floor of bulkhead building; portions of shed and/or upper floor bulkhead	Short term lease (1-10 yrs)
	No rehabilitation, but tenant improvements, maintenance of some/all buildings	No major repairs or seismic upgrades, but tenant improvements, maintenance of some/all buildings	Limited public access/maritime use, as can be supported by existing condition of apron with minor repairs	Limited capital investment	Low revenue generation	General retail, institutional uses, government uses	Portion of ground floor of bulkhead.	Medium term lease (between 10 and 50 yrs)
Least Desirable for Trust	Vacant, deterioration	Vacant, deterioration	No public access/maritime use of apron	No capital investment	No revenue generation	Private Uses (general office, R&D)	None	Long term lease (50-66 yrs) – least flexibility to meet evolving trust needs and market opportunities
<p>The levels at which trust objectives in each category are achieved determines the amount of capital investment required in a facility, and the amount of rental revenue sufficient to finance capital improvements and generate revenue for the Port.</p> <p>Port projects vary widely in the mix of uses and degree of facility improvement. While short-term leases are considered desirable because they afford the most flexibility to respond quickly to Port needs, long-term leases that enable a project to finance major capital investments and provide a mix of traditional trust uses, public-oriented, commercial or PDR uses also are desirable and provide high trust value.</p>								

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Attachment 2 – EPS Intermediate- and Long-term Lease Scenarios

Waterfront Plan Land Use Subcommittee
Analysis of LONG TERM Rehabilitation Options - Embarcadero Historic District Piers – April 12, 2017

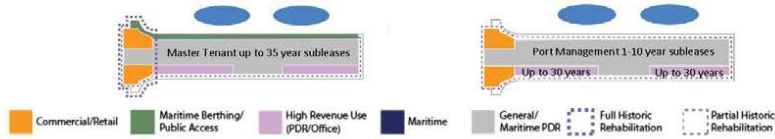


Long-term Pier Rehabilitation

The EPS analysis demonstrates that long-term leases may feasibly achieve significant public trust objectives including full seismic and structural rehabilitation of the historic pier; pier apron repairs for maritime berthing operations and/or additional public access; and public/visitor serving uses (e.g. restaurant, commercial recreation, visitor retail) at ground floor of bulkhead buildings. The extraordinary cost of such rehabilitation dictate the need for high-revenue generating uses (e.g. PDR/office) in the pier shed. Depending on project details, limited areas within a pier shed may support additional public oriented uses while remaining financially viable. Development partners with established fundraising capability and/or other access to outside sources of funds can underwrite the cost to avail a substantial area for public-oriented uses in pier sheds, as was achieved in the Pier 15 Exploratorium project.

Long-term pier lease/development		
Scenario 1 Maximum public oriented interior uses & maximum historic rehabilitation/repair	Scenario 2 Minimum Port rent with maximum public oriented interior uses & maximum historic rehabilitation/repair	Scenario 3 Maximum high-revenue interior uses & maximum historic rehabilitation/repair
Estimated cost: \$90-\$135 million	Estimated cost: \$90-\$150 million	Estimated cost: \$100-\$150 million
Occupancy 👤👤👤👤	Occupancy 👤👤👤👤	Occupancy 👤👤👤👤
Trust characteristics Bulkhead commercial/retail Apron repair for berths/public access Complete Historic Rehabilitation Full Sub/super-structure repair Maritime berthing and operations Maximum public/low-revenue use in shed	Trust characteristics Bulkhead commercial/retail Apron repair for berths/public access Complete Historic Rehabilitation Full Sub/super-structure repair Maritime berthing and operations Maximum public/low-revenue use in shed (est. 15% - 55% depending on revenue capability)	Trust characteristics Bulkhead commercial/retail Apron repair for berths/public access Complete Historic Rehabilitation Full Sub/super-structure repair Maritime berthing and operations Maximum revenue generation use in shed; varies depending on pier condition
Historic Preservation	Historic Preservation	Historic Preservation
Seismic Repair	Seismic Repair	Seismic Repair
Maritime berthing/public access	Maritime berthing/public access	Maritime berthing/public access
Interior trust uses	Interior trust uses	Interior trust uses
Lease Term	Lease Term	Lease Term
Port Revenue # N/A: \$30-\$60M subsidy required	Port Revenue # Minimum Rent \$100K/yr	Port Revenue # Range: \$350K-\$2M/yr

*Net of Rent Credits



Intermediate term	
Scenario # 1	Scenario # 2
Moderate historic rehabilitation & tenant investment	Limited historic rehabilitation & tenant investment
<ul style="list-style-type: none"> Master tenant/developer for entire pier undertakes seismic repair/historic restoration of Bulkhead building Master tenant responsible for pier maintenance Predominantly low-revenue PDR (e.g. maritime/non-maritime warehouse) in shed, per occupancy limitations Subtenant lease term may align with master tenant's, or shorter-term, depending upon improvements undertaken by subtenant 	<ul style="list-style-type: none"> Port undertakes limited structural repairs (e.g. roof repair, primary utilities) Port responsible for pier maintenance Predominantly low-revenue PDR (e.g. maritime/non-maritime warehouse) in shed, per occupancy limitations Low-revenue PDR (lease terms MTM – 10 yrs) High-revenue PDR for intermediate lease terms, depending upon improvements undertaken
Estimated cost: \$25-\$30 million	Estimated cost: \$5-15 million
Occupancy	Occupancy
Trust characteristics Bulkhead commercial/retail Limited apron repair/reuse Repairs (arrest deterioration) & bulkhead rehabilitation Bulkhead sub-structure repair, limited superstructure repair Maritime/non-maritime warehouse and PDR uses (keep shed occupied)	Trust characteristics Bulkhead commercial/retail No apron repair/reuse Repairs (arrest deterioration) Limited superstructure repair Maritime/non-maritime warehouse and PDR uses (keep shed occupied)
Historic Preservation:	Historic Preservation:
Seismic Repair:	Seismic Repair:
Maritime berthing/public access:	Maritime berthing/public access:
Interior trust uses:	Interior trust uses:
Lease Term: Up to 35 years	Lease Term: 0-10 years Up to 30 years, limited to 20-40,000 sf
Port Revenue [*] :	Port Revenue [*] :

^{*}Net of Rent Credits

Intermediate-term Pier Rehabilitation

Intermediate term leases of historic piers will expand the tools available to the Port to steward the Embarcadero Historic District, inviting incremental investment for historic pier improvements and other trust objectives, and will be a complement to existing long-term and short-term leases. Intermediate-term leases require some high-revenue generating uses (e.g. PDR/office) to support greater tenant investment in structural repairs by varying degrees: from enhanced utility/structural improvements and tenant-maintenance in a discrete portion of a pier, to partial seismic rehabilitation of the bulkhead and/or pier aprons, depending on the scope of lease and total investment. Intermediate leasing will further trust purposes by facilitating visitor-serving uses in the bulkhead ground floor, inviting access to the pier from The Embarcadero, and maintaining flexible warehouse space in the pier shed for maritime operations use, as needed. Over time, as sea level rise continues, intermediate term leases may become an increasingly important pier retention strategy.



WATERFRONT PLAN WORKING GROUP LAND USE SUBCOMMITTEE

Accepted at June 21, 2017 Land Use Subcommittee meeting

The March 22, April 12 and May 10 Subcommittee meetings on Embarcadero Historic District leasing and development strategies included discussions about public-oriented uses. This document provides background, summarizes meeting discussions and recommended criteria for Public-Oriented Uses based on Subcommittee discussions on May 24th and May 31st.

Improved Definition and Criteria for Public-Oriented Uses

A key public trust objective is to foster activities that draw the public to the waterfront and into San Francisco's historic piers to enjoy the maritime history and architecture of the Embarcadero Historic District. Visitor-serving retail, restaurant, and public plazas/promenade are public-oriented uses that have been found to comply with the trust. The Waterfront Plan also promotes additional activities that offer different ways to attract public use and enjoyment of the waterfront. The following categories of uses are not traditional public trust consistent uses but, depending on the specific proposal and using the Public Trust Objectives Matrix, may be found to not interfere with public trust needs and in fact further public trust purposes and values:

- Assembly and Entertainment
- Recreational enterprises
- Artist/Designer Studios and Galleries
- Academic Education and Cultural Institutions

Public-Oriented Uses – Recommended criteria:

- Equitably serve and attract visitors of all ages, income levels and abilities from California and the world. Design public oriented uses to be inclusive (e.g. lower cost take-out, happy hour offerings from restaurants; more creative public access/public realm design amenities; public lobbies)
- Plan for diversity—of uses and of users
- Include tenant improvements that invite and enhance (rather than impede) visitors' enjoyment of the historic architecture within the bulkhead building and pier shed
- Focus on visitor experience and sense of place that is oriented to San Francisco Bay
- Balance - commercial revenue generation with public-oriented uses and benefits
- Provide waterfront views, shoreline public access or direct access to/from the Bay for visitors' enjoyment of the natural environment
- Prioritize water-oriented and water-dependent uses

Final Policy Guidance and Recommendations for Seawall Lots, Land Use Subcommittee
July 20, 2017 Based on discussions in the June 7, June 21 and July 12, 2017 Subcommittee meetings

Design and development of seawall lots including ideas to improve integration with upland areas

- 1) The Waterfront Plan should continue to encourage SWL uses that integrate and connect with the surrounding neighborhood and waterfront.
- 2) Seek opportunities to improve connections between east and west sides of the Embarcadero.
- 3) SWL developments should achieve two desirable goals:
 - a. Incorporate public-oriented uses that can enliven the pedestrian/ground level experience in the neighborhood in a variety of ways (e.g. day/evening commercial-retail uses, pedestrian and landscape enhancements); research SF Planning Department design policies and criteria that promote ground floor pedestrian activation for inclusion in the Waterfront Plan
 - b. Generate revenue from development of a broad range of uses, including non-trust uses if needed (e.g. office, residential, general retail) to support Port capital improvements; non-trust uses would require State legislation to lift trust use restrictions for SWLs north of Market Street. Not opposed to more development if it supports public goals and is accompanied by robust urban design.
- 4) SWL developments should emphasize access - physical and visual - from the street and sidewalk - to The Embarcadero, piers, and Bay, as well as access to a diverse range of users
- 5) Activate and clean-up underutilized seawall lot areas, which may be incorporated with public realm plans for the west side of the Embarcadero.

Acceptable uses and legislation to lift trust restrictions

- 1) Legislation to lift trust restrictions on the remaining seawall lots north of Market Street should be considered on a case-by-case basis, if necessary, to realize SWL goals and objectives. Enabling legislation must ensure that SWL development opportunities include public-oriented use requirements to activate and enhance public realm experience in the neighborhood.
- 2) The Plan should allow a broad range of uses and a flexible approach that invites new ideas to enhance surrounding neighborhoods, and physical and visual connections between the west and east sides of The Embarcadero and the Bay.
- 3) State legislation which has lifted trust use restriction and allowed SWLs to develop consistent with adjacent neighborhoods generates significant financial benefits to support historic rehabilitation of piers and BCD-recognized waterfront parks and public access
- 4) Use of SWLs should as much as possible support the most diverse population (whether oriented to residents or visitors or workers)
- 5) Parking on SWLs is a trust use which furthers trust objectives by:
 - a. accommodating Port visitors from the region/state who drive, especially families with children, seniors, those with disabilities, and tour buses.
 - b. supporting Port businesses, their service needs, and their employees who are currently underserved by transit (i.e. maritime operators, Fisherman's Wharf businesses, Ferry Building Marketplace, Exploratorium)
 - c. providing revenue stream for Port capital needs on an interim basis, until long-term development is approved
- 6) Seawall lot parking uses should be in line with policy recommendations in the report recommended by the Transportation Subcommittee, and be informed by the results of further recommended transportation studies that develop data, including number, origin and transportation mode of people visiting waterfront, delivery needs, transit and bike use.

FINAL Recommendations – Port Advisory Groups/Committees

July 20, 2017 - Land Use Subcommittee

I. Port Advisory Groups/Committees

1. Consensus process. Advisory Groups should continue to operate on a consensus-building basis through public discussion, not voting. Advisory Groups should be created and managed by Port staff, to support interactive public engagement that is not limited by public comment time limits.
2. Enhanced communication. Take steps to enhance communication between Advisory Groups and Port Commission, to provide time to review and exchange ideas or concerns. Ideas include periodic written or verbal reports from Advisory Group to Commission, as needed, and Commissioner attendance at Advisory Group meetings.
3. Ongoing public engagement. Provide updates of project details during project design-development process, for review and discussion and input to the Port Commission, before final decisions are made.
4. Broaden community awareness. Seek broader, City-wide citizen and stakeholder input beyond the local waterfront, and regular outreach to City and Bay Area 'convener' groups as well as neighborhood, preservation and business associations.
5. Include additional information in standard format of all Port Advisory Committee meeting agendas and through email notices to provide advance notice of upcoming projects and events:
 - Send advance notice of Port Commission informational presentations and lease approval actions for projects in each PAC area
 - Include Port Commission forward calendars with highlighted projects located in each PAC area
 - Include forward calendar of Port special events with highlighted items located in each PAC area

COMPETITIVE SOLICITATION PROCESS [Black reflects existing Waterfront Plan process. Orange indicates new provisions for Land Use Subcommittee review.]

Community Input Process for Competitive Solicitation for:

- Long-term, non-maritime lease opportunity (w/seismic upgrade) in entire piers, including bulkheads, plus seawall lots and other Port properties
 - Intermediate-term master lease opportunity (no or limited seismic upgrade) for majority or entire piers, including bulkheads (also see Southern Waterfront guidelines which allow intermediate-term leases)
 - Lease opportunity to convert industrial space to new retail, restaurant or public-oriented use in bulkhead buildings, piers or other Port facilities [Solicitations to re-tenant existing retail/restaurants spaces are not subject to this process]
- 1) **Port Commission.** Port staff report to describe opportunity for competitive solicitation of lease offering. Port Commission authorizes process to prepare solicitation document. Staff report describes minimum developer qualifications, and key Waterfront Plan and public trust goals and objectives (As reflected in 5/31/17 Land Use subcommittee recommendations, this includes historic rehabilitation consistent with Secretary Standards. For long-term lease or intermediate-term master tenant lease, public trust objectives also include: public-oriented use in bulkhead building and, if possible, in portion of pier; maritime berthing and public access, SLR and Seawall repair strategy, revenue uses/developer financing to support financially feasible project)
 - 2) **Community Review.** Port staff schedules Port Advisory Committee (PAC) meeting, and also invites city and regional stakeholder input, to solicit review and comment about community values and priorities to include in solicitation (e.g. related to public-oriented uses, maritime berthing and public access, historic rehabilitation, resilience, financial objectives)
 - 3) **Port Commission.** Port staff requests authorization to issue solicitation, including project objectives based on Port Commission direction and community input, developer submittal and City competitive solicitation requirements, and description of Review Panel to be created by Port staff. PAC representatives attend and provide public comments in Port Commission meeting prior to Port Commission authorization. Port Commission authorizes issuance of competitive solicitation opportunity.

Staff report also includes summary of PAC comments, and description of Review Panel that will evaluate respondent submittals, which must comply with City Contract Monitoring Division standards for relevant expertise, diversity and impartiality. Members to include

person with relevant development expertise; Port staff member; a PAC member; and a city or regional representative to incorporate community and public perspectives in review of submittals.

- 4) **A) Evaluate proposals.** Port staff will review developer submittals for compliance with minimum qualifications to determine list of qualified respondents, and evaluate qualified experience, financial capability, and references. Review Panel evaluates developer submittals, interviews project developers and scores qualified respondents.

B) Port Commission. Informational public meeting to receive presentations from all qualified developer respondents, receive Port Commission, PAC and public comments.

- 5) **Port Commission.** Public meeting to consider approval of Port staff report recommendation for developer selection, based on respondent that receives highest combined score from Review Panel Port staff. Port Commission may approve or deny staff developer selection recommendation.

SOLE SOURCE PROCESS

Sole Source Proposals

Establish steps for Port Commission consideration of unsolicited (Sole Source) proposals (long-term or intermediate term leases for majority or entire piers), in addition to Board of Supervisors approval of resolution to waive City competitive bid leasing policy provisions.

- 1) **Written Submittal with Development Proposal.** Require any Sole Source development initiator for Port property to provide information about the proposal, any community outreach completed to date, and describe the specific ways in which the project will achieve Waterfront Plan and public trust goals and objectives, and reasons that support waiving the competitive bid process.
- 2) **Port Commission.** Public meeting to receive informational presentation on sole source proposal by developer, including information described in Item 1, Port Commission and public comments. Port Commission may make findings on sole source proposal to be forwarded for consideration by Board of Supervisors.
- 3) **Board of Supervisors.** Public hearing to waive City competitive bid leasing policy provisions, and to consider any Port Commission findings regarding the proposal.

SOUTHERN WATERFRONT LEASE GUIDELINES

Southern Waterfront Interim Lease Guidelines were originally established in 2004, prior to Pier 70 and Blue Greenway plans, and Pier 80-96 Maritime Eco-Industrial Strategy. Proposed updated guidelines for Southern Waterfront leases are presented below.

1) Short-term leasing

- a) Limit location of heavy industrial uses away from adjacent neighborhoods. Include lease provisions to minimize external impacts on neighborhood, as applicable (i.e. hours of operation, security, hazardous materials, noise, and dust controls).
- b) Provide 10 day notice before the lease is approved and review of information on proposed lease to Central Waterfront Advisory Group (CWAG) and Southern Waterfront Advisory Committee (SWAC), and opportunity to request review at a CWAG or SWAC meeting, to receive public input prior to lease approval.

2) Pier 80-96 Maritime Eco-Industrial Strategy Area Intermediate or long-term lease opportunities:

- a) Provide regular Port Commission and SWAC informational updates and community engagement on maritime marketing lease proposals.
- b) Port Commission informational presentation for intermediate-term or long-term lease opportunity
- c) SWAC meeting scheduled to discuss lease opportunity, solicit community input to report back to Port Commission
- d) Any opportunity for intermediate-term or long-term lease follows competitive solicitation process as proposed for piers and seawall lots.

OTHER LEASING

- 1) **Board of Supervisors.** Under current policy, Port non-maritime leases of 10 years or more and \$1 million (or more) in annual rental revenue are required to secure approval by the Board of Supervisors after Port Commission approval. Public comment opportunities are provided in Port Commission and Board of Supervisor hearings.
- 2) **No required process.** The following types of leases do not require separate public review:
 - a) Short-term (0-10yr) leases (except in Southern Waterfront) and turnover leasing for maritime, light-industrial/PDR, existing office, retail, restaurant spaces.
 - b) Intermediate lease for a limited area (i.e. not a master lease) within an industrial pier shed in the Embarcadero Historic District (consistent with industrial building occupancy limits, no seismic repairs) that supports amortization of capital repair and tenant improvement costs.