

FORESTCITY

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Kathleen Diohep
Project Manager
Port of San Francisco, Pier 1
San Francisco, CA 94111

Dear Ms. Diohep:

We are proud to submit to the Port of San Francisco this Statement of Qualifications for the Waterfront Site development at Pier 70. We believe this is one of the decade's greatest opportunities and would be honored to partner with the Port and stakeholders in bringing the vision to life.

We have enjoyed digesting the Preferred Master Plan and the Port's aspirations for Pier 70. The Port has set-up a great opportunity for the surrounding communities, for innovation-focused businesses throughout the Bay area and for the City of San Francisco itself. We deal with the same issues and aspirations outlined for the Waterfront Site on a daily basis with our projects nationally and would use that experience to help the Port catalyze the full redevelopment vision. In particular, our San Francisco office is focused on redefining the role of real estate as a tool to enable innovation and on helping the City of San Francisco become the global epicenter for innovation through dynamic mixed-use office projects. We have commissioned our own socio-cultural research studies on innovation and the future of office. In conjunction with these studies we have been working with some of the biggest companies in the fields of technology, biotech, and media to develop places that encourage the transformation of ideas into live market innovation.

This is our continued evolution as a 90-year old company. Today we hold approximately \$11.8 billion in assets (over 200 projects throughout the country) and we have been in the San Francisco market since the mid 1980s. Our business model enables us to leverage large amounts of our own equity and ensure that our projects proceed as envisioned over long stretches of time, through varying cycles of market conditions. We have lasting partnerships with some of the most respected companies in diverse sectors and industries and we pride ourselves on developing in the most complex environments of any developer in the country. Nearly all of our projects involve some form of public-private partnership structure and we believe our expertise to execute in this area makes us the right partner for the Port. We have a significant portfolio of historic revitalization projects, many of which are on brownfield sites and along a waterfront. For all of these reasons and others outlined within this statement, we see ourselves as an ideal partner for the Port and stakeholders in redeveloping Pier 70.

We hope you will speak with our references listed within this Statement. Steve Hearst of the Hearst Corporation will speak with you about the 5M Project, the innovation campus that we are creating at the San Francisco Chronicle site. Craig Middleton of the Presidio Trust will speak with you about our work on the National Park in rehabilitating the historic landmark there and how we successfully leveraged tax credits to enable that project. Equally applicable is our University Park project at MIT in Cambridge, where Roger Boothe will tell you about how that project helped catalyze an entire neighborhood around a 27 acre center of innovation that houses Novartis among other companies, along with housing, retail, a hotel and neighborhood amenities.

We have conducted enough of our own analysis thus far to know that Pier 70 has its challenges, but within those challenges are opportunities to create one of the most dynamic and innovative urban campuses in the country. Forest City would be proud to be your partner on this effort.

Sincerely,

Kevin Ratner
President
Forest City California Development, Inc.



PORT OF SAN FRANCISCO PIER 70 WATERFRONT SITE RFQ EXECUTIVE SUMMARY

Forest City is proud to submit our qualifications for the development of the Pier 70 Waterfront Site.

DEVELOPMENT ENTITY

We are a 90 year-old, publicly-traded developer of urban mixed-use projects that stimulate communities and revitalize neighborhoods. Our work includes office, retail, arts & culture, and residential. We have our own management company that enables us to both ensure our tenants have the best experience into the future and adapt to changes in the market over time, maximizing long-term value creation.

Forest City Development California, Inc. is a subsidiary of the Company's parent entity, Forest City Enterprises, Inc. ("Forest City"). If selected by the Port, Forest City will immediately form a new entity for the project. This newly formed entity will be a subsidiary under Forest City Development California, Inc. For the purposes of this response, the development entity will refer to Forest City Development California, Inc.

Forest City thrives on creating dynamic, innovative and prosperous places in complex environments. This is what we do: we successfully realize projects that are too layered and complex for anyone else. Here are our qualifications:

1/ DECADES OF EXPERIENCE REALIZING EXACTLY THIS KIND OF PROJECT

Forest City has spent decades visioning, entitling, constructing, and operating large-scale, complex public-private partnership projects that have the same qualities as Pier 70. These include:

- + Complex waterfront sites, such as The Yards in Washington, D.C., New York Mercantile in New York and Station Square in Pittsburgh;
- + Brownfield remediation projects, such as the Uptown Apartments in Oakland, The Yards in Washington, D.C and Stapleton in Denver;
- + Biotech/Cleantech/Technology campuses, as we did with University Park at M.I.T. in Cambridge, Science + Technology Park at Johns Hopkins in Baltimore, and the 5M Project in San Francisco; and
- + Historic revitalization projects, such as the Presidio Landmark in San Francisco, Metro 417 in Los Angeles and Tobacco Row in Richmond.

2/ PROVEN EXPERIENCE WITH PUBLIC-PRIVATE PARTNERSHIPS

Forest City has successfully created hundreds of public-private development projects. Among other aspects, we understand how to engage in a thoughtful, community-based, public dialogue and have a high-degree of expertise in accessing and utilizing public finance tools like TIF and Mello-Roos bonds. Nearly every project that Forest City develops utilizes some degree of public funding.

3/ FINANCIAL STRENGTH & FLEXIBILITY TO ENSURE LONG-TERM SUCCESS

Our business model and overall financial strength, affords us the ability to self-finance projects, reducing dependence on capital markets. We have \$453.3 million in cash on our balance sheet and available on our credit line to fund pre-development cost. In addition, in the last three years we have closed on \$5.3 billion of property level debt financing. This distinguishes us from other developers who must rely on third party equity which often demands a "quick flip" and are unwilling to tolerate market fluctuations over the long-term. While many investors are pressured into conservative positions that yield the highest and safest approach to placemaking, we are able to make decisions that maximize long-term value. Our 4,700-acre Stapleton project in Denver, for example, began in 2001 as a 30-year project and has proceeded continuously despite varied market conditions.

4/ WE HAVE DEVELOPED LONG-TERM RELATIONSHIPS IN SAN FRANCISCO

We are now in our third decade of successful development work within the City of San Francisco. Since the mid 1980s, we have developed and managed more than 2.5 million square feet of commercial property and more than 2,600 residential units across the Bay Area. Additionally, Forest City is dedicated to being an active and engaged member of the community through commitments to a diverse set of organizations. We have positive working relationships with most of the key stakeholders in the community. We understand how policy-makers approach developments of this type and we embrace the process rather than fight it.

5/ A SEASONED LOCAL TEAM SUPPORTED BY A DEEP NATIONAL NETWORK

Forest City attracts some of the most creative, entrepreneurial and skilled talent. The San Francisco team is among our most forward-thinking and is ideal for this project based on its abilities which include, building partnerships, working with diverse stakeholders through entitlements, managing complex construction, and leasing buildings with dynamic users. Forest City has a tremendously flat organizational structure, with the local team having direct access to our national network of experts, from the Company's senior executive to our CEO and Board of Directors. In addition, we have assembled an initial set of top-tier consultants that have the expertise and relationships to help us define the challenges of the site, design solutions, and entitle the project quickly and efficiently. Those consultants thus far include AECOM, Architectural Resources Group (ARG), Sheppard Mullin, and Holland & Knight.

6/ OUR HUMAN-CENTERED PROCESS CREATES BETTER PLACES

Forest City has developed a unique and powerful method of researching markets and working with stakeholders to define needs and inspire better design. We have adopted these practices from the world's most innovative companies who refer to this method as a "human-centered" process. In using this method we obtain better design from our consultants, more readily integrate communities of stakeholders and more rapidly identify tenants in advance of project development. The 5M Project in San Francisco, for example, was tenanted without the use of a broker before the project officially launched and achieved rents 50% above broker estimates. Ultimately, companies and organizations understand that we are a developer that provides places that help them do what they do better.

7/ WE ATTRACT THE COUNTRY'S MOST SUCCESSFUL AND INSPIRED TENANTS

Forest City attracts best-of-class companies as tenants in diverse sectors. This is by virtue of our national presence and our human-centered development process which provides companies with places that help them perform better — more efficiently, more creatively, and more effectively. Our business model of long-term ownership and operation has allowed us to form lasting relationships with a wide network of potential tenants for Pier 70. Our national tenants include those in biotech, healthcare, cleantech and financial sectors. We also have strong partnerships with universities, creating some of the country's most at-

tractive research and innovation campuses including MIT, University of Pennsylvania and Johns Hopkins.

8/ WE CREATE TENS OF THOUSANDS OF LOCAL JOBS FOR DIVERSE GROUPS

In the last thirty years of working in California, Forest City has created tens of thousands of jobs in the state, between construction and permanent long-term employment. In San Francisco, we have demonstrated an exceptional track record for exceeding hiring goals, particularly involving LBEs and the local workforce. In developing the San Francisco Centre, for example, we provided an unprecedented level of commitment to local businesses by working with community leaders to develop shared goals for job creation in advance of the project.

9/ WE ARE LEADERS IN INTEGRATING SUSTAINABILITY SOLUTIONS

Sustainability is written into our core values and processes at Forest City. Every development opportunity must undergo an internal evaluation screening to determine its degree of potential environmental impact and define its opportunity for neutralizing its carbon footprint. We believe in training our staff in diverse certification processes, including LEED, and we engage the country's top engineering and sustainability consultants to help create fiscally responsible solutions for minimizing net impact. Our portfolio includes projects that leverage the guidelines and standards of several green building organizations, depending upon project constraints. We have ten LEED certified buildings with at least ten projects currently in development with LEED targets. In the Bay Area, we recently completed three LEED projects: the Uptown project in Oakland was awarded LEED Silver; the Presidio Landmark achieved LEED Gold; and the Belles Street Townhomes with LEED Platinum.

10/ WE ARE FLEXIBLE AND ABLE TO PACE PROJECT DELIVERY WITH DEMAND

We recognize that this is a large project that will require complex funding mechanisms to appropriately deliver the Port's financial goals. Forest City is prepared to pursue the path that is most appropriate given the specific goal. We are able to either phase the development incrementally and organically, as we build IFD, Prop D and other revenues over time, or we can move more quickly by securing a large anchor tenant. Our financial strength and capability to handle complex public-private partnerships over long-term development deals affords us the flexibility to work in a manner that best suits the Port and market demand for the Waterfront Site and Pier 70 overall.

The Waterfront Site will be a new model of innovation campus: a research, design and prototyping center with integrated amenities that stimulate the exchange of diverse ideas to enable companies to bring better ideas to market faster. It will attract leading organizations in key growth sectors — from biotech to high-tech.

OUR VISION:

AN INNOVATION CLUSTER TO DRIVE DIVERSE JOBS & CATALYZE PIER 70

Our vision for Pier 70 is a new model for the innovation cluster designed for leading growth sectors who are focused on innovation by accelerating their creativity and democratizing access to knowledge. It does this by coupling high-quality office facilities with diverse and inspiring public amenities for the broader San Francisco community. As a result, this innovation cluster will attract the most creative and diversely skilled talent in the Bay Area to launch their start-ups, test their new ideas and share knowledge. In turn, the Waterfront Site will be a magnet for companies in diverse sectors, including biotech, high-tech and marine sciences who must continue to innovate and require a constant flow of fresh new ideas and talent to succeed.

This new innovation campus uses specific types of public amenities and programming to accelerate serendipity, bringing together more ideas more quickly than a single-sector cluster could ever accomplish. Through this strategy the Site becomes a destination for public use and exchange. Additionally, the amenities and programming leverage the existing assets of the Site, namely the large historic machine sheds and architecture, the broad open spaces and waterfront, and the existing industrial activities. In so doing, Pier 70 becomes a showcase for how to evolve industrial sites in the spirit of their historic use and reemerge as engines of economic growth and innovation in the new economy.

OUR STRATEGY:

ORGANIC PLACEMAKING THROUGH INTEGRATED, CREATIVE AMENITIES

The catalyst for our vision is a curated collection of amenities, programming and tenant organizations that attract to the Site an energetic set of users comprised of artists, makers and entrepreneurs. This program provides education, training, experimentation and hobbies for all types, ranging from the product developer to the craftsman seeking job retraining to the entrepreneur at the next generation start-up. The uses are integrated into the design of top-tier offices targeting large-scale biotech and high-tech anchor tenants. By attracting diverse users to the Site beyond the anchor tenant employees, the Waterfront Site in-

novation campus quickly and organically becomes a destination for creativity and open exchange. Specific magnet uses include:

1/ prototyping, making and art...

This program compliments existing industrial activities on the Site and leverages the historic architecture and broad open spaces. It includes shared prototyping centers, machine shops, artists studios, and indoor/outdoor experimental-pads for product testing and demonstrating. These facilities are largely transparent and visible to inspire tenants and visitors, providing a perpetual sense of creation and of building the future.

2/ collaboration, exchange and demonstration...

This set of uses is the impetus for dialogue and knowledge sharing across organizations, sectors and communities. It facilitates the collision of ideas and accelerates serendipity. Uses include shared start-up studios, co-working cafes, next generation telepresence and conference centers, and prototype product galleries.

3/ health/fitness, entertainment, experimental retail...

This set of uses celebrates the value of non-sequitur activities in stimulating new ideas and innovation. Uses include learning centers, fitness programming, athletics equipment rentals, bike exchanges, indoor/outdoor screening rooms and performances spaces, and micro-stores for small-scale experimental retail. This set of uses also activates the Waterfront Site as a “living machine” for exercise, learning and gathering.

In establishing a critical series of uses that collectively become culture-defining magnets, the cluster attracts the best of our growth economy to the site: from biotech to high-tech to energy companies who seek access to a strong culture of innovation for their talent. These companies gain immense value through the intersection of diverse ideas and knowledge across industries.

Our vision and development strategy for the Site catalyzes the full Pier 70 Master Plan by stimulating demand and use of the Site as a next-gen workplace, a cultural asset and as a tool to create a varied new workforce.

SERVE AS A CATALYST PROJECT FOR PIER 70 TO ACHIEVE SITE-WIDE GOALS

Our development vision for the Waterfront Site will build a broad base of support for both the development and the Master Plan, assisting in the entitlements process and readying the opportunity to source public financing and grant opportunities that make the overall Master Plan financially feasible. This critical goal is enabled through proper execution and communication of the following strategic benefits presented in our vision:

- 1/ providing a critical resource to the economic growth of San Francisco and the Bay Area through providing an environment for open-source innovation that appeals to the highest growth sectors of our economy;
- 2/ offering a new kind of waterfront to the public that resonates with San Francisco's desire for active and culturally vibrant public spaces; and
- 3/ generating financial value through introducing a differentiated, highly valuable, in-demand proprietary product type to the market.

The combined effect is a Project that will catalyze and mobilize broad support for the full redevelopment of Pier 70 as outlined in the Master Plan.

As part of the execution strategy, we will lead a design and development process that incorporates the broadest contextual awareness and mediates the demands of all stakeholders at Pier 70. We will likewise leverage the full value of the Site's historic resources and ensure the use of tax credits to enable the rehabilitation of historic buildings and contextual site assets. Lastly, we will work with the Port to secure a variety of public funding and foundation grants for critical elements like infrastructure costs and the rehabilitation of the historic buildings both within and beyond our site boundaries. It is critical that Pier 70 be thought of as a collective whole, with our proposed vision serving as a catalyst for the overall redevelopment. We are committed to making that vision a reality.

CREATE A FIRST CLASS JOBS CENTER AT PIER 70 TO COMPLEMENT EXISTING USES AND BECOME A MAJOR ECONOMIC HUB

The independent research we've conducted over the last two years on innovation shows us that cross-sector collaboration combined with a close relationship to physical prototyping (fabrication, machining, etc.) is tantamount for success. That learning has positive ramifications on job creation in two important ways for our vision of the Waterfront Site:

- 1/ It creates a place that yields high volumes of diverse types of jobs that range from the heady knowledge economy positions through to the types of trades that compliment the existing Port functions, including machining and prototyping...
- 2/ It steers our vision for the Waterfront Site as a cross-sector innovation campus that inherently has the diversity of organizations and companies to stimulate and maintain growth in varied market cycles, allowing the site to maintain it's new position as the economic hub.

GENERATE LAND VALUE, TAX REVENUES & INVESTMENT TO REALIZE MASTER PLAN

Our cross-sector, diversified strategy for the Site generates the greatest overall net value by capturing demand from leading anchor tenants who prioritize innovation, while avoiding a heavy reliance on any single industry. Market forces and the inherent diversity of companies already at play in the eastern neighborhoods further enable us to stimulate broader demand from a wide spectrum of industry leaders. This value creation increases the Port's tax base and supports the creation of public-financing tools like IFD and Mello Roos structures (among others), which in turn support critical costs and resources of the Master Plan such as infrastructure costs, rehabilitation of historic resources and public parks. In addition to the host of public-financing tools we will pursue together, the Port will likewise share in the financial benefits of the new development through both ground rent and participation.

DEVELOPMENT THAT ENHANCES AND RESPECTS THE SITE'S HISTORIC RESOURCES

Historic resources are a strong asset within the Site and they influence the full-range of design elements.

The structures are to be rehabilitated both for their value in tax benefits which ensure the fiscal viability of the entire Pier 70 plan but also for their inherent cultural and aesthetic value. Our placemaking strategy for the Waterfront Site is intertwined with the existing historic resources on the Site that make it so unique, namely, the historic machine shed structures and direct access to waterfront slipways and open space. These assets provide forums for the types of interactions and activities that drive collaboration and exchange for the community of users of the Site.

A fundamental goal of our vision is to create a new model for how to bring these types of industrial waterfront centers back into a leadership position of economic growth and innovation by complimenting historic and existing uses with stimulating new resources that match in intention and character. New construction compliments the historic resources in proximity and character, creating inspired new spaces between them. New program and uses of the Site co-exist with the existing ship repair and fabrication functions symbiotically in spirit and in function.

OPEN THE SHORE TO THE PUBLIC WITH A MAJOR NEW WATERFRONT PARK

The waterfront park is a vital “living machine” within our vision that supports sustainability and is an open amenity to the greater area for entertainment, recreation and interactive education. An anchor that is connected to the greater Bay Area through the coming historic core and to the grid of eastern neighborhoods via new circulation routes and view corridors. We envision the waterfront park as a highly programmed open space that draws diverse uses throughout the day and throughout the week. Small, light architecture provides resources like cafes, bike and kayak rental or educational material — all of which mirror other successful historic parks in the Bay Area like the Warming Hut at Chrissy Field. The waterfront park is a key epicenter within our vision for stimulating interaction and exchange through varied experiences that are open to tenants of the Site as well as visitors from all over the Bay Area.

CREATE OPPORTUNITIES FOR LOCAL WORKERS AND BUSINESSES DURING ALL PHASES OF THE PROJECT

Additionally, Forest City is committed to stimulating the greatest possible number of local jobs during design and construction as well as throughout operations of the Site once developed. The prioritization of information exchange and transparency without our

vision, makes the Site a platform for local workers of all backgrounds to participate in the growth industries of today. We will leverage partnerships with organizations ranging from CityBuild to City College to help us achieve this and believe the Site can be a bridge, providing opportunities for talented local workforce to enter the new economy. We look forward to developing a job-continuum and LBE strategy with the Port and stakeholders to realize this exciting opportunity.

STRIVE FOR A CARBON-NEUTRAL PROJECT, MINIMIZING RELIANCE ON AUTOS AND ENHANCING PEDESTRIAN EXPERIENCE

The greatest opportunities for impact in approaching a carbon-neutral Site come at the initial phases of design and planning. Our process drives an integrated working relationship with our consultants that enable us to identify the most cost-effective means for reducing energy demands and leveraging on-site systems. Key strategies for approaching carbon neutral include a relative emphasis on-site of human-scale circulation system (pedestrian, bicycle, etc.) and infrastructure that supports that emphasis (e.g. interceptor parking garages, ride-share programming, shuttle buses, etc.) Our vision calls for an overall circulation strategy that celebrates small-scale moments of indoor/outdoor public programming that enlivens the street and further encourages street-life and pedestrians. Additionally, we and our consultants have experience across diverse building types and climatic conditions to create top-tier building and systems designs that reduce overall energy demands through the latest in energy modeling, material sciences and overall building technology.

INTEGRATE PIER 70 INTO THE EASTERN NEIGHBORHOODS OF SAN FRANCISCO

The eastern neighborhood context and waterfront park are strong organizing factors that drive the circulation strategy to and throughout the Site. In particular, the site concepts favor a more distributed system of small-scale alleys and promenades that bias toward pedestrians. There are strong links of both primary and pedestrian routes to nearby public transit via numerous access points along Illinois Street, creating a strong porous edge to encourage use along the entire length of the west edge of the Site. Additionally, there is a strong orientation to the north/south axis for connecting to the remainder of the Pier 70 Site, the future PG&E site redevelopment, the SF Trail (to come) and the Blue Greenway that link the Site to its neighbors through an active, programmed bike and pedestrian route.