

SEAWALL LOT 351 RFP
RESPONSES QUESTIONS SUBMITTED IN WRITING

October 14, 2008

1. *Once the Port selects a developer to go forward with the project, when does the selected developer start paying the minimum \$500,000.00 annual rent to the Port? Immediately, during construction, or after the project is completed?*

The rent commencement date and rent schedules (during and after construction) will be terms of the lease that the selected developer and the Port will negotiate during the exclusive negotiations period. Respondents's proposals should address these issues. The RFP provides direction as cited below.

Page 2: "a. Proposals must include a minimum base annual rental rate of \$500,000 upon project stabilization.

b. Respondents shall propose a schedule of increasing base rent over the initial period of the Lease to allow for project stabilization. This schedule shall not be dependent on the performance of the project and shall identify the trigger event for rent commencement."

Page 18: Financial proposal requirements include "Base rent to be paid to the Port monthly during construction."

2. *We plan to form a California Limited Liability Company if selected by the Port. Can we submit the names of the entities and people who will be members of the LLC and stipulate that, if selected, a new LLC will be formed with these people/entities as members?*

Yes. Please provide information for each party of the LLC listed on Page 20 of the RFP.

3. *In my research of the subject parcel history I have come across reference to California Senate Bill #815, which may specifically address use and height limits. This bill was signed into law in October of 2007. How does this bill affect development at SWL 351?*

SWL 351 was included in early versions of SB 815, but was not part of the final legislation signed into law. SB815 does not affect development at SWL351. See the Port's previously posted written responses to questions raised at the September 11, 2008 pre-submittal meeting, (Response to Question 3).

SB815 is Appendix D of the SWL337 RFP and can be navigated to from www.sfport.com/swl337 or at this link: ww.sfgov.org/site/uploadedfiles/port/port_commission/RFP%20Appendix%20D.pdf

4. *Is there a requirement for only union labor for project construction or can non-union be utilized?*

As stated at page 27 of the RFP, "The Port will require the selected Respondent to pay prevailing wages in the construction of the project in accordance with prevailing wage and labor standards adopted by the Board under San Francisco Administrative Code Section 6.22." The RFP website has links to the City's Administrative Code.

5. *Where can I obtain a general idea of Port building department fees?*

The Port's Building Code in Section 110A contains information about fees. There is a link to the Port Building Code on the RFP website. The direct link to the code is:

www.sfport.com/site/uploadedfiles/port/about_us/divisions/engineering/2008BuildingCodePDF.pdf

6. *Will the Planning and Port review processes run sequentially or parallel?*

The Port will collaborate with the developer to coordinate required reviews. Pages 24- 27 of the RFP provide a general outline of the regulatory review processes. In general, prior to initiating review, an exclusive negotiating agreement is negotiated with the developer and approved by the Port Commission which lays out a process and time line for securing required approvals including any CEQA review or rezoning required for the proposed project. Most developers choose to initiate the environmental review process during the exclusive negotiating period, which completion is required before securing approval of the lease and development agreement.

The RFP asks you to provide a discussion of regulatory approvals and timeline specific to your development proposal (page 19); copied below. We encourage you propose an appropriate review process for your project taking into account regulatory requirements.

“Regulatory Approvals and Timeline

Describe the schedule and approach to securing regulatory approvals for the proposed project through lease signing. If the Respondent proposes land uses that are not public trust consistent, describe in detail how the public trust restrictions would be addressed. Include discussion of any required trades or swaps of property, special legislation or other mechanisms. Provide a rationale and timeline for securing such approvals.”

7. *Is the Port included as an interested party under CEQA or is the Port's review separate from the Planning Department and MEA process?*

The Port is a co-applicant on applications for CEQA review, filed by project sponsors who propose improvements to properties under the jurisdiction of the Port Commission. The selected developer may initiate the CEQA review process during the exclusive negotiations phase of the project, if the developer chooses. The San Francisco Planning Department is designated as lead agency for CEQA review for any projects requiring approvals by public agencies, administered through its Major Environmental Review (MEA) Division. Port staff will monitor the proceedings of the process and provide information and comments, but has no decision-making status in the CEQA process. As stated in the RFP, the developer is responsible for completing the CEQA review process, as well as other required regulatory approvals.