



MEMORANDUM

February 21, 2025

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Gail Gilman, Vice President
Hon. Willie Adams
Hon. Stephen Engblom
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director

SUBJECT: Request approval of a proposed new lease with Everett & Jones BBQ SF International, LLC, a California limited liability company ("Everett & Jones"), for approximately 4,363 square feet of a two-story restaurant space located at 300 Jefferson Street for a term of 10 years with two five-year options to renew, subject to Board of Supervisor's approval.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 25-11

EXECUTIVE SUMMARY

On July 12, 2022, the Port Commission adopted Resolution No. 22-37 approving the Interim Broker Policy (Policy), allowing Port staff to select a commercial retail broker to support the marketing and leasing of critical retail locations that had become vacant during the pandemic.

On June 13, 2023, the Port Commission adopted Resolution 23-29, authorizing Port staff to pursue new tenants for certain retail vacancies through a broker-assisted competitive bidding process. Following the process outlined in the Policy, staff selected Maven Commercial ("Maven") to market the vacant 300 Jefferson Street restaurant space on behalf of the Port¹. The Agreement for Brokerage Services for 300 Jefferson

¹ Agreements for Broker Services for 490 Jefferson Street (vacant office), 2829 Taylor Street (former Alioto's), and 340 Jefferson Street (former Pompeii's) were also authorized. Marketing for all four properties commenced at the same time.

Street ("300 Jefferson") was executed on November 21, 2023.

In early 2024, Maven undertook an extensive marketing campaign for 300 Jefferson and proactively reached out to more than one hundred restaurateurs and retailers through direct calls, sent out more than 2,000 email solicitations to the retail brokerage community, restaurateurs, retailers, bars, and cafes, and ultimately conducted over 35 tours of the property with some prospects making multiple visits.

After assessing interest and qualifications, Maven identified five viable proposals for 300 Jefferson to advance to a selection panel process. The concepts varied and included barbeque and live music, a fast-casual chicken concept, a bar and nightlife dinner theater, southern Cajun food, and a robot music/bar. The experience of the operators and financial capacity to perform varied significantly across the proposals. The financial metrics of the proposals were based on Maven's input on market conditions and similar lease rate and structure transactions.

Port staff convened a selection panel to review and rank the proposals based on the formal criteria approved by the Port Commission described in Resolution 23-29 and in the Selection Process section of this staff report below, and unanimously selected Everett & Jones as the leading proposer for Port to enter into lease negotiations. Everett & Jones is a proven BBQ purveyor in Oakland and has experience with multi-site operations. The Everett & Jones location near Jack London Square is the "flagship" and well known as a community gathering point and offers music in the evenings. Their BBQ concept is a new offering for Fisherman's Wharf which tends to focus on seafood.

Port staff believe Everett & Jones will be an excellent addition to Port's restaurant community in terms of concept and experience. The lease will be an additional step towards economic recovery for Fisherman's Wharf, generating an average of \$152,000 per year in base rent (estimated to be \$1.82 million over the term) to Port plus the possibility of percentage rent. When the restaurant opens, it will fill a void for a full-service restaurant on Jefferson Street in Fisherman's Wharf, serving locals and visitors alike.

STRATEGIC PLAN ALIGNMENT

A new restaurant at 300 Jefferson will support Port's following Strategic Objectives:

Economic Recovery:

The 300 Jefferson restaurant space has been vacant for approximately four years. Successful activation of this space by an experienced operator will generate new, stable income for the Port.

Economic Growth:

Port investment in tenant improvements at 300 Jefferson will improve the value of the property, increase the likelihood of success for the new operator, and catalyze increased investment in Port property.

Equity:

The new restaurant tenant at 300 Jefferson presents an opportunity to feature a well-known and successful African American-owned business expanding from Oakland to San Francisco, expose visitors to Fisherman's Wharf to a more diverse offering of food, will introduce a live music opportunity for local artists, and will provide new employment opportunities in the district.

Engagement and Public Awareness:

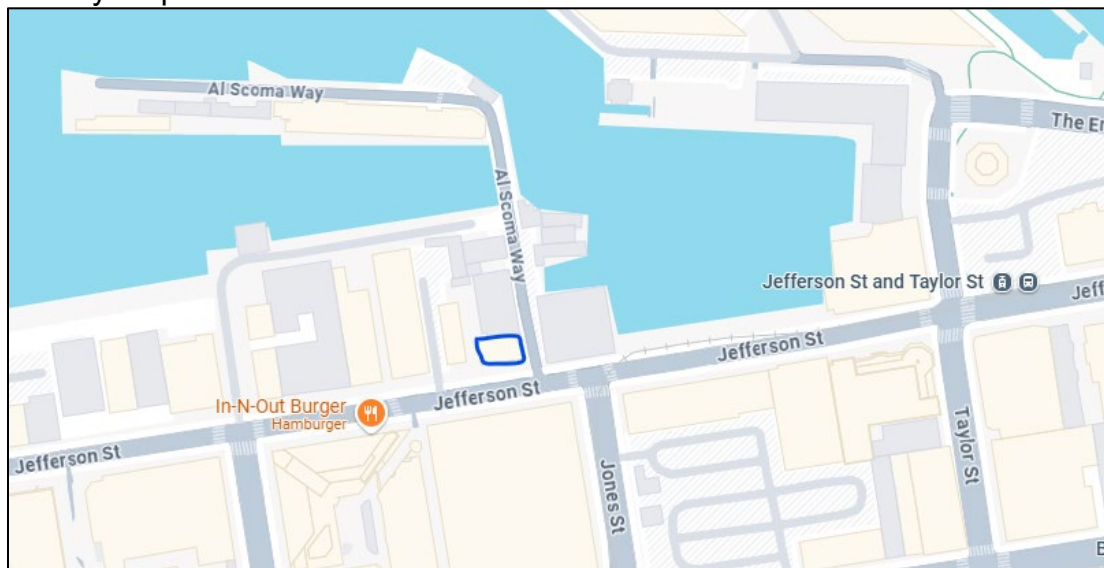
The reopening of 300 Jefferson with Everett & Jones will re-invigorate Jefferson Street and introduce a new food concept for Fisherman's Wharf that should attract both locals and tourists. Their business plan includes live music, with a focus on blues, jazz, and R&B will create an inviting and lively atmosphere.

BACKGROUND

The restaurant space at 300 Jefferson was in operation for many years, most recently as "Lou's Fish Shack", but has been vacant since Lou's ceased operations in March 2020 with the onset of the COVID pandemic.

This site fronts Jefferson Street between Al Scoma Way and 360 Jefferson Street, the major tourist thoroughfare between Pier 39 and Ghirardelli Square. This location is close to hotels, tourist attractions, various local businesses, and residential neighborhoods. The space has a full kitchen with two bars and dining on two floors. The upper floor has been used for live music in the past. The premises are approximately 4,363 sq. ft. See below vicinity map with the premises circled in blue.

Vicinity Map



On July 12, 2022, the Port Commission approved the Interim Broker Policy, allowing Port staff to select a commercial retail broker to support the marketing and leasing of critical retail locations that had become vacant during the pandemic. Staff selected Maven to market this location as well as 490 Jefferson St. and the spaces previously occupied by Alioto's and Pompeii Grotto.

Representative photo of Lou's Fish Shack before it closed in 2020:



Source: SFGATE

Maven's efforts for 300 Jefferson included:

- Listing the property on CoStar, Crexi (an online listing site), and others, along with the Maven website, including an Instagram advertisement for social media exposure.
- Direct calls to more than 100 people in the restaurant industry including owners, chefs, and tenant rep brokers.
- Contacting multiple local chambers and various parties who had previously indicated an interest in Port restaurant locations.
- Contacting approximately 2,000 people through emails, flyers, phone calls, and network outreach.
- Posting marketing flyers on the Maven and Port websites. An advertisement was also posted on Instagram, exposing the property on social media.
- Maven and Port public relations teams successfully launched a news story in the San Francisco Chronicle about this and other Fisherman's Wharf restaurants coming to market.

Maven's outreach process resulted in five letters of intent which were vetted by Maven and presented to a selection panel consisting of two Port staff not involved in the leasing process and one outside consultant.

SELECTION PROCESS

A date for submission of proposals was set for July 28, 2023, and five submissions were received. Maven summarized the business terms submitted by each proposer and provided a recommendation for consideration. The selection panel reviewed the proposals, conducted virtual interviews with the five candidates, and ranked them accordingly. Proposals were scored on a 100-point scale using the following evaluation criteria:

Proposed Concept – 20 points

- Quality and suitability of proposer's concept to meet Port objectives
- Proposed Operations Plan, including hours, menu and pricing, staffing, customer satisfaction
- Marketing plan to drive sales/revenues

Proposed Design – 20 points

- Conceptual layout of proposed use
- Overall appeal of interior and exterior design, signage, outdoor dining
- Requested TI allowance and use of funds (Landlord contribution)

Experience and Financial Strength – 20 points

- Experience owning and operating restaurants
- Annual Operating Statements and Balance Sheets 2019-2023 (as applicable)
- Capital investment plan, including proposer's source and availability of funds
- Credit Rating

Proposed Rent and Business Plan – 25 points

- Base rent, including growth
- Percentage rent, breakpoints
- Five-year financial pro forma

Local Business Participation & Diversity Equity Inclusion Program – 15 points

- Proposed plan to meet Port's LBE and Diversity Equity Inclusion goals

Most prospects did not address every listed element, so the panel based its selection on the information provided. Key factors included the concept and operations plan, designs and concepts, experience, base rent, business plan (including rent and tenant improvement allowance), and goals for LBE and Diversity, Equity, and Inclusion. All the prospects submitted letters of intent on a standardized basis allowing side-by-side comparisons of each proposal. The Panel found the information provided sufficient data to evaluate each proposal.

OUTCOME

The highest-scoring proposal was submitted by Everett & Jones, an iconic restaurant in Oakland, California. Everett & Jones scored 87 points².

Other prospects, not including names, were:

- Fast-casual chicken concept: 79 Points
- Live theater restaurant/bar: 64 Points
- Southern Cajun Cuisine: 58 Points
- 1920's Bar/Music Concept: 40 Points

Staff determined the Everett & Jones proposal exceeded the criteria set forth in Resolution 22-38. In addition to being a qualified proposer, Port staff believe the proposed concept, partnership, experience in successfully operating two restaurants in Oakland and one in Antioch, and commitment to developing a robust community engagement plan represents a viable and attractive addition to the Port.

EVERETT AND JONES BACKGROUND

Everett & Jones is known for its traditional Southern-style barbecue. It was founded in 1973 by Dorothy King, known as "Mama" Dorothy, along with her eight daughters and one son, in the Jack London Square neighborhood in Oakland, CA. The restaurant's offerings came from her family recipes and a passion for serving good food.

The family saw a need for a Southern barbecue in the Bay Area and worked to open the restaurant in Oakland. The family expanded their operations and opened additional locations in Oakland and Antioch. The first Oakland location, near Jack London Square, became well known for barbecue lovers and is a staple for the community.

Everett & Jones is identified by its smoked meats, including ribs, brisket, and chicken, along with classic Southern sides such as cornbread, mac and cheese, collard greens, and baked beans. Everett & Jones developed signature sauces, ranging from mild to extra hot, which are sold in stores and online.

The first Oakland restaurant hosts live music, with a focus on blues, jazz, and R&B leading to close ties to the Oakland community. The family has consistently been involved in charity work, fundraising for local schools, supporting local events, and maintaining a presence in the cultural and social fabric of Oakland.

The restaurant has received significant recognition over the years, both locally and nationally. It has been featured in food and culture publications and continues to be a highly rated destination for locals and tourists alike.

² This is based on the average of three panelists scores.

Port staff conclude Everett & Jones will be a good addition to Fisherman's Wharf by adding cuisine that has not been available in the neighborhood and has a good likelihood of success.

The San Francisco Office of Economic and Workforce Development "OEWD" has been supporting Everett & Jones through this process. OEWD is also assisting Everett & Jones through the process to become a "City Vendor" allowing direct payment from Port to Tenant for eligible tenant improvements. City Vendor status also makes Everett & Jones eligible to participate in CCSF catering opportunities.

LEASE TERMS

The proposed essential business terms for Lease No. L-17180 between Port and Everett & Jones for the 300 Jefferson space are as follows:

Term

Ten (10) years with two five-year options to extend

Base Rent

- Free Rent Period: Lesser of 180 days or date Everett & Jones opens to the public
- Year 1 - 5% of Gross Revenues, but no less than \$10,000/mo
- Year 2 - \$13,000 per month; \$2.98 psf/mo; \$35.76 psf/yr
- Year 3 - \$14,500 per month; \$3.32 psf/mo; \$39.84 psf/yr
- Three Percent (3%) increases thereafter

Percentage Rent

Five percent (5%) of Gross Revenues in Year 1 and six percent (6%) thereafter

Minimum Gross Sales Threshold

If Tenant fails to achieve \$2.9 million in gross sales (\$665 psf) by the end of the third lease year, either party has the right to terminate the lease.

Tenant Improvement Allowance

Port to provide \$800,000 (~\$183 psf) as a tenant improvement allowance funded by the Tenant Activation and Retention Fund ("TARF") allocation through the American Rescue Plan Act of 2021 ("ARPA") and other non-Harbor Fund sources. The allowance will be paid directly to Tenant for work to be performed by contractors after Port receives copies of invoices from contractors. Tenant is required to provide evidence of payment to applicable contractors as a condition for Port to make further payments from the tenant improvement allowance. Everett & Jones is required to register as a "City Vendor" to receive payment from Port through the City Controller's office.

A copy of the proposed Lease No. L-17180 is on file with the Port Commission Secretary.

RECOMMENDATION

Port staff recommend that the Port Commission accept Everett & Jones as the successful proposer for 300 Jefferson and approve the attached resolution authorizing the Executive Director to enter proposed Lease No. L-17180 between Port and Everett & Jones and authorize the Executive Director to forward the Lease to the Board of Supervisors for approval and upon the effectiveness of such approval, authorize the Executive Director or her designee to execute the Lease.

Prepared by: Don Kavanagh, Senior Property Manager
Real Estate and Development

Through: Kimberley Beal, Assistant Deputy Director
Real Estate and Development

For: Scott Landsittel, Deputy Director
Real Estate and Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 25-11

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and
- WHEREAS, The Port Commission adopted Resolution Nos. 23-28 and 23-29 on June 13, 2023, which authorized the payment of Broker Commissions under the Broker Payment Policy ("Policy") and authorized Port staff to pursue tenants for certain space in a broker-assisted competitive bidding process respectively; and
- WHEREAS, Port hired Maven Commercial in November 2023 to pursue a new tenant for 300 Jefferson Street under a broker-assisted competitive bidding process; and
- WHEREAS, The broker assisted competitive bidding process was completed in May 2024 and a Port constituted panel selected Everett & Jones BBQ SF International, LLC a California limited liability company ("Everett & Jones") as the top prospect for 300 Jefferson Street; and
- WHEREAS, Everett & Jones is a proven BBQ purveyor in Oakland and has experience with multi-site operations. The Everett & Jones location near Jack London Square is well known as a community gathering point and offers music in the evenings. Their BBQ concept is a new offering for Fisherman's Wharf which should draw locals and tourists; and
- WHEREAS, The proposed terms for Lease No. L-17180 ("Lease") at 300 Jefferson Street with Everett & Jones are described in the staff report accompanying this Resolution and set forth in the Lease, a copy of which is on file with the Port Commission Secretary; now, therefore it be it
- RESOLVED, The Port Commission hereby approves the terms of the Lease at 300 Jefferson Street with Everett & Jones as described in the staff report accompanying this Resolution and set forth in the Lease, a copy of which is on file with the Port Commission Secretary; and be it further
- RESOLVED, That the Port Commission authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors ("Board") for approval, pursuant to the Board's authority under Charter Section 9.118, and upon the effectiveness of such approval, to execute the Lease; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to enter into any additions, amendments, or other modifications to the Lease that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 25, 2025.

Secretary