

ATTACHMENT B PORT-JAMESTOWN CONCEPTUAL TERM SHEET

(January ____, 2017)

The Port ("Port") and JPPF OP Acquisitions, LLC ("JPPF") are parties to that certain Exclusive Negotiation Agreement (the "ENA") effective as of September 1, 2016, which sets forth the basic terms and conditions on which the parties agreed to negotiate regarding the concept and uses described below and that will be refined and set forth in more detail in the lease (the "Lease") and other related agreements (collectively, the "Transaction Documents") for the construction and operation of a retail destination that showcases and sells products manufactured in San Francisco (the "Project") within the Pier 29 Bulkhead Building. Since entering into the ENA, JPPF and the Port have engaged in significant community outreach to refine the uses and design of the Project, and the Parties now wish to enter into this Conceptual Term Sheet to set forth the basic parameters for the Project that will be the basis for continuing Lease negotiations.

This Conceptual Term Sheet is not intended to be, and will not become, contractually binding unless and until environmental review has been completed in compliance with the California Environmental Quality Act ("CEQA") and the parties are able and willing to execute and deliver a mutually acceptable Lease and other Transaction Documents. In addition, under the San Francisco Charter, no officer or employee of the City and County of San Francisco (the "City") has authority to commit the City to the transaction contemplated herein unless and until the San Francisco Port Commission and the San Francisco Board of Supervisors ("Board") has approved the Lease.

1. <u>Parties:</u> <u>Tenant:</u> JPPF OP Acquisitions, a Georgia limited partnership.

<u>Landlord</u>: City and County of San Francisco (the "City"), acting by and through the San Francisco Port Commission.

2. <u>Premises or Site</u>: The Pier 29 Bulkhead Building, up to

approximately $\pm 22,600$ sf at Pier 29 as more

particularly shown on the site plan attached hereto as

Exhibit 1.

3. <u>Lease Term</u>: 15 years.

4. <u>Proposed Project:</u> The Pier 29 Bulkhead Building will be rehabilitated in

accordance with Secretary Standards to create a new retail experience that allows for an urban brewery, winery, and coffee roaster that manufactures some beverages on-site and provides a multiple-purpose space for residents, visitors, local happy hours, and special events. The Premises will include public and

gathering spaces for consumption of products sold onsite that also celebrate San Francisco, its urban manufacturing sector and culture and craft beverage renaissance. This destination is intended to serve both waterfront visitors and San Francisco residents and employees. No full-service restaurants will be permitted.

JPPF will select retail subtenants in consultation with the non-profit SFMade, with top priority given to those that showcase and sell products manufactured in San Francisco by SFMade members and a secondary priority given to those that sell goods manufactured in the wider Bay Area. JPPF will include terms for SFMade's involvement in its letters of intent and subleases for retail space to ensure that SFMade has a seat at the table from a very early stage in the subleasing process.

The Premises is currently estimated to occupy 22,600 sf, but may vary slightly depending on occupancy calculations. The central portion of the bulkhead would be dedicated to retail uses and would use the central arch as the main entrance. The beverage spaces are currently laid-out on the perimeter of the central retail space, establishing a large, engaging hall. Beverage production and storage, as well as public restrooms, would be located within a portion of the bulkhead. The Premises would allow for approximately 10,000 sf of retail space, 2,000 sf of beverage consumption space, 3,700 sf of back of house space, 4,100 sf of beverage production space, and 3,100 sf of storage space, as illustrated in Exhibit 1 attached to this Conceptual Term Sheet.

The final layout will be subject to Port and City review and will be designed to meet occupancy, ingress, and egress regulations. The Lease will allow for future good faith negotiations for JPPF's activation of an outdoor plaza on the south side of Pier 29 Bulkhead under a license or similar agreement with Port's standard terms and conditions for such areas.

5. <u>Proposed Financial</u> <u>Terms</u>:

The parties acknowledge that the full scope and cost of capital improvements to the Premises are not presently known, pending resolution of the acceptable project concept and design. After endorsement of this Conceptual Term Sheet by the Port and Board, Jamestown will diligently undertake the necessary design and engineering work for the endorsed concept plan, which will result in a proposed budget for the Project. Based on the budget, the parties will negotiate the financial terms for the Lease, based on the following principles:

Project Funding: Jamestown will be solely responsible for the funding of all soft and hard project costs, estimated at the proposal stage to be \$5,830,000, subject to rent credits as provided below.

Base Rent: Fair market rent to be determined by the parties after taking into account costs of build-out for the Project, with periodic fixed adjustments, which amount was estimated at the proposal stage to be \$25,000 per month.

Rent Credits: Jamestown will be eligible for a rent credit against Base Rent for certain reasonable hard costs actually incurred for specified capital improvements that benefit the Port, estimated at the proposal stage to be \$1,182,000.

Participation Rent: The Lease will provide the Port with an upside participation in revenues, including as a result of a sale of the Lease, that takes into account a reasonable and market-based return to Port and JPPF.

6. Public Trust:

All uses permitted under the Lease shall be consistent with the public trust and Waterfront Land Use Plan, based upon findings by the Port Commission in accordance with the Burton Act and City Charter.

7. As Is Condition

JPPF will accept the Premises in its as-is condition.

8. <u>Standard Terms</u> and Conditions.

The Lease, except as negotiated above or in the ENA will address the terms and conditions of the Port's

December 23, 2016 Request for Proposals ("RFP"). The Lease will be materially consistent with the Port's standard retail lease form as included in the RFP, with such negotiated changes mutually agreed by the parties to respond to circumstances unique to the Premises and the proposed project. Without limitation, the Lease will address security for Lease obligations (including a security deposit and security for construction obligations), tenant's compliance with laws, operations and management requirements, , indemnity and exculpation and insurance and hazardous materials. The Lease will require Tenant to comply with all City laws to the extent applicable to the Lease and Tenant's use thereunder, including, but not limited to, Non-Discrimination, First Source Hiring, Health Benefits Coverage, Limitation on Contributions, Prevailing Wages, and Local Hiring requirements. The Lease will address the Port's Seawall project and potential sea level rise issues.

Non-Binding.

The parties agree that this Term Sheet is not intended to create any agreement or obligation by Port to negotiate a definitive lease and imposes no duty whatsoever on Port to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arms' length. Prior to delivery of a definitive executed lease approved by the San Francisco Port Commission, and without any liability, the parties may (1) propose different terms from those summarized herein, and/or (2) unilaterally terminate all negotiations.

Attached Exhibits: Exhibit 1-Site Map



BARBARY COAST NEIGHBORHOOD ASSOCIATION

640 Davis Street Box 28 San Francisco, CA 94111

E-MAIL: www.bcnasf.org/contact-us/

PRESIDENT
Bill Hannan

1st VICE PRESIDENT Diana Taylor

2ND VICE PRESIDENT David Albert

TREASURER
Carol Pariette

SECRETARY Bill Hannan

At Large Members

ramieen James Mary Lou Licwinko Lee Robbins Karen Scarr June 13, 2016

Ms. Elaine Forbes Interim Executive Director Port of San Francisco Pier 1, the Embarcadero San Francisco, CA 94111

Dear Ms. Forbes:

Thank you for speaking to our board and interested members on June 8, 2016 about the proposal for the development of the bulkhead building at Pier 29. We appreciate your interest in meeting with us to discuss concerns and we were also pleased to hear from representatives of Jamestown Development LLC and SF Made.

It was very helpful to have a discussion about the plans for the building and to gain more clarification of the process, the nature of the retail proposal, consideration of the outside promotional structure to attract visitors, and next steps.

Specifically, we support many aspects of the proposal as presented, which focuses on retailing unique San Francisco merchandise in the 20,000 square foot bulkhead building, and that any further development proposals for the rest of the pier will be subject to a transparent process that will include NEWAG and community input. We were also heartened to hear that the red pylon promotional structure that had been suggested in the proposal is not definitive and will be reconsidered in light of its incongruity with the historic character of the building.

We would also like to highlight one process concern — the selection committee bypassed NEWAG while seeking rapid approval of Jamestown's proposal. Given NEWAG's advisory role and the length — 15 years — of the proposal, we believe some briefing for NEWAG prior to Commission approval was appropriate. Therefore, we recommend for projects exceeding a certain scope that selection committees brief NEWAG on their decision prior to obtaining Commission approval. Such a step will facilitate better communication and

We remain interested in the pursuit of recreational opportunities and activities for the remainder of the pier and look forward to ongoing dialogue with the Port about these ideas via NEWAG or independently through meetings such as the one we had last week. Moreover we support continued discussion of the best use of the remaining space as part of a more comprehensive update to the 1990 Waterfront Land Use Plan and understand there is currently a mechanism in place reviewing the plan for updates going forward. We are interested in participating in the Subarea Planning for the Northeast Waterfront planned for later this year.

We are enthusiastic about the possibilities for Pier 29 and hearing about the thoughtful proposal for the bulkhead building. We look forward to seeing its progress.

Please do not hesitate to contact any of our board members if we can be helpful in providing constructive dialogue with the community in support of the proposal as presented to us on June 8, 2016.

Sincerely,

William Hannan
Acting President
Barbary Coast Neighborhood Association
whann@att.net

cc: Aaron Peskin Members San Francisco Port Commission (via Amy Quesada) Members Port of San Francisco Northeast Waterfront Advisory Group Stan Hayes, President Telegraph Hill Dwellers



Serving Alameda, Contra Costa, Marin and San Francisco counties

SIERRA CLUB, SAN FRANCISCO GROUP, SF BAY CHAPTER RESOLUTION

OPPOSING PROPOSED MINI-MALL RETAIL PROJECT IN PIER 29

WHEREAS, San Francisco's Waterfront Land Use Plan, which the voters created by passing Proposition H in November 1990, designates Piers 27, 29, and 31 for "a unique and inviting waterfront mixed-use recreation project" that "could provide a venue for all San Franciscans and Bay Area residents to actively participate individually or as groups, in diverse amateur recreation sports, physical fitness and related activities while enjoying the scenic waterfront setting;" and

WHEREAS, the Sierra Club previously joined with the Citizens to Save the Waterfront coalition to successfully defeat the Willie Brown Administration's plan to have the national shopping mall developer Mills Corporation build a giant mall and office complex at Piers 27, 29, and 31; and

WHEREAS, instead of pursuing a new project that complies with the Waterfront Land Use Plan, the Port Commission on April 26th voted to let another mall and office developer, Atlanta-based Jamestown Properties, build a mini-mall retail center inside the historic bulkhead building of Pier 29 on the Embarcadero at Chestnut Street; and

WHEREAS, the Port has put the Jamestown mini-mall proposal on a fast-track timeline, with a plan for final approval of their 15 year lease intended to take place within months; therefore, be it

RESOLVED, that the Sierra Club urges the Port Commission to respect the current community based Waterfront Land Use Plan Review process and instead of undermining the Waterfront Land Use Review process by approving this controversial project which conflicts with the Plan the Port should allow the Waterfront Land Use Plan Review process to proceed.

FURTHER RESOLVED, that the Sierra Club joins with the Coalition for San Francisco Neighborhoods, the Fisherman's Wharf Restaurant Association, and others to oppose the proposed Jamestown Pier 29 mini-mall proposal and urges the Port and the Board of Supervisors to reject this flawed plan and instead pursue a "unique and inviting waterfront mixed-use recreation project" as called for in the Waterfront Land Use Plan.

Email: info@sfbaysc.org

June 24, 2016

Remy Monteko
Asset Manager
Jamestown Properties
1700 Montgomery Street, Suite 100
San Francisco, CA 94111
Via Email (Remy.Monteko@JamestownLP.com)



Re: Follow-up to Presentation on Jamestown's Proposed Pier 29 Bulkhead Project to THD's Planning & Zoning Committee

Dear Ms. Monteko:

Thank you very much for presenting Jamestown's proposed Pier 29 bulkhead retail project to the Telegraph Hill Dwellers' Planning & Zoning Committee on June 9, 2016. We appreciate your time and consideration in coming to discuss your project with us.

As you know, THD sent a letter to Supervisor Aaron Peskin on May 13, 2016 expressing our concerns about Jamestown's proposal for Pier 29 and urging the Port and the Board of Supervisors to pursue alternatives. Still, after your presentation, we remain concerned that the proposed use is inconsistent with the existing Waterfront Land Use Plan, which calls for the Pier 29 site to be the location of a "unique and inviting waterfront mixed-use recreation project," rather than a retail shopping venue. Furthermore, we remain troubled that the Port selected Jamestown for approval before presenting their proposed project to the Port's Northeast Waterfront Advisory Group

That said, in your follow-up email to us on June 10th, you offered to provide additional information and answer questions raised by your presentation. We appreciate your offer and, to confirm our understanding of your project, we would like to ask several questions and for the following additional information:

- 1. At our meeting, we understood from the SF Made representative that SF Made will be an adviser to the Pier 29 project, but will not actually be the one to run the retail operations or sell any of the products there. From your answers to questions at our meeting:
 - We understood that Jamestown, as the master leaseholder of the Pier 29 retail project, would enter into agreements with numerous individual operators for the retail operations, brewery, café and bar, and that those individual operators will in turn determine whose and which products will be made available for sale. In other

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words, those operators would determine the retail experience and enter into agreements with the vendors. Is this correct?

- We understood that Jamestown has worked with retail and other operators on previous retail projects. Would you please provide the names of and experiences with retail operators with whom Jamestown has worked on other retail projects, particularly ones similar to the Pier 29 project? And, would you provide us additional information about your planned overlay of operators, their interaction, and their respective operating responsibilities and authorities, so that we can better understand how you intend this project to function?
- We understood that not all the retail products sold in the Pier 29 project would be from members of SF Made. We further understood that there is not a requirement in the lease agreement with the Port that all, or even most, of the products sold in the Pier 29 project will be locally made. Is that correct?
- We understood that, for locally made products that are sold in the Pier 29 project, the crafts people/producers of the products will not themselves be on site except for special events that may be held that could feature a specific product demonstration.
 Is that correct?
- 2. The Waterfront Land Use Plan states that an Interim Lease for a temporary use in a site such as this should be for a term of 1 year up to a maximum of 5 years. As you are aware, the Port is now in the midst of an update to that plan, which among other things, will consider the most appropriate use of Pier 29. We understand that Jamestown has proposed a lease term of 15 years, with an option for one or two 5-year extensions. Would you be willing to accept a lease term of no more than 5 years for your interim use, thus allowing the Port at that time to harmonize if necessary the use of the bulkhead and remainder of Pier 29 with the updated Waterfront Land Use Plan?
- 3. You stated that your proposal would require Jamestown to invest \$6 million in the proposed Pier 29 project. Please explain what features of your proposal have costs this high? Also, please provide your analysis of why this warrants a 15-year lease period.
- 4. In Jamestown's proposal to the Port, a map was included that showed the prospective extension of the retail use of the bulkhead into the full length of the Pier 29 shed as a long term expansion plan. We understood you to say that this is not part of the short-term plan, but will you explain why you chose to include this in your proposal?

- 5. From your presentation, we understood that you plan to remove the large red object ("armature") from your proposed project. If so, we strongly support your decision to remove it, as we believe it would be incompatible with the historic nature of the bulkhead building, as well as the Port's Embarcadero National Register Historic District. Will you confirm that you have removed this from your proposal and will not pursue it?
- 6. We understood you to indicate that Jamestown would be willing to remove all of the proposed elevated wooden platform(s) at the southern/southwest corner of the bulkhead building from your project. We are concerned that those elevated wooden platform(s) would violate the BCDC permit requiring that area to be public access and that it would be incompatible with the historic bulkhead building. Will you confirm that you have removed this from your proposal and will not pursue it?
- 7. The BCDC-required public access "Shorewalks" through the interior of the project are not shown on your proposed plans. Will you revise your plans to show them?
- 8. The proposed tracks that would be installed for the movable retail kiosks appear to be incompatible with the historic integrity of the bulkhead building. Some committee members suggested that you instead use locked wheel carts. Will you consider this?

Thank you again for taking the time to speak to us and your offer to provide additional information about this proposed project. We very much appreciate it and look forward to hearing from you.

Stan Hayes President

Telegraph Hill Dwellers

cc: Elaine Forbes, Interim Executive Director, Port of San Francisco Supervisor Aaron Peskin, District 3



June 28, 2016

Stan Hayes President, Telegraph Hill Dwellers

Cc: Elaine Forbes, Interim Executive Director, Port of San Francisco Supervisor Aaron Peskin, District 3

Dear Stan,

Thank you again for having the Jamestown team to the Planning & Zoning Committee of the Telegraph Hill Dwellers on June 9th, 2016. It was a pleasure to meet you and a great opportunity to open dialogue with your group about this project.

Please see below in blue our responses to your thoughtful follow-up questions. We would very much like the opportunity to present again to the Planning and Zoning Committee to share some of the work we are currently doing to design a few potential options for the public realm improvements and seek input from the group. Please let me know when we can set a date to return soon.

Best regards, Remy Monteko Jamestown

- 1. At our meeting, we understood from the SF Made representative that SF Made will be an adviser to the Pier 29 project, but will not actually be the one to run the retail operations or sell any of the products there. From your answers to questions at our meeting:
 - a. We understood that Jamestown, as the master leaseholder of the Pier 29 retail project, would enter into agreements with numerous individual operators for the retail operations, brewery, café and bar, and that those individual operators will in turn determine whose and which products will be made available for sale. In other words, those operators would determine the retail experience and enter into agreements with the vendors. Is this correct?

There will be a collaborative process between Jamestown, the master lessor, and our sub-tenants to create a successful space. As the master lessor, we have the ability to negotiate the terms of our leases with our tenants and the vision for the project is being strongly driven by us, especially because we are spending our capital to provide to tenants spaces that are already built-out. Hence we will only be recruiting and executing leases with operators that we are confident will support the vision for the project, which is for the space to sell uniquely San Francisco soft goods and beverages. To the extent necessary and feasible, we will consider including language in leases with our tenants requiring them to stock goods of a particular caliber. This is common to include in leases in higher-end retail spaces.

b. We understood that Jamestown has worked with retail and other operators on previous retail projects. Would you please provide the names of and experiences with retail operators with whom Jamestown has worked on other retail projects, particularly ones similar to the Pier 29 project? And, would you provide us additional information



about your planned overlay of operators, their interaction, and their respective operating responsibilities and authorities, so that we can better understand how you intend this project to function?

A full list of projects in Jamestown's portfolio was included in our proposal, and is included here for your review.

PROJECT NAME	CITY	REGION	PRODUCT TYPE	MAJORITY	TOTAL SQUARE FOOTAGE	STATUS	DATE ACQUIR	ED
Larkspur Landing	San Francisco, CA	West	Office	Yes	199,046	Stabilized	Jan-16	
63 Madison	New York, NY	Northeast	Office	No	866,474	Stabilized	Dec-15	
200 Madison	New York NY	Northeast	Office	No	745,580	Stabilized	Dec-15	
116 New Montgomery	San Francisco, CA	West	Mixed	Yes	126,938	Stabilized	Dec 15	
2000 Broadway	New York, NY	Northeast	Retail	Yes	32 400	Stablezed	Nov 15	
Brurswig Square	Los Angeles, CA	West	Mixed	Yes	137 205	Lease Up	Sep 15	
Stattord Place I & II	Arlington, VA	Mid Atlantic	Office	Yes	771,967	Lease Up	Jun-15	
700 Penn	Washington, DC	Mid Atiantic	Mixed	No	402,294	Not Active	May 15	
America's Square	Washington, DC	Mid Attentic	Office	Yes	461,467	Stabilized	Feb 15	
Polo Club Shoppes	Boca Raton, FL	Southeast	Retail	Yes	129,460	Stabilized	Jan-15	
731 Market	San Francisco, CA	West	Mixed	Yes	92,194	5tabilized	Jan 15	
25 First St (Daverport)	Boston, MA	Northeast	Office	Yes	219 988	Stabi#zed	Nov-14	
Georgetown Park	Washington, DC	Mid Attentic	Mixed	Yes	315.028	Stabi#zed	A8g-14	
Village Commons	West Paim Beach, FL	Southeast	Retail	Yes	171.153	Stabilized	Aug-14	
Waterfront Plaza	San Francisco, CA	West	Office	Y25	195,124	Stabilized	Aug 14	
Malibu Village	Malibu, CA	West	Retall	Yes	51,260	Lease Up	May 14	
245 First St (Riverview)	Eloston, MA	Hertheast	Office	Yes	299,410	Stabilized.	Dec 15	
Collins Avenue (727.736	Mlami Beach, FL	Southeast	Retail	Yes	57989	Stablized	Nov-15	
& 745 Collins, 8th & Washington)							Ü	
Ghirardetti Square	San Francisco, CA	West	Retail	Yes	105,123	Lease Up	Sep-13	



Industry City	Brooklyn, NY	Northeast	Mised	No	5,409,966	Lease Up	Aug-13	
One Metro Center	Washington, DC	Mid Atlantic	Office	Yes	421,133	Stabtized	Jul-13	
Multenatum Core Fund .	New York, NY, Boston, MA, Washington DC, San Francisco, CA, Miami, FL	Mixed	Mixed	No	1,254.961	Stabilized	Jul-13	
Lantana	Santa Monica, CA	West	Office	Yes	456,866	Lease Up	Jul-13	
San Luis Obispo	San Luis Obispo, CA	West	Mixed	Yes	227,215	Stabilized	Apr-13	
innovation & Design	Boston, MA	Northeast	Mixed	Yes	1,570,846	Lease Up	Feb-15	
Building								
MITK Studios	New York, NY	Northeast	Mixed	Yes	327,799	Stabilized	Dec-12	
Berkeley	San Francisco CA	V/est	Retail	Yes	53,322	Lease Up	Dec-12	
Media Park	Santa Monica, CA	West	Office	Yes	94,000	Stabelized	Nov-12	
799 Market Street	San Francisco, CA	West	Mixed	Yes	138,953	Stabilized	Oct 12	
1050 Brentwood	Washington, DC	Mild Atlantic	Retail	Yes	53,236	Stabilized	Sep-12	
Falchi Building	New York, NY	Northeast	Mixed	Yes	658.449	Stabilized	May-12	
733 10th Street	Washington, DC	Mid Atlantic	Office	Yes	170 913	Stabilized	May-12	
325 Hudson	New York, NY	Northeast	Office	Yes	239,283	Stabilized	Apr-12	
1250 U	Washington, DC	Mid Atlantic	Office	Yes	40155	Not Active	Apr-12	
845 Bladensburg	Washington, DC	Mid Attantic	Retail	Yes	13,500	Not Active	Mar 12	
Chetsea Market	New York, NY .	Northeast	Mixed -	Yes	1,375,342	Stabilized -	Dec-11	
One Times Square	New York, NY	Northeast	Retail	725	93 263	Stabatzed	Dec-11	
Newbury	Boston, MA	Northeast	Mixed	Yes	210,652	Stab#tred	Oct T	
Ponce City Market	Atlanta, GA	Southeast	Mixed	Yes	827154	Lease Up	Jul-11	
Madison Office	Washington, OC	Mid Atlantic	Office	Yes	9G,413	Lease Up	Jan II	
Alameda S. Shore Center	Alameda, CA	West	Retail	Yes	593,314	Statuted	Jan-II	
Georgetown Renaissance	Washington, DC	Mid Atlantic	Mixed	Yes	304 546	Stabilized	Sep-10	
Beach Place	Sunny Isles Beach, FL	Southeast	Multifamily	Yes	227,520	Stabilized	Dec-09	
WRIEntities	South FL & Atlanta, GA	Southeast	Retail	Yes	1.210.251	Stab#læd	Oct 09	
1250 Broadway	New York, HY	Northeast	Omce	Yes	773,421	Stabulzed	May-06	
Bridges at Kendali	Mlami, FL	Southeast	Mussiamily	Yes	244,236	Stabblzed	Aug-07	
1409 W Peachtree Banta/ Ballet	Atlanta, GA	Southeast	Land	Yes	67,082	Not Active	Jut-07	
Riverview	Atlanta, GA	Southeast	Land	Yes	89	Not Active	Jun-07	
Square 696/99 Street	Washington, DC	Mid Atlantic	Land	Yes	825,650	Not Active	Apr-07	
Palmetto Park Land	Charteston, SC	Southeast	Land	Yes	1353,000	Not Active	Feb-07	
be@Schermerhorn	New York, NY	Northeast	Multifamily	Yes	223,383	Stabilized	Jan 07	
Con-thusanon-d	Post shows and P I	d an abi a made	Person	-	inners	**** * ***	****	
One West Victory	Savannah, GA	Southeast	Multitamily	Yes	125,410	Lease Up	5ep 06	
Mixson Ave	Charleston, SC	Southeast	Multifamily	Yes	N/A	Stabelzed	Mar-06	

While we do have national retailers as tenants within our portfolio (Madewell, Anthropologie, etc.), these tenants are not being recruited for Pier 29. The two projects we believe are most similar to Pier 29, albeit much larger, are Chelsea Market in New York City and Ponce City Market in Atlanta. Both projects are food halls and therefore more comparable to the Ferry Building than to Pier 29, but we believe the tenant list for each project, available on their respective websites, gives you a strong sense of our commitment to local experiences, operators, and how we work with numerous operators to curate an authentic experience of a historic space. We hope THD can take a look at those projects to get a better idea of Jamestown's experience.

While we are still in the process of leasing spaces at Ghirardelli Square, we very proud to be attracting new restaurants, such as Waxman's, and new outpost for existing San Francisco retailers like local patisserie Le Merais, whose first location was on Chestnut Street in the Marina; we also set up a summer beer garden from the Marin County brewery Lagunitas.

In terms of how Pier 29 will work, Jamestown, will be the master lessor and act as the landlord to sub-tenants, who will pay Jamestown rent. The retail operator will sell a wide variety of soft good as well as program the retail space with events and other programs pertinent to the maker-culture that the space supports and celebrates. The beverage operators will both



manufacture and sell beverages out of their spaces. We expect that, as with other retail projects, Jamestown will manage the property and that tenants will reimburse us for janitorial and other costs associated with common area maintenance.

c. We understood that not all the retail products sold in the Pier 29 project would be from members of SF Made. We further understood that there is not a requirement in the lease agreement with the Port that all, or even most, of the products sold in the Pier 29 project will be locally made. Is that correct?

We do not have a draft lease with the Port yet, so its details are not yet worked out. As we shared in our interview with the Port and with your group, SFMade is a non-profit organization that cannot directly sign a lease with Jamestown; it is not a retail operator, meaning it does not have the infrastructure or capital to pay us rent or pay a salary for salespeople and other retail employees. Furthermore, the organization's mission does not include direct retail sales but rather supporting partnerships like this opportunity. All that said, we see SFMade as a critical part of how our team will design and deliver a vibrant retail experience focused on local goods that will be a draw for local residents and visitors alike.

Because SFMade is not an experienced retail operator, Jamestown is in the process of finding an operator who can play that function, and who can sell SFMade goods, alongside other locally made goods. It is important to remember that SFMade's charter does not allow it to include members who manufacture goods locally, although outside of San Francisco (such as Oakland, Alameda, South San Francisco, or Marin). Given the strong manufacturing ecosystem in the Bay Area, the goods sold in the store at Pier 29 will all be locally made, largely in San Francisco, and hopefully as part of the SFMade network. We are very committed and excited to working on this project with SFMade, who will serve as an important consultant and partner.

d. We understood that, for locally made products that are sold in the Pier 29 project, the crafts people/producers of the products will not themselves be on site except for special events that may be held that could feature a specific product demonstration. Is that correct?

The beverage manufacturers will be on-site, producing their products in the space itself. As for other makers, we envision special events to showcase the people/producers/makers of the soft goods that will be sold in the store. We are told that one barrier to too many of these events or a permanent showcase is that makers are quite busy running their small business (e.g. designing, and making). This is why we will work with SFMade and the retail operator to program the space whenever they can plan to be available.

2. The Waterfront Land Use Plan states that an Interim Lease for a temporary use in a site such as this should be for a term of 1 year up to a maximum of 5 years. As you are aware, the Port is now in the midst of an update to that plan, which among other things, will consider the most appropriate use of Pier 29. We understand that Jamestown has proposed a lease term of 15 years, with an option for one or two 5-year extensions. Would you be willing to accept a lease term of no more than 5 years for your interim use, thus allowing the Port at that time to harmonize if necessary the use of the bulkhead and remainder of Pier 29 with the updated Waterfront Land Use Plan?

Jamestown needs the full 15 years of term for this project to be financially feasible for us. To clarify, we have not proposed any option period beyond the 15 years. We understand the Port and community process for updating the Waterfront Land Use Plan is ongoing and do not believe our lease should limit the community's visioning for the full Pier.

You stated that your proposal would require Jamestown to invest \$6 million in the proposed Pier 29 project. Please explain
what features of your proposal have costs this high? Also, please provide your analysis of why this warrants a 15-year
lease period.

Our cost estimate at the proposal stage was provided by Plant Construction, who has built-out Piers 24 and 3, among many other historic rehabilitation projects. We are confident that our estimate for the proposed work with our conceptual design



will cost at least \$5.8 million. Construction costs in the City of San Francisco are extremely high and the space is currently in raw condition, so to renovate it sufficiently for our tenants will require this significant amount of capital.

4. In Jamestown's proposal to the Port, a map was included that showed the prospective extension of the retail use of the bulkhead into the full length of the Pier 29 shed as a long term expansion plan. We understood you to say that this is not part of the short-term plan, but will you explain why you chose to include this in your proposal?

The one page of our proposal that shared "future prospective phasing" was conceptual in nature and meant to express to both the community and Port that we are a thoughtful partner who is capable of thinking about longer-term master planning. As we shared in our interview with the Port and in our presentation to NEWAG, THD, and BCNA, we understood this to be outside of the bounds of the RFP and in no way have a plan to activate anything other than the 20,000sf bulkhead included in the RFP. We believed that this prospective phasing plan might set us apart from out competition at the RFP-stage of this project, but we agree and respect that the plans for the additional space at Pier 29 will go through a longer community planning process.

5. From your presentation, we understood that you plan to remove the large red object ("armature") from your proposed project. If so, we strongly support your decision to remove it, as we believe it would be incompatible with the historic nature of the bulkhead building, as well as the Port's Embarcadero National Register Historic District. Will you confirm that you have removed this from your proposal and will not pursue it?

Yes, the armature is now removed from our proposed project. As we shared with your group during our meeting, the public realm improvements included in our proposal to the Port were conceptual for the purposes of the competition only and we are now in the process of refining our design with community input, including that of THD, top of mind.

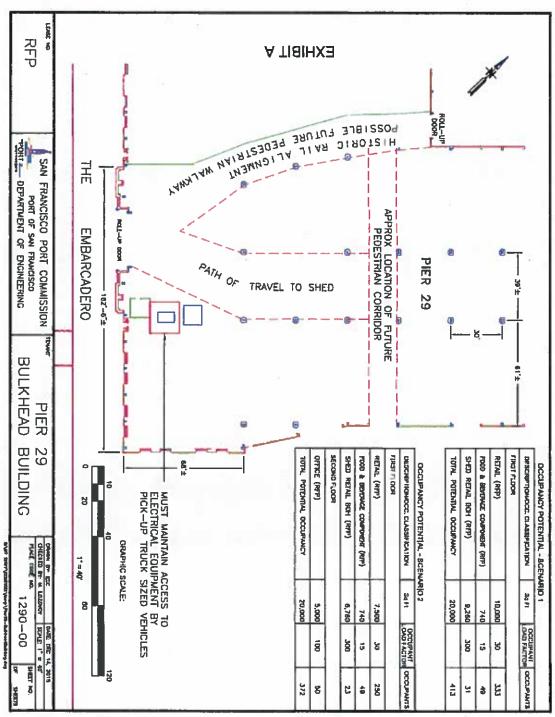
We understood you to indicate that Jamestown would be willing to remove all of the proposed elevated wooden platform(s) at the southern/southwest corner of the bulkhead building from your project. We are concerned that those elevated wooden platform(s) would violate the BCDC permit requiring that area to be public access and that it would be incompatible with the historic bulkhead building. Will you confirm that you have removed this from your proposal and will not pursue it?

and visitors alike. At this point, we do not want to commit to excluding the elevated platforms because it is our understanding that this design element could very well be compatible with the bulkhead, but we will be reviewing that issue with Port staff. Mark Paez is the preservationist we are working closely with at the Port on this aspect of our design. We will be reviewing relevant BCDC regulations and are actively working with Port staff towards a few design options, which we look forward to sharing and discussing with you soon.

6. The BCDC-required public access "Shorewalks" through the interior of the project are not shown on your proposed plans. Will you revise your plans to show them?

Exhibit A to the RFP showed the assumption of public right of way for the two "possible future pedestrian walkways" within the space. Our design incorporates the historic rail alignment walkway (outlined in green in the exhibit) by proposing only flexible displays in those places so that we can make way for the walkway if the Port decides to include it. The roll up door at the end of that walkway is currently shuttered and there is no access to the outside because the building apron on that side of the Shed is not yet improved. The other "future pedestrian corridor" (outlined in red in the exhibit) is outside of our 20,000sf. We only just kicked off our design review with the Port and are working with them closely to clarify their request to maintain the flexibility to build-out these walkways in the future. We will keep THD informed of progress on this issue as we move forward.





7. The proposed tracks that would be installed for the movable retail kiosks appear to be incompatible with the historic integrity of the bulkhead building. Some committee members suggested that you instead use locked wheel carts. Will you consider this?



Yes, we are open to considering alternatives. We will be working with Mark Paez on refining the details of the interior buildout to ensure that they comply with the Secretary of the Interior's Standards for Rehabilitation.



RESOLUTION

OPPOSING PIER 29 "MINI-MALL" RETAIL PROJECT

WHEREAS, San Francisco's Waterfront Land Use Plan, which the voters created by passing Proposition H in November 1990, designates Piers 27, 29, and 31 for "a unique and inviting waterfront mixed-use recreation project" that "could provide a venue for all San Franciscans and Bay Area residents to actively participate individually or as groups, in diverse amateur recreation sports, physical fitness and related activities while enjoying the scenic waterfront setting;" and

WHEREAS, CSFN previously joined with the Citizens to Save the Waterfront coalition to stop a prior plan that would have allowed national shopping mall developer Mills Corporation to build a large mall and office complex at Piers 27, 29, and 31; and

WHEREAS, instead of pursuing a new project that complies with the Waterfront Land Use Plan, the Port Commission on April 26th voted to let another mall and office developer, Atlanta-based Jamestown Properties, build what would be, in effect, a "mini-mall"

WHEREAS, the Port has put the Jamestown retail center proposal on a fast-track timeline, with a plan for final approval of a 15-year lease intended to take place this fall;

NOW, THEREFORE, BE IT RESOLVED, that the Coalition for San Francisco Neighborhoods joins with the Telegraph Hill Dwellers, the Fisherman's Wharf Restaurant Association, and others to oppose the Jamestown Pier 29 mini-mall retail proposal and urges the Port to reject this flawed plan and instead comply with the "unique and inviting waterfront mixed-use recreation project" called for in the Waterfront Land Use Plan.

SPEAK SUNSET PARKSIDE EDUCATION AND ACTION COMMITTEE

1329 7th Avenue, San Francisco, CA 94122-2507 speaksanfrancisco@vahoo.com

December 14, 2016

TO: Elaine Forbes, Executive Director, Port of San Francisco and Supervisor Aaron Peskin

cc: San Francisco Port Commission, San Francisco Board of Supervisors

Sunset-Parkside Education and Action Committee (SPEAK) is a 501(c)3 organization which has been an active voice in the Sunset-Parkside district for over 45 years.

SPEAK is also a member of the Coalition for San Francisco Neighborhoods (CSFN). SPEAK voted in opposition to the proposed Pier 29 project by Jamestown Corp when the resolution came before the CSFN General Assembly. This resolution urges the Port and the Board of Supervisors to reject the Jamestown Pier 29 retail project which violates the voter-mandated Waterfront Land Use Plan which passed overwhelmingly.

SPEAK agrees with the Coalition for San Francisco Neighborhoods, the Sierra Club, the Fisherman's Wharf Restaurant Association, and other organizations that waterfront issues are citywide issues. Therefore, SPEAK urges the Port and the Board of Supervisors to respect the current citywide Waterfront Land Use Plan Review process. This can be achieved by dropping the Jamestown Pier 29 retail project and instead allowing the Waterfront Land Use Plan Review

Eileen Boken SPEAK Vice President SPEAK delegate to the CSFN



December 22, 2016

Ms. Eileen Boken Vice President Sunset Parkside Education and Action Committee (SPEAK) 1329 7th Avenue San Francisco, CA 94122-2507

RE: Jamestown Pier 29 Retail Project

Dear Ms. Boken:

Thank you for your December 14, 2016 letter on behalf of SPEAK regarding the Pier 29 retail project Jamestown has proposed. We appreciate the opportunity to provide some history about this project and the Waterfront Land Use Plan.

The Jamestown project proposed in the Pier 29 bulkhead building is the result of Port efforts to re-tenant facilities following the conclusion of the 34th America's Cup races in 2013, and completion of the James R. Herman Cruise Terminal and Cruise Terminal Park in 2014. The Pier 29 bulkhead and portion of the shed was rebuilt after a major fire, just in time for the America's Cup, when the bulkhead was outfitted as a temporary restaurant, the Waiheke Yacht Club, to serve the events. Prior to the America's Cup, Pier 29 was used for parking and storage. The Waiheke Yacht Club successful, pedestrian-friendly activation created along the Embarcadero Promenade displayed a new opportunity that led to the Port Commission's interest in a

29 shed was not included. The Port Commission held public hearings and in December 2015 authorized staff to issue a Request for Proposals (RFP) to invite proposals. One of the Port Commission staff reports that provides details on the RFP can be accessed on the Port's website at: http://sfport.com/pier-29-bulkhead-building.

In addition to the Port Commission meetings, Port staff held several meetings with the Northeast Waterfront Advisory Group (NEWAG) to solicit comments about the RFP. A NEWAG member was included on the panel that reviewed the three responding proposals and interviewed the teams. Jamestown proposed a retail and food-based concept to feature craft beverages, locally manufactured arts and products, and social gathering place and was unanimously recommended.

The Waterfront Land Use Plan (Waterfront Plan) identifies long-term goals and policies for use and improvement of all Port properties, and responds to requirements set forth in Proposition H, the 1990 initiative that called for creation of the Waterfront Plan. The Plan defines

Ms. Eileen Boken Page 2

acceptable long-term and interim uses for all Port properties. Retail and restaurant uses are acceptable long-term uses for the Pier 29 bulkhead building, and support the Jamestown project.

This Pier 29 bulkhead re-tenant effort was one of several Port projects that were already underway before the Port Commission directed staff to undertake the public process for a targeted update to Waterfront Plan. Other initiatives that will continue during the Waterfront Plan Update process include a proposed hotel and Teatro Zinzanni dinner theater at Seawall Lot 323/324, an affordable housing project at Seawall Lot 322-I, Pier 70 and Mission Rock developments, the Downtown Ferry Terminal expansion next to the Ferry Building, and National Park Visitor Center and Ferry Services to Alcatraz Island in the Pier 31 and 33 bulkheads, and Pier 31½ wharf. Each of these is consistent with the acceptable use policies in the Waterfront Plan or, in the case of the Pier 70 Forest City and Mission Rock projects, have been endorsed by San Francisco voters. In supporting the Waterfront Plan Update process, the Port Commission was explicit about enabling these and other defined projects to continue their individual public review, comment and entitlement approval processes.

The Port Commission and staff invest a lot of effort to balance diverse waterfront needs and interests, and collaborate with agency, community and development partners to make Port improvements work for adjacent neighborhoods and the City at large, as well as the people of California. While the SPEAK letter expressed its opposition to this project, we would be interested to understand whether consideration of the above information affects your organization's position.

Thank you again for your interest, and let us know how we can support your involvement along the Port waterfront. We welcome SPEAK to join us at Port Commission meetings and the Waterfront Plan Update process, because the waterfront belongs to all of us. We wish you the best for the holidays.

Sincerely

Elaine Forbes

Executive Director

cc: San Francisco Port Commissioners Supervisor Aaron Peskin San Francisco Board of Supervisors