

Financial Feasibility



Consultant Team Scope

- 1. Identify uses to test**
- 2. Lease rates research and estimates**
- 3. Cost estimates for good and poor condition piers**
- 4. Develop mix of uses, including public access**
- 5. Test financial feasibility**
 - a) Match lease term with investment level**
- 6. Present to and discuss with LU Subcommittee over 2 meeting.**

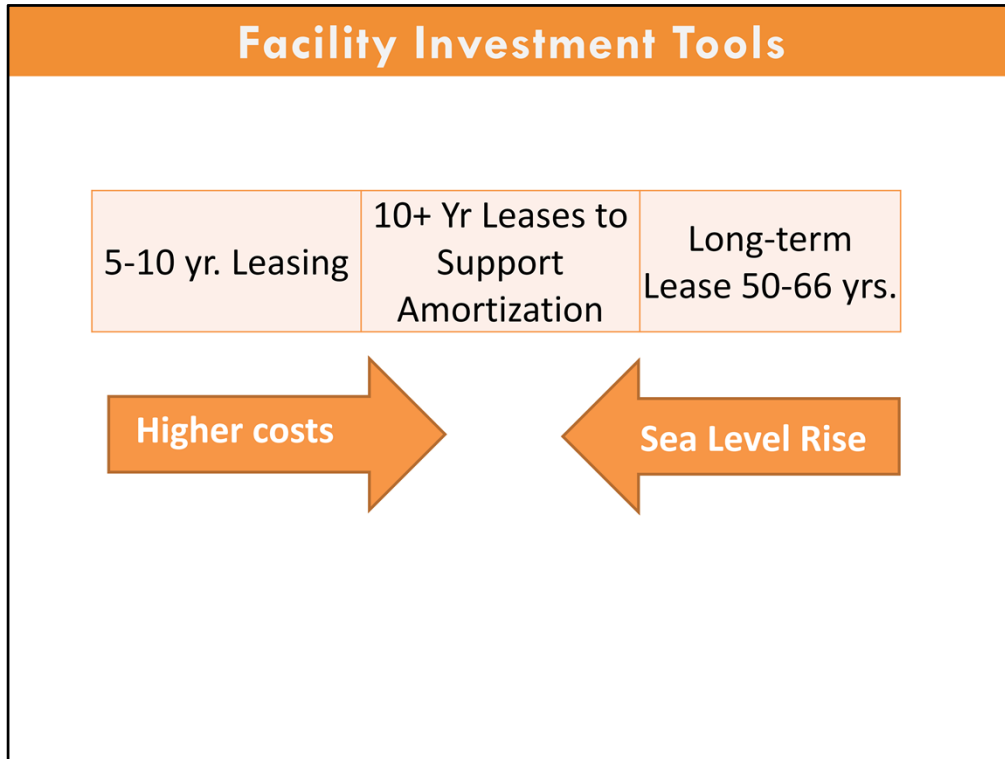
Tasks consultants will undertake –

Tonight's discussion will help inform (1) and Consultant and Port staff will develop (4) together.

Facility Investment Tools

5-10 yr. Leasing	10+ Yr Leases to Support Amortization	Long-term Lease 50-66 yrs.
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Analysis will generally look at three routes WLUP Update may guide Port in use of property to facilitate investment in our public assets –
Column 1 and 3 are routes the Port has taken in the past.



Projects that would have fallen into shorter-term leases are facing higher and higher costs as these 100+yr old buildings and piles require more investment – At the same time, Sea Level Rise concerns are applying downward pressure on the typical 66 yr max lease term.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Amortize Costs	Long-term Lease 50-66 yrs.
Benefits	Public access			
	Basic repair/ Maintenance			
	Historic Pier Rehabilitation			
	Seismic- Superstructure			
	Seismic- Substructure			
	Seismic-Seawall			
	Revenues			

Types of benefits to be included in the modeling analysis for evaluation are above.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Amortize Costs	Long-term Lease 50-66 yrs.
Benefits	Public access		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Basic repair/Maintenance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Historic Pier Rehabilitation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Seismic-Superstructure		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Seismic-Substructure			<input checked="" type="checkbox"/>
	Seismic-Seawall			<input checked="" type="checkbox"/>
	Revenues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Generally the sorts of Benefits (e.g., Costs) which are likely to be supported through these different investment tools are shown by the checkboxes.

Black check boxes are those Port has achieved consistently in the past or are hypothesizing can be achieved (middle column), to be evaluated in analysis. Grey boxes have sometimes been achieved and sometimes been traded off for something else, e.g., revenue in in long-term leases like Exploratorium traded off for desirable use/investment. Other grey boxes are working assumptions, to be vetted in the modeling work.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Support Amortization	Long-term Lease 50-66 yrs.
Uses	Maritime	Maritime support/storage		
		Harbor services		
		Recreational boating/Water transportation		
		Excursion and ferries		

Maritime uses are anticipated to be tested across the investment models.

Uses are generally arrayed from lowest to highest revenue generators.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Support Amortization	Long-term Lease 50-66 yrs.
Uses	Commercial	Warehouse/ Storage		
		PDR-Low-intensity		
		Parking		
		Ancillary Retail / Restaurant		
		Ancillary Office		

Commercial uses will be separated by the investment model, with all uses not requiring a seismic upgrade tested in the shortest-term lease type – with the majority of the facilities devoted to warehouse, parking, storage or low-intensity (meaning, low density of people) PDR with ancillary retail, restaurant, and office.

Uses are generally arrayed from lowest to highest revenue generators.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Support Amortization	Long-term Lease 50-66 yrs.
Uses	Commercial	Warehouse/ Storage	PDR-Low intensity & high tech	
		PDR-Low-intensity	Ancillary Retail / Restaurant	
		Parking	Ancillary Office	
		Ancillary Retail / Restaurant		
		Ancillary Office		

Uses are generally arrayed from lowest to highest revenue generators.

Facility Investment Tools				
		5-10 yr. Leasing	10+ Yr Leases to Support Amortization	Long-term Lease 50-66 yrs.
Uses	Commercial	Warehouse/ Storage	PDR-Low intensity & high tech	Community facilities
		PDR-Low-intensity	Ancillary Retail / Restaurant	Recreational enterprises
		Ancillary Retail / Restaurant	Ancillary Office	Museums
		Parking		Assembly/ Entertainment
		Ancillary Office		Retail / Restaurant
				Hotel *

Note Hotels are not allowed over water in San Francisco. This use is being analyzed from the physical standpoint, e.g., could a hotel use reasonably fit into a historic pier, consistent with Secretary standards? If the answer is yes or maybe, use may be considered from a financial feasibility standpoint.

Uses are generally arrayed from lowest to highest revenue generators.

Facility Investment Tools					
		5-10 Yr Leases	10+ Yr Leases	50-66 Yr Leases	
Benefits	Public access		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Basic repair/Maint.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Bldg/Historic Rehab.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Seismic-Superstructure		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Seismic-Substructure			<input checked="" type="checkbox"/>	
	Seismic-Seawall			<input checked="" type="checkbox"/>	
	Revenues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Uses	Maritime	Maritime storage/support			
		Harbor services			
		Recreational boating/Ferry			
		Commercial excursions			
	Commercial	Wrhs/ Storage	PDR - Low-intensity & High-tech	Community facilities	
		PDR-Low-intensity		Recreational enterprises	
		Ancillary Retail / Restaurant	Ancillary Retail / Restaurant	Museum	
		Ancillary Office	Ancillary Office	Assembly/ Entertainment	
		Parking		Retail / Restaurant	
				Hotel *	Office

Summary of above tables.