

Request for Interest Concept
Publicly-Oriented Uses and Development Qualifications for
Embarcadero Historic District Pier Properties
(Draft 10/25/17)

<p>Objective</p> <p>Proposed Approach</p>	<p>Rehabilitate Embarcadero Historic District bulkhead and pier structures, and maximize opportunities for maritime and publicly-oriented uses and other public trust objectives through financially feasible asset management and development models that support project repair, seismic upgrade and/or historic preservation capital requirements.</p> <p>Solicit market-based interest on two tracks:</p> <ol style="list-style-type: none"> 1) Request for Information/Interest (RFI) for Public-oriented Uses – identify market interest /focus, and types of uses and operators of maritime and public-oriented uses, including information about rental and capital capacity for improvements, for piers in Embarcadero Historic District 2) Request for Qualifications (RFQ) from Interested Developers – develop a list of qualified developers (private or non-profit) interested in rehabilitating Embarcadero Historic District piers that include maritime and public-oriented uses <p>The Port has several piers that are vacant and others with near-term capital needs that could benefit from this proposed solicitation process. Public comments and recommendations coming from the Waterfront Plan Update process include priority attention to increase public-oriented uses along the waterfront, and new strategies to support maritime and Embarcadero Historic District pier leasing and development. The 2-track RFI/Q process would allow the Port and public to: 1) understand market-based interest and opportunities for public-oriented use businesses, 2) test Waterfront Plan Working Group’s recommended strategies for the Embarcadero Historic District; and 3) understand developer interest in implementing trust-consistent projects that are financially feasible.</p>
<p>Why:</p>	<p>This 2-track approach is proposed in light of real estate market research analysis that indicates lower/moderate rental rates for many public-oriented uses and operations, which present challenges to meeting financial requirements for pier leasing and development projects. Historic bulkhead and pier repairs are expensive, and public-oriented uses may trigger required seismic upgrades that increase project costs substantially. Furthermore, all repairs and improvements must meet Secretary of Interior historic preservation standards which add to project cost. Many maritime and public-oriented use operators do not have sufficient capital resources of their own to meet these requirements. The proposed approach provides for identifying interested, qualified, and capitalized developers that may provide partnering opportunities with public-oriented use sponsors to support projects that are financially feasible and respond to public trust objectives.</p> <p>The capital repair needs of the Embarcadero Historic District exceed Port resources. Recommendations developed to date in the Waterfront Plan Update process include</p>

	<p>new strategies to facilitate improvement and active use of the Port’s aging but beloved finger piers and bulkhead buildings. The RFI/Q process allows the Port and public to receive market-based responses and answers to questions such as:</p> <ul style="list-style-type: none"> • What types of maritime and public-oriented uses can effectively utilize Embarcadero Historic District piers and enhance the maritime and public experience on the waterfront? • What rental rates and capital funding can publicly-oriented uses contribute to the overall project? • What are comparable public-oriented projects and business plans that have been successfully implemented in other locations? • Which piers are more or less desired for different types of uses? 	
Who:	<p><u>Track 1</u> (further details below): Public-oriented uses, with particular focus on opportunities for Arts, Museums/Cultural, Education, Academic Institutions, Maritime, Recreational Enterprise, Assembly & Entertainment Tenants/Operators, to expand diversity of waterfront uses, in addition to Retail and Restaurants and</p> <p><u>Track 2</u> (further details below): Experienced Waterfront and/or Historic Rehabilitation Development Partners (including for-profit and non-profit entities)</p>	
What:	<p>Identify lease, development and partnering opportunities to promote public-oriented use and support maritime business in projects that achieve the following goals:</p> <ol style="list-style-type: none"> 1. Significant capital repairs to Embarcadero Historic District bulkhead buildings and piers, which may include seismic improvement and pier substructure repair 2. Historic rehabilitation work that meets Secretary of Interior Standards 3. Pedestrian-friendly frontage in bulkhead buildings along the Embarcadero Promenade, and activities and points of interest that appeal to diverse populations (e.g. arts, cultural, institutional, recreational) 4. Maritime berthing, public access or other public trust improvements 5. Mix of uses that support the financial requirements of the project and generate fair market rent revenue for the Port 	
Where:	<p>Invite ideas for vacant, underutilized Embarcadero Historic District piers, including those with near-term capital repair needs: Piers 45 Shed A, Pier 35 (maintaining 2nd cruise ship berth operations), Pier 33 (pier shed only), Pier 31 (pier shed only), Pier 29 ¹/₂, Pier 29 (pier shed only), Pier 23, Pier 19½, Pier 19, Pier 26, Pier 28, Pier 38, Pier 40 (maintaining water recreation uses)</p>	
How:		
	<p>Track 1 – Public Oriented Uses</p> <p>Arts, Museums/Cultural, Education, Academic Institutions, Maritime, Recreational Enterprise, Assembly &</p>	<p>Track 2 – Developer</p> <p>Experienced developers (waterfront development and/or historic rehabilitation of Port piers requiring significant capital</p>

	<p>Entertainment Tenants/Operators, in addition to Retail and Restaurants respond under Track 1</p> <p>Information to include in responses:</p> <ul style="list-style-type: none"> • Entity and team description • Use description • Supporting narrative describing how use serves the public, types of populations served, how use is a positive addition to the Embarcadero • Identify preferred Port pier locations • Site requirements (size, dimensions, utilities, etc) • Business plan • Estimated rent and estimated capital improvements contribution to fit out space for use and a lease term needed to amortize such improvements • Financial wherewithal to construct and operate use 	<p>investment) respond under Track 2</p> <p>Information to include in responses:</p> <ul style="list-style-type: none"> • Entity and team description • Conceptual use program (compared against Waterfront Plan Update recommendations for Embarcadero Historic District leasing & development) • Approach and ability to complete historic pier rehabilitation, comply with Secretary Standards • Approach to community engagement process, demonstration of experience successfully gaining community support for high-profile projects • Demonstration of experience successfully completing complex, similar projects • Identify preferred Port pier locations • Financial wherewithal to complete entitlements, construct, and operate project
Process Steps	<p>Follow Land Use Subcommittee Process Recommendations</p> <ol style="list-style-type: none"> 1) Port Commission RFI informational presentation to consider RFIs 2) Public/community input on RFI objectives 3) Port Commission authorization to issue RFIs, define RFI Review Panel process 4) Implement media and outreach campaign 5) Receive RFI responses on both tracks 6) Review Panel scores both tracks 7) Port Commission hearing on responses, consideration of any short-lists for the two tracks, next steps regarding any selection or second proposal phase, including direction on partnering of public-oriented use operators and developers 	