

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

**RESOLUTION NO. 12-18**

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and
- WHEREAS, The Port owns an approximately 65-acre site, located on San Francisco's Central Waterfront, between 18th and 22nd Streets and east of Illinois Street, known as Pier 70; and
- WHEREAS, The Port Commission designated a substantial portion of the site as a Development Opportunity Area in the Waterfront Land Use Plan in 2000 to provide revenues for the Port's effort to preserve the Union Iron Works and Bethlehem Administration buildings; and
- WHEREAS, In late 2006, the Port initiated a community planning process to develop a master plan for Pier 70 to address regulatory, economic, maritime, historic preservation, open space and shoreline access challenges to redevelopment; and
- WHEREAS, In July 2009, after six informational Port Commission hearings, four community workshops, Central Waterfront Advisory Group policy discussions, and additional community outreach, the Port published its draft Preferred Master Plan for review, and after an additional informational Port Commission hearing on March 9, 2010, the Port published its final Pier 70 Preferred Master Plan ("Master Plan"), which addresses policymaker and community comment; and
- WHEREAS, On May 11, 2010, by Resolution 10-27, the Port Commission endorsed the vision, goals, objectives, and design criteria of the Master Plan for Pier 70 which identifies about 3 million square feet of capacity for new buildings and 700,000 square feet of potential adaptive reuse capacity, and a system of infrastructure, roadways, shoreline parks, plazas and open space while retaining 17 acres for ship repair use; and
- WHEREAS, The 20th Street corridor of Pier 70 includes a cluster of several historic buildings in need of substantial rehabilitation (the "20th Street Historic Buildings"), which, if adaptively reused would create an extraordinary showcase for Pier 70's heritage; and
- WHEREAS, The Port Commission, by Resolution 10-27, authorized staff to solicit interest in the 20th Street Historic Buildings through a request for interest ("RFI") process guided by the Preferred Master Plan to allow both the potential future users and the Port to address the potential for

rehabilitation and adaptive reuse of these buildings and provide the Port Commission with information upon which to direct staff on disposition of these important structures; and

- WHEREAS, On February 16, 2011, the Port issued a RFI for six 20<sup>th</sup> Street Historic Buildings and commenced a substantial outreach effort -- 176 people, representing 80 organizations toured the buildings; and by September 23, 2011, a total of 15 responses to the RFI were received; and
- WHEREAS, After consultation with the Port Commission, on October 4, 2011, the Port issued a Request for Proposals (RFP) for the 20<sup>th</sup> Street Historic Buildings and invited ten respondents to the RFI to respond to the RFP; and
- WHEREAS, On December 2, 2011 four parties submitted timely submittals to the Port; subsequently two voluntarily withdrew their proposals; and
- WHEREAS, The RFP required proposing a rehabilitation concept for the buildings including a conceptual pro forma and a demonstration of qualifications and financial capacity to undertake the project proposed; and
- WHEREAS, Port staff convened an evaluation review panel of four persons with experience in real estate economics, land use planning and architecture/urban design to review the two remaining proposals against the RFP objectives and evaluation criteria; and
- WHEREAS, The evaluation panel, Port Staff, and consultants found that the proposals from both Orton Development Inc. ("ODI") and the proposed joint venture of Equity Community Builders, Build Inc. and UP, a non-profit formed by Build Inc. (ECB/UP) were well qualified to undertake the 20<sup>th</sup> Street Historic Buildings effort and presented rehabilitation concepts that meet the Port's objectives; and
- WHEREAS, The evaluation panel, Port Staff, and consultants found that the ODI proposal presented a feasible rehabilitation concept and demonstrated strong financial capacity needed to address the 20<sup>th</sup> Street Historic Buildings; and
- WHEREAS, The evaluation panel, Port Staff, and consultants found that ODI's proposal best met the evaluation criteria in the RFP; and Port Staff recommends that the Port enter into negotiations with ODI to define mutually acceptable terms for undertaking rehabilitation of the 20<sup>th</sup> Street Historic Buildings; and
- WHEREAS, The Port Commission has reviewed and evaluated the analyses prepared by Port staff, consultants, and the evaluation panel, the Port

Staff recommendations set forth in the Staff Report accompanying this resolution, and has determined that ODI possesses the qualifications and financial capacity required by the RFP and presents a rehabilitation concept for 20<sup>th</sup> Street that meets Port's objectives; now therefore be it


- RESOLVED, That the Port Commission hereby determines that following an extensive outreach and marketing process the proposals received by both the ECB/UP team and ODI present rehabilitation concepts that meet the objectives of the Port's RFP and are submitted by developers with the skills and capabilities to undertake the project proposed; and be it further
- RESOLVED, That the Port Commission hereby awards to ODI the Pier 70 20<sup>th</sup> Street Historic Buildings development opportunity and directs Staff to negotiate the terms of an Exclusive Negotiations Agreement ("ENA") for the lease disposition and development of this site to achieve the objectives specified in the RFP for a period of time ending May 8, 2012 unless the Port Director extends this period in her determination that the parties have made substantial progress towards reaching agreement; and be it further
- RESOLVED, The Port Commission must approve the terms of an ENA establishing performance benchmarks for the 20<sup>th</sup> Street Historic Buildings and authorize the Executive Director of the Port, or her designee to execute that agreement; and be it further
- RESOLVED, That the Port Commission reserves the right, if negotiations with ODI are unsuccessful and do not lead to approval of an ENA or a development agreement, lease and related documents to undertake other efforts including, but not limited to, determining no project will be pursued, selecting a tenant by any other means, negotiating ECB/UP, issuing a new development solicitation at the Port Commission's sole discretion; and be it further
- RESOLVED, That awarding the development opportunity to ODI begins a process of defining a project for the 20<sup>th</sup> Street Historic Buildings and the development concepts envisioned in the Master Plan and the RFP; that the ODI proposal will evolve through the extensive public review process including changes to the rehabilitation concept, uses, the mix of uses, or other fundamental terms, all leading to a final project proposal, subject to Port Commission review; and be it further
- RESOLVED, That the direction to staff to negotiate an ENA does not commit the Port Commission to approval of the terms of the ENA or any specific development concept or project proposal, nor will the ENA or the project review process it establishes foreclose the possibility of alternative development concepts, mitigation measures, or deciding not to grant

entitlement or approve the lease and development of the 20<sup>th</sup> Street Historic Buildings; and be it further

RESOLVED, That entering into exclusive negotiations does not commit the Port Commission to approval of a final lease disposition and development agreement, lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA); and be it further

RESOLVED, That the Port Commission expresses its thanks and appreciation to the Central Waterfront Advisory Group and the 20<sup>th</sup> Street Historic Buildings Evaluation panel for their participation in and support of the Port's evaluation of responses to the RFP.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 28, 2012.***



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Secretary