File No	230842	Committee Item No	1
		Board Item No. <u>13</u>	

# **COMMITTEE/BOARD OF SUPERVISORS**

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee: Board of Supervisors Meeting	Date September 6, 2023  Date September 12, 2023	
Cmte Board  Motion Resolution Ordinance Legislative Digest Budget and Legislative Ar Youth Commission Report Introduction Form Department/Agency Cove MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commi Award Letter Application Public Correspondence	t Letter and/or Report	
OTHER (Use back side if additional Port Memorandum 2/24/20	23	
Proposal - Request for Exclu Request for Information Ex	sive Negotiating Agreement 2/15/2023	
Port Memo and Resolution		
Port Presentation 9/6/2023		
Completed by: Brent Jalipa Date August 31, 2023 Completed by: Brent Jalipa Date September 7, 2023		

1	[Sole Source Negotiations - Fisherman's Wharf Revitalized, LLC - Seawall Lot 300/301 and
2	Pier 45]
3	Resolution exempting from the competitive bidding policy set forth in Administrative
4	Code, Section 2.6-1, the potential real estate transaction involving Port property at
5	Seawall Lot 300/301 and Pier 45 with Fisherman's Wharf Revitalized, LLC, for
6	development of a mixed use property that includes an experiential museum, events
7	center, public plaza, expanded limited vehicular access resilient waterfront promenade
8	a combination winery/brewery/distillery, and short term vacation rental project
9	celebrating, highlighting, and supporting the fishing and seafood industry of
10	Fisherman's Wharf and increasing public access to and enjoyment of the Bay; urging
11	the Port and Fisherman's Wharf Revitalized, LLC to engage in outreach to affected and
12	interested neighbors, community members and other stakeholders to ensure that the
13	proposed project is designed with public input; and urging the Port Director, with the
14	assistance of Port staff, the City Attorney's Office and other City officials to take all
15	actions needed to negotiate an exclusive negotiating agreement and a term sheet with
16	Fisherman's Wharf Revitalized, LLC on a sole source basis, consistent with this
17	Resolution.
18	
19	WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and Charter,
20	Section B3.581, give the Port Commission the power and duty to use, conduct, operate,
21	maintain, manage, regulate, and control the Port area of the City and County of San
22	Francisco; and
23	WHEREAS, The Port Commission at its meeting on April 11, 2023, after a public

planning process that maximized public participation in public discussions about existing

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1	waterfront activities, regulations, challenges, public desires, and needs to incorporate diverse
2	viewpoints and perspectives to develop policy recommendations; adopted an updated
3	Waterfront Plan (the "Waterfront Plan"); and
4	WHEREAS, The Waterfront Plan included a stakeholder engagement process for
5	unsolicited development proposals, in advance of the submission of such proposals to the
6	Board of Supervisors for consideration of a waiver of the City's competitive solicitation policy;
7	and
8	WHEREAS, On February 15, 2023, the Port received an unsolicited proposal (the
9	"Proposal") to lease and develop portions of Seawall Lot 300/301 and Pier 45 from
10	Fisherman's Wharf Revitalized LLC, whose members include Lou Giraudo, Seth Hamalian,
11	and Chris McGarry; and
12	WHEREAS, As detailed in the Proposal, the members of Fisherman's Wharf
13	Revitalized LLC have extensive experience in successfully operating businesses in
14	Fisherman's Wharf, and developing mixed use projects in San Francisco; and
15	WHEREAS, The Proposal contemplates construction of a mixed use development that
16	includes an experiential museum, events center, public plaza, expanded limited vehicular
17	access resilient waterfront promenade, a combination winery/brewery/ distillery, and short
18	term vacation rental project celebrating, highlighting, and supporting the fishing and seafood
19	industry of Fisherman's Wharf, and increasing public access to and enjoyment of the Bay; and
20	WHEREAS, At its meeting on February 28, 2023, the Port Commission directed Port
21	staff to pursue a stakeholder engagement process to elicit public feedback on the Proposal
22	prior to its submittal to the Board of Supervisors; and
23	WHEREAS, Port staff offered opportunities for stakeholder feedback at two hybrid (in-
24	person and virtual) meetings in Fisherman's Wharf and one virtual meeting of the Port's

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Northern Advisory Committee; and

1	WHEREAS, Port staff reported out on the stakeholder engagement feedback at the
2	April 25, 2023, Port Commission meeting; and
3	WHEREAS, As an additional measure of due diligence, the Port issued a Request for
4	Information seeking interest in developing the areas identified in the Proposal (the "RFI"); and
5	WHEREAS, The RFI was issued on May 20, 2023, and the Port received two letters
6	commenting on the Proposal, as summarized in the Memorandum to the Port Commission
7	("Port Memorandum") and Port Commission Resolution No. 23-37, both on file with the Clerk
8	of the Board of Supervisors in File No. 230842; and
9	WHEREAS, The Port received no other letters or responses to the RFI, indicating no
10	competing investment interest in potential bids if the Port were to competitively solicit a
11	development partner for the areas identified in the Proposal; and
12	WHEREAS, The Board of Supervisors recognizes the urgency of providing support to
13	the recovery of Fisherman's Wharf, which has been heavily impacted by the pandemic and
14	associated economic downturn, resulting in the closure of the businesses of many
15	longstanding Port tenants; and
16	WHEREAS, If approved after appropriate environmental and regulatory review and
17	lease negotiations, the project described under the Proposal provides the opportunity to build
18	economic momentum from the Port's current investments in the recovery of the Fisherman's
19	Wharf portfolio, to elevate the fishing industry and history of the wharf, and to provide a
20	significant private capital investment into a more resilient shoreline; and
21	WHEREAS, In accordance with Chapter 23 of the Administrative Code, the Board of
22	Supervisors can waive competitive solicitation upon finding that the competitive process is
23	impractical, impossible or not in the public interest; and
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WHEREAS, The lack of development interest in any response to the RFI, indicates that
the time and expense in pursuing a competitive process would be impractical and not in either
the Port's or public interest; now, therefore, be it

RESOLVED, The Board of Supervisors finds: 1) that a competitive solicitation process would be impractical or impossible due to a lack of competing investment interest; 2) the timely and successful execution of the proposed development described in the Proposal would help attract visitation to the Port for the benefit of new and old businesses alike; 3) the Proposal presents a significant opportunity to pair new attractions with needed seismic and flood protection improvements; and 4) for these reasons, it would be in the public interest to waive competitive solicitation procedures so the Port may negotiate and enter into an Exclusive Negotiating Agreement with Fisherman's Wharf Revitalized, LLC; and, be it

FURTHER RESOLVED, The Board of Supervisors endorses sole source negotiations by City and Port staff with Fisherman's Wharf Revitalized, LLC. for the development of portions of Seawall Lot 300/301 and Pier 45 under the Proposal; and, be it

FURTHER RESOLVED, That should the Port Commission and Fisherman's Wharf Revitalized, LLC agree upon mutually acceptable terms for such proposed transaction and development, the Board of Supervisors will not disapprove a proposed lease and other real estate transaction agreements on the basis that they do not satisfy the competitive bidding policy set forth in Administrative Code, Section 2.6-1; and, be it

FURTHER RESOLVED, That the Board urges the Port and Fisherman's Wharf Revitalized LLC to engage in continued outreach to affected and interested neighbors, community members and stakeholders to ensure that the proposed project is designed with public input; and, be it

FURTHER RESOLVED, That the Board urges the Port Executive Director, with the assistance of Port staff, the City Attorney's Office and other City officials, to take all actions

1	necessary to negotiate an Exclusive Negotiating Agreement and a term sheet with
2	Fisherman's Wharf Revitalized, LLC on a sole source basis, consistent with this Resolution;
3	provided nothing in this Resolution constitutes any approval of the proposed project, grants
4	any entitlements for the proposed project, nor does adoption of this Resolution foreclose the
5	possibility of considering alternatives to the proposed project, or adopting mitigation
6	measures, or deciding not to approve the proposed project after conducting appropriate
7	environmental review under the California Environmental Quality Act (CEQA).
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# San Francisco Board of Supervisors

**Budget and Finance Committee** 

Sole Source Negotiations Fisherman's Wharf Revitalized, LLC

September 6, 2023



# **Fisherman's Wharf Revitalized Proposal**



- Unsolicited proposal received
   February 15, 2023
- Proposal includes Seawall Lot 300/301 and Pier 45
- Fisherman's Wharf Revitalized LLC
  - Lou Giraudo
  - Seth Hamalian
  - Chris McGarry



# **Outreach Meetings and Commission Discussions**

March 13: Lunchtime session in Fisherman's Wharf (hybrid in-person/virtual)

March 15: Evening session in Fisherman's Wharf (hybrid in-person/virtual)

March 22: Northern Advisory Committee (virtual)

# April 25: Port Commission

- Reviewed stakeholder comments regarding Pier 45, the Triangle Lot area and the project as a whole
- Analyzed the proposal's relationship to the goals of the Waterfront Plan
- Summarized the exclusive negotiations process

# July 7: Port Commission

 Port Commission directs Port staff in consultation with the City Attorney to seek waiver of City's competitive bidding process to commence negotiations with FW Revitalized, LLC

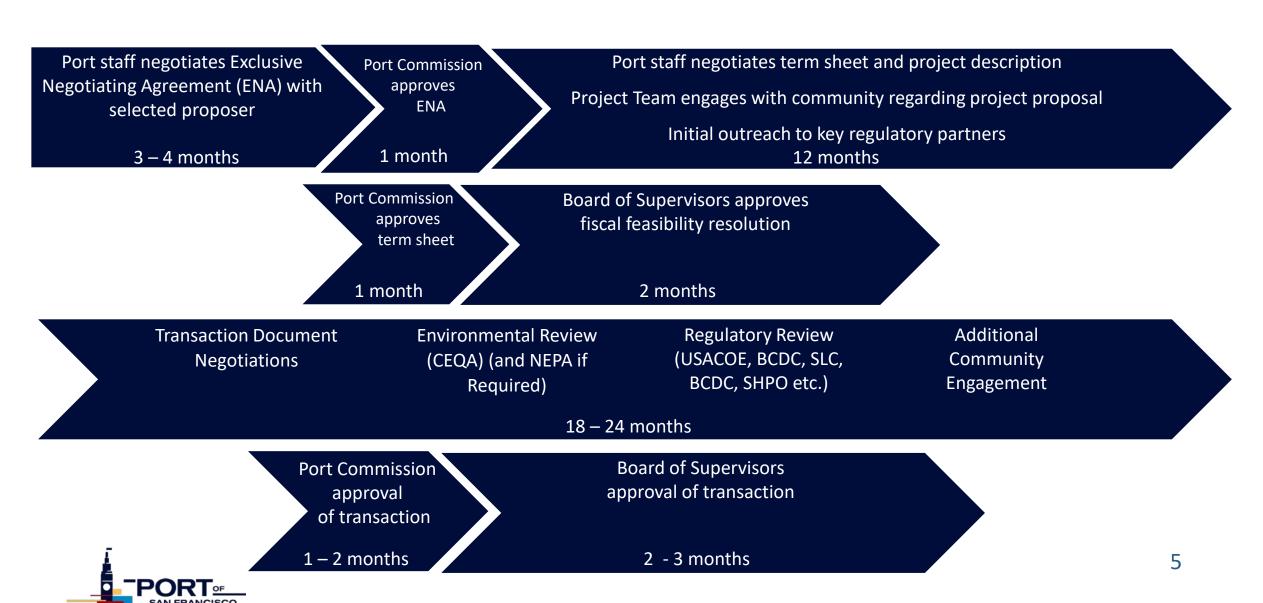
# **Request for Information**

As an additional step of outreach, on May 19, 2023 Port staff issued a Request for Information to determine whether there are other actionable proposals to lease and develop the areas called out in the FWR proposal along the same lines.

The Port received two responses by the deadline of June 21 (both are attached to today's staff report):

- A followup submittal from Fisherman's Wharf Revitalized LLC
- A letter from Dan Giraudo, Chairman and CEO of Boudin Bakery

# **DEVELOPMENT PROCESS TIMELINE**







# **MEMORANDUM**

February 24, 2023

TO: MEMBERS, PORT COMMISSION

> Hon. Kimberley Brandon, President Hon. Willie Adams, Vice President

Hon, Gail Gilman Hon. Steven Lee

FROM:

Executive Director

**SUBJECT:** Stakeholder Engagement Process with Respect to an Unsolicited Proposal

for the Leasing and Phased Development of Portions of SWL 300/301 and

Pier 45 Sheds A and C in Fisherman's Wharf.

**DIRECTOR'S RECOMMENDATION:** No action – Information only

#### **EXECUTIVE SUMMARY**

On February 15, 2023 Port staff received an unsolicited proposal (the Proposal) to lease and develop portions of SWL 300/301 (sometimes referred to as the Triangle Parking Lot) and Pier 45 Sheds A and C.

The Port's draft Waterfront Plan, which will be considered for adoption by the Port Commission at an upcoming meeting, outlines a public engagement process for unsolicited proposals prior to the consideration of a waiver of the City's competitive bidding procedures by the Board of Supervisors. Port staff desires to apply the process set forth in the draft Waterfront Plan to this Proposal and confirm the Port Commission's support for such engagement.

## STRATEGIC OBJECTIVE

The proposed engagement process supports two key goals of the Port's Strategic Plan:

- *Productivity:* Attract and retain tenants to build an economically successful and vibrant waterfront.
- Engagement: Engage constituents and the public on Port functions and activities.

## **BACKGROUND**

On February 15, 2023, the Port received the attached unsolicited proposal for the lease and development of portions of SWL 300/301 (also known as the Fisherman's Wharf Triangle parking lot) and Sheds A and C on Pier 45. The Proposal was submitted by Fisherman's Wharf Revitalized LLC, consisting of Lou Giraudo, Seth Hamalian and Chris McGarry. The proposal is for a mixed-use development celebrating, highlighting and supporting the fishing and seafood industry of Fisherman's Wharf and increasing public access to and enjoyment of the Bay. The proposal includes an experiential museum, events center, public plaza and expanded non-vehicular resilient waterfront promenade, a combination winery/brewery/distillery, and short-term vacation rentals. (See attachment A-Proposal Received).

#### COMMUNITY ENGAGEMENT PROCESS FOR UNSOLICITED PROPOSALS

Through its work with the stakeholders in the Waterfront Plan Working Group, Port staff developed a process for reviewing unsolicited development proposals prior to submittal to the Board of Supervisors for consideration of a waiver of the City procedures for competitive bidding. The procedure is as follows:

Honor the City and Port policy (under the San Francisco Administrative Code and this Waterfront Plan) to provide for competitive bidding on development opportunities.

If and when the Port receives unsolicited proposals for unique development opportunities, ensure that the Port only enters a sole source lease for such opportunities if the San Francisco Board of Supervisors finds that it would be impractical or impossible to follow competitive bidding procedures.

Follow the Port Commission process for consideration of unsolicited (sole source) proposals:

- a. Require the developer to provide a written submittal that describes the proposal, any community outreach completed to date, specific ways in which the project proposed will achieve Waterfront Plan and public trust goals and objectives, and reasons that support waiving the competitive solicitation process.
- b. Convene Port Advisory Committee meeting(s) for review and comment on the proposal, if not already completed and described in Item a. above.

- c. Conduct a Port Commission informational meeting for review and public comment on the sole source proposal, including review of information in Item a. above.
- d. Seek a Board of Supervisors public hearing for consideration of waiving City competitive solicitation leasing policy provisions.

## PROPOSED NEXT STEPS

Subject to Port Commission feedback at the February 28 hearing, Port staff plans to pursue additional community meetings to review the Proposal in order to satisfy the process outlined above and return to a future Port Commission meeting to (a) summarize community feedback from such meetings, (b) provide Port staff's preliminary analysis of the Proposal and the potential to seek Port Commission and Board of Supervisors waiver of the City's competitive solicitation procedures prior to entering into an exclusive negotiation agreement with Fisherman's Wharf Revitalized LLC[, and (c) receive any additional feedback on the Proposal from the Port Commission. Port staff will prepare a summary of the discussion at that subsequent Port Commission meeting for use in connection with any hearings by the Board of Supervisors to consider a waiver of the City's competitive bidding policy.

In terms of the specific community meeting strategy, Port staff notes that the Fisherman's Wharf Waterfront Advisory Group (FWWAG) has not met in a long period of time, as the pandemic restrictions combined with the departure of longtime tenants and related factors like the dissolution of the Fisherman's Wharf Portside Community Benefits District have proven challenging to maintaining FWWAG. Port staff are considering the best path forward to reconstituting a new FWWAG structured to provide spaces for collaboration in key issue areas both landside and waterside.

In light of FWWAG's status, Port staff is proposing a two-pronged engagement strategy to satisfy the provisions summarized above:

- 1. One or more meetings in Fisherman's Wharf convened specifically to review and provide feedback on this Proposal (discussions underway regarding timing and location in order to maximize participation); and
- 2. An information item on this Proposal at a regularly-scheduled Northern Advisory Committee (NAC) meeting.

Staff has developed this proposed engagement strategy in order to facilitate feedback from stakeholders in the vicinity of the proposed project while also taking advantage of the visibility and structure of the NAC to provide additional opportunities for the public to be heard.

# RECOMMENDATION

Port staff recommends that the Port Commission direct staff to pursue the stakeholder engagement process described above and return to a future Port Commission meeting for further discussion regarding the Proposal.

Prepared by: Michael Martin

Assistant Port Director

Andre Coleman

Deputy Director, Maritime

Rebecca Benassini

Deputy Director, Real Estate and Development

**David Beaupre** 

Deputy Director, Planning Environment

Attachments: Proposal

# **REQUEST FOR ENA**

# FISHERMAN'S WHARF

# PORTIONS OF PIER 45 AND SEAWALL LOT 300/301

2/15/2023

## I. EXECUTIVE SUMMARY

#### **REQUEST FOR ENA**

Fisherman's Wharf Revitalized, LLC ("FWR") is requesting that the Port enter into an exclusive negotiating agreement ("ENA") regarding the redevelopment of portions of Pier 45 and Seawall Lot 300/301. FWR is seeking a long term master lease of Sheds A and C at Pier 45, and Seawall Lot 300/301 (excepting therefrom the portion currently leased and occupied by Boudin Bakery) to facilitate the design, construction and operation of the project (as further described under the "Project Overview" and "Detailed Project Vision" sections below). The core leadership team of FWR is comprised of Lou Giraudo, Christopher McGarry, and Seth Hamalian (team bios are provided at the end of this document under the "Team" section).

An ENA is necessary to allow FWR to invest substantial time and financial resources in community and stakeholder engagement, to design and permit the project, to conduct the necessary environmental studies, and negotiate the terms of a development agreement and long term master lease with the Port and other regulatory bodies.

#### **PROJECT OVERVIEW**

FWR is proposing to build a dynamic mixed use waterfront project comprised of 1) an experiential museum and event center on the eastern half (Sheds A and C) of Pier 45 that returns the focus of Fisherman's Wharf to the commercial fishing/seafood industry and provides a new platform for visitors to experience that industry as well as the San Francisco Bay, and 2) a central public square flanked by food and beverage options on the Triangle / Seawall Lot 300/301, combined with the conversion of the adjoining section of Embarcadero right-of-way to an expanded non-vehicular promenade, adding new, resilient and vibrant public realm with great access to and views of the Bay.

Core elements of the experiential museum on Pier 45 would include a new fish and seafood processing facility where visitors can view the work as it's happening, a wholesale and retail market selling the freshest and best selection of fish and seafood in the region, and a food hall that would become a destination for exploring fish and seafood cuisine of the world, while creating business opportunities for restauranteurs of diverse backgrounds and resources. Interactive exhibits scattered throughout the museum grounds would provide education and celebrate the rich history of the fish and seafood industry. The experiential museum would be housed in a combination of existing space in Shed A, and a blend of new buildings and an open park-like setting on the site of the former Shed C. An iconic architectural building located at the northern-most point of the former Shed C, designed with care and respect for the adjoining sheds and historic district in which it sits, would provide an event center for rentals, concerts and performances of all different scales, with flexibility to spill out into the adjoining park-like setting for larger events.



One or more new buildings on the eastern portion of the Triangle adjoining the central public square and expanded promenade would include a visitor's center and a combination winery/brewery/distillery on the ground floor. The winery/brewery/distillery would emphasize accessibility and education to allow a larger audience to enjoy craft beverages, learn about the history of these industries in San Francisco, and provide connections with the broader region, especially wine country to the north. On the floor(s) above, purpose built short-term vacation rental units would provide accommodations for families and groups seeking apartment-like amenities and certainty of adjoining bedrooms. These units would be complimentary, not competitive with the surrounding hotel inventory, and by providing purpose-built short term inventory would be expected to relieve some of the stress on the existing apartment market created by the demand for short-term rentals.

The western portion of the Triangle would be reserved for a second phase of development. The second phase would house additions to one or more of the food and beverage, event space and short-term rental unit uses, with the exact mix to be informed by the performance of the first phase and evolving needs of Taylor Street and the surrounding neighborhood. It is important to note that the western side of Taylor Street is specifically not a part of this project or application.

The project would involve important investments in sea level rise resilience and seismic integrity for this portion of the northern waterfront, while also expanding and enhancing the public realm and enjoyment of the Bay. The central public square and non-vehicular promenade along the waterfront would complement and complete nearby infrastructure investments already made by the public sector, and finally bring Fisherman's Wharf fully into the continuous necklace of generous public spaces the Port and City have worked so hard to create all along the Embarcadero.

The project and neighborhood would benefit greatly from ensuring that the Port's goals of diversity, equity and inclusion permeate the project both during construction and after, including incorporation into long-term operations. The project would advance DEI operationally through the food hall element on Pier 45, proactively creating business opportunities for diverse and under-resourced individuals by lowering capital barriers to entry to the restaurant industry and opening access to a high volume prime location. In addition, FWR would infuse the project with a variety of best practices/DEI initiatives beyond the food hall, with those initiatives informed by precedent on other Port development projects, and anticipated to be developed in partnership with the community and the Port staff and commission.

The project would be implemented with the utmost care for the existing industry located on Pier 45, being especially mindful of the intensity and importance of existing operations. Our team would develop logistics plans with incumbent businesses, restaurants and attractions, both on Pier 45 and in the surrounding neighborhood, to ensure uninterrupted operations during and after construction. The project would be designed to minimize impacts on parking and traffic, leveraging existing foot traffic, adjoining alternate modes of transportation, and extending periods of visitor engagement to reduce vehicular activity. Our team is in conversations with parking operators in the neighborhood, and is very aware of the importance of making sure that this resource is managed to ensure that existing businesses

as well as our proposed additions can provide a positive experience for both customers and employees. Addressing traffic, parking, access to the site, logistics and the support and supply of businesses on the Pier and the triangle will all figure prominently in our planning and design of the project.

The project is described in greater detail under the "Detailed Project Vision" section below.

#### **BASIS FOR APPROVING ENA**

FWR is submitting this letter as the first step in the process outlined in the Port's draft Waterfront Plan for responding to unsolicited proposals for Port property. In compliance with those procedures, this request for ENA includes: a) a description of the proposal (included both above in the summary and in the "Detailed Project Vision" section below), b) community outreach completed to date (summarized in the "Stakeholders as Collaborators" section at the end of this document), c) specific ways in which the project proposed will achieve Waterfront Plan and public trust goals and objectives (included throughout this "Executive Summary" section and "Detailed Project Vision" section below), and reasons that support waiving the competitive solicitation process (outlined in the paragraphs that follow below).

FWR respectfully asks that the Port and Board of Supervisors give special consideration to the following three factors when evaluating this request for an ENA on a sole-source, non-competitive bid basis:

The Urgency. There is an urgent need for fresh investment and new attractions in Fisherman's Wharf. While the public sector has made several strategic investments in the neighborhood, (including the Port's investment in Pier 45 Sheds B+D in the mid-1990's, Hyde Street Harbor in 2001, Pier 43 rehabilitation in 2012, and the city's Jefferson Street improvements in 2013 and 2021), other than Boudin's construction in 2005, very little private sector investment of scale has occurred over the last three decades. The stress of under-investment is evident in the condition of buildings and businesses located throughout the neighborhood. The restaurants along Taylor Street, one of the most visible and identifiable elements of Fisherman's Wharf, are a prime example. A decline in these restaurants started pre-pandemic, accelerated during the pandemic, and has resulted in most of the restaurants remaining closed or operating at significantly reduced capacity, with some owners even opting to buy out of their existing leases rather than investing in reestablishing their businesses. The neighborhood risks getting stuck in a downward spiral that will be very difficult and costly to reverse. While tourists may have felt compelled to visit in the past, the city can no longer afford to take for granted that they will continue to come without new investment and attractions added in the immediate future.

The Unique Profile and Caliber of the Project. The proposed project stands out in: 1) its responsiveness to the types of uses that have been identified as desirable and needed additions over the last several decades by both the Port and stakeholders throughout the Fisherman's Wharf neighborhood, 2) the unique combination and complimentary nature of the project components, adding uses that are currently missing, and avoiding uses that compete or replicate other attractions within the northern waterfront; and 3) its ability to comply with the myriad challenging regulatory frameworks and restrictions on development on San Francisco's waterfront (including fitting within the existing 40'

height limit). The project provides authentic and unique dining, shopping, cultural and recreational opportunities that will be a draw for local San Franciscans as well as visitors. The project will build greater awareness and support of the city's fishing and seafood industry, support local restauranteurs and promote equity with its food hall, and provide critical stabilization to a neighborhood at an inflection point. And as in other instances where the city has found a sole-source relationship to be appropriate, the unique proposed project will deliver special cultural and education benefits to the people of San Francisco.

The Capabilities and Character of Our Team. Our team possesses an unusual depth and breadth of relevant relationships and skills, as well as a collaborative disposition and character that makes us uniquely qualified to implement this project in this location. Our core leadership is confident in their abilities thanks to notable track records in implementing complicated projects and operations, but humble from years of experience and recognition that projects of this caliber only succeed when stakeholders are engaged and treated as valued collaborators. The extent of each team member's commitment and involvement with the Fisherman's Wharf community, deep experience working with the Port of San Francisco and developing long term projects on the waterfront in San Francisco, unparalleled experience in delivering public open space and infrastructure in San Francisco, broad knowledge of public and private finance, capital markets, and the food and beverage industries, positions our team to succeed in this complex endeavor. Most importantly, our team is comprised of individuals who are at a point in their careers where their focus is on legacy and positive lasting impact; our team's mission-driven values ensure the City and Port would be gaining a long-term partner and steward committed to both delivering and maintaining an authentic and iconic addition to San Francisco's northern waterfront.

## II. DETAILED PROJECT VISION\*

The proposed project is designed to be an engine for enhancing the economic vitality of the Fisherman's Wharf neighborhood, highlighting and supporting local businesses and increasing foot traffic at a time when there is an increasing number of closed restaurants and empty storefronts in the neighborhood. The project is responding to a pressing need for new investment, and is purposefully comprised of regulatory compliant / less controversial development components befitting the urgency of the existing conditions. The authentic and complimentary nature of the proposed offerings are intended to interrupt the downward spiral and set Fisherman's Wharf on a new trajectory, one where the neighborhood is no longer seen as only belonging to the tourists, and yet leveraging the vibrancy that comes from locals and visitors all converging together in great numbers to enjoy the natural resources and beauty of the Bay.

The proposed project is comprised of three areas of redevelopment – Pier 45 Sheds A and C, Triangle East /Seawall Lot 300/301 Phase I, and The Triangle West /Seawall Lot 300/301 Phase II. The project DOES NOT include any of the restaurants or other improvements on the western side of Taylor Street. The following sections outline the contemplated uses for each of the three areas.

#### Pier 45 Sheds A and C

The vision for Pier 45 is a two-pronged approach to reinvigorating Fisherman's Wharf as a must-visit location for the region, both for visitors and residents alike: 1) reaffirmed and enhanced support to pre-existing fishing operations on the Pier and an experiential museum dedicated to the fishing and seafood industry that will return Fisherman's Wharf to its legacy and former prominence as the go-to location in the region for all things related to the fish and seafood industry, and 2) a flexible events center comprised of an iconic architectural building occupying a portion of the former Shed C space, and open air space adjoining the building, configured to allow for a variety of indoor, outdoor, and indoor/outdoor concerts, local performance art, school events, rentals and other experiences. All of this would be implemented with care to support and protect the heart of Fisherman's Wharf, the existing commercial fishing operations based on Pier 45 (primarily in Sheds B and D). Anything built as part of this project must enhance the commercial fishing operations' ability to thrive long-term and ensure that the project is true to the name; that this place is authentically a fisherman's wharf.

<sup>\*</sup>Please note, this document provides our current vision of the project, types of uses and rough order of magnitude estimates of square footage. We are constantly adjusting and refining our plan based on ongoing design, research, market exploration with tenants and capital providers, and feedback from stakeholders and advisors. As much outreach as we have already conducted to date, we know there is an enormous amount of further discussions to be had with stakeholders, advisors and government bodies/regulatory agencies. We expect that the project will continue to be adjusted and refined based on this feedback and assessment of economic viability, and therefore the proposed uses and scale of those uses that we ultimately seek approval of may ultimately vary from what is contained in this Request for ENA.

#### **Experiential Museum**

The museum element would be experiential – this would not be a museum where you walk around reading small captions below glass-encased relics – the idea is to engage visitors in an immersive celebration of the fishing industry of San Francisco, and more broadly northern California. The museum would be anchored by three core elements: 1) a brand new fish and seafood processing facility providing opportunities to view the work of preparing fish and seafood for sale and consumption, 2) a world-class retail and wholesale market where the city and whole region will come to shop for fresh fish and seafood and related goods and sundries, and 3) a food hall containing stalls operated by a diverse mix of small businesses and local restauranteurs where visitors can taste a variety of prepared fish and seafood dishes from different ethnic and cultural backgrounds, both domestic and international. Exhibits would be scattered throughout these three core elements and the broader museum grounds, focusing on a mix of history, story-telling, and education regarding Fisherman's Wharf and the fishing and seafood industry. Exhibits would utilize physicality, scale, technology (video, audio, augmented and virtual reality), the ability to immerse and tap into all our senses, all to help bring to life the stories of Fisherman's Wharf and the industry.

The new fish and seafood processing facility would feature ample windows and viewing areas to allow visitors to view the processor's work live, as well as exhibits providing explanations for what people are viewing, and videos to supplement periods of lower activity. The ability of visitors to see work happening in real time is modeled after the very successful viewing areas and configuration of the Boudin Bakery's facilities located on the Triangle / Seawall 300/301 in Fisherman's Wharf. The new processing facility would augment and increase the industry's aggregate capacity located on Pier 45, and would be available for existing operators, if they so choose, to promote their business and showcase and celebrate their workers by providing a "stage" for their craft to be viewed and appreciated.

The retail and wholesale fish market would help re-establish Fisherman's Wharf as the regional center for buying the best and freshest fish and seafood. The market would be staffed with salespeople knowledgeable in the products being offered, helping retail and wholesale buyers to navigate the large variety of offerings, and would be designed and operated in a dynamic and thoroughly entertaining way so as to further enhance the visitor's experience at the wharf. The businesses already located on Pier 45 and in and around Fisherman's Wharf would have the opportunity to sell their products at a public-facing market operated at a scale difficult to achieve as multiple smaller businesses acting independently. Branding and visibility within the market would be available to local businesses of all scales, allowing the market to either serve as their primary point of sale, or help raise awareness and deliver increased foot-traffic to those businesses that wish to maintain their own direct sales from their locations.

The food hall would become a destination for exploring fish and seafood cuisine of the world, while creating business opportunities for restauranteurs of diverse backgrounds and resources. The food hall would be comprised of anywhere from 10-20 stalls featuring fish and seafood prepared in a wide variety of methods, from different ethnic and cultural backgrounds, both domestic and international. The food hall will provide takeaway dining, with visitors enjoying a variety of casual common seating and tables

throughout the museum. Daily visitors to the experiential museum would be the core source of business for the food stalls, but the food hall would also provide food for concerts and events at the events center, providing an additional stream of revenue for these small businesses. The compact scale of each stall, combined with shared technology, infrastructure, common kitchens and back of house facilities, and shared seating and tables will reduce start-up capital requirements, lowering barriers to entry and increasing participation by minority-owned, women-owned and economically disadvantaged businesses.

The three core elements and various exhibits of the experiential museum would be housed partially in the existing Shed A, and partially on the site of the former Shed C, set in a mix of both indoor and open air spaces. The museum would have a park-like feel in the aesthetic, quality, scale and amount of outdoor spaces, and these areas would feature seating for enjoying cuisine from the food hall, views of the Bay and city skyline, and regular performances by local musicians and performing artists, ranging from professionals to those just starting out (i.e. local school bands and drama programs). Spaces for children to play and people of all ages to engage in low-impact recreation would round out the offering, making the museum more versatile, engaging and family-friendly.

#### **Event Center**

The event center would enliven Pier 45, add an iconic architectural element on San Francisco's waterfront, create an additional draw to Fishman's Wharf, and attract a wide range of local and regional users year-round. The event center would be a multi-purpose venue that can host concerts and other performances, banquets, parties, weddings, conferences, speakers and meetings. The event center would contain a wide variety of types and sizes of spaces available for rental and performances, all highlighting the expansive breathtaking views, both out to the Bay and a unique perspective back towards the shore and northern city skyline.

The event center would be located on the site of the former Shed C, housed partially in a new, architecturally iconic building built towards the outer point of Pier 45, and partially open air adjoining this new building. The event center would be designed with care for the surrounding sheds and respectful of the larger Embarcadero Historic district in which Pier 45 sits. The line between where the experiential museum ends and the event center begins would be blurred, maximizing the ability to hold events of all different types and scales, some remaining confined to the new building, some spilling outdoors, and some occupying parts of the museum grounds as well. This blurring of lines will also help the food hall to play a large role in providing food and beverage for events held at the center, and increase the interest in visiting the experiential museum (i.e. the opportunity to view the iconic architecture of the event center as part of a visit to the museum).

## **Physical Improvements**

Pier 45 is comprised of four sheds, one of which, Shed C, burned down in 2020. Each shed is approximately 60,000 to 70,000 square feet is size. Shed B and Shed D are heavily utilized by the commercial fishing industry and other existing tenants and are not anticipated to be touched as part of the project.

Portions of our project would be housed in Shed A, where we anticipate using techniques like open plans / partial-height dividers, raised floors and other "light-touch" methods to subdivide the space and route utilities/infrastructure so that the shed structure itself is subjected to less substantial renovation and retains much of its existing character. Portions of the project will involve building one or more new buildings where Shed C once was, but the plan is to leave other areas open-air to create a variety of indoor and outdoor spaces both within the experiential museum and the event center, and for the borders between these two spaces to blur allowing for a wide variety of configuration for events and performances.

Total square footage of the experiential museum and event center has yet to be determined, but will likely be in the range of 150,000 to 175,000 square feet (inclusive of both built and open-air square footage). And because of the desire to preserve some open-air spaces within the former footprint of Shed C, new building construction on the Shed C site is unlikely to substantially exceed the square footage that was lost in the fire, although some portions of the new construction will likely be multistory. All new construction is anticipated to fit within existing height limits of 40', and will be designed in a manner that acknowledges and respects Pier 45's place in the Embarcadero Historic district.

#### **Existing Tenants**

The happiness and wellbeing of the existing tenants at Pier 45 is of the utmost importance to this project. We are committed to designing and implementing our project in a manner that does not negatively impact operations within Shed B and D. We also recognize that portions of Shed A and former Shed C are / have been used as storage and parking for the commercial fishing industry – we will work with these existing tenants to make sure that their needs are understood and addressed as part of our project. Likewise, we value the contribution to the Fisherman's Wharf visitor experience of existing Shed A tenants like Musee Mecanique and the USS Pampanito and the San Francisco Maritime National Park Association. We will work with these existing tenants to configure our additions so the combined outcome creates a great visitor experience where both existing and new destinations thrive.

#### Triangle East /Seawall Lot 300/301 Phase I

The vision for the Triangle / Seawall Lot 300/301 is to create an upgraded and expanded public realm, highlighted by a central public square for the Fisherman's Wharf neighborhood, flanked on all sides by food and beverage establishments, with visitor centers on the eastern and western edges available to welcome and guide visitors towards the various attractions of Fisherman's Wharf.

The first phase of development would run from the western edge of the existing Boudin Bakery to the eastern-most point of the Triangle / Seawall Lot 300/301, and would be comprised of 1) creation of a central public square and the conversion of the adjoining portion of the Embarcadero to a non-vehicular promenade, 2) a new building housing a winery, brewery and distillery on the ground floor, and short-term rental units on the floor(s) above, and 3) a visitor's center at the eastern point of the Triangle / Seawall Lot 300/301.

#### Public Realm

Public realm improvements would include the creation of a central public square on the center portion of the Triangle / Seawall Lot 300/301, just north of Boudin Bakery, and the conversion of the Embarcadero along the northern edge of the property to a non-vehicular promenade.

The public square would be defined at its edges by Boudin to the south, The Franciscan to the north, a newly built building to the east housing the winery/brewery/distillery (described further below), and the Chowder Hut to the west.

The conversion of this section of the Embarcadero into a non-vehicular promenade would be done in close consultation and coordination with The Franciscan, Red and White Fleet and other operations along the waterfront to ensure that ongoing delivery, ingress and egress and other logistics are properly incorporated in the design of the improvements. The conversion to a non-vehicular promenade would create a wider, more inviting pathway along the water's edge, would better match the volume of foot traffic the area already experiences today, and create increased capacity for the future and enhanced access to the Bay. The new promenade would more closely align with the scale of promenade directly to the east heading towards and past Pier 39, creating a more seamless transition between the two visitor attractions. The width of the existing right of way provides the opportunity for the promenade to have different tiers / stepped areas, enhancing views and providing places to sit and enjoy the expansive views of the Bay. The new promenade would also build resilience against future sea-level rise, providing the opportunity to gradually ramp up in elevation. The new promenade would connect to new buildings at an elevation that accommodates future sea-level rise, and provide the ability to transition / retreat from the older existing promenade usage if necessitated by future sea-level rise without losing public access along the bay front.

#### Winery/Brewery/ Distillery

A new building would be constructed to the east of the central public square described above, set at the narrow end of the Triangle between the eastern end of Boudin and Powell Street to the east. This building would house a combined winery, brewery and distillery, appealing to a variety of tastes and interests, and celebrating the history of San Francisco and its port in these industries. There would also be suggested routes and coordination between the winery, adjoining ferry service, the wine train in Napa and SMART in Sonoma to provide a safe avenue for visitors to travel from San Francisco to wine country and back where the journey is a key part of the experience, and with less reliance on cars and corresponding congestion. The goal is to tie together regional tourism draws to San Francisco and visitors to Napa and Sonoma, and encourage Fisherman's Wharf to serve as a launching point for exploring the wine country while staying in San Francisco (and vice versa).

All three of the operations – winery, brewery, and distillery – would be authentic operations where visitors gain insight into how the beverages are crafted, how they are connected to the local geographies and their histories, and would continue the experience of being able to view work while it is being performed, as is the case with the fish processing at the experiential museum and bakery at Boudin. Since the making and tasting of refined alcohol beverages, especially wine, is often presented

as complex and difficult to access for all but the avid fan, this operation would emphasize education using various interactive exhibits to simplify and de-mystify both the production and enjoyment of the craft.

#### **Short-Term Rental Units**

Short-term rental units would be built above the winery/brewery/distillery, with a small lobby for these units at ground level. This would not be a traditional hotel operation (no daily housekeeping, bellhop, concierge, room service, etc...), but instead a sort of purpose-built Airbnb. These units would be designed to be complimentary, not competitive, with the inventory of hotels in the surrounding area, and would be expected to contribute some relief to the pressure that use of general apartment inventory for short-term rentals can place on the housing market. The short-term rentals would consist of multi-bedroom units geared towards groups and families traveling together that want the amenities (kitchenette, common living space) of a typical apartment and want to avoid the uncertainty and cost of securing adjoining rooms in a hotel. The short-term rental units would be located on one or two floors above the ground level, depending upon the final design of the building.

#### Visitor's Center

The visitor's center would either be housed in a small standalone building or integrated into the ground floor of the same building that houses the winery/brewery/distillery and short-term rentals above. The visitor's center would sit at the eastern most point of the Triangle / Seawall Lot 300/301 and include identifying signage so that visitors making their way east to west from Pier 39 and beyond have an identifiable moment at which Fisherman's Wharf is entered from the east (right now the only identifier for the neighborhood is located at the northeast corner of Taylor and Jefferson). The visitor's center would help orient visitors to all the different places to visit within Fisherman's Wharf, allow for ticket and tour sales, and would especially promote the experiential museum and events center located on Pier 45.

# **Physical Improvements**

The public realm improvements represent over an acre of new central public square and expanded promenade. The new construction located on the eastern portion of the Triangle / Seawall Lot 300/301 housing the winery/brewery/distillery and visitor's center on the ground level, and short-term rentals on the upper floor(s), is estimated to be in the range of 50,000 to 75,000 square feet (depending on whether it ends up being two or three stories). All new construction is anticipated to fit within the existing 40' height limit.

#### **Existing Tenants**

Existing tenants of the Triangle / Seawall Lot 300/301 include Boudin Bakery, the Chowder Hut (operated by Boudin), and the parking lot operator. Boudin was founded by Lou Giraudo, but has since been sold to his son, Dan Giraudo, and Lou is no longer involved in its ownership or operations. As the most recent private sector entity to make a substantial capital investment and commitment to

Fisherman's Wharf, Boudin is an important tenant for the Port and for the neighborhood. Our project is designed in consultation with, and will be complimentary to, Boudin's operations.

We anticipate that the Port would not enter into any long-term leases/licenses or extensions of the parking lot lease/license and that we would begin leasing the parking lot at the time of project approvals (as all of it will be redeveloped as part of the project).

Additional nearby tenants of the Port – the Franciscan, the Red and White Fleet, the restaurants along Taylor Street and beyond, while not tenants of the Triangle / Seawall Lot 300/301, are all important stakeholders in our project, and we've been in communication, and will continue these conversations as the project proceeds, to make sure that what we are proposing is truly complimentary and beneficial to Fisherman's Wharf.

# Triangle West / Seawall Lot 300/301 Phase II

The second phase of development on the Triangle / Seawall Lot 300/301 is limited to the western portion of the lot fronting Taylor between Jefferson and existing Embarcadero, sitting between Taylor Street and the western edge of Boudin Bakery. The second phase of development is anticipated to be 7-10 years after the first phase, providing time for greater clarity on what transitions may take place along the western edge of Taylor Street, as well as to assess what additional unmet needs exist in terms of food and beverage, event space and short-term rentals based on the performance of the first phase.

The vision for this second phase is to plan for flexibility, and ultimately deliver more space of whatever types prove to be of the greatest need for the viability of Fisherman's Wharf. Prioritizing and selecting final uses for the second phase will be based on the performance of improvements to Pier 45 and the first phase of the Triangle / Seawall Lot 300/301, as well as accounting for changes that are happening on the western side of Taylor Street. If more food and beverage space is needed, the second phase can be a potential home to, or provide replacements for, food and beverage establishments that are no longer able to operate along the western side of Taylor as the Port works with those tenants to figure out the viability of those existing restaurant spaces and operations (many of which closed or reduced operations during the pandemic and have not fully reopened).

Any additional food and beverage included in the second phase would be subject to assessing how deficient or saturated the food and beverage options are as Fisherman's Wharf finds a "new normal" post pandemic in terms of visitors and spending. Likewise, we will track the performance of the event center on Pier 45, and the visitor's center and short-term rental units built in the first phase, and determine whether Phase II should include some or all of these elements as well.

The public realm improvements included in the second phase would involve right-sizing and upgrading the existing plaza at the northeast corner of Jefferson and Taylor to better connect and feed into the central public square built as part of the first phase. As the Port develops a better understanding of how the existing restaurants, seawall and resilience concerns will be addressed on the western side of Taylor,

any necessary adjustments to Taylor Street's right-of-way can be accommodated as part of this second phase as well.

## **Physical Improvements**

The new construction located on the western portion of the Triangle / Seawall Lot 300/301 is estimated to be in the range of 36,000 to 54,000 square feet (depending on whether it is comprised of two or three stories). All new construction is anticipated to fit within the existing 40' height limit.

# **Existing Tenants**

The existing tenants on the Phase II portion of the Triangle are the Chowder Hut and a part of the parking lot operations (although by the time Phase II commences, the parking lot operations will have already ceased as part of Phase I). As with earlier phases of the project, the second phase will involve working closely with the existing onsite tenant(s) and surrounding tenants to arrive at a configuration that maximizes the benefit to the entire neighborhood. The second phase will be especially sensitive to how tenants in and around the project are performing – the goal being to deliver complimentary uses and address gaps in the market.

#### III. THE TEAM

The following is FWR's core leadership team. A project of this scale will involve many hands, and FWR will engage a whole host of best-in-class architects, engineers, designers, consultants, contractors, operators and tenants to create a truly amazing and iconic destination on San Francisco's waterfront.

#### Lou Giraudo

It is difficult to summarize the vast contributions Lou Giraudo has made to the companies he has led, to the civic organizations he has guided and, more broadly, to the San Francisco community of which Lou and his family have been an integral part for over 75 years. A supremely accomplished business executive, Lou has transformed and grown companies as diverse as Pabst Brewing Company, Andre Boudin Bakeries, Inc., The Save Mart Companies, Inc. and Asentia Winery Group. Lou's model for the success of these companies has always focused on reinvigorating historic brands in organic, thoughtful and authentic ways. Lou also presently serves on the Executive Committee of the Golden State Warriors NBA basketball team, where he was part of the leadership group that guided the relocation of the team to its current venue in Mission Bay.

Lou's heart and soul have always been in his civic and charitable activities. He has served as Chairman of the Board of Trustees of the University of San Francisco and as a trustee of the Kalmanovitz Public Charitable Trust. He has served as President of the San Francisco Police Commission, President of the Public Utilities Commission and President of the San Francisco Board of Permit Appeals. Over the course of a long career, Lou has on many occasions volunteered his time in public service to mediate a broad array of public sector contract, labor and political disputes, including the mediation of a political stalemate that led to the approval of two new hospitals in San Francisco in 2013.

For the past 20 years, Lou and his wife Suzanne have been major supporters of an institution that truly reflects Lou's values. He and Suzanne were founders of De Marillac Academy, an independent, tuition-free Catholic school for the underserved children, youth and families of the Tenderloin and surrounding communities. De Marillac helps to set young people on a path to success in life that they might otherwise never have imagined. Lou has predicated his life's work on the importance of giving back to the city and the communities that have sustained him and his family.

As a lifelong denizen and devotee of San Francisco, Lou's affinity for Fisherman's Wharf derives from enduring memories and a practiced sense of the critical importance it holds for the future vitality of the greater city. Lou's long-standing commitment to the wharf is no better evidenced than by his complete renovation of the Boudin bakery on Jefferson Street – the largest private sector investment in the wharf in the past twenty-five years. Lou developed the vision for creating a bakery production facility "on display" that would capture the interest of all visitors, a bustling Bakers Mall and Market, and an upstairs bistro. The facility is the heart of Fisherman's Wharf today, and it is the team's ambition to activate similar concepts and strategies for the benefit of the entire wharf.

#### **Chris McGarry**

A successful corporate, real estate and land use legal practice unwittingly led Chris McGarry to what became a lifelong passion for the food business. Eschewing the law in favor of a more than 25-year executive leadership career in the food, food retailing and supply chain industries, Chris acquired a profound and abiding respect for the power of people and community, the significance of food as a platform for social congress and community, and the importance of meeting the needs of local neighborhoods through access to food and an alluring, authentic and entertaining food experience. These principles guided Chris in building a successful career in transforming supermarkets and other organizations, most recently as Chief Executive Officer of Save Mart Supermarkets, Northern California's largest regional grocery chain featuring such diverse banners as Save Mart, Lucky California and FoodMaxx.

Seizing upon Save Mart's rich history, Chris demonstrated that a company could be successful by playing to its strengths, by being true to itself, and by approaching its work with humility and with an unfailing respect for its workers, its local vendors and all members of the communities it served. Chris showed that the goodwill and success of the company could be leveraged to provide <u>all</u> shoppers access to healthy food options through Save Mart's value-focused FoodMaxx banner and through rigorous engagement with food banks throughout the State including the Bay Area. Chris accomplished all of this while promoting a diverse executive and operational culture, as evidenced by the company's first-ever inclusion among the Forbes "Best Employers for Women" recognition in 2020.

In addition to leading a company to responsible and productive corporate citizenship, Chris has devoted his spare time supporting the education and development of underserved children and families through Board leadership on such organizations as New York City's St. James school (a Catholic school that provides tuition-free education to lower-income families) and The Jersey City Child Development Centers, Inc. (commonly known as the "Head Start" family development program that provides basic needs of individual children and families).

Chris and the rest of the team have been drawn to this project because of its promise to reinvigorate the commercial fishing industry at the wharf, to celebrate and promote the history of this vital part of the city, and to provide San Franciscans an authentic, local, inclusive and distinctively entertaining reason to come back to the wharf.

#### **Seth Hamalian**

As a young man, Seth Hamalian acquired an affinity for architecture and design, as well as an acute sense of the relationship between place and community that ultimately spurred him to pursue a degree in urban studies from the University of Pennsylvania. Recognizing that ideals within urban planning and neighborhood development are answerable to the complexities of economics, he pursued a further degree in real estate and finance. Over the next 27 years, Seth undertook a series of executive leadership roles in real estate acquisitions, finance, development, planning, and park open space design and activation that have uniquely positioned him to drive a revival of Fisherman's Wharf.

Seth's first half of his career in real estate was on the investment and financing side of the business, working for firms like Starwood Capital Group, iStar Financial and Farallon Capital Management. The common theme at each of these firms was a specialization in high-risk, high-return lending and investments in real estate undergoing major repositioning and transition, creating an excellent foundation for Seth's future shift to development.

Seth's second half of his career began when he started overseeing the conversion of the Mission Bay neighborhood in San Francisco from abandoned railyard to vibrant neighborhood. For the last 18 years, Seth has overseen all aspects of the master development of the 303 acre neighborhood, founding and leading two organizations to facilitate this work: Mission Bay Development Group, a company with extensive experience in complex, multi-phased infill development and delivery of infrastructure in San Francisco, and Parklab, an organization specializing in all aspects of parks and open space design, construction, operations, programming and activation. Seth's deep understanding of both the capital markets and development, as well as the sheer duration of his involvement with a project of the scale of Mission Bay, uniquely positions him to find the often elusive balance in development projects between vision and financial viability.

While Seth's career has revolved around the power of investment in transforming neighborhoods, investing in underserved youth at all stages of their development is the common theme in his work with non-profits. Seth serves on the board of: Oakland Promise, an organization focused on providing cradle-to-career support of under resourced youth in Oakland with a focus on building financial education, savings accounts, college access, scholarships, mentoring support, and developing a college-going expectation and culture among all of Oakland's students; YMCA of the East Bay, which focuses on healthy living, youth empowerment and providing early childhood education and services to under resourced communities, and; Wellspring Educational Services, a school founded to provide relationship-based educational support to children with autism and other special needs.

#### **Stakeholders as Collaborators**

The core leadership team outlined above is committed to working with stakeholders as an integral and essential part of their team, making FWR uniquely suited to implementing the project at Fisherman's Wharf. Much of the vision outlined in this request for ENA has been shaped and informed by detailed discussions with myriad stakeholders in the Fisherman's Wharf neighborhood over the last decade, and more intensely over the last three years. This outreach has connected us and our project with a wide swath of interested stakeholders, including: business owners and operators involved in the fishing and seafood industries, both on Pier 45 and in the surrounding neighborhood; restauranteurs and other business leaders located throughout Fisherman's Wharf; representatives from the local CBD and Pier 39; individuals involved in the events and performance venue industry in San Francisco, and; individuals involved in promoting tourism and convention business in San Francisco. We have approached each of these meetings as an opportunity to learn from and collaborate with our neighbors to shape the best possible project for Fisherman's Wharf.

A perfect example of this collaboration are the contributions of Dante Serafini of the Franciscan. Our leadership team has spent many hours debating the merits and viability of potential project components, benefiting from Dante's deep knowledge of the restaurant industry and his longstanding relationship with the Fisherman's Wharf neighborhood. Dante's insights have helped our team arrive at the current project vision, and his introductions have expanded our team of stakeholder collaborators.

FWR will continue and expand these discussions with stakeholders as collaborators to ensure that what is built at Pier 45 and the Triangle highlights and prioritizes the needs and long term viability of the fishing and seafood industry at Pier 45, is truly authentic and additive to the northern waterfront by complimenting instead of replicating or competing with existing uses, honors the surrounding historic district and sheds, creates new and exciting enhancements to the public realm and public enjoyment of the Bay, and serves as an economic engine to support local businesses, tourism, and arts and entertainment, breaking the cycle of private sector disinvestment and neglect in Fisherman's Wharf.



May 19, 2023

#### Request for Information: Fisherman's Wharf Development Interest

#### Background

The Port of San Francisco (the Port) has received an unsolicited development proposal (the Proposal) to develop portions of the Seawall Lot 301 (also known as the Triangle Parking Lot), the Little Embarcadero and associated promenade, and the Shed A and Shed C areas of Pier 45 in Fisherman's Wharf.

As set forth in City Administrative Code Section 2.6-1, the Board of Supervisors' policy is to approve only such proposed leases involving City property or facilities that departments have awarded to the highest responsible bidder under competitive bidding procedures, except where competitive bidding is waived or is impractical or impossible.

Under the Waterfront Plan adopted by the Port Commission in April of this year, the Port has established a process by which Port staff would seek Port Commission and stakeholder comment regarding unsolicited development proposals for Port property, before seeking Board of Supervisors consideration of the waiver of the competitive bidding policy described in the preceding paragraph. Upon receipt of the Proposal Port staff engaged in this outreach process and summarized feedback for the Port Commission at its meeting on April 25, 2023. For additional information on the Proposal and the process please see the following links for the staff reports and supporting materials for the two Port Commission hearings regarding this item.

### February 28, 2023:

https://sfport.com/files/2023-02/022323 item 12b fw development proposal final.pdf https://sfport.com/files/2023-

02/022323 item 12b1 fishermans wharf revitalized request for ena 2023 0215.pdf

### April 25, 2023:

https://sfport.com/files/2023-04/042523-10a fishermans wharf development proposal - stakeholder engagement process and next steps.pdf

In response to the discussions at the hearings highlighted above the Port is issuing this Request for Information (RFI) to develop further information to inform the Port Commission's decision of how to respond to the Proposal. Responses should be emailed to RFI\_FW@sfport.com on or before June 21, 2023. (Please note the underscore between RFI and FW in the address.)

<u>Please note:</u> This RFI does not represent an offer to lease the referenced properties nor does it obligate the Port to take any particular action in furtherance of any proposal. Instead the responses will be provided to the Port Commission along with Port staff summaries and analysis to support further dialogue at a future Port Commission hearing.

#### Information Request

In light of the Proposal and subsequent discussions noted above, Port staff has developed this RFI to investigate whether there are other actionable proposals to improve these areas, and what potential benefits those proposals would bring.

Accordingly, the Port asks interested respondents to provide detailed responses to the following questions in a written document submitted to the email address noted above.

- 1. Location: Which of the following areas are you interested in leasing and developing:
  - a. Triangle Parking Lot
  - b. Little Embarcadero/public plaza, including seismic and flood protection resilience improvements as required by relevant codes and policies
  - c. Pier 45 Shed A, including seismic and flood protection resilience improvements as required by relevant codes and policies
  - d. Pier 45 Shed C, including seismic and flood protection resilience improvements as required by relevant codes and policies
- 2. <u>Project Vision:</u> Please provide a short description of your proposal for each area proposed for development. In developing the Project Vison, respondents should consider the Port's Waterfront and Strategic Plans. Such description should also highlight the following:
  - a. Whether and how the proposal will elevate and reenergize the historic role of Fisherman's Wharf as a working waterfront for the fishing industry.
  - b. Whether and how the proposal would work to ensure that workers and visitors can access their respective destinations in Fisherman's Wharf if some or all of the Triangle Parking Lot, Little Embarcadero, or Pier 45 are proposed to be repurposed for new uses.

#### 3. Proposer Team and Experience:

- a. Please identify all members of the team that will either be investors or otherwise employed or contracted in support of your proposal.
- b. What is the experience of the members of your team in entitling, financing and constructing the types of facilities set forth in your proposal? Please provide specific projects, dates of completion, and names of key staff or entities who were involved in prior examples that would also be involved in this one in similar roles.
- 4. <u>Financial Capacity:</u> Development proposals on Port property often require significant time and financial investment in order to achieve legal and regulatory compliance and related agreements necessary to commence construction of improvements. Developers often pursue entitlements from one source of funding and then, when appropriate entitlements and approvals are obtained, they raise additional funds to complete construction. With the above in mind, please provide the following information:

- a. What do you project as the total cost of your project?
- b. What do you project as the total cost of entitling and negotiating agreements and other documents in support of commencing construction?
- c. What are your sources of funding for the activities summarized under question 4.b above?



June 21, 2023

TO: San Francisco Port Commission

**FROM:** Dan Giraudo

Chairman and CEO of Boudin Bakery

**SUBJECT:** Request for Information (RFI): Fisherman's Wharf Development Interest

Dear San Francisco Port Commission,

We thank you for your careful and organized leadership in considering development plans for the Port and Fisherman's Wharf, as well as in offering opportunities for community stakeholders to provide input and information.

We also applaud the efforts of the team associated with Fisherman's Wharf Revitalized LLC (FWR) for preparing and submitting an ambitious development proposal for the region. It heartens all of us at Boudin that people are working together in serious ways to invest into our cherished Wharf community in a way that celebrates its industrial and maritime heritage while also considering issues like Productivity, Resilience, Evolution, and Engagement.

From our earliest bread counters to our flagship facilities on the waterfront, we at Boudin couldn't be prouder to have been among the earliest and largest participants in commercial development on the Wharf. With its rich history, natural beauty, and industrial legacy, the Wharf remains a cornerstone of our city for visitors, residents, and industry alike. It is critical for all of us to collectively ensure the Wharf remains an enduring piece of the story of San Francisco.

In that spirit, we are also encouraged that the Commission has been conducting due process in addressing the unsolicited proposal from Fisherman's Wharf Revitalized and considering a waiver of San Francisco's competitive bidding procedures to execute an exclusive negotiation agreement.

While this letter is not principally concerned with actionable proposals for specific locations in the Waterfront Plan as specified in the RFI (our responses in terms of locations, plans, team, and finances are included in the Appendix attached), we do hope the Commission will find it informative and actionable that at this time we at Boudin do NOT support the immediate advancement of the Waterfront Plan by waiving the competitive solicitation process and entering into an exclusive negotiation agreement. We do not believe such exclusive negotiation is in the best interest of the community and we believe it would be irresponsible for the Port Commission to take part in pursuing a Board of Supervisors waiver of San Francisco competitive solicitation procedures.

#### SF = SAFETY FIRST

The sponsors have indicated that they believe there is sufficient urgency for investment and new attractions to support the waiving of a competitive solicitation process. We believe this assumption of urgency is misguided.

We do not disagree that new attractions could play a role in revitalizing communities, but there is no scenario where the time frame for opening such attractions of the scale proposed by the sponsors could possibly be soon enough to materially address any urgent needs. If anything, the inevitable years of construction zones, noise, and heavy machinery might only make the Wharf even less inviting or feel even less safe for visitors in the immediate future.

And safety is undoubtedly on everyone's mind. There are few more urgent investments required at this time than ones that promote public safety. The Commission should be well aware of the many ways in which the combination of crime and vagrancy are becoming the tragic hallmarks of our great city.

How can we plausibly pin these truly urgent circumstances on the condition of buildings and businesses around the Port and Wharf (especially while our flagship facility remains in excellent condition and a highly popular attraction)?

The sponsor's suggestion that there is some sudden urgency to add more commercial inventory to the Wharf in this environment of nearly record-breaking commercial vacancy and high interest rates does not resonate with the emergency investments community stakeholders like Boudin have already made this year for public safety, including directly paying for SFPD 10-B program officers to patrol our streets. Would we have somehow been more responsive to the urgent needs of our community by adding a distillery or a bigger souvenir shop instead of safety officers?

We acknowledge that solving the present issues of public safety is a dynamic and ultimately complex endeavor. However, we also cannot support a rationale that affects all of us on the waterfront that invokes *urgency* while effectively turning a blind eye towards what is truly challenging stakeholders day by day. The goals and ambitions of the Waterfront Plan are too important, and the outcomes of these projects will have too lasting an effect to allow urgency to become a pretext for relinquishing the benefits of a competitive process for the community.

# **OUTSTANDING PROPOSALS SHOULD STAND OUT FROM OTHERS**

The sponsors suggest that their proposal is uniquely in alignment with our community's desires, stakeholder interests, and regional regulation, and therefore should not be subject to the city's competitive solicitation process. Meanwhile, in virtually the same breath, the sponsors also suggest that an exclusive negotiation agreement is necessary to perform community and stakeholder engagement and conduct regulatory activities. We fail to understand how the sponsors can claim these essential (and uncertain) activities are already in alignment, while also too costly and risky to conduct without pre-determined exclusivity.

If the sponsors are uniquely aligned and qualified, then they should be more than willing to see that assumption confirmed in a competitive format. If, however, other parties also prove capable of providing comparable or superior alignment with community needs and regulations, then the sponsor's uniqueness was indeed overstated. We believe the only responsible way to verify these assumptions is to retain a competitive process.

#### **CHAMPIONS OF THE WHARF**

Over the many decades of our presence on the Wharf, we have also borne witness to the evolution of San Francisco as a whole. The city is dealing with countless challenges today, and unfortunately these include a drastic reduction in commuters and visitors. For example, even on the Wharf, there are dozens of retail and restaurant lots that are currently vacant, including on the area's famed Jefferson Street. Are new attractions truly the missing piece? If you build it, will they come? Witnessing the dynamics of properties around the new Chase Center or the Salesforce Tower do not engender immense confidence.

We believe the Port areas – and the Wharf especially – are among the most historic and cherished properties in San Francisco. We remain ardent champions of our Wharf community and we very much appreciate ambitious proposals like those prepared by FWR as ways to reinforce the Wharf as a preeminent locale within our city.

However, San Francisco has competitive procedures and other policies to ensure our communities develop and evolve in step with the realities of current circumstances and in partnership with the best available sponsors. With the decades-long impact the Waterfront Plan may have on our community, we can only reinforce our opinion that a competitive process with serious consideration for actual urgent needs (e.g., safety) will serve our community best.

Sincerely,

Dan Giraudo

#### **APPENDIX**

#### **Information Request**

While we remain opposed to advancing the Waterfront Plan under an ENA, we do share in the general aspiration of improving and beautifying the areas under consideration, especially with a priority of improving public safety. Below reflect specific plans we would be interested in participating in should the Waterfront Plan advance under an ENA despite our opposition.

#### Locations of Interest

- Triangle Parking Lot
- Little Embarcadero / Public Plaza

#### Project Vision

Welcome Center and Plaza Space

We agree the Triangle is an ideal locale for an attractive and compelling welcome center. Our vision for such a property would resemble what exists on Crissy Field's West Bluff in the Presidio. The Warming Hut Park Store on the premises there provides an excellent template for what visitors should experience at a Wharf welcome center.

As a space that provides educational information and souvenir/collectible purchases, this space should provide ample opportunities to highlight the Wharf's rich history and legacy, including with respect to its role in the fishing industry. The center can also make use of multiple media formats and provide entertaining options for learning, whether in a theater format or via workshop spaces for student groups.

In addition, we envision the center would serve as a central hub for accessing other neighboring attractions, including booking fishing charters or perhaps even a tour of Boudin's own baking facilities.

We also envision the retention of a vast amount of flexible-use open public space on the adjacent plaza (as opposed to major new structures), to allow for expanding opportunities for legal permitted food stands and other attractions, as well as potentially for approved live gatherings or outdoor performances. Some of these "pop-up" style installations may even be semi-permanent, as often charmingly done in busy areas of cities like London and Paris. We believe this flexible format for the property will minimize the risks and issues related large-scale new construction while also accomplishing key goals of educating and entertaining visitors, replacing illegal and potentially dangerous stands as seen throughout the area today, and maximizing flexibility and optionality for both developers and Port/Wharf officials.

In terms of logistics, we believe avoiding new facilities will also maximize walking path options for the area and provide more waterfront viewpoints where people may congregate and gather. New buildings on the triangle are likely to excessively concentrate foot traffic (let alone construction vehicle traffic) and create unpleasant and inconvenient choke points for visitors and workers alike.

# Team and Financials

There are few institutions with more experience leading major development projects on the Wharf and waterfront than Boudin. As the resident of the largest commercial facility built to date on the Wharf, we are confident in our ability to evaluate and execute on development projects on this both inspiring and uniquely challenging property.

My team and partners at Boudin have completed numerous commercial property developments across the country, including more recently a major buildout at San Francisco International Airport along with several properties throughout California. We are well versed in the myriad requirements of highly technical projects involving regulatory scrutiny and community engagement.

For projects on the scale of a welcome center or outdoor public space, Boudin should have access to sufficient liquidity and capital to finance such projects leveraging existing operating cash flows and assets without external partners. We are happy to provide greater detail in forecasts with appropriate lead time.

# VIA E-MAIL @ elaine.forbes@sfport.com

Elaine Forbes, Executive Director The Port of San Francisco Pier 1 – The Embarcadero San Francisco, California 94111

June 21, 2023

Re: Unsolicited Request for an Exclusive Negotiating Agreement ("ENA") for the Proposed Leasing and Phased Development of Portions of SWL 300/301 and Pier

45 Sheds A and C in Fisherman's Wharf

#### **Executive Director Forbes:**

Please accept this letter submission as an update to the Port on Fisherman's Wharf Revitalized, LLC's (FWR's) ongoing efforts regarding the above referenced request.

#### **The Application Before the Port**

The engagement of many waterfront stakeholders prior to FWR's submission and then as part of the Port's public engagement process has engendered a great deal of discussion about our vision for Pier 45 and the triangle lot. However, the application now before the Port does not seek any approval of that concept. Rather, it simply asks for a further conversation between the Port and our group (in the form of a "to-be-negotiated" ENA) to determine whether the concept can, in fact, become a reality. We emphatically submit we should be allowed to progress to this next step.

The concept underlying our application is the product of 3 years of research, analysis, deliberations and stakeholder discussions. Those efforts proved to us that our concept is squarely aligned with the Port's various policies and objectives that guide and safeguard the waterfront's long-term future. Our request is to negotiate for an ENA that will allow us to start working with architects, planners, engineers and other professionals, as well as to engage in a more credible and meaningful way with local stakeholders, all so that our concept and vision can be reduced to a formal design and development plan. The very form of the ENA will be subject to a separate approval from the Port. So, too, will the efficacy and desirability of our ultimate plan, which will be developed in concert with the Port and local parties-in-interest.

Our application is made in accordance with the procedural requirements and evaluative criterion governing "sole source" awards as set forth in the Port's Waterfront Plan, which was adopted two months ago following nearly ten years of Port analysis, drafting and public engagement on the subject. The circumstances supporting our application for an ENA on a "sole source" basis are as imperative, if not more imperative, today as they were when our request was first submitted.

Elaine Forbes, Executive Director June 21, 2023 Page 2 of 5

# **The Circumstances Surrounding FWR's Application**

The crisis in San Francisco has continued and, one could argue, deepened since FWR submitted its request for an ENA nearly four months ago. Recent press accounts of continuing migration of business from the city, and the decline of private-sector investment as property owners surrender office, hotel and retail/mall assets to their lenders have taken seriously from the local and national perception of San Francisco as a target for investment. Ongoing social and "quality of life" issues have also undermined the city's desirability as an entertainment and recreation destination for locals and tourists alike. More proximately, retail activity and foot traffic in Fisherman's Wharf has fallen off from pre-pandemic levels, and there has occurred an uptick in the pace at which retail leases at Fisherman's Wharf are being returned to the Port, as evidenced by the recent disposition of such well-known spaces as Lou's Pier 47 and Pompeii's Grotto. These exigent circumstances on their own give reason to advance FWR's request on a sole source basis. The propriety of doing so is only more compelling when considering the unique elements of our vision and the singular profile of the FWR team.

#### Our Concept

As detailed in our original submission, our concept is curated to achieve the public policies and objectives for the Fisherman's Wharf sub-area in accordance with the complex rubric that is the Port's northern waterfront development scheme. Our vision rises or falls on the creation of a living exhibition platform that celebrates and supports commercial fishing and promotes access to and awareness of that vibrant industry – the heart and soul of Fisherman's Wharf. Our vision is devoted to the colorful maritime history of Pier 45 (and to the ongoing writing of that history) and reflects our unconditional commitment to collaboration with the Port and all the wharf's stakeholders to bring the concept to life. Together we will create a comprehensive, fully integrated plan that will safeguard the future of commercial fishing at Pier 45, re-establish the continuity of the wharf experience, drive significant growth in visitor traffic that will benefit all businesses in the surrounding area, and help mitigate the Port's sustainability concerns for this area for years to come.

#### The FWR Team is Uniquely Positioned to Deliver a Successful Project

The composition of our team brings together a collective experience, skill set and temperament that is needed to fulfill our concept's mandate. Our team possesses an unusual depth and breadth of relevant relationships, skills and experience, as well as a collaborative disposition and character that makes us uniquely qualified to implement our vision for Fisherman's Wharf. Our team has years of experience in implementing complex projects and operations, and has a track record of successful prior investment in San Francisco, as well as Fisherman's Wharf in particular. Seth Hamalian has been in charge of managing the master development of Mission Bay for nearly two decades. This 300-acre waterfront mixed use development has involved the delivery of over half a billion dollars in public infrastructure, including an extensive network of parks and open space that provide new public access to the Bay. Although over the course of his storied career Lou Giraudo has overseen the successful development of billions of dollars in industrial, retail and other commercial and residential real estate projects throughout the

Elaine Forbes, Executive Director June 21, 2023 Page 3 of 5

nation, he is perhaps best recognized by the Port for his complete renovation of the Boudin bakery on Jefferson Street – the largest private investment in the wharf in the past twenty-five years – which was completed in an astonishing 18 months. Over the course of a 25-year career in the grocery and supply chain sectors, Chris McGarry has overseen the development of approximately \$1.0 billion in retail, shopping center, industrial and warehouse facilities. Collectively, the three principals of FWR have managed billions of dollars of lending and investment, both as capital providers and as developers, operators and owners. They have delivered over half a billion dollars in public infrastructure, accessing a wide variety of public and private sources of capital, and secured funding for a variety of private and publicly traded companies well in excess of \$20 billion. With an early "rough order of magnitude" estimated cost for this project of approximately \$350.0 million, and an early entitlement budget of \$10.0 million, the FWR team has a more than ample understanding of, and demonstrated ability to access, the capital markets for a project of this profile and scale.

The extent of our collective commitment to and involvement with the Fisherman's Wharf community, experience in working with the Port of San Francisco, experience in developing public open space and infrastructure in San Francisco, broad knowledge of and experience with public and private finance, capital markets and the food and beverage industries positions our group to be successful in this endeavor. Our deep and abiding affection for this city and our commitment to collaboration in pursuit of the collective good makes us the optimal partner for the Port in these first steps to revitalizing Fisherman's Wharf.

# FWR's Ongoing Work in Response to Early Concept Feedback

Port staff recounted at the Commission's April 25<sup>th</sup> meeting the preliminary stakeholder reaction to our vision. The multiple public-outreach meetings conducted in March and April (with over 100 in total attendance) were very positive and yielded probative observations relating to, among other topics, the primacy of maritime use at Pier 45, the concept's perceived impact to certain businesses on Jefferson Street, and the fate of the many restaurant and other vacancies on Taylor Street and adjoining areas. We have taken these thoughts to heart and have begun to address each of them in earnest.

We have walked facilities with local fisherman and fish wholesalers to begin to understand their equipment, storage, logistical and other operational needs. We have met with Port staff to learn what facilities and resources may be available to support and improve the working reality for all maritime operators at Pier 45. We have identified and engaged with facilities design and layout experts, as well as logistics and storage system specialists, to learn about state-of-the-art tools and methods that may help optimize commercial fishing at the wharf, and we intend to conduct a common equipment audit to identify potential areas in need of investment that will benefit all operators at Pier 45. All of this represents ongoing work that will be accomplished with the invaluable assistance and insight of local stakeholders.

<sup>&</sup>lt;sup>1</sup> It bears mentioning we are currently in conversations with several investors to provide funding for the entitlement activities; however, FWR's team has the personal resources necessary to fund these activities, should that be the case.

Elaine Forbes, Executive Director June 21, 2023 Page 4 of 5

The concern voiced by some stakeholders that creating new attractions, energy and interest in the triangle lot's waterfront promenade and Pier 45 will somehow divert foot traffic away from Jefferson Street is emblematic of the challenging circumstances and stress that businesses in Fisherman's Wharf face today, but could not be further from our actual vision, goals and design of our project. In addition, there is great danger in falling into the trap of viewing Fisherman's Wharf as a static / zero-sum destination; such thinking can discourage desperately needed private investment and innovation, and ignores how visitors actually plan their visits and experience the neighborhood.

We seek to reinvigorate the entire area so as to drive incremental foot traffic that will benefit all of the businesses on Jefferson Street and beyond. In our vision, a welcome center will promote all of the relevant area businesses and attractions, while the triangle lot's public space will leverage multiple access points to Jefferson Street to re-create the strolling sense of wonder and discovery for which Fisherman's Wharf had once been known. Our goal for the tourist is to restore the continuity of their journey from Pier 39 to Ghirardelli Square, but with an experience that is highly differentiated from those other destination points. Our goal for the local resident is to give them multiple reasons to visit Fisherman's Wharf each week. Developing a thoughtful and integrated plan to achieve these goals will require the input of local fishermen, wholesalers, restaurateurs and other business owners. These conversations and collaborations will be continuous; they have been underway for the last three years, intensified and expanded since our formal submittal, and will continue throughout the entitlement, construction and operational phases of our project.

Finally, we share the neighborhood's concerns regarding the prevalence and fate of the multiple vacancies along Taylor and Jefferson. We are actively exploring the feasibility of turning one or more of these vacancies into both a near-term "Phase Zero" introduction of some of our concepts for activating and revitalizing the neighborhood, as well as the longer-term integration of some of these spaces into our larger proposed project. We agree that coming up with viable uses for some of these vacancies will further ensure that the energy that our proposal brings to the neighborhood reaches well beyond the immediate vicinity of Pier 45 and the triangle lot and enlivens the entirety of Fisherman's Wharf.

We have initiated conversations with existing leaseholders and landlords to determine their intentions, and have begun assessing the extent of investment that would be required to activate vacant space. Our initial impressions question the structural integrity of much of this space, as well as the amount of investment needed to bring current buildings that have, in some cases, been neglected for decades. However, there is more work to be done in this area, we are committed to doing so, and we remain optimistic that we will find opportunities in some of these vacancies to expand the positive impact of our proposed investments in the neighborhood.

Elaine Forbes, Executive Director June 21, 2023 Page 5 of 5

FWR's depth and breadth of financial, development and operating experience, its commitment to the Fisherman's Wharf community to uplift the fishing industry and collaborate with stakeholders to make responsive improvements to our concept, the length of time our team has been working on the vision, refining it and engaging stakeholders to enhance it, all positions FWR as uniquely able to move more quickly than any other group to address the urgent needs of this neighborhood. Fisherman's Wharf was beginning to struggle before the pandemic, and has since seen circumstances devolve into a veritable crisis as many businesses have closed without plans to reopen, and many vacancies have stagnated without viable prospects. The current urgent state of the neighborhood demands a team that can "hit the ground running" and ensure that a project of this scale and complexity can be successfully delivered on an expedited timetable. We respectfully submit we are that group.

Thank you for your consideration of the foregoing. As always, we look forward to discussing any questions or concerns Port staff may have regarding the proposal, and look with anticipation for the Port's determination with regard to our pending request.

Best regards,

Lou Giraudo, Chris McGarry and Seth Hamalian Fisherman's Wharf Revitalized, LLC

c: Michael Martin, Assistant Port Director (<u>michael.martin@sfport.com</u>)
David Beaupre, Deputy Director – Planning and Environment (david.beaupre@sfport.com)



#### **MEMORANDUM**

July 7, 2023

TO: MEMBERS, PORT COMMISSION

> Hon. Kimberly Brandon, President Hon. Willie Adams. Vice President

Hon. Gail Gilman Hon. Ed Harrington Hon. Steven Lee

FROM:

Executive Director

SUBJECT: Informational Presentation to Consider and Possible Action to Approve a

> Resolution Recommending the Board of Supervisors Waive any Applicable Requirements of the Competitive Bidding Process with Respect to the Unsolicited Proposal from Fisherman's Wharf Revitalized LLC for the Leasing and Phased Development of Portions of SWL 300/301 and Pier 45

Sheds A and C in Fisherman's Wharf Generally Located Bayward of

Jefferson Street between Taylor Street and Powell Street.

**DIRECTOR'S RECOMMENDATION:** Adopt the attached Resolution No. 23-37

#### **EXECUTIVE SUMMARY**

On February 15, 2023, Port staff received an unsolicited proposal (the "Proposal") to lease and develop portions of SWL 300/301 (sometimes referred to as the Triangle Parking Lot) and Pier 45 Sheds A and C.

In April 2023, the Port Commission approved the updated Waterfront Plan which includes the method and community engagement process to review and consider unsolicited proposals. A draft of the Waterfront Plan which included this community engagement process was published in June 2019 and revised with Port Commission comments on December 2019.

Consistent with the Port's (draft and final) Waterfront Plan policies on the method to review and consider unsolicited proposals, the Proposal was brought to the Port Commission at the February 28<sup>th</sup> meeting<sup>1</sup> and subsequently reviewed through a series of community and Port Advisory Group meetings.

At the April 25<sup>th</sup> Port Commission meeting, Port staff reported out on the stakeholder engagement process.<sup>2</sup> In response to the dialogue at the hearing, Executive Director Elaine Forbes announced at the May 9<sup>th</sup> Port Commission meeting that the Port would issue a Request for Information (RFI) to supplement the outreach noted above to seek feedback on whether there is other, comparable development interest in the locations identified in the Proposal.

The Port issued the RFI on May 20, 2023 (see Attachment A). The Port received two letters of interest: a proposal from Dan Giraudo, Chairman and CEO of Boudin Bakery (the Boudin Letter, see Attachment B), and a letter from Fisherman's Wharf Revitalized LLC (the FWR Letter, see Attachment C).

This staff report reviews the RFI letters of interest and provides a staff recommendation for the next steps in seeking Board of Supervisors approval for any applicable waivers of the City's competitive solicitation policy to allow for the negotiation of an exclusive negotiation agreement with Fisherman's Wharf Revitalized LLC.

#### STRATEGIC OBJECTIVE

Advancement of the proposed project would support at least four goals of the Port's Strategic Plan:

#### *Productivity:*

Attract and retain tenants to build an economically successful and vibrant waterfront.

# Resilience:

Reduce seismic and climate change risks to protect the waterfront

# Evolution:

Evolve the waterfront to respond to changing public and Port needs.

#### Engagement:

Engage constituents and the public on Port functions and activities.

<sup>&</sup>lt;sup>1</sup> The February 28 staff report can be found here: https://sfport.com/files/2023-02/022323 item 12b fw development proposal final.pdf

<sup>&</sup>lt;sup>2</sup> The April 25 staff report can be found here: <a href="https://sfport.com/files/2023-04/042523-10">https://sfport.com/files/2023-04/042523-10</a> fishermans wharf development proposal - stakeholder engagement process and next steps.pdf

# **BACKGROUND**

On February 15, 2023, the Port received an unsolicited <u>Proposal</u> for the lease and development of portions of SWL 300/301 (also known as the Fisherman's Wharf Triangle parking lot) and Sheds A and C on Pier 45. The Proposal was submitted by Fisherman's Wharf Revitalized LLC, consisting of Lou Giraudo, Seth Hamalian, and Chris McGarry. The Proposal is for a mixed-use development celebrating, highlighting, and supporting the fishing and seafood industry of Fisherman's Wharf and increasing public access to and enjoyment of the Bay. The Proposal includes an experiential museum, events center, public plaza, expanded limited vehicular access resilient waterfront promenade, a combination winery/brewery/distillery, and short-term vacation rentals.

The Port's Waterfront Plan outlines a public engagement process for unsolicited proposals that is to occur prior to the consideration of a waiver of the City's competitive bidding procedures by the Board of Supervisors. At the February 28, 2023, Port Commission meeting Port staff described, and the Port Commission directed staff to pursue stakeholder engagement as called for under the Waterfront Plan.

#### COMMUNITY ENGAGEMENT FEEDBACK

After the February 28th Port Commission meeting the Port hosted three public meetings to solicit feedback regarding the Proposal. The meetings included a March 13th lunchtime meeting held in Fisherman's Wharf, which focused on Fishermen and Fisherwomen and Fish Processing companies; a March 15th evening meeting, which focused on the larger Fisherman's Wharf community, and lastly on March 22nd where the proposal was the focus of the Northern Advisory Committee (NAC) meeting.

The following provides a summary of the key themes Port staff heard from the outreach conducted to date; these are organized into three categories: 1) the Triangle Lot (SWL 300/301); 2) Pier 45, and 3) Other.

# Triangle Lot

- Concerns were raised that development on the lot would turn its back on existing Jefferson Street business/activity between Powell and Taylor Streets (south side) and direct visitors to Pier 45
- Observation that the Little Embarcadero will be needed at times for vehicular access for the fishing industry uses on Pier 45
- Whether the Short-Term residential units proposed would violate the 1990 Proposition H, banning hotels within 100' of the waterfront
- The overall reception for the uses of the Triangle Lot was positive

# Pier 45

- The fishing industry (Fisherman/woman and fish processing) must be prioritized, without them there is no Fisherman's Wharf
- The visitor attraction to the Wharf is the ability to watch the activity of the fishing industry

- Shed A and the former Shed C area are used for fishing gear storage and staging areas, and parking to support the fishing industry; there is not sufficient space for the fishing industry's storage needs today; this storage is critical to the success of the fishing industry
- The fishing industry in the wharf would benefit from cold storage space on Pier 45
- Concerns were raised about the impacts that the proposed use of Pier 45 may have on the valley, which is already congested by fishing industry uses

#### Other

- Is it appropriate to consider new development with so many existing vacancies
- Should the sponsors look at the vacant properties on Taylor or Jefferson Streets for the uses proposed on Pier 45
- It is important not to lose the industrial character of the Wharf
- Would the area benefit from an area-wide plan
- Consider activities and uses that focus on the Inner Lagoon people are interested in the boats
- Open space attracts uses that are problematic (illegal vendors)
- Excitement about the potential for new investment into Fisherman's Wharf

# PORT STAFF ANALYSIS OF RFI LETTERS OF INTEREST

By way of background and to address potential confusion, Port staff notes that Lou Giraudo is a member of the Fisherman's Wharf Revitalized LLC group that submitted the Proposal. He is the former operator of the Boudin Flagship restaurant and the Chowder Hut bordering the Triangle parking lot in Fisherman's Wharf, both tenants of the Port (collectively, the "Boudin Restaurants"). Under a corporate restructuring in 2021, Giraudo Bakeries owned by Dan Giraudo, Lou's son, acquired a controlling interest in the Boudin Restaurants. The Boudin Letter was submitted on behalf of the current ownership of the Boudin Restaurants. It is our understanding that Lou Giraudo is no longer affiliated with the Boudin Restaurants.

After reviewing the two letters of interest in response to the RFI, Port staff provides the following observations:

# **Boudin Letter**

Port staff notes that the main body of the Boudin Letter specifies that "it is not principally concerned with actionable [development] proposals for specific locations" but rather asserts that "we at Boudin do NOT support" seeking the waiver that would allow for sole source negotiations regarding the Proposal.

The arguments for its position focus on the impacts of development and the fact that the Proposal would not bring investment for many years in the face of more urgent current needs relating to public safety and current restaurant vacancies. These factors argue against using urgency as "a pretext for relinquishing the benefits of a competitive process for the community." As the Boudin Letter posits, "If the sponsors are uniquely aligned and qualified, then they should be more than willing to see that assumption confirmed in a competitive format."

The Appendix to the Boudin Letter outlines "specific plans we would be interested in participating in should the Waterfront Plan advance under an ENA despite our opposition." "Locations of Interest" mentioned in the letter include the Triangle Parking Lot and Little Embarcadero / Public Plaza. Specific "Project Visions" mentioned in the letter include a Welcome Center and Plaza space at the Triangle Parking Lot plus the centerpiece for this vision, which is a flexible-use open space for pop-up events and performances, with fewer buildings to allow for more walking paths and views of the Bay. The Appendix closes with a description of the respondent's team qualifications and financial capacity.

#### FWR Letter

Fisherman's Wharf Revitalized LLC submitted a letter in response to the RFI that added more detail on the work it has done and continues to do in furtherance of its initial proposal.

The FWR Letter highlights the fact that the Board of Supervisors' waiver of the competitive bidding process would be just the first of a series of project definition and approval steps that would all be subject to public engagement and Port Commission review.

Like the Boudin Letter, the FWR Letter notes the current "exigent circumstances" in Fisherman's Wharf but instead identifies its proposal as a means to counteract these circumstances by creating a "living exhibition platform that celebrates and supports commercial fishing and promotes access to and awareness of that vibrant industry."

The FWR Letter adds more detail on continuing stakeholder and investor dialogues as well as the projected rough order of magnitude cost of the investment (approximately \$350 million) and the financial and development capacity of the team to deliver a project on that scale.

# PORT STAFF RFI CONCLUSIONS

In consideration of the Port Commission hearings, stakeholder engagement, and RFI response summarized above, Port staff has assembled the following conclusions. First, Port staff agrees that Fisherman's Wharf demands urgent action. But that urgency is not just limited to the current business climate and the challenge of retail storefront vacancies and street conditions. There is also the urgency imposed by seismic and sea level rise risks, and the challenge of retaining visitor attractiveness before, during, and after the upgrades we know are needed to protect the neighborhood.

From the near-term perspective, at its last two meetings, the Port Commission has received information and approval items regarding several actions that are intended to address the conditions in the neighborhood, most notably including:

 A \$2 million Port grant to the Fisherman's Wharf Community Benefits District to facilitate special event activations, perform beautification activities and deploy ambassadors to create a more inviting atmosphere.

- A new competitive solicitation process for re-tenanting retail storefronts using brokers, which Port staff will couple with a previously approved Administrative Code waiver that allows the Port to more easily deploy stimulus funds as grants to new tenants to reduce the financial barrier of required tenant improvements.
- An effort to double the size of the Port's full-time SFPD detail, to better engage with Port challenges including criminal activity associated with street vending in Fisherman's Wharf, which is anticipated to be complete by the end of July.

Port staff will continue to evaluate ways to address these near-term headwinds; the actions noted above are not a complete solution but represent tangible steps to making Fisherman's Wharf more inviting to residents and visitors. That said, for Port staff the Proposal represents not a distraction from these efforts but rather an opportunity to bring further investment to build from the near-term strategies and reinforce the history and connection to fishing that created the attraction of the Wharf in an organic way over the years.

It is clear to Port staff that a failure to treat both near- and longer-term challenges with urgency will reduce the chances of addressing either set of challenges. The near-term investments in Fisherman's Wharf are unlikely to create durable improvements without a plan to re-energize the area to provide new ways to experience the fishing industry while addressing resilience challenges. On the other hand, pursuing the longer-term vision without attempting to improve current conditions could result in the loss of the special ingredients that have made Fisherman's Wharf such a beloved destination over the decades before the new investments can deliver on their efforts.

Applying that thinking to the Proposal, it seems likely that the successful execution of the investments would help attract visitation to the Port for the benefit of new and old businesses alike. But equally importantly, the Proposal presents a significant opportunity to pair the new attractions with needed seismic and flood protection improvements that will safeguard Fisherman's Wharf as a destination into the future.

In closing, Port staff recommends that the Port Commission adopt the attached Resolution because the response to the RFI does not indicate that there is competing investment interest that would justify the time that a competitive selection process would require.

# **EXCLUSIVE NEGOTIATING AGREEMENT**

Depending on the feedback received from the Port Commission on July 11 and, if the Board of Supervisors approves any applicable waiver of the City's competitive solicitation procedures, Port staff would then be authorized to negotiate an Exclusive Negotiating Agreement (ENA).

The ENA will set forth the process, terms, and conditions upon which the Port and Fisherman's Wharf Revitalized LLC will negotiate terms for the disposition of the sites and the development and operation of the proposed project and more specifically, seek to award the opportunity by completing and entering into a written disposition and

development agreement, a long-term ground lease and other related agreements and documents required for the proposed project.

The ENA will address topics including but not limited to the following:

- 1. The requirement to develop a Diversity Equity and Inclusion Plan accompanying all phases of the project;
- 2. A fishing industry support plan (access to pier, gear storage, among others);
- 3. A design strategy for the public realm of the site;
- 4. An approach for resilience upgrades required for Pier 45 and Little Embarcadero:
- 5. A financial structure to feasibly deliver the project and provide financial return for the Port;
- 6. Details for the museum and public-oriented uses on Pier 45;
- 7. A transportation and parking strategy for tenants, workers, and the public;
- 8. Regulatory strategy for proposed short-term rentals; and
- 9. A project phasing plan and necessary coordination with future resilience capital projects and potential maintenance or modification of other Port properties in the vicinity.

#### PROPOSED NEXT STEPS & RECOMMENDATION

Subject to Port Commission feedback, Port staff's recommendation is for the Port Commission to adopt the attached Resolution. If so adopted, Port staff will work in consultation with the City Attorney's Office to seek any applicable Board of Supervisors waivers required by the City's competitive solicitation procedures prior to entering into negotiations towards an exclusive negotiation agreement addressing the issues set forth above.

Prepared by Michael Martin, Assistant Port Director

Attachment A - Request for Information

Attachment B - Boudin Letter

Attachment C - FWR Letter

# PORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

# **RESOLUTION NO. 23-37**

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,	At its meeting on April 11, 2023, after a public planning process that maximized public participation in public discussions about existing waterfront activities, regulations, challenges, public desires, and needs to incorporate diverse viewpoints and perspectives to develop policy recommendations, the Port Commission adopted an updated Waterfront Plan (the "Waterfront Plan"); and
WHEREAS,	The Waterfront Plan included a stakeholder engagement process for unsolicited development proposals, in advance of the submission of such proposals to the Board of Supervisors for consideration of a waiver of the City's competitive solicitation policy; and
WHEREAS,	On February 15, 2023, the Port received an unsolicited proposal (the "Proposal") to lease and develop portions of Seawall Lot 300/301 and Pier 45 from Fisherman's Wharf Revitalized LLC, whose members include Lou Giraudo, Seth Hamalian, and Chris McGarry; and
WHEREAS,	The Proposal contemplates a mixed-use development celebrating, highlighting, and supporting the fishing and seafood industry of Fisherman's Wharf and increasing public access to and enjoyment of the Bay; and
WHEREAS,	At its meeting on February 28, 2023, the Port Commission directed staff to pursue a stakeholder process to elicit public feedback on the Proposal prior to its submittal to the Board of Supervisors; and
WHEREAS,	Port staff offered opportunities for stakeholder feedback at two-hybrid (in- person and virtual) meetings in Fisherman's Wharf and one virtual meeting of the Port's Northern Advisory Committee; and
WHEREAS,	Port staff reported out on the stakeholder engagement feedback at the April 25, 2023 Port Commission meeting; and

in developing the areas identified in the Proposal (the "RFI"); and

WHEREAS,

At the May 9, 2023, Port Commission meeting Executive Director Elaine

Forbes announced that as an additional measure of due diligence the Port would issue a Request for Information seeking feedback regarding interest

- WHEREAS, The Port issued the RFI on May 20, 2023 and received two letters, which were summarized by Port staff at the July 11, 2023 Port Commission meeting; and
- WHEREAS, The Port received no other letters or responses to the RFI, indicating limited interest in potential bids if the areas identified in the Proposal were made the subject of a competitive solicitation for a development partner; and
- WHEREAS, The Port recognizes the urgency of providing support to the recovery of Fisherman's Wharf, which has been beset by headwinds of the pandemic and associated economic downturn, resulting in the closure of many longstanding Port tenants; and
- WHEREAS, If approved after appropriate environmental and regulatory review and lease negotiations, the project described under the Proposal provides the opportunity to build economic momentum from the Port's current investments in the recovery of the Fisherman's Wharf portfolio, to elevate the fishing industry and history of the Wharf, and to provide a significant private capital investment into a more resilient shoreline; and
- WHEREAS, In accordance with Chapter 23 of the Administrative Code, the Board of Supervisors can waive competitive solicitation upon finding that the competitive process is impractical, impossible or not in the public interest; and
- WHEREAS, The lack of development interest in any response to the RFI, indicates that the time and expense in pursuing a competitive process would be impractical and not in either the Port's or public interest; and now, therefore, be it
- RESOLVED, In consideration of the results of the stakeholder outreach summarized above, the Port Commission recommends that Port staff, in consultation with the City Attorney's Office, seek Board of Supervisors approval to waive any applicable requirements of the City's policy regarding competitive bidding for development opportunities with respect to the unsolicited proposal to lease and develop portions of Seawall Lots 300/301 and Pier 45 submitted by Fisherman's Wharf Revitalized LLC on February 15, 2023; and
- RESOLVED, The Port Commission directs Port staff, in consultation with the City Attorney's Office, to submit legislation for consideration by the Board of Supervisors approving any applicable waiver of the City's competitive bidding process and to commence negotiations of an exclusive negotiating agreement with the goal of returning to the Port Commission for consideration of that agreement at the earliest practicable date.

I hereby certify that the foregoing	resolution was adopted by the Port Commission at its
meeting of July 11, 2023.	

DocuSigned by:

Secretary

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From: <u>Take Time Fishing</u>

To: Board of Supervisors (BOS)

Subject: meeting 2660-657-0734 public comment

Date: Wednesday, September 6, 2023 3:00:47 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources

To; all of members of the board of supervisors

I was on the phone for the meeting this morning before 10am and didn't hear an opportunity for public comment.

Please consider my public comment now.

My name is Nick Krieger and I am a commercial fisherman and boat owner in San Francisco. I am also the vice president of the Crab Boat Owners Association. I store my fishing gear on Pier 45 in Shed A. I oppose any plans to develop Pier 45 and shed A or the old location of Shed C. It is imperative that we have close storage that is forklift distance to the hoists and wholesalers. Without gear storage it won't be possible to fish commercially out of San Francisco.

Thanks for your time,

Nick Krieger F/V Arianna Rose

From: Bay Area Sport Fishing

To: Board of Supervisors (BOS)

Subject: Meeting ID # 2660-657-0734 Agenda 1 public comment

Date: Wednesday, September 6, 2023 1:33:08 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

To; all members of the board of supervisors,

I was on the phone-in meeting at 9:55am to noon and some how missed the public comment for Agenda #1 of today's meeting. Would you please consider my public comment now?

Madame chair and committee, my name is Shawn Flading and I'm a born and raised San Francisco Commercial Fisherman. I am also representing San Francisco's Crab Boat Owners Association with 38 members.

Pier 45, sheds A-C, is the epicenter of our local Commercial Fishermens' business. It is perfectly located across from all the fish buyers & whole sellers. It is critical to both fishermen and whole sellers for the fishermen to have easy access to our tools & gear, which are stored in sheds A through C. With the help of whole seller's supplying cranes & forklifts, the fishermen are able to easily move their fishing gear from shed, A-C to their vessels, and off their vessels and back into the sheds.

Each year before the commercial dungeness crab season, which brings in tens of millions of dollars to San Francisco, Pier 45 becomes an extremely crucial and vital staging area. Tens of thousands of crab traps from fishermen up & down the coast of California, await to be loaded onto their fishing vessels.

By taking away the space of Pier 45 and sheds A-C, it will have a catastrophic negative impact on the ability for the fishermen to stage, load and offload their crab gear.

Without pier 45 & sheds A-C, where will all these traps be placed? In the middle of Jefferson st? There is no other place.

Pier 45 is strictly an area for industry and not the general public. Not only is the area for fishermen's gear but it is also parking for all the workers in fish wholesale and retail.

I believe time, money, and attention would be better used to address the current problems in order to bring locals & tourist back to Fisherman's wharf. These current problems are the grotesque amount of car break ins, the amount of homeless up & down the Embarcaderro to Fisherman's wharf & the amount of empty retail stores that not only make it an area for homeless to shelter but also makes fisherman's wharf look like a ghost town.

I am asking the committee to let the fishing industry keep Pier 45 & sheds A-C. This is not a matter of relocating us elsewhere as the location of Pier 45 & Sheds A-C is a mandatorily, crucial location for SF fishery to remain intact in SF's Fisherman Wharf.

Thank you all so much for your time.

Best Wishes, Shawn Flading Sent from my iPhone

# **Introduction Form**

(by a Member of the Board of Supervisors or the Mayor)

I here	by subn	nit the following item for introduction (select only one):		
	1.	For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)		
	2.	Request for next printed agenda (For Adoption Without Committee Reference) (Routine, non-controversial and/or commendatory matters only)		
	3.	Request for Hearing on a subject matter at Committee		
	4.	Request for Letter beginning with "Supervisor inquires"		
	5.	City Attorney Request		
	6.	Call File No. from Committee.		
	7.	Budget and Legislative Analyst Request (attached written Motion)		
	8.	Substitute Legislation File No.		
	9.	Reactivate File No.		
	10.	Topic submitted for Mayoral Appearance before the Board on		
The p	roposed	legislation should be forwarded to the following (please check all appropriate boxes):		
1	-	nall Business Commission		
		anning Commission   Building Inspection Commission   Human Resources Department		
Gene	ral Plan	Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):		
	□ Y€			
(Note	: For Im	perative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)		
Spons	sor(s):			
Subje	ct:			
Long	Title or	text listed:		
		-		
		Signature of Sponsoring Supervisor:		