

File No. 161166

Committee Item No. 4

Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date November 16, 2016

Board of Supervisors Meeting

Date November 29, 2016

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|----------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Port Commission Resolution</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Powerpoint Presentation</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Linda Wong Date November 10, 2016

Completed by: Linda Wong Date November 18, 2016

1 [Term Sheet Endorsement and Exemption from Competitive Bidding Policy - National
2 Park Service - Alcatraz Island Embarkation at Piers 31-33]

3 **Resolution endorsing the term sheet between National Park Service (NPS) and the Port**
4 **Commission for a Memorandum of Understanding outlining the business terms for an**
5 **Alcatraz Island Ferry Embarkation site located at Piers 31-33 on The Embarcadero at**
6 **Bay Street including a form lease for ferry service to Alcatraz Island with a future**
7 **concessioner selected by NPS and a form lease with the Golden Gate National Parks**
8 **Conservancy to provide associated amenities, and exempting the Memorandum of**
9 **Understanding and leases from the competitive bidding policy set forth in**
10 **Administrative Code, Section 2.6-1.**

11
12 WHEREAS, The Golden Gate National Recreation Area (GGNRA), established as a
13 unit of the National Park Service (NPS) in 1972, encompasses more than 80,000 acres of
14 coastal lands in Marin, San Mateo and San Francisco counties; and

15 WHEREAS, One of GGNRA's most prominent sites is Alcatraz Island which is
16 historically significant as part of early coastal fortification systems and later as a federal
17 prison; and

18 WHEREAS, Since 1972, the Port of San Francisco has served as the embarkation
19 point for tourists and local residents visiting Alcatraz Island; and

20 WHEREAS, NPS is empowered by the federal government to issue a bid prospectus
21 and to select a ferry concessioner through a competitive process in accordance with the
22 National Parks Service Concessions Management Improvement Act of 1998 and its
23 implementing regulations which specify that concession contracts will generally be awarded
24 for a 10-year period; and

25 WHEREAS, The Port has periodically negotiated leases with ferry concessioners for

1 locations for embarkation to Alcatraz Island, with the embarkation point moving from Pier 41
2 to Pier 31½ as different ferry companies have been selected through the NPS ferry-bid
3 process; and

4 WHEREAS, The Port and NPS share a common goal of enhancing the Alcatraz visitor
5 experience through significant investments in landside and waterside capital improvements –
6 to improve the ease of movement of the more than 1.5 million visitors each year – and
7 interpretative installations and site amenities including food, retail, and restrooms; and

8 WHEREAS, Alcatraz Island, access to which is controlled by NPS, is a one-of-a-kind
9 visitor destination, attracting thousands of people each day to the waterfront and providing
10 revenues roughly double the amount the Port would expect for a similar use not associated
11 with Alcatraz Island; and

12 WHEREAS, In 2008, the Port's Executive Director and the GGNRA Superintendent
13 began discussions about NPS selecting a long-term embarkation point at the Port; and

14 WHEREAS, Port staff, based on site criteria developed in conjunction with NPS staff,
15 identified the following five potential Port properties for a permanent Alcatraz embarkation
16 location: Piers 19½, 29 ½, 31½, 41, and 45 Shed A, as detailed in a December 3, 2009
17 informational presentation to the Port Commission; and

18 WHEREAS, NPS completed a draft Environmental Impact Study under the National
19 Environmental Policy Act to support its site selection process and Port staff in coordination
20 with NPS staff identified Pier 31½ as the preferred Alcatraz embarkation site; and

21 WHEREAS, Pier 31½ is part of the Northeast Waterfront area, where retail, food and
22 beverage, and ferry service are allowable uses under the Port's Waterfront Land Use Plan,
23 the City Planning Department's Northeastern Waterfront Area Plan, and the Planning
24 Department's Northeast Embarcadero Study issued in June of 2010; and

25 WHEREAS, NPS has developed a conceptual project ("Project") for Alcatraz ferry

1 service and amenities within the bulkheads and portions of the Piers 31 and 33 sheds and the
2 Pier 31½ marginal wharf (the "Site"); and

3 WHEREAS, The Site is currently operated for ferry service to Alcatraz Island with
4 supporting food and beverage, and the Project would expand existing uses to include a visitor
5 contact station and ancillary retail uses; and

6 WHEREAS, NPS controls Alcatraz Island and is empowered to select a ferry operator,
7 and NPS has determined that a long-term embarkation site is desirable to improve the quality
8 of the visitor experience; and

9 WHEREAS, NPS has partnered with the Golden Gate National Parks Conservancy
10 ("Conservancy") - a local nonprofit dedicated to conservation of GGNRA lands through public
11 education, historic interpretation, public access, and capital improvements - as part of its long-
12 term plan for an Alcatraz embarkation site; and

13 WHEREAS, The Conservancy has a proven track-record of developing and operating
14 memorable and stimulating visitor experiences in nationally- and internationally-renowned
15 destinations including Alcatraz Island cell house tours, the Museum Store, Golden Gate
16 Bridge Welcome Center, Crissy Field Center, and Lands End Visitor Center, among others;
17 and

18 WHEREAS, The shared vision of a unified visitor experience - from site entrance and
19 orientation, to ferry embarkation, to Alcatraz Island and jailhouse - requires specialized
20 knowledge of and experience in historic interpretation and education; and

21 WHEREAS, Access to Alcatraz Island and an embarkation site with a visitor contact
22 station and retail and food and beverage amenities presents an important opportunity to
23 provide public-serving, cultural, historic and other significant public benefits to the people of
24 the City, the entire Bay Area region and beyond, including an opportunity for a significantly
25 improved one-of-a-kind waterfront destination that will achieve public access objectives for the

1 Site while adding an attractive mix of uses and destinations along the waterfront; and

2 WHEREAS, NPS and Port staff have negotiated, on a sole source basis, the Term
3 Sheet attached as Exhibit D to the Memorandum to the Port Commission dated July 7, 2016
4 (the "Term Sheet"), which sets forth the essential terms upon which the Port and NPS will
5 negotiate in good faith to reach agreement on a final Memorandum of Understanding ("MOU")
6 regarding the Project and two forms of leases that will be attached to the MOU – one with the
7 NPS-selected concessioner for ferry service for a term coterminous with the ferry concession
8 contract and the other with the Conservancy for a visitor contact station, retail, and food and
9 beverage uses; and

10 WHEREAS, That retaining the high-revenue generating, maritime Alcatraz embarkation
11 use on Port property is a priority for economic and visibility reasons, with no similar use able
12 to attract the number of visitors and economic activity generated by the internationally-known
3 Alcatraz Island; and

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

18 WHEREAS, The Port Commission recognizes that achieving the Port's goal of
19 retaining the Alcatraz embarkation site on Port property requires negotiating directly with NPS
20 and NPS's selected partner, the Conservancy and directed staff to seek a determination that
21 the proposed Project is exempt from competitive bidding requirements pursuant to
22 Administrative Code Section 2.6-1 with respect to the Project; and

23 WHEREAS, On July 12, 2016, the Port Commission approved Resolution No. 16-30
24 endorsing the Term Sheet and authorizing the Executive Director of the Port, or her designee,
25 to execute the Term Sheet and present the Term Sheet to the Board of Supervisors for its

1 endorsement and a determination that the proposed Project is exempt from competitive
2 bidding requirements pursuant to Administrative Code Section 2.6-1; and

3 WHEREAS, The Term Sheet is on file with the Clerk of the Board of Supervisors in File
4 No. 161166, and is incorporated herein by reference; and

5 WHEREAS, The Port and NPS wish to obtain the endorsement of the Term Sheet by
6 the Board of Supervisors; and

7 WHEREAS, The Board of Supervisors has reviewed and considered the proposed
8 terms for a Memorandum of Understanding as set forth in the Term Sheet; now, therefore, be
9 it

10 RESOLVED, That the Board of Supervisors exempts the Memorandum of
11 Understanding from the competitive bidding policy set forth in Administrative Code,
12 Section 2.6-1, including (1) a lease for ferry service to Alcatraz Island with a future
13 concessioner selected by NPS and (2) a lease with the Golden Gate National Parks
14 Conservancy; and, be it

15 FURTHER RESOLVED, That should the San Francisco Port Commission, NPS-
16 selected concessioner and the Golden Gate National Parks Conservancy agree upon
17 mutually acceptable terms for the lease and development of the Alcatraz Island Ferry
18 Embarkation site at the Site, this Board of Supervisors shall not disapprove such proposed
19 agreements solely on the basis that they do not satisfy the competitive bidding policy set forth
20 in Administrative Code, Section 2.6-1; and, be it

21 FURTHER RESOLVED, That the Board endorses the Term Sheet, substantially in the
22 form presented to the Board; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors' endorsement of the Term
24 Sheet does not commit the Board of Supervisors, the Port or any other public agency with
25 jurisdiction over any part of the Project to approve the terms of the final Memorandum of

1 Understanding, form leases or other transaction documents or grant any entitlements to NPS,
2 nor does either Term Sheet endorsement foreclose the possibility of considering alternatives
3 to the Project or mitigation measures to reduce or avoid significant environmental impacts or
4 preclude the City, after conducting appropriated environmental review under the California
5 Environmental Quality Act ("CEQA"), from deciding not to grant entitlements or approve or
6 implement the Project, and while the Term Sheet identifies certain essential terms of the
7 proposed transaction with the City through the Port Commission, it does not set forth all of the
8 final, material terms and conditions of the transaction documents for the Project; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary
10 actions committing City to implement the Project, and the provisions of the Term Sheet are
11 not intended to and will not become contractually binding on the City, unless and until the Port
12 Commission has reviewed and considered environmental documentation prepared in
13 compliance with Administrative Code, Chapter 31 and CEQA for the Project and the Port
14 Commission, and as applicable, the Board of Supervisors and the Mayor, have approved the
15 terms of the final transaction documents for the Project.

<p>Item 4 File 16-11166</p>	<p>Department: Port</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objective</p>	
<p>The proposed resolution would endorse the term sheet between the Port and the National Park Service, which sets the terms for a Memorandum of Understanding (MOU) to develop Port property as the exclusive site for ferry service to Alcatraz Island. The MOU would include the terms for (1) a lease between the Port and a private ferry contractor to be selected by the National Park Service for ferry service to be operated from Pier 31 ½ to Alcatraz Island, and (2) a lease between the Port and the Golden Gate National Parks Conservancy (Conservancy) for visitor services and concessions on Piers 31-33.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The National Park Service has operated ferry services from the Port to Alcatraz Island since 1973. In 2009, in order to develop a permanent ferry site at the Port, the National Park Service requested a long term agreement with the Port. • The proposed term sheet provides for the terms of a future Memorandum of Understanding (MOU) between the Port and the National Park Service and two future leases between the Port and a ferry contractor (to be selected by the National Park Service through a competitive process) and the Conservancy. The MOU is for a term of 30 years with two 10-year extensions, totaling 50 years. The lease with the ferry contractor is for 10 years or longer and the lease with the Conservancy is for 30 years. • The proposed resolution exempts the MOU and two leases from the competitive process. The Port is requesting exemption from the City's required competitive process to enter into an MOU with the National Park Service on a sole source basis in order to provide ongoing ferry service to Alcatraz Island, which is owned by the National Park Service 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The Port will make substructure improvements to Pier 31 at an estimated cost of \$5 million. The private ferry contractor and the Conservancy will make improvements with an estimated value of \$20,779,000, and receive rent credits totaling \$3,074,000 • Each of the leases pays rent equal to the greater of base rent or percentage rent. Base rent in the first year of the lease with the ferry contractor is \$858,540 and with the Conservancy is \$330,000. • The net present value of the base rents, less the rent credits, over the first ten years of the two leases is approximately \$7,340,000. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed resolution to specify that the term of the lease between the Port and the private contractor for ferry services will conform to U.S. Government Code 36 Section 51.73; which pertains to National Park Service concession contracts, for a term of 10 years or less, instead of 10 years or longer, unless the Director determines that required construction of capital improvements warrants a longer term. • Approve the proposed resolution as amended. 	

MANDATE STATEMENT

The Budget and Legislative Analyst recommended in our April 2004 *Management Audit of the Port of San Francisco* that the Board of Supervisors request the Port Commission to submit to the Board for the Board's endorsement, all development negotiation term sheets for projects with development costs greater than \$10 million, and to submit the development agreements to the Board of Supervisors for approval. The Budget and Legislative Analyst's recommendation was accepted by the Board of Supervisors.

BACKGROUND

The National Park Service has operated ferry services from the Port to Alcatraz Island since 1973. Ferry services are provided by private operators under contract to the National Park Service. Currently, ferry service is provided by Alcatraz Cruises, LLC (an affiliate of Hornblower Yachts, Inc.) from Pier 31 ½, which has operated from that site since 2006. Previously, ferry services were provided by the Blue & Gold Fleet from Pier 41 from 1973 to 2006.

In 2009, in order to develop a permanent ferry site at the Port, the National Park Service requested a long term agreement with the Port. The National Park Service requested a location on the northern water front accessible to visitors; dedicated ferry landing facilities; space for exhibits and concessions; and berthing sites for up to four passenger vessels. The National Park Service identified five sites at the Port that met their criteria: Pier 19 ½, Pier 29 1/2, Pier 31 and 31 ½, Pier 41, and Pier 45, Shed A.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would endorse the term sheet between the Port and the National Park Service, which sets the terms for a Memorandum of Understanding (MOU) to develop Port property as the exclusive site for ferry service to Alcatraz Island. The MOU would include the terms for (1) a lease between the Port and a private ferry contractor to be selected by the National Park Service for ferry service to be operated from Pier 31 ½ to Alcatraz Island, and (2) a lease between the Port and the Golden Gate National Parks Conservancy¹ (Conservancy) for visitor services and concessions on Piers 31-33.

The proposed resolution:

- Exempts the proposed MOU between the Port and the National Park Service from the City's competitive bidding requirements of Administrative Code Section 2.6-1, including (1) the lease between the Port and a private ferry contractor to be selected by the National Park Service through a federally-mandated competitive process, and (2) a lease between the Port and Conservancy;

¹ The Conservancy is a nonprofit established in 1981 to raise funds for Golden Gate National Park projects. Conservancy board officers are current and retired representatives of Blum Capital Partners, Pisces Foundation, Crosslink Capital, and Orrick, Herrington, and Sutcliffe LLP.

- Endorses the proposed term sheet for the MOU between the Port and the National Park Service;
- States that endorsement of the proposed term sheet does not commit the Board of Supervisors to approve the final MOU between the Port and the National Park Service; and
- Requires Port Commission consideration of findings of the Alcatraz Island Ferry Embarkation site and related facilities pursuant to the California Environmental Quality Act (CEQA) prior to Board of Supervisors approval of the final MOU and associated leases.

The proposed resolution endorses the terms of the proposed MOU between the National Park Service and the Port; which includes the proposed terms of future leases between the Port and the private ferry contractor and between the Port and the Conservancy. The final MOU and the lease between the Port and the Conservancy are subject to future Board of Supervisors approval. The lease between the Port and the ferry contractor, which is a maritime lease, is exempt from future Board of Supervisors approval under Charter Section 9.118(c)

Proposed MOU between the National Park Service and the Port

Site and Purpose	Pier 31 ½: ferry embarkation site for ferry excursions to Alcatraz Island and other sites Pier 31: food and beverage service, visitor restrooms, storage Pier 33: visitor center, ticket sales, exhibition space, administrative offices
Term of MOU	30 years with two 10-year options to renew the ferry operations at the discretion of the National Park Service, totaling 50 years MOU may be terminated by the Port or the National Park Service due to sea level rise impacts or catastrophic events
Lease between the Port and the private contractor for ferry services	Attached to the MOU will be the form lease for ferry services Ferry service contractor will be selected by the National Park Service Port will enter directly into 10-year lease or longer with the ferry contractor selected by the National Park Service Lease premises consist of 62,015 square feet of building space and 60,000 square feet of submerged land on Pier 31, Pier 31 ½ and Pier 33
Lease between the Port and the Golden Gate National Parks Conservancy	Attached to the MOU will be the form lease for visitor services and concessions, including standard Port retail provisions Port will enter directly into a 30-year lease with the Conservancy Purpose of lease is for the Conservancy to operate a visitor contact station, and food and beverage services Lease premises consist of 6,200 square feet on Pier 31 and Pier 33

As noted above, under the proposed term sheet, the lease between the Port and the private contractor for ferry services is for 10 years or longer. The Budget and Legislative Analyst recommends amending the proposed resolution to specify that the term of the lease between the Port and the private contractor for ferry services will be awarded in conformance with U.S. Government Code 36 Section 51.73, which pertains to National Park Service concession contracts, for a term of 10 years or less, unless the Director determines that required construction of capital improvements warrant a longer term.

Exemption from Competitive Process

According to Ms. Rebecca Benassini, Assistant Deputy Director of Development at the Port, the Port is requesting exemption from the City's required competitive process to enter into an MOU with the National Park Service on a sole source basis in order to provide ongoing ferry service to Alcatraz Island, which is owned by the National Park Service. The Port is also requesting approval to enter into a lease with the Conservancy on a sole source basis without undergoing the City's required competitive process, because the National Park Service selected the Conservancy as their partner to provide visitor services and amenities, and because the Conservancy has successfully provided these services to the Golden Gate National Recreation Area.

The National Park Service will select the ferry contractor using the federally mandated competitive process.

FISCAL IMPACT

Capital Repairs and Maintenance

The proposed term sheet identifies the Port and ferry contractor's respective responsibilities for repairs and maintenance of the lease site.

The Port will be responsible to invest approximately \$5,000,000 for Pier 31 marginal wharf substructure repairs and upgrades. These substructure repairs and upgrades consist of below deck concrete repairs and pile and cap repairs. According to Ms. Benassini, funds to make these substructure repairs and upgrades were included in the Port's FY 2017-18 capital budget, previously approved by the Board of Supervisors.

According to Ms. Benassini, the Conservancy and the ferry contractor will make facility improvements with an estimated value of \$20,779,000.

The ferry contractor selected by the National Park Service will be responsible for the construction, maintenance and repair to ferry barges, docks and waterside infrastructure, marginal wharf deck surface, and visitor and other facilities used by the ferry contractor. The ferry contractor will be provided a maximum of \$2,520,000 in rent credits for these costs over the initial four years of the lease.

The Conservancy will be responsible for the construction, maintenance and repair on Pier 31 bulkhead improvements and Pier 33 visitor center. The Conservancy will be provided a maximum of \$554,000 in rent credits for these costs over the initial four years of the lease.

The Port will also be responsible to maintain and repair the Pier 31 marginal wharf substructure, Piers 31 and 33 bulkhead substructure and seawall, and the exteriors of Piers 31 and 33 sheds. Ms. Benassini states that the Port is responsible for these maintenance and repair costs because Piers 31 and 33 are multi-tenant sites, of which the ferry contractor and the Conservancy are two of several Port tenants.

Base Rent to the Port

Lease between the Port and the Ferry Contractor

According to the proposed term sheet, the ferry contractor will pay rent to the Port equal to the greater of (a) base rent of \$696,000 per year, increasing by 2.5 percent per year, or (b) percentage rent. Percentage rent is equal to 7.5 percent of adjusted gross revenues for ferry service, 7.25 percent of adjusted gross revenues for food and beverages², and 8.0 percent of other concession revenue. In addition, the ferry contractor will pay the Port rent of \$162,540 per year, increasing by 3.0 percent per year, for office space on the third floor of the Pier 33 bulkhead. Total base rent paid by the ferry contractor to the Port in the first year of the lease is \$858,540.

According to Ms. Benassini, base rent is based on the Port's parameter rent schedule approved by the Port Commission. Percentage rent is based on rent paid by other ferry excursion operators at the Port.

Lease between the Port and the Conservancy

According to the proposed term sheet, the Conservancy will pay the Port the greater of (a) base rent of \$330,000 per year, increasing by 2.5 percent per year, or (b) percentage rent equal to 7.5 percent of gross revenues. According to Ms. Benassini, the proposed rent to be paid by the Conservancy to the Port was negotiated, based on rents paid by comparable properties adjacent to the Port.

Estimated Lease Revenues to the Port

The net present value of the base rents, less the rent credits, to be paid by the Conservancy and the ferry contractor to the Port over the first ten years of the two leases is approximately \$7,340,000.

RECOMMENDATIONS

1. Amend the proposed resolution to specify that the term of the lease between the Port and the private contractor for ferry services will conform to U.S. Government Code 36 Section 51.73, which pertains to National Park Service concession contracts, for a term of 10 years or less, instead of 10 years or longer, unless the Director determines that required construction of capital improvements warrants a longer term.
2. Approve the proposed resolution as amended.

² Adjusted gross revenue equals total revenues, less franchise and other pass-through fees.

MEMORANDUM

July 7, 2016

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. Leslie Katz
Hon. Eleni Kounalakis
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Interim Executive Director

SUBJECT: Request endorsement of Term Sheet between the Port and the National Park Service (NPS), for a Memorandum of Understanding outlining the business terms of an Alcatraz Island Ferry Embarkation site, including: (1) a lease for ferry service to Alcatraz Island with a future concessioner selected by NPS and (2) a lease with the Golden Gate National Parks Conservancy, located at Piers 31-33 on The Embarcadero at Bay Street

DIRECTOR'S RECOMMENDATION: Approve the attached resolution

At its meeting on June 14, 2016, the Port Commission heard an informational presentation regarding the proposed Term Sheet between the Port and the National Park Service (NPS) for a Memorandum of Understanding (MOU). Port staff now request Port Commission endorsement of the proposed Term Sheet.

This staff report further describes the proposed terms between the Port and NPS. Material updates to the June 9, 2016 memorandum are presented herein as underlined text. In particular, updates have been provided related to (1) description of the framework for the MOU and forms of leases; (2) justification for sole source negotiations with NPS and the Golden Gate National Parks Conservancy (Conservancy); and (3) recommendation for approval of the accompanying Resolution endorsing the Term Sheet.

EXECUTIVE SUMMARY

Staff from the Port and the NPS have negotiated a non-binding Term Sheet for a 50 year (30 years plus two 10 year options) Memorandum of Understanding (MOU) for the Alcatraz Island ferry embarkation site and associated retail and café (the "Project") on Piers 31, 31½, and 33 (collectively, the "Site" shown on **Exhibit A, Site Aerial Map**).

THIS PRINT COVERS CALENDAR ITEM NO. 13A

The Site is currently used as the embarkation site for tours to Alcatraz Island (Pier 31 ½), retail, restaurant and office use (Pier 33 Bulkhead), and support space for Alcatraz staff (Pier 33 shed). Pier 31 is currently vacant. The MOU envisions a unified and expanded Project at this site, with a new café in the Pier 31 bulkhead, a retail and visitor contact station in the Pier 33 bulkhead, an additional ferry berth at Pier 31 ½ (bringing the total number of berths at the marginal wharf to three), and supportive parking and other uses in portions of the Pier 31 and Pier 33 sheds. The parties will work together to develop a plan to maintain service to Alcatraz Island during construction of the improvements.

Two lease documents are contemplated under the MOU. One would be between the Port and NPS's selected ferry operator for the Alcatraz ferry concession and the other would be between the Port and the Conservancy, a local, non-profit partner to NPS who will buildout and operate or manage the café, retail, and interpretative portions of the Site.

The framework and general function of the MOU and the two leases are as follows:

- The MOU will be between the Port and NPS and will define each party's rights and responsibilities during the term of the agreement. NPS will be responsible for selecting a ferry concessioner through NPS's competitive bid process. The MOU will include two form leases which will be based upon the Port's standard form of lease, subject to specific provisions preempted under Federal law or which are mutually agreed to be waived. The MOU's term will be 30 years with two 10-year options for a total of up to 50 years. The MOU will also address default provisions, liability allocation, premises and use, rent structure, capital improvements, repair and maintenance obligations, cross default provisions, and other pertinent terms with respect to NPS and the anticipated ferry concessioner and the Conservancy leases.
- Upon NPS's selection of the Concessioner, the Port will execute the lease with the Concessioner consistent with the terms outlined in the staff report and the term of the concession contract that NPS grants (the anticipated term of a concession contract of this type is 10 to 15 years with possible short term extension options). At the expiration of the initial NPS Ferry Concession contract, the Port will enter into a new lease on the Port's standard form (again subject to modifications to conform if preempted by Federal law or mutual waivers) with the awarded bidder for a new term anticipated to be 10 years. This process will continue through the term of the MOU and any Concession lease will automatically terminate upon either the termination or expiration of the MOU.
- The other form of lease attached to the MOU will be used to convey real property rights from the Port to the Conservancy. Upon approval of the MOU, the Port will enter into a Port standard form lease with the Conservancy for a 30 year term consistent with the terms outlined in the staff report. In the MOU, the Port and NPS will agree on a process to potentially continue operations of the visitor contact station and café for the remaining 20 years of the MOU agreement term.

The proposed Term Sheet specifies:

- Monthly base rents, generally based on the Port's parameter rent schedule or on similar leases.
- Percentage rental rates, applied to sales revenue from each component of the Site and based upon independent appraisals, one conducted by the Port and another by NPS.
- Monthly rental rates for office space to be leased in Pier 33 bulkhead, based on the Port's parameter rent schedule.

Monthly revenue to the Port will equal the greater of base rent or percentage rent plus office rent. Key components are described in **Table 1** below.

Table 1. Selected Rental Rates in the MOU Business Term Sheet, Years 1-30

Program Component	Key Rental Metric
Ferry operations ¹	7.50% of adjusted gross Ferry ticket sales ²
Ferry retail ¹	8.00% of adjusted gross Ferry retail sales ³
Ferry food and beverage (F&B) ¹	7.25% of adjusted gross Ferry F&B sales ³
Pier 31 Bulkhead café ¹	7.50% of gross sales
Pier 33 Bulkhead retail ¹	7.50% of gross sales
Pier 33 office space	\$3.00 per sq. ft. per month

¹ Component also has an associated base rental rate. Port will receive the higher of the total percentage rent or total base rent for each month of the lease.

² Adjusted gross Ferry tickets sales mean ticket sales less Conservancy audio tour, Franchise Fee, sales tax, NPS Federal Lands Recreation Enhancement Act Fees, and Angel Island Tram Tour and Park Entrance Fees.

³ Adjusted gross Ferry retail and Ferry food and beverage mean gross sales less NPS Franchise fee and sales tax.

Total revenue to the Port in the first year of stabilization is estimated to be \$2.5 million, after rent credits are deducted and \$3.6 million in the fifth year of stabilization (after rent credits are repaid to the tenant). As a comparison, the current site (with some portions vacant) generated about \$2.2 million in fiscal year 2015-2016.

Staff will seek Board of Supervisors' endorsement of the Term Sheet following Port Commission endorsement. Once the Term Sheet is endorsed, the parties will negotiate the MOU and forms of leases for the ferry concessioner and the Conservancy. Staff will bring these documents to the Port Commission and then the Board of Supervisors for approval after completion of environmental review under California Environmental Quality Act (CEQA). The ferry operator's form lease will be attached to NPS's next released concession bid contract for Alcatraz ferry service (expected in 2017) and the retail and café lease will be provided to the Conservancy for execution.

STRATEGIC OBJECTIVE

The proposed Term Sheet is expected to contribute in a substantial way to meeting the *economic vitality and stability objectives* of the Port's Strategic Plan. As the Project is further defined, staff expects additional Strategic Objectives will also be met.

- *Economic Vitality Objectives:* The proposed Term Sheet anticipates the development of a third berth at Pier 31 ½ to accommodate increased bay cruise capacity, supporting the Economic Viability objective designed to expand active water berths.
- *Stability Objectives:* The proposed Term Sheet retains an important Port visitor-destination and increases Port revenues from the Site, supporting key Stability objectives aimed at retaining a diversified tenant base and increasing Port operating revenue.

BACKGROUND

The Golden Gate National Recreation Area (GGNRA), established as a unit of the NPS in 1972, encompasses more than 80,000 acres of coastal lands in Marin, San Mateo and San Francisco counties. One of GGNRA's most prominent sites is Alcatraz Island which is historically significant as part of early coastal fortification systems and later as a federal prison. Since 1972, the Port of San Francisco has served as the embarkation point for tourists and local residents visiting Alcatraz Island. The ferry service is currently provided by Alcatraz Cruises, LLC, an affiliate of Hornblower Yachts, Inc. under a 10-year concession contract that NPS manages.

Though visitation of Alcatraz Island is managed through a reservation system, the ferry embarkation site is more than just a transit terminus. The embarkation site has the potential to serve as an important gateway and transitional point between the historic San Francisco waterfront and the natural, cultural, and scenic resources of Alcatraz Island and other GGNRA park sites. There is an opportunity to make Alcatraz Island landing a distinct, first-class experience for tourists and local residents.

Each year more than 1.5 million people visit Alcatraz Island by ferry from Pier 31½ on the northern waterfront, which is the only embarkation point for service to the Island. Between 4,000 and 5,000 people visit Alcatraz Island each day. While there is some seasonal variation, the Alcatraz Island ferry service operates a full daily schedule nearly all year long. The number of visitors is not dependent on ferry capacity, but limited by NPS's ability to provide an enjoyable experience at the park site as measured by visitor satisfaction and a continued ability to protect park resources.

Between 1972 to 2005, Red & White and Blue & Gold fleets, under separate contracts to NPS, provided service to Alcatraz Island from Pier 41. In 2005, the base of operations was moved to Pier 31½ when Hornblower was awarded the federally-mandated 10-year concession contract through a competitive process governed by federal law. One condition of the concession contract required Hornblower to lease a Port site, which it secured at Pier 31½, beginning in 1997.

In 2008, the Port's Executive Director and the GGNRA Superintendent began discussions about NPS selecting a permanent embarkation point at the Port. By doing so, the NPS, the Port and the public could avoid the disruption of moving the service each time a new concessioner is selected. Port and NPS staff collaborated to develop a site selection criteria and identified five potential Port properties for a permanent Alcatraz Embarkation location: Piers 19½, 29½, 31½, 41, and 45 Shed A as detailed in a December 3, 2009 informational presentation to the Port Commission.

Port staff in coordination with NPS staff selected Pier 31½ as the preferred Alcatraz Embarkation site and updated the Port Commission in a May 26, 2015 informational presentation. Pier 31½ is part of the Northeast Waterfront area and retail, food and beverage, and ferry service are allowed uses in such area under the Port's Waterfront Land Use Plan, the City Planning Department's Northeastern Waterfront Area Plan, and the Planning Department's Northeast Embarcadero Study issued in June of 2010.

In anticipation of the expiration of the concession agreement in 2016, NPS initiated a process to select a long-term ferry embarkation site. Instead of selecting a concessioner (i.e., ferry operator) that has secured a terminus site in San Francisco, NPS instead intends to select a long-term site with successive 10 to 15-year concession contracts. Such a site would provide NPS with a stable and identifiable ferry terminus to Alcatraz Island. NPS has completed a draft Environmental Impact Study (EIS) under the National Environmental Policy Act (NEPA) to support their site selection process. Pier 31½ is the leading site for NPS's preferred location.

SITE PROGRAM

Compared to the current embarkation site, the proposed Project includes similar uses to those presently on the site (i.e., Alcatraz ferry service, retail, and food and beverage) but those uses will be expanded and reorganized to improve the visitor experience. In addition, a visitor contact station and the expansion from two berths to three (to facilitate a new ferry service for visitors) will be included in the proposed Project. The new ferry service plan is under development but may include cruises around GGNRA in the San Francisco Bay Area.

Current Embarkation Site

The current Alcatraz embarkation site includes: Alcatraz Café in the Pier 33 bulkhead, ticketing and ferry queuing on the Pier 31½ marginal wharf, and parking and restrooms in the Pier 33 shed. Office space in the two upper floors of the Pier 33 bulkhead is leased to office tenants. The Pier 31 bulkhead is vacant.

The current site suffers from a poor and disjointed layout which diminishes the experience of the thousands of people funneled through the site on a daily basis. As stated in NPS's draft EIS, the Pier 31½ No Action Alternative (i.e., the current site) "does not meet the Project's basic program requirements and has deficiencies in providing the desired high-quality visitor experience. The presence of an Alcatraz-themed souvenir shop in the bulkhead building, separate from the NPS concession and not operated by the Park Service, further diminishes the ability of the Park Service to provide a clear sense of

identity and quality experience.”¹ The current site also suffers from substandard, temporary public restroom facilities in the Pier 33 shed. The current ferry concessioner at Pier 31½ and a portion of Pier 33 shed is on a month-to-month lease. The Pier 33 bulkhead lease will expire in 2019.

Proposed Redeveloped Pier 31 – 33 Site

Exhibit B, Proposed Site Plan and **Exhibit C, Renderings** provide an overview of the proposed Project. The Project would bring to fruition a world-class, long-term embarkation site for Alcatraz Island, one of the most popular destinations in San Francisco and the national park system. It includes a visitor contact station and interpretative retail and ticketing in the Pier 33 bulkhead, a casual dining restaurant in the Pier 31 bulkhead, assembly space for ferry service and the ferry service itself on the Pier 31½ marginal wharf, and restrooms, storage, and bike and vehicular parking in portions of Piers 31 and 33 sheds.

The larger site footprint is designed for higher functionality, a quality welcome and orientation, greater access to interpretive material, and enhanced visitor services. The new or enhanced services include separate areas for retail and food and beverage and an additional berth that can accommodate new ferry services. The additional ferry services are under development but may include transportation to other NPS locations as well as interpretive cruises of NPS sites around the bay. Overall, the embarkation site would meet the needs of expected growth in Alcatraz visitation over the next 50 years and provide associated services for the many visitors who are unable to obtain tickets to the Island.

SUMMARY OF TERM SHEET

The purpose of the Term Sheet (attached as **Exhibit D, Term Sheet**) is to set forth the basic terms and conditions on which the Port and NPS agree to further negotiate. These business terms will be refined and set forth in more detail in the MOU, the leases, and related transaction documents. This Term Sheet is subject to the review and endorsement by the Board of Supervisors. After the completion of environmental review under NEPA and CEQA, the MOU, the form leases, and related documents will be brought to the Port Commission and the Board of Supervisors (if required) for their respective considerations for approval.

1. Partnership Structure

The Port and NPS would enter into the MOU that designates Pier 31-33 as the ferry embarkation site for Alcatraz Island and other potential ferry excursions to NPS sites, Pier 33 bulkhead for an Alcatraz visitor contact station, and Pier 31 bulkhead as a casual dining amenity. The MOU would stipulate the term, premises and use, rent structure, capital improvements, repair and maintenance obligations, cross default provisions, and any other pertinent terms, as well as include a form of lease for the ferry concessioner and a form of lease with the Conservancy.

¹ Alcatraz Ferry Embarkation: Draft Environmental Impact Statement, page vii.

NPS, at its sole discretion, would have the right to select a ferry concessioner through a federally-mandated competitive process. Upon the selection of the ferry concessioner, the Port would enter into a lease for a portion of the embarkation site with the concessioner primarily for ferry operations with ancillary on-vessel food and beverages, photo, and visitor support services. The term of this lease would be concurrent with the NPS concession contract term. The Port would also enter into a lease with the Conservancy for retail and café services.

2. MOU Term

The term would be an initial 30 years with two 10 year options to renew at fair market value. The options are exercisable at the discretion of NPS with the exception of unanticipated site or facility deterioration due to sea level rise or other mutually agreed sources described in the MOU that renders the site and operation physically infeasible. In the event of significant sea level rise that may compromise the operational feasibility of the site, the Port and NPS may mutually agree not to exercise the option term. NPS and the Port also have termination rights for catastrophic events.

3. Ferry Concession Contracts and Leases

NPS ferry concession contract and Port ferry concession lease would have coterminous terms, with the ability for the lease to accommodate extensions, provided ferry concessioner is compliant with Port lease. The term of each ferry concessioner contract and lease is expected to be 10 to 15 years.

Ferry concessioner would be responsible for buildout, entitlements and permits for projects for which they are obligated to construct under the concession contract.

4. Conservancy Contracts and Lease

Port and Conservancy would enter into a lease for retail and café uses at the Site. The Conservancy would be responsible for buildout, entitlements and permits for projects for which they are obligated to construct under the Conservancy lease.

5. Premises and Uses

Location	Use
Pier 31½	This proposed site plan would enlarge the existing embarkation footprint to approximately 43,000 square feet of outdoor space on the Pier 31½ marginal wharf deck for visitor circulation, queueing, and staging and allow for replacing the existing gangway with two future parallel floating docks to accommodate three berths.
Pier 31 bulkhead	Pier 31 bulkhead would be renovated and managed by the Conservancy, or an operator if approved by the Port, as a café operation that would in part support the ferry service.

Location	Use
Pier 31 shed	A portion of Pier 31 shed would be used by the Ferry Concessioner as maritime storage, public disabled parking and limited employee parking without limiting Port use of the balance of the shed.
Pier 33 bulkhead	The ground floor space of the Pier 33 bulkhead would be used as a visitor contact station, ticketing and interpretive retail space that will be operated by the Conservancy or its approved operator. NPS has proposed to remove a portion of the second floor of the bulkhead in order to create a more expansive visitor experience. Part of the second floor would be retained as either administrative space or exhibition space showcasing the GGNRA. The third floor of the Pier 33 bulkhead would be used as administrative office space for the Ferry Concessioner.
Pier 33 shed	A portion of Pier 33 shed would be used by the Conservancy for visitor restrooms, storage for the visitor contact station/interpretive retail, public bicycle parking and by the Ferry Concessioner for employee break room, locker rooms and maritime storage.

6. Ferry Concessioner Monthly Rent Terms

Rent would be the greater of a guaranteed monthly base rent or percentage rent.

Base rent. The ferry operator's initial base rent would be set at \$58,000 per month.²

Percentage rent would equal:

- 7.50% of adjusted gross ferry ticket revenue,³ plus
- 8.00% of gross revenue from retail sales, plus
- 7.25% of gross revenue from ferry food and beverage sales

In addition to these base and percentage rent components, the ferry operator would also provide initial rent of approximately \$13,545 per month for the Pier 33 third floor office space.

Thus, for any given month, the ferry operator would pay initial rent of either \$58,000 in base rent or percentage rent (if greater than base rent) plus \$13,545 in office rent. **Table 2** summarizes these proposed rent terms.

² Note that all monthly or annual base rents are based upon approximate square footages. Base rent in the Lease may be adjusted up or down after Site measurements.

³ The terminology "adjusted gross" ferry ticket revenue means in the context of this MOU: total ferry ticket revenue less audio tour revenue which is a pass-through revenue the ferry operator collects and remits to the Conservancy for the audio tour service; less NPS franchise fee of up to 25.5% of revenue after the audio tour revenue is passed-through, and less other smaller pass-throughs including federal and State landing fees and sales tax.

Table 2. Ferry Concessioner Rent Terms Summary

Ferry Concessioner							
	Base Rent or Percentage Rent					Office Rent	
Premises							
<i>Location</i>	Pier 31	Pier 31 1/2	Pier 33	Pier 33	Pier 33	Between 31 and 33	Pier 33
<i>Description</i>	Shed	Marginal Wharf	Bulkhead, ground floor	Bulkhead, mezzanine		Shed Submerged land	Bulkhead, 3rd floor (1)
<i>Use</i>	Maritime Storage, Employee Parking, Public Restrooms	Public assembly for ferry service	Ferry ticketing	Exhibit space	Maritime storage, bike parking, public restrooms	Vessels, floats, ramps	Office
<i>Approx. Sq.Ft.</i>	6,200	43,000	1,800	500	6,000	60,000	4,515
Monthly Rent per Sq.Ft.	\$1.50	\$0.40	\$5.00	\$3.00	\$1.50	\$0.20	\$3.00
Total monthly	\$9,300	\$17,200	\$9,000	\$1,500	\$9,000	\$12,000	\$13,545
Total annually	\$111,600	\$206,400	\$108,000	\$18,000	\$108,000	\$144,000	\$162,540

Rent = Greater of:
Monthly base rent All ferry concessioner premises except for office in Pier 33:
 \$58,000
 or *Percentage rent as follows:* 7.50% of adjusted gross ferry ticket revenue +
 8.00% of gross revenue on ferry retail sales +
 7.25% of gross revenue on ferry food/beverage sales

Plus Office Rent (per month)	\$13,545
-------------------------------------	-----------------

(1) Bulkhead currently has three floors. Project envisions demolishing second floor.

7. Conservancy Monthly Rent Terms

Rent would be the greater of a guaranteed monthly base rent or percentage rent.

Base rent. The Conservancy's initial base rent would be set initially at \$14,000 per month for the café in the Pier 31 bulkhead and \$13,500 per month for the retail operation in the Pier 33 bulkhead.

Percentage rent would equal:

- 7.50% of gross revenue from food and beverage sales
- 7.50% of gross revenue from retail sales

Table 3 summarizes these proposed rent terms.

Table 3. Conservancy Rent Terms Summary

Conservancy			
Base Rent or Percentage Rent			
Premises			
<i>Location</i>	Pier 31	Pier 31	Pier 33
<i>Description</i>	Bulkhead, ground floor	Shed	Bulkhead, ground floor
<i>Use</i>	Casual dining	Retail and restaurant storage	Visitor contact station, interpretive retail
<i>Approx. Sq.Ft.</i>	2,500	1,000	2,700
Monthly per Sq.Ft.	\$5.00	\$1.50	\$5.00
Total monthly	\$12,500	\$1,500	\$13,500
<i>Total annually</i>	\$150,000	\$18,000	\$162,000
Rent = Greater of:		Pier 31 bulkhead	Pier 33 bulkhead
<i>Monthly base rent</i>		\$14,000	\$13,500
<i>or Percentage rent as follows:</i>		7.50% of gross food and beverage sales	7.50% of gross retail sales

8. Rental Rate Increases

All base rents will increase annually at 2.5%. Office rent will increase annually at 3.0%. At the end of 30 years, all percentage rents, and office rents will be reset to market value and reset each subsequent 10 years.

9. Rent Credit

The proposed Project envisions a \$20.8 million investment in waterside infrastructure, complete interior rehabilitation, utility upgrade, and exterior building and plaza improvements. Of this amount, the parties have negotiated a rent credit of up to \$3,074,000 in costs for utilities and "cold shell" improvements (e.g., plumbing, electrical, fire sprinklers, and exterior building upgrades). Rent credits must be applied in the first four-years of the lease terms.

10. Port Substructure Capital Investment

The Port has agreed to invest an initial \$5 million into substructure improvements to the Pier 31½ marginal wharf as part of the Port's capital improvement program. The Port will typically negotiate to include these costs into the tenant's upfront capital improvement program and consider increasing the term of the lease to amortize the costs. In this case however, federal mandates restrict concession contracts to between 10 and 15 years which do not provide enough time to amortize the cost of the substructure work in addition to the rent credits discussed above.

SOLE SOURCE NEGOTIATION

San Francisco's Administrative Code Section 2.6-1 includes a Board of Supervisors' policy to grant leases of City property or facilities to the highest responsible bidder under competitive bidding procedures. The Board of Supervisors authorized an exemption from competitive bidding for the Exploratorium and Teatro Zinzanni. The Port will request an exemption from competitive bidding requirements for this project due to the following:

- NPS owns and controls Alcatraz Island and is empowered to select a ferry operator.
- NPS has determined that a long-term embarkation site is desirable to improve the quality of the visitor experience.
- The Port must negotiate and reach an agreement with NPS to participate in revenues associated with hosting the Alcatraz embarkation point.
- The ferry operator selection process is competitively bid under Federal rules for bidding.
- Alcatraz Island is one of the top tourist destinations in the City and embarkation from Port property improves the visitor experience.
- Ferry service – particularly with the volumes achieved with transport to Alcatraz Island – is a key maritime tenant type that fulfills the Port's mission for maritime uses on public trust lands and piers.
- The Concessioner and the Conservancy will make significant capital improvements to Port property.
- NPS has partnered with the Conservancy on the Alcatraz ferry embarkation project. The Conservancy is an important fundraising entity, advocate, and educator on issues related to Golden Gate National Recreation Area.
- NPS has presented the development and management of a visitor contact station, retail, and food and beverage by the Conservancy as an integrated opportunity along with the long-term Alcatraz ferry embarkation site.
- The Conservancy is a local nonprofit with a proven track-record of developing and operating memorable and stimulating visitor experiences in nationally- and internationally-renowned destinations including Alcatraz Island cell house tours and Museum Store, Golden Gate Bridge Welcome Center, Crissy Field Center, and Lands End Visitor Center, among others.

CLIMATE ACTION

The MOU will anticipate future Sea Level Rise and provide flexibility through the use of renewal options that will be subject to termination due to undue flooding.

ANALYSIS

The Alcatraz ferry service annual adjusted gross revenue was \$22.0 million in 2012, \$22.4 million in 2013, and \$25.5 million in 2014. Alcatraz demand is steady and its revenue generation should modestly increase over time (limited by the NPS operational principles of ensuring an enjoyable park experience at affordable ticket prices). With the addition of

another envisioned ferry berth for cruises to other federal properties, such as Fort Baker, a new ferry service represents an additional source of revenue over time.

The Port contracted with Seifel Consulting (Seifel), a respected economics firm, to research market comparisons with other iconic ferry operations and with R. Blum and Associates, an MAI-certified appraiser. With assistance from these consultants, staff prepared the following revenue projections and analysis in bringing this Term Sheet to the Port Commission.

1. **The rent structure is on par or higher than comparable recent leases.** Retail, food and beverage, base rents, and office rents reflect rates of recent leases in and around the waterfront. Percentage rent on ferry services – the largest by far of the rental revenue from the Project – will continue at the recently-increased level of 7.5% of adjusted gross receipts. This level is well below the rate achieved by New York City Parks for Statue of Liberty ferry service (8.0% on unadjusted gross revenues) but is consistent with San Francisco Bay Area ferry service percentage rent and above ferry excursion percentage rents found in Southern California.
2. **The Project and deal structure facilitates revenue growth for the Port.** A Port negotiating principle was to ensure that each component of the Project – ferry, retail, food and beverage – met fair market value. Another principle was to ensure that the overall Project exceeded plausible alternatives. **Figure 1** illustrates these alternatives alongside the Project, with a 15-year projection of cashflow to the Port.

Figure 1. Project and Illustrative Alternatives – Projected Revenue to Port .

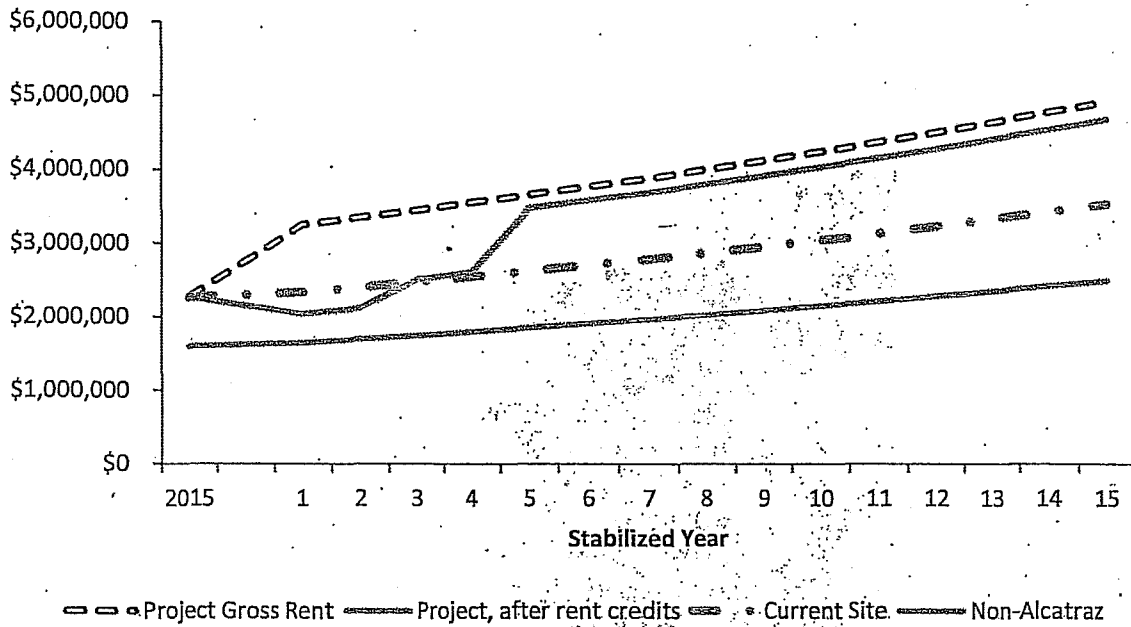


Figure 1 includes:

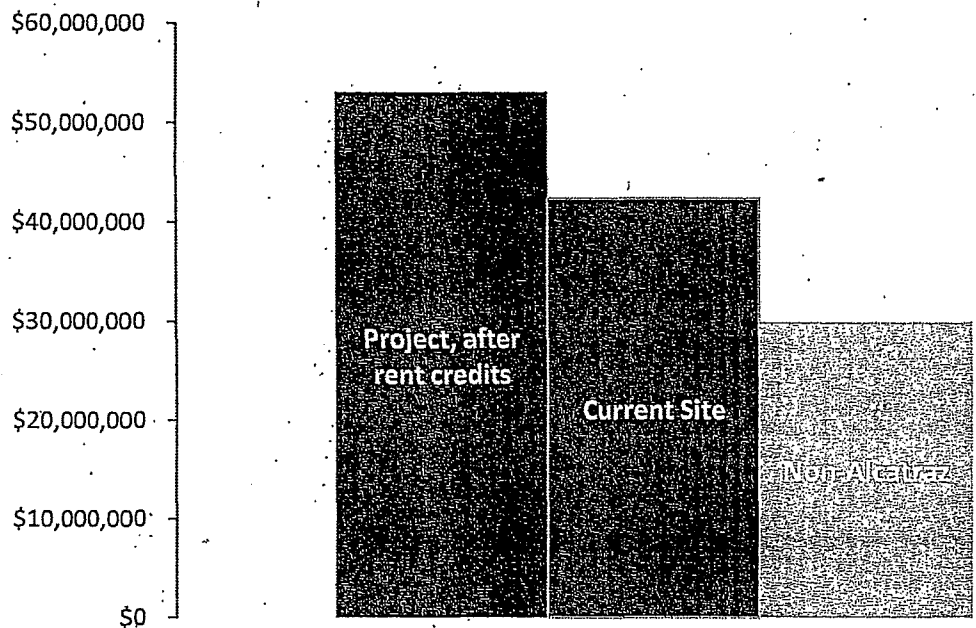
- Non-Alcatraz anchored site.** This alternative assumes the Alcatraz ferry moves off of Port property and the Site is occupied by a bay cruise ferry and ancillary retail and restaurant uses. It produces the lowest estimated Site revenue.
- Current site.** This projection is based on current site operations.
- Project.** The two lines at the top of the chart reflect estimated Project revenues. Year 0 reflects current site revenues and Year 1 reflects the first year of stabilized operations.⁴ The top line reflects gross Port rent. The second line from the top reflects gross rent, less anticipated rent credits in years 1 to 4.

The revenue projection for the Project, after deducting rent credits, dips slightly below the Current site alternative for years 1 and 2 (because of the rent credits) and then increases to appreciably above the Current site lease revenues in years 5 and beyond. The Project provides higher Port revenues and significant investment in the Site (\$20.8 million from tenants and \$5 million from the Port).

Figure 2 provides this similar comparison in net present terms (calculated for 30 years with a 6 percent discount rate). The net present value (NPV) of: Project revenues to the Port total \$53 million (after rent credit deductions); Current site revenues are estimated at \$43 million in NPV; and Non-Alcatraz NPV of revenues total \$26 million.

⁴ This reflects a simplification of the likely reality, which is anticipated to include more than a year of construction on different parts of the site. However, ferry service to Alcatraz is anticipated to continue uninterrupted during construction so years 1 and 2 revenues from the Project are projected to include a stable source of rental revenue.

Figure 2. Project and Illustrative Alternatives – Net Present Value of Revenue to Port
30 years, 6% discount rate



APPROVAL PROCESS

If the Port Commission endorses the Term Sheet and directs staff to seek Board of Supervisors' exemption from competitive bidding policy for the Project, staff will direct a consultant to prepare a fiscal feasibility study (in compliance with Chapter 29 of the Administrative Code and seek Board of Supervisors' endorsement of the Term Sheet, an exemption from the competitive bidding requirement, and a finding of fiscal feasibility. Then, NPS and the Port will continue due diligence, complete environmental evaluation, complete negotiation of the MOU, form leases and other transaction documents, if any, and seek Port Commission and Board of Supervisors' approval of the final transaction documents described in this Memorandum.

The Board of Supervisors' review of the Term Sheet is consistent with the recommendations of the 2004 Management Audit of the Port by the Board of Supervisors' Budget Analyst as a means of providing the Board of Supervisors with an "early read" on Port development projects and provides additional public hearings where public comments on the project may be heard.

If the Port Commission and the Board of Supervisors endorse the Term Sheet, Port staff will move forward with project review and negotiation of transaction documents for the project. Throughout this process, there will be numerous opportunities for public comment and review of the proposed project.

Endorsement of the proposed Term Sheet does not commit the Port Commission to approve any project, enter into an MOU or lease with NPS's operators or the Conservancy or take any other action. The Port will not take any discretionary actions in connection with this Project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA)

CONCLUSION AND RECOMMENDATION

The Port is strongly motivated to retain and improve upon the Alcatraz Island embarkation and visitor contact station at Piers 31-33 because this Project:

- maintains a maritime activity that is the Port's core mission;
- attracts one of the highest volume of visitors of any attraction in the City and local residents to the waterfront;
- generates revenue at fair market value to the Port for its on-going need to invest in Port infrastructure;
- enhances the existing gateway to Alcatraz Island through site upgrades that would better create a clear NPS identity and provide a high quality visitor experience;
- represents an investment of valuable waterfront infrastructure and renovation of the historic Piers 31 and 33 bulkheads and shed;
- maintains, without disruption, ferry operations to Alcatraz Island; and
- supports adjacent retail partners along the Port's northern waterfront.

With no comparable use to Alcatraz ferry service, Port staff recommend that the Port Commission (1) support an exemption from the competitive bidding policy for this Project and, if Board of Supervisors grants such an exemption, (2) direct staff to negotiate an MOU with NPS for the proposed Project. The MOU shall be subject to the Port Commission's approval.

Prepared by:
Rebecca Benassini
Asst. Deputy Director
Planning & Development

For:
Byron Rhett
Deputy Director
Planning & Development

Jay Edwards
Senior Property Manager
Real Estate

Mark Lozovoy
Assistant Deputy Director
Real Estate

ATTACHMENTS

- Exhibit A: Site Aerial Map
- Exhibit B: Piers 31-33 Proposed Project Site Plan
- Exhibit C: Piers 31-33 Proposed Project Renderings
- Exhibit D: Term Sheet

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

RESOLUTION NO. 16-30

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, The Golden Gate National Recreation Area (GGNRA), established as a unit of the National Park Service (NPS) in 1972, encompasses more than 80,000 acres of coastal lands in Marin, San Mateo and San Francisco counties. One of GGNRA's most prominent sites is Alcatraz Island which is historically significant as part of early coastal fortification systems and later as a federal prison and

WHEREAS, Since 1972, the Port of San Francisco has served as the embarkation point for tourists and local residents visiting Alcatraz Island; and

WHEREAS, NPS is empowered by the federal government to issue a bid prospectus and to select a ferry concessioner through a competitive process every 10 to 15 years; and

WHEREAS, The Port has periodically negotiated leases with ferry concessioners for embarkation locations to Alcatraz Island, with the embarkation point moving from Pier 41 to Pier 31 ½ as different ferry companies with leaseholds along Port property have been selected through the NPS ferry-bid process; and

WHEREAS, The Port and NPS share a common goal of enhancing the Alcatraz visitor experience through significant investments in landside and waterside capital improvements – to improve the ease of movement of the more than 1.5 million visitors each year – and in interpretative installations and site amenities including food, retail, and restrooms; and

WHEREAS, Alcatraz Island, access to which is controlled by NPS, is a one-of-a-kind visitor destination, attracting thousands of people each day to the waterfront and providing revenues roughly double the amount the Port would expect for a similar use not associated with Alcatraz Island; and

WHEREAS, In 2008, the Port's Executive Director and the GGNRA Superintendent began discussions about NPS selecting a permanent embarkation point at the Port, lease such site directly from the Port and sublease it to its concessionaires. By doing so, the NPS, Port and the public could be spared the disruption of moving the service each time a new concessioner is selected; and

- WHEREAS, Port staff, based on site criteria developed in conjunction with NPS staff, identified the following five potential Port properties for a permanent Alcatraz Embarkation location: Piers 19½, 29 ½, 31½, 41, and 45 Shed A as detailed in a December 3, 2009 informational presentation to the Port Commission; and
- WHEREAS, NPS completed a draft Environmental Impact Study under the National Environmental Policy Act to support its site selection process and Port staff in coordination with NPS staff selected Pier 31 ½ as the preferred Alcatraz Embarkation site and updated the Port Commission in a May 26, 2015 informational presentation; and
- WHEREAS, Pier 31½ is part of the Northeast Waterfront area and retail, food and beverage, and ferry service are allowed uses in such area under the Port's Waterfront Land Use Plan, the City Planning Department's Northeastern Waterfront Area Plan, and the Planning Department's Northeast Embarcadero Study issued in June of 2010; and
- WHEREAS, NPS has developed a conceptual project ("Project") for Alcatraz ferry service and amenities within the bulkheads and portions of the sheds of Piers 31 and 33 and the Pier 31½ marginal wharf (the "Site"); and
- WHEREAS, The Site is currently operated for ferry service to Alcatraz Island and supporting food and beverage and the Project would expand existing uses to include a visitor contact station and ancillary retail uses; and
- WHEREAS, NPS controls Alcatraz Island and is empowered to select a ferry operator and NPS has determined that a long-term embarkation site is desirable to improve the quality of the visitor experience; and
- WHEREAS, NPS has partnered with the Golden Gate National Parks Conservancy ("Conservancy") - a local nonprofit dedicated to conservation of GGNRA lands through public education, historic interpretation, public access, and capital improvements- as part of its long-term plan for Alcatraz Embarkation site; and
- WHEREAS, The Conservancy is a local nonprofit with a proven track-record of developing and operating memorable and stimulating visitor experiences in nationally- and internationally-renowned destinations including Alcatraz Island cell house tours and Museum Store, Golden Gate Bridge Welcome Center, Crissy Field Center, and Lands End Visitor Center, among others; and
- WHEREAS, The shared vision of a unified visitor experience - from site entrance and orientation, to ferry embarkation, to Alcatraz Island and jailhouse - requires specialized knowledge of and experience in historic interpretation and education, and

WHEREAS, As set forth in 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 the competitive bidding procedures, except where competitive bidding is impractical or impossible; and

WHEREAS, Access to Alcatraz Island and an embarkation site with a visitor contact station and retail and food and beverage amenities presents an important opportunity to provide public serving, cultural, historic and other significant public benefits to the people of the City, the entire Bay Area region and beyond, including an opportunity for a significantly improved one-of-a-kind waterfront destination that will achieve public access objectives for the Site while adding an attractive mix of uses and destinations along the waterfront; and

WHEREAS, NPS and Port staff have negotiate, on a sole source basis, the Term Sheet attached as **Exhibit D** to the Memorandum to the Port Commission dated July 7, 2016 (the "Term Sheet"), which sets forth the essential terms upon which the Port and NPS will negotiate in good faith to reach agreement on a final Memorandum of Understanding ("MOU") regarding the Project and two forms of leases that will be attached to the MOU – one with the NPS-selected concessioner for ferry service and the other with the Conservancy for a visitor contact station, retail, and food and beverage uses; and

WHEREAS, Port and NPS acknowledge that the Term Sheet is not itself a binding agreement that commits the Port or NPS to proceed with the approval or implementation of the Project and that the Project will first undergo environmental review under the California Environmental Quality Act ("CEQA") and will be subject to public review in accordance with the processes of the Port Commission and Board of Supervisors, other City departments and offices, and other government agencies with approval over the proposed Project before any entitlements and other regulatory approvals required for the Project will be considered; and now, therefore be it

RESOLVED, That retaining the high-revenue generating, maritime Alcatraz embarkation use on Port property is a priority for economic and visibility reasons, with no similar use able to attract the number of visitors and economic activity generated by the internationally-known Alcatraz Island; and be it further

RESOLVED, That achieving the Port's goal of retaining the Alcatraz embarkation site on Port property requires negotiating directly with NPS and NPS's selected partner, the Conservancy, Port Commission directs staff to seek a determination that the proposed Project is exempt from competitive bidding requirements pursuant to Administrative Code, Section 2.6-1 with respect to the possible transaction with NPS, the Conservancy, and a to-

be-selected by NPS ferry concessioner for development of the Site; and, be it further

RESOLVED, That the Port Commission hereby endorses the Term Sheet and authorizes the Executive Director of the Port, or her designee, to execute the Term Sheet and present the Term Sheet to the Board of Supervisors for their endorsement and for consideration of a finding that the Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29 (the "Fiscal Feasibility Finding"); and be it further

RESOLVED, That if the Board of Supervisors endorses the Term Sheet and finds that the Project is fiscally feasible, the Port Commission authorizes the Executive Director of the Port, or her designee, to work with the Planning Department and NPS to undertake review of the Project under CEQA and negotiate the terms and conditions of the MOU and form leases, with the understanding that the final terms and conditions of the MOU and form leases negotiated between Port staff and NPS will be subject to the approval of the Port Commission and as applicable, the Board of Supervisors and the Mayor; and be it further

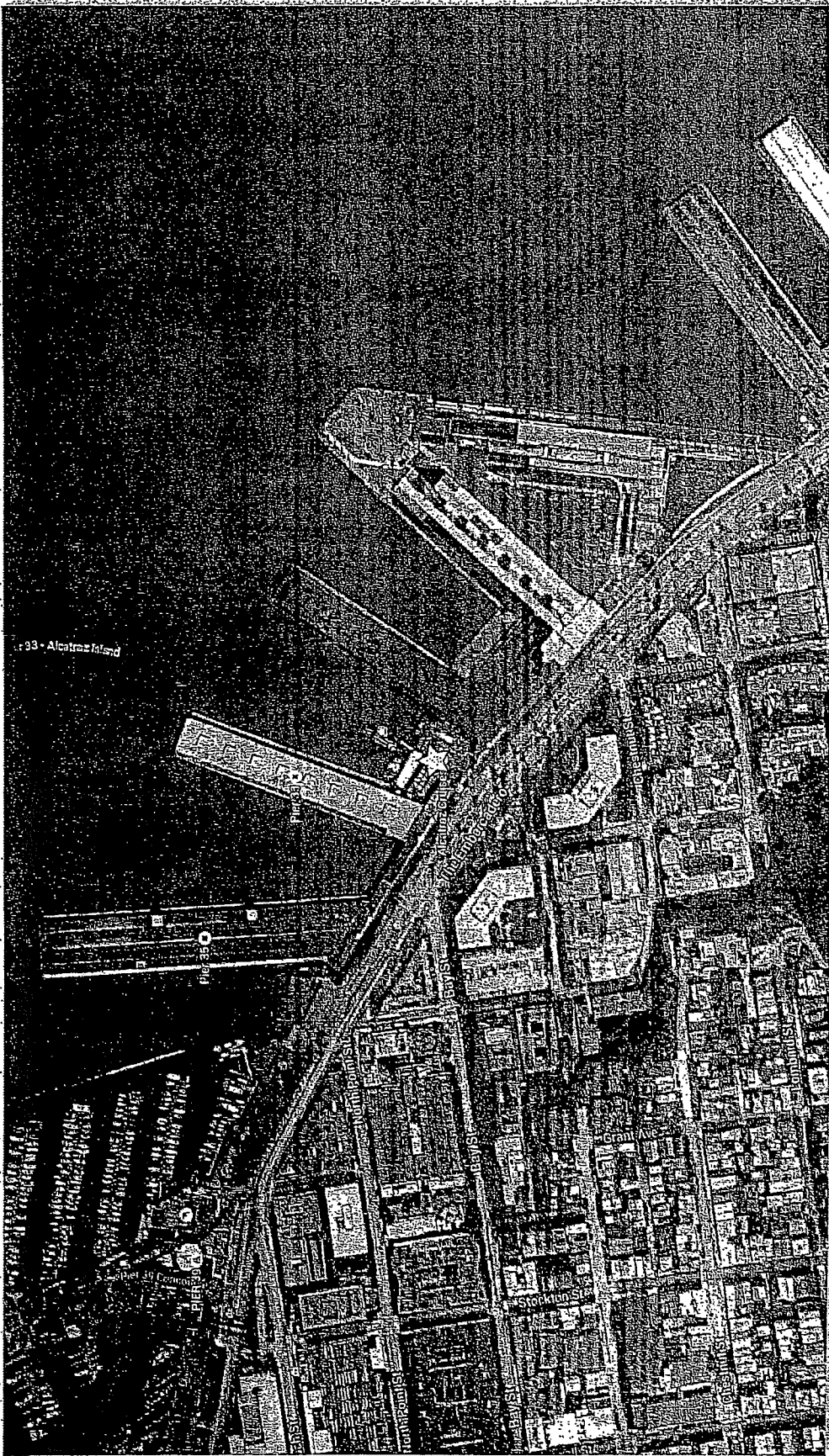
RESOLVED, That the Port Commission's endorsement of the Term Sheet and direction to Port staff does not commit the Port Commission or the City to approve a final MOU, implement the Project, or grant any entitlements to NPS, nor does endorsement of the Term Sheet foreclose the possibility of considering alternatives to the proposal, imposing mitigation measures, or deciding not to grant entitlement or approve or implement the Project, after conducting and completing appropriate environmental review under CEQA, and while the Term Sheet identifies certain essential terms of a proposed transaction with the Port, it does not set forth all of the material terms and conditions of any final agreement; and be it further

RESOLVED, That the Port Commission will not take any discretionary actions committing the Port to implement the Project, and the provisions of the Term Sheet are not intended and will not become contractually binding on the Port unless and until the Port Commission and the Planning Commission have reviewed and considered environmental documentation prepared in compliance with CEQA for the Project and the Project has been approved.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 12, 2016.

Secretary

Exhibit A: Site Aerial Map



Alcatraz Embarkation Site indicated by star.

Exhibit B: Piers 31-33 Proposed Project Site Plan

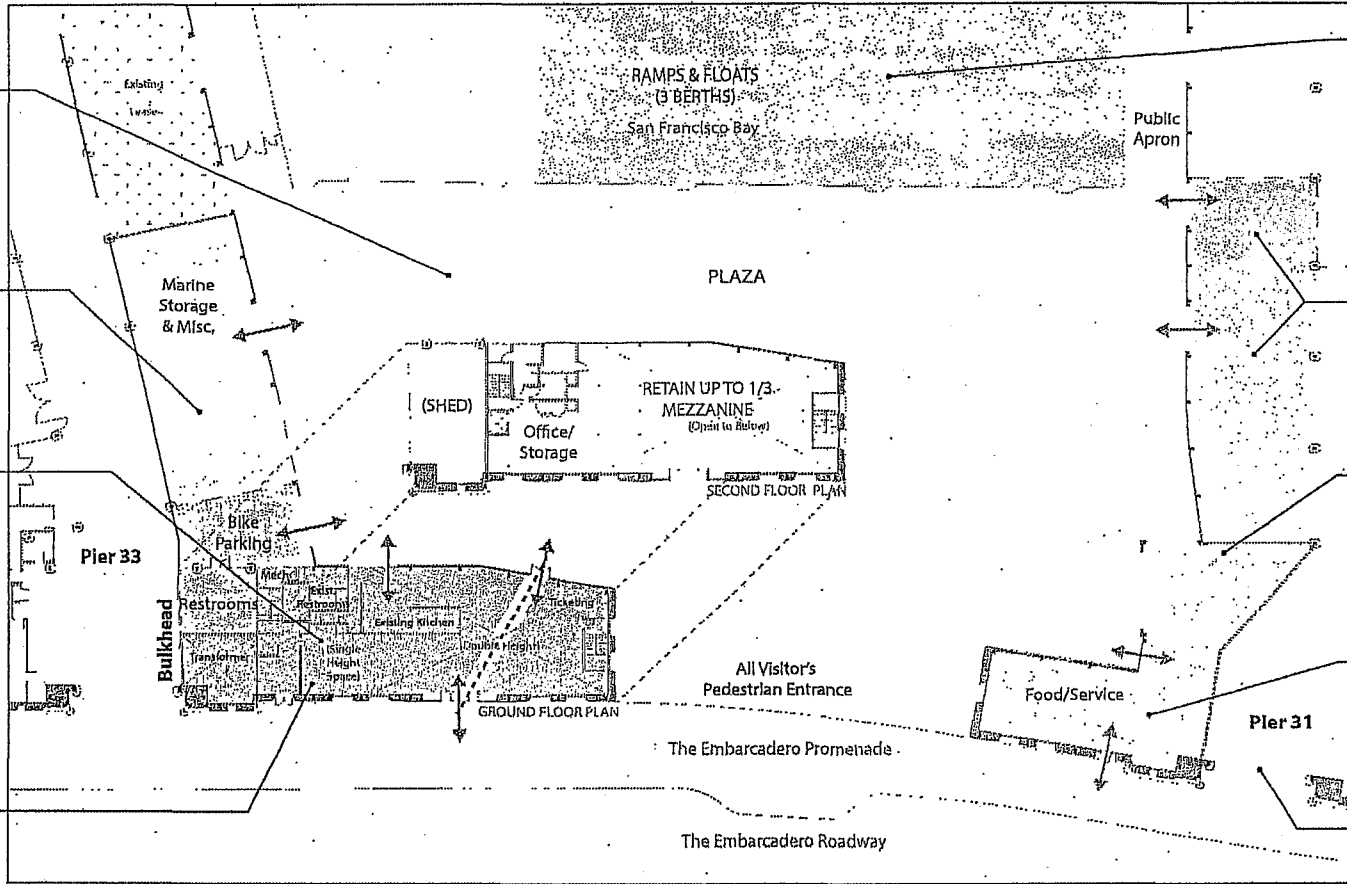
DRAFT

Parcel A: Marginal Wharf Plaza / Interpretive Exhibits Ferry Operations
Approx. 43,000 sq. ft.

Parcel F: Pier 33 Shed Maritime Storage & Miscellaneous Bike Parking
Approx. 6,000 sq. ft.

Parcel D: Pier 33 Bulkhead
Ground Floor
Visitor's Center
Ticketing
Interpretive Retail
Snacks
Exhibit Space
Visitor Restrooms
Approx. 5,500 sq. ft.
Second Floor
Vertical circulation
Restrooms
Office/Storage

Parcel E: Pier 33 Bulkhead
3rd Floor (not shown)
Administrative Space
Approx. 4,515 sq. ft.



Parcel B: Submerged Land
Approx. 60,000 sq. ft.

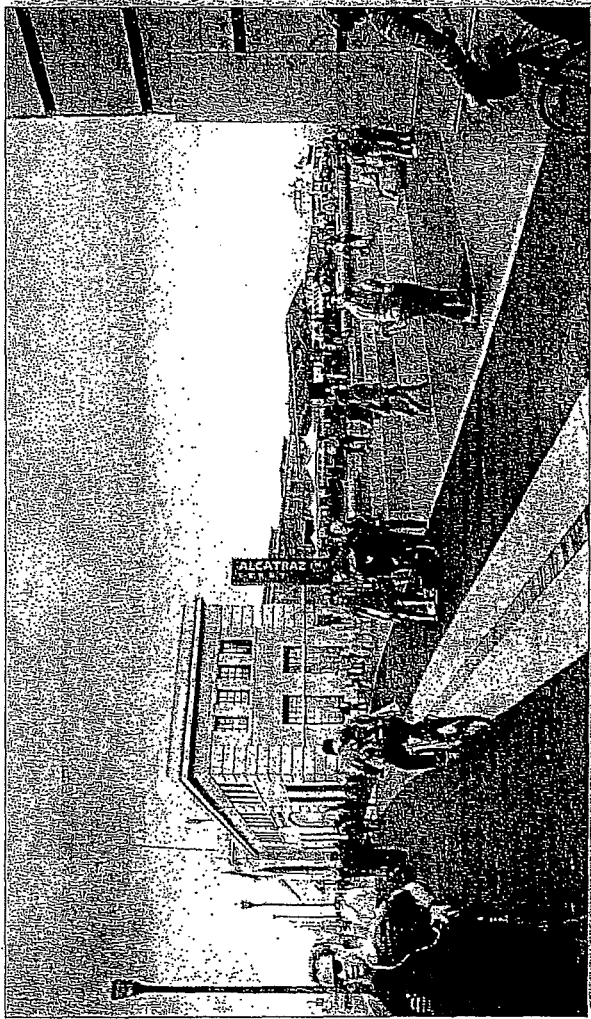
Parcel C: Pier 31 Shed
Maritime Storage, Parking, Restrooms
Approx. 6,200 sq. ft.

Pier 31 Bulkhead:
Retail/Restaurant Storage
Approx. 1,000 sq. ft.

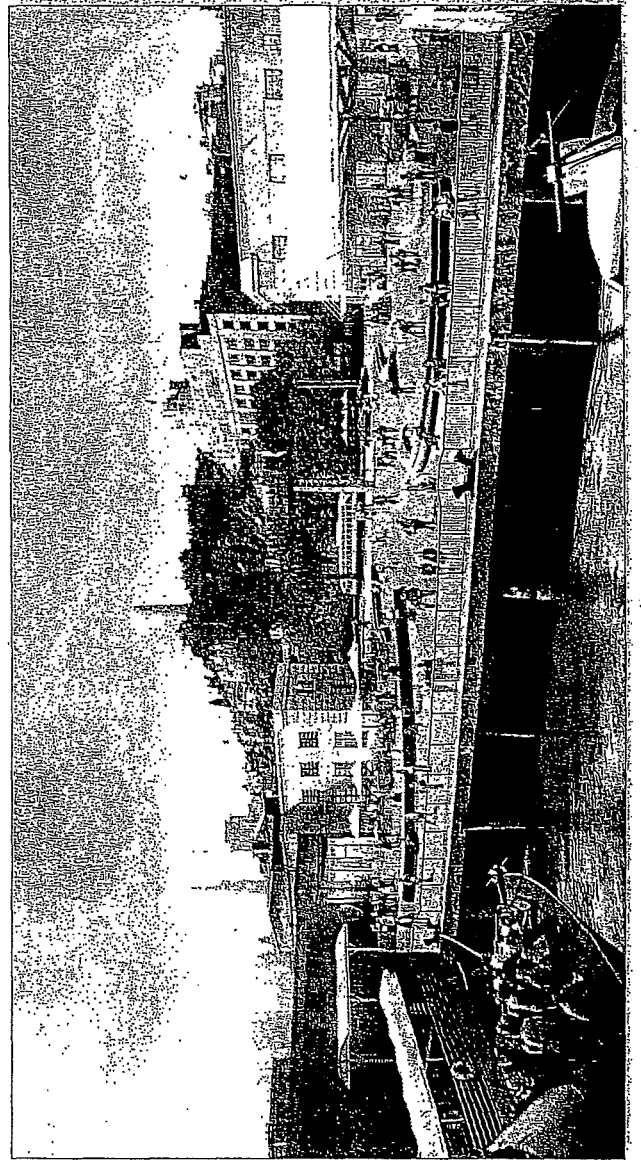
Pier 31 Bulkhead:
Food & Beverage
Approx. 2,500 sq. ft.

535

Exhibit C: Piers 31-33 Proposed Project Renderings



From The Embarcadero



From the ferry

**Port / NPS Summary of Business Terms
Alcatraz Ferry Embarkation**

Partnership Structure:

- Port and National Park Service (NPS) will enter into a Memorandum of Understanding (MOU) that designates Pier 31 ½ as the ferry embarkation site for Alcatraz Island and other potential ferry excursions to NPS sites, Pier 33 bulkhead for an Alcatraz visitor contact station, and Pier 31 bulkhead as a casual dining amenity.
- The MOU will include the respective obligations of Port and NPS regarding the Alcatraz Ferry Embarkation, including the term, default provisions, liability allocation, any applicable City requirements (unless in conflict with applicable federal laws or mutually agreed to be waived subject to Port Commission and Board of Supervisors' approval) and other terms generally included in such agreements. The MOU also will stipulate the premises and use, rent structure, capital improvements, repair and maintenance obligations, cross default provisions, and any other pertinent terms for the ferry concessioner and Golden Gate National Parks Conservancy (Conservancy) leases as further outlined below.
- Attached to the MOU will be a form lease for the ferry concessioner, to be selected by NPS as described in the MOU, and a form of lease for the Conservancy. The Conservancy is uniquely qualified to operate and manage the visitor contact center and casual dining facility.
 - Port will enter into an initial 10 year or longer lease with the NPS-selected ferry concessioner for a ferry operation with ancillary food and beverage on vessel, photo, and visitor support services. The NPS will issue the concession prospectus with the form lease attached and the Port and concessioner will sign the lease without modification. Port and concessioner may propose non-material modifications to the lease which shall be subject to NPS approval. The concessioner will not offer food and beverage on land. The Port shall provide for extensions of the ferry concessioner's lease consistent with any extensions of an NPS concession contract, and will enter into subsequent lease agreements with future/successive ferry concessioners over the term of the MOU. The initial form lease will be attached to the MOU.

- Each lease with a ferry concessioner will include provisions in the standard Port retail lease and successive leases will be subject to City requirements in effect at the time of lease execution, subject to federal law. If standard Port lease terms or City requirements then in effect would violate federal law if included in the lease, or if they are mutually agreed to be waived subject to Port Commission and Board of Supervisors approval, changes to standard lease terms may be made with approval of NPS, Port, and Board of Supervisors, if required.
- The Port will enter into a 30 year lease with the Conservancy to operate a visitor contact station, including interpretive retail, interpretive exhibits, visitor experiences, and food and beverage services. The initial form lease will be attached to the MOU. The lease will include provisions in the standard Port retail lease. If standard Port lease terms or City requirements would violate federal law if included in the Conservancy lease, changes to standard lease terms may be made with approval of NPS, Port, and Board of Supervisors, if required.

MOU Terms:

- The term will be thirty (30) years with two ten (10) year options to renew; the term will commence after obtaining approval of the MOU by the Port Commission and Board of Supervisors upon a date agreed to by the parties.
- Options are exercisable at NPS's discretion. Port and NPS will have the ability to terminate the MOU or any options to renew due to climate change/sea level rise impacts or as mutually agreed in the MOU. Port and NPS will also have the ability to terminate the MOU or any options to renew for catastrophic events.
- For the purposes of any rent increases, Year 1 will commence upon the respective commencement dates of the applicable Port lease with the ferry concessioner and the Conservancy.
- All base rents noted in the sections below are applicable for Years 1-30, with fixed annual increases specified.
- All percentage rents in the sections below are applicable for Years 1-30. Every 10 years thereafter, percentage rent shall be reviewed for fair market value. The parties will clearly define this review process in the MOU.
- Lease commencement for any portion of the premises currently occupied is subject to the existing tenants' vacating the premises along with removal of

personal property per the terms of the existing leases. The Port will make reasonable efforts to ensure tenants surrender their premises in a timely manner such that the overall premises are available upon lease termination, but shall not be liable for delays due to a tenant's failure to vacate.

Premises, Use and Tenant:

- Ferry Concessioner Premises are described below and summarized in **Table D1**:
 - Pier 31 shed – approximately 5,000 sq. ft. to be used as maritime storage, employee vehicular parking.
 - Pier 31 shed – approximately 1,200 sq. ft. public restrooms.
 - Pier 31 ½ marginal wharf – approximately 43,000 sq. ft. to be used as public assembly for ferry service.
 - Pier 33 bulkhead (south) – approximately 1,800 sq. ft. for ticketing on the first floor. Port agrees that the concessioner may demolish a portion of the 4,515 square feet 2nd floor and retain a mezzanine area (of approximately 500 square feet although the actual square footage shall be determined by mutual agreement between the Port, NPS and the Concessioner) subject to applicable historic preservation standards. This area is under a current lease that expires in 2019. Upon expiration and surrender by the current tenant, this area will be added to the MOU and the Concessioner's lease.
 - Pier 33 Shed – approximately 6,000 sq. ft. for NPS Ferry Concessioner maritime storage, bike parking and public restrooms.
 - Submerged land – approximately 60,000 sq. ft. to be used for vessels, floats and ramps.
 - Pier 33 bulkhead (south) approximately 4,515 sq. ft. office space on the third floor

Table D1. Ferry Concessioner Premises

Item*	Pier 31	Pier 31	Pier 31 1/2	Pier 33	Pier 33	Pier 33	Between 31 and 33	Pier 33	Total
Component	Shed	Shed	Marginal Wharf	Bulkhead, ground floor	Bulkhead, mezzanine	Shed	Submerged land	Bulkhead, 3rd floor	
Use	Martime Storage, Employee Parking	Public restrooms	Public assembly for ferry service	Ferry ticketing	Exhibit space	Martime storage, bike parking, public restrooms	Vessels, floats, ramps	Office	
Approx. Sq. Ft.	5,000	1,200	43,000	1,800	500	6,000	60,000	4,515	
Total Building Sq.Ft.									62,015
Total Submerged land									60,000

* Some areas of the premises will not be available when the MOU is expected to be executed (e.g., Pier 33 bulkhead); these premises will be added once the Port regains control of the site from the existing tenant.

- **Conservancy Premises:**

- Pier 31 bulkhead – approximately 2,500 sq. ft. casual dining restaurant to be operated directly by Conservancy or a Conservancy subcontractor which shall be subject to Port consent), with operator to be defined in the MOU.
- Pier 31 shed - approximately 1,000 sq. ft. as retail and restaurant storage.
- Pier 33 bulkhead (south) - approximately 2,700 sq. ft. on 1st floor for a visitor contact station and interpretive retail directly related to Alcatraz and the NPS mission to be operated by the Conservancy.
- Pier 31 ½ marginal wharf – some outdoor dining square footage adjacent to the Pier 31 bulkhead is being contemplated by the parties and will be defined in the MOU.

Table D2. Conservancy Premises

Item	Pier 31	Pier 31	Pier 33	Total
Component	Bulkhead, ground floor	Shed	Bulkhead, ground floor	
Use	Casual dining	Retail and restaurant storage	Visitor contact station, interpretive retail	
Approx. Sq.Ft.	2,500	1,000	2,700	
Total Building Sq.Ft.				6,200

*All square footages are approximate and subject to final site plan.

Base and Percentage Rent

- Ferry Operations – Base Rent
 - Ferry operations include ticket sales and charters to all destinations. (Alcatraz, Park Cruise, other NPS sites.) The Ferry Concessioner shall initially operate two berths and will build a third berth planned to be operational by approximately 2020, subject to all necessary permitting and regulatory approvals.
 - Rent shall be the greater of the guaranteed monthly Base Rent or Percentage Rent, calculated and paid to the Port monthly.
 - Initial Base Rent shall be set as approximately \$58,000 per month (or \$696,000 per year) escalated by 2.5% annually.
 - Base rent will be suspended during periods when Alcatraz Island closes for reasons outside of NPS’s control to visitors for more than one day and to the extent the interruption is not covered by concessioner’s insurance, such as in the event of a federal government shutdown. Percentage rent will remain in effect.
 - Base Rent will be in effect upon delivery of premises by Port and will be calculated as follows:
 - Pier 31 Shed – \$7,500 (5,000 sq. ft. x \$1.50 per ft. / mo.) \$90,000 annually
 - Pier 31 Shed restrooms - \$1,800 (1,200 sq. ft. x \$1.50 per ft. / mo.) \$21,600 annually
 - Pier 31 ½ marginal wharf – \$17,200 (43,000 sq. ft. x \$0.40 per ft. / mo.) / \$206,400 annually
 - Pier 33 Bulkhead - \$9,000 (1,800 sq. ft. x \$5.00 per ft. / mo.) / \$108,000 annually

- Pier 33 Bulkhead 2nd Floor mezzanine - \$1,500 (500 sq. ft. x \$3 per ft. / mo.) \$18,000 annually
- Pier 33 Shed – \$9,000 (6,000 sq. ft. x \$1.50 per ft. / mo.) \$108,000 annually
- Submerged land – \$12,000 (60,000 sq. ft. x \$.20 per ft. / mo.) \$144,000 annually

If construction of the initial improvements results in interruptions to ferry service, the parties will agree on a waiver for Concessioner from base rent for a period of time to be defined in the MOU.

*All Base Rents are based on approximate square footages that are subject to the final site plan.

- Ferry Concessioner – Percentage Rent

- **7.50% of Adjusted Gross Revenue from Ferry Service**

- Adjusted Gross Revenue from Ferry Service Defined as Gross Receipts for Ferry Service less:

1. Sales taxes
 2. Conservancy audio and interpretive tours revenue
 3. NPS Federal Lands Recreation Enhancement Act (FLREA) Fees
 4. Angel Island Tram Tour and Park Entrance Fees
 5. NPS Concession Franchise Fees, capped at 25.5% of Gross Receipts for Ferry Service less items 1 through 4 above.⁵
- The future NPS Concession Franchise Fee deduction to Gross Revenue shall remain capped at no greater than 25.5% throughout the initial 30 year term of the MOU.

- 7.5% of Adjusted Gross Revenue from Ferry Service for Years 1 - 30.

- **7.25% of Adjusted Gross Revenue from Ferry Food and Beverage**

- Food & Beverage sales on-board all ferry vessels less the NPS Concession Franchise Fee deduction and less sales tax. The concessioner may only offer food and beverage sales on-board the vessels.
- The future NPS Concession Franchise Fee deduction to Gross Revenue shall remain capped at no greater than 25.5% of the Adjusted Gross Revenue throughout the initial 30 year term of the MOU.

⁵ Throughout the Term Sheet, the NPS Franchise Fee will be defined as 25.5% of the gross revenues less all applicable "pass-through" payments such as sales tax and park entrance fees, as defined in each department. The NPS Franchise Fee deduction will be capped at not more than 25.5% of gross revenues less these defined pass-throughs for years 1-30 of the MOU.

- Rent shall be the greater of guaranteed monthly Base Rent or Percentage Rent, paid to the Port monthly.
- 7.25% of Gross Receipts on all food and beverage sales generated from waterside ferry operations through Years 1 - 30.
- **8.00% of Ferry Concessioner Ancillary Revenue**
 - Ancillary Revenue shall be all other forms of revenue including but not limited to charter transportation for special events and photo sales. Ancillary revenue shall exclude Ferry ticket sales and Food & Beverage sales. Ancillary gross receipts shall be less the NPS Concession Franchise Fee deduction and less sales tax.
 - Rent shall be the greater of guaranteed monthly Base Rent or Percentage Rent, paid to the Port monthly.
 - 8.00% of Gross Receipts for other all other retail revenue (photo concession, special events, etc.) for Years 1 - 30.
- Ferry Concessioner Additional Monthly Rent
 - Ferry Concessioner shall pay as additional monthly Rent for the 3rd floor of the Pier 33 Bulkhead, approximately \$13,545 per month escalated by 3.00% annually (4,515 sq. ft. x \$3.00 per ft. / mo.). Rent to commence upon delivery of the premises by the Port to the Concessioner vacant.

Table D3 summarizes the Base Rent, Percentage Rent, and Additional Rent for the Ferry Concessioner.

Table D3. Ferry Concessioner Base Rent, Percentage Rent, and Additional Monthly Rent

Item*	Pier 31	Pier 31	Pier 31 1/2	Pier 33	Pier 33	Pier 33	Between 31 and 33	Pier 33	Total
Component	Shed	Shed	Marginal Wharf	Bulkhead, ground floor	Bulkhead, mezzanine	Shed	Submerged land	Bulkhead, 3rd floor	
Use	Martime Storage, Employee Parking	Public restrooms	Public assembly for ferry service	Ferry ticketing	Exhibit space	Martime storage, bike parking, public restrooms	Vessels, floats, ramps	Office	
Approx. Sq. Ft.	5,000	1,200	43,000	1,800	500	6,000	60,000	4,515	
Rent type per sq.ft./month	Base \$1.50	Base \$1.50	Base \$0.40	Base \$5.00	Base \$3.00	Base \$1.50	Base \$0.20	Office \$3.00	
total per month	\$7,500	\$1,800	\$17,200	\$9,000	\$1,500	\$9,000	\$12,000	\$13,545	
total per year	\$90,000	\$21,600	\$206,400	\$108,000	\$18,000	\$108,000	\$144,000	\$162,540	
Total Base Rent per Month *									\$58,000
Total Base Rent per Year *									\$696,000
Total Additional Office Rent per Month *									\$13,545
Total Additional Office Rent per Year *									\$162,540
Percentage Rent Across all Concessioner Premises, Excluding 3rd Floor Bulkhead									
7.50% on Ferry Tickets • 7.25% on Ferry Food/Bev • 8.00% on All other Ferry Revenue									

*Rents applicable upon delivery of premises by Port to Concessioner.

- Conservancy Base and Percentage Rent (Pier 31 Bulkhead / Pier 33 Bulkhead)
 - Rent shall be the greater of guaranteed monthly Base Rent or Percentage Rent, paid to the Port monthly.
 - Rent will be in effect upon delivery of premises by Port.
 - The parties will agree on a waiver for Conservancy from base rent during construction of initial improvements and to the extent operations are interrupted, for a period of time to be defined in the MOU.
 - Base rent will be suspended during periods when Alcatraz Island closes for reasons outside of NPS's control to visitors for more than one day and to the extent the interruption is not covered by insurance, such as in the event of a federal government shutdown. Percentage rent will remain in effect.
 - Base rent will be phased in during operational ramp-up as follows:
 - 70% of effective base rent during first full year of operation.
 - 85% of effective base rent during second full year of operation.

- 100% of effective base rent during third full year of operation.
- Percentage rent shall be based on gross sales reported monthly less sales tax. No other deductions shall apply unless noted in the MOU.
- **Pier 31 Ground Floor**
 - Initial Base Rent for Pier 31 ground floor shall be set as approximately \$14,000 per month (or \$168,000 per year) escalated by 2.50% annually. This rent includes two components:
 - Pier 31 Bulkhead: \$12,500 / mo. (2,500 sq. ft. x \$5.00 per ft. / mo.) \$150,000 annually
 - Pier 31 shed – \$1,500 (1,000 sq. ft. x \$1.50 per ft. / mo.) \$18,000 annually
 - 7.5% of Gross Receipts on all food and beverage sales generated from land side operations for Years 1- 30.
- **Pier 33 Bulkhead Ground Floor**
 - Initial Base Rent for Pier 33 Bulkhead ground floor shall be set as approximately \$13,500 per month (or \$162,000 per year) escalated by 2.5% annually.
 - 7.5% of Gross Receipts on all retail sales generated from land side operations for Years 1- 30.

*All Base Rents are approximate and subject to final site plan.

Table D4. Conservancy Base Rent and Percentage Rent

Item	Pier 31	Pier 31	Total, Pier 31	Pier 33
Component	Bulkhead, ground floor	Shed		Bulkhead, ground floor
Use	Casual dining	Retail and restaurant storage		Visitor center, interpretive retail
Approx. Sq.Ft.	2,500	1,000		2,700
Rent type	Base	Base		Base
<i>per sq.ft./ month</i>	\$5.00	\$1.50		\$5.00
<i>total per month</i>	\$12,500	\$1,500		\$13,500
<i>total per year</i>	\$150,000	\$18,000		\$162,000
Total Base Rent per Month *			\$14,000	\$13,500
Total Base Rent per Year *			\$168,000	\$162,000
Percentage Rent Conservancy Premises			7.50% of all gross sales from premises	7.50% of all gross sales from premises

*Rents applicable upon delivery of premises by Port to lessee.

Capital, Maintenance and Repair Responsibility

- Port Capital, Maintenance and Repair Responsibility
 - Port to invest approximately \$5,000,000 for Pier 31 marginal wharf substructure repair/upgrade, per the scope of work as outlined in the Port's substructure consultant's report. Repairs to be made as mutually agreed upon in the MOU.
 - Port is responsible for the maintenance and repair of the Pier 31 marginal wharf substructure, Piers 31 and 33 bulkhead substructure and seawall, and the exteriors of Piers 31 and 33 sheds.

- NPS Ferry Concessioner Capital, Maintenance and Repair Responsibility
 - NPS Concessioner is responsible for the construction, maintenance and repair to ferry barges, docks and associated waterside infrastructure, marginal wharf deck surface, Pier 33 visitor restrooms, Pier 33 ticketing, interior of the Pier 31 and 33 sheds, the Pier 31 bulkhead restrooms including all ferry and related uses. Concessioner shall be responsible for all maintenance and repairs to the Pier 33 interior and exterior of the Bulkhead including exterior windows and doors.
 - The parties will agree on a reasonable schedule of performance for all improvements to be completed by the Concessioner and the MOU will reflect that schedule.
 - Concessioner is responsible for site operations, including utilities, janitorial services, waste management / disposal and security for its premises.
 - All new utilities must be installed above deck in order to access and repair due to anticipated Sea Level Rise.
 - Concessioner shall be provided a maximum of \$2,520,000 in rent credits for direct and indirect costs. Rent credits shall be applied to monthly base or percentage rent on a straight line basis over the initial 4 years of the lease and subject to verification of work performed.

- Conservancy Capital, Maintenance and Repair Responsibility:
 - Conservancy is responsible for the construction, maintenance and repair as follows: Pier 31 interior bulkhead improvements including exterior windows, doors and roof, interior of shed buildings within its premises; the build out of the Pier 31 bulkhead restaurant use including exterior windows doors and roof (only in the event of modifications or penetrations to the roof in order to install any equipment associated with Conservancy's use); and the Pier 33 visitor contact station / interpretive retail center tenant improvements.

- o The parties will agree on a reasonable schedule of performance for all improvements to be completed by the Conservancy and the MOU will reflect that schedule.
- o Conservancy is responsible for site operations, including utilities, janitorial services, waste management / disposal and security for its premises.
- o All new utilities shall be installed above deck in order to access and repair due to anticipated Sea Level Rise.
- o Conservancy shall be provided \$554,000 in rent credits for direct and indirect costs. Rent credits shall be deducted from monthly rent over the initial 4 years of the term of the Conservancy lease and subject to verification of work performed.

Terms subject to:

All terms and conditions are subject to Port Commission, Board of Supervisors and all other regulatory approvals, including but not limited to the Bay Conservation and Development Commission (BCDC), and U.S. Army Corps of Engineers (ACE).

While this term sheet summarizes certain essential terms of the MOU and other related transaction documents, it does not set forth all of the material terms and conditions of those documents. This term sheet is not intended to be, and will not become, contractually binding on the Port, City, or NPS and no legal obligation will exist unless and until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the National Environmental Protection Act (NEPA)/California Environmental Quality Act (CEQA) environmental review processes and on other public review and hearing processes and subject to all applicable governmental approvals.

The Port, the City, and NPS retain the absolute discretion before action on the Project by the Port Commission, the Board of Supervisors, the Mayor, the Planning Commission, or any other government agency, as applicable, to mutually agree to (i) make such modifications to the transaction documents and the Project as may be necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid significant environmental impacts, (iii) balance the benefits against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the Project.

If as a result of the environmental review or other public approval process there are any proposed material modifications to the transaction documents or the terms specified herein that are not acceptable to the parties in their respective sole discretion, then there shall not be deemed to be any understanding of the parties to proceed with the Project under the principles outlined in this term sheet.

MEMORANDUM

December 3, 2009

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer
Executive Director

SUBJECT: Informational Presentation regarding the National Park Service's (NPS) interest in developing an NPS Visitor Center including an Alcatraz Embarkation facility on the San Francisco Waterfront

DIRECTOR'S RECOMMENDATION: Informational only – No Action Required

SUMMARY

In recognition of the mission of the National Park Service (NPS) in both protecting and interpreting the natural, historic and scenic value of Alcatraz Island while providing for an improved, quality visitor experience, and in recognition of the value visitors to Alcatraz bring to the area immediately around their base of operations, NPS has approached the Port of San Francisco and requested information on five facilities for consideration as a permanent land-side home for an NPS visitor center for its many regional destinations while serving as their Alcatraz embarkation site. NPS is seeking a stable, long-term property agreement (to be implemented after expiration of its current concession agreement) to eliminate the disruption to park visitors that currently occurs from the periodic relocation of the embarkation site.

BACKGROUND

From the very first tourist vessel in 1973, the Port of San Francisco has served as the embarkation point for millions of tourists and locals intent on visiting the former U.S Army brig and federal prison constituting NPS' Alcatraz Island, part of the Golden Gate National Recreation Area. This long standing use of Port facilities represents an important and valuable component of the Port's varied maritime portfolio and both retaining the Alcatraz excursion business and enhancing it with other NPS products is

vital to the Port's maritime mission. It is an important attraction for the City's visitor industry and its proximity to the Port's cruise terminal adds to the attractiveness of San Francisco as a cruise port.

NPS stewardship of Alcatraz includes management of the contractor operating the island's ferry service. The current contracted operator, Alcatraz Cruises, LLC (affiliated with Hornblower Yachts, Inc.) ferries an annual 1,300,000 people to and from Alcatraz with a base of operations at Pier 31½. Prior to the Alcatraz Cruises, LLC contract, Blue & Gold Fleet operated the route from a base at Pier 41.

The NPS contract for ferry service to Alcatraz assigns responsibility for managing and programming the embarkation site to the ferry operator. For that reason the embarkation site has varied with each operator as well as the amenities provided. As mentioned above, NPS places a very high value on the visitor experience at their parks and monuments across the country. NPS has determined that the best way to maximize the interpretive quality of visiting Alcatraz and other NPS points of interest is for it to manage the visitor's experience to the greatest extent possible by developing its own visitor center. NPS' ability to directly control the embarkation site would allow detailed programming from the moment visitors approach the facility, during their roundtrip ferry excursion and again upon disembarkation, providing several opportunities to enhance and supplement the visitor's experience.

NPS KEY SITE NEEDS

- Dedicated utilization of landing facilities including prominent and appropriate NPS branding elements to create a unique area for park visitors preparing for their visit to Alcatraz Island.
- 28,000 – 35,000 square foot facility with a mix of indoor and outdoor spaces.
 - 5,000 – 7,000 square feet of predominantly indoor area for interpretive and exhibit areas.
 - A comfortable, covered area for between 400 and 600 ticketed passengers with expansion potential to 900 passengers.
 - Space for an educational bookstore and Alcatraz-related merchandise outlet.
 - 3,000 – 5,000 square feet of food and beverage space to serve visitors and to prepare food items for vessels.
- Adequate adjacent or nearby area for visitors to arrive via diverse modes of transportation.
- Exclusive assignment of waterways and berthing sites for up to four, 500 passenger vessels.
- A northern waterfront location with good headways to Alcatraz and accessible to visitors.

IDENTIFIED PORT FACILITIES

Based on the above criteria and working with NPS staff and their site selection consultant, Port staff have identified five possible locations that could serve as the long-

term home of the NPS Alcatraz embarkation site. The five locations are shown on Exhibit 1 and described below:

Pier 19½ - Approximately 41,000 square feet of non-historic shed and apron space located between the Pier 19 and 23 historic bulkhead buildings. It is currently vacant.

Pier 29½ - Approximately 71,000 square feet of historic shed and apron space located between the Pier 29 and 31 historic bulkhead buildings. It is currently vacant.

Pier 31 and 31½ - Approximately 77,000 square feet of historic shed and apron space. Pier 31 is currently vacant and 31½ is under lease to Hornblower until October 31, 2014. Hornblower operates Alcatraz ferry service from this location. Currently, site improvements are under environmental review by the San Francisco Planning Department with expected completion on the review process in 2010.

Pier 41 - Approximately 35,000 square feet of non-historic building and apron space located immediately north of Pier 39. It is under lease to Blue & Gold until March 31, 2015.

Pier 45, Shed A - Approximately 90,000 square feet of historic shed and apron space located at the foot of Taylor Street in Fisherman's Wharf. It is currently partially leased on a month to month basis. Tenants include the San Francisco Maritime National Park Association, curators for the WW II submarine, USS Pampanito.

NPS PLANNING PROCESS

NPS has engaged URS Corporation to produce a feasibility analysis of the five Port sites as well as a number of sites controlled by NPS north of Port property including sites at Fort Mason. URS will complete a detailed evaluation of the sites and help identify the sites that best meet NPS goals and objectives for a San Francisco embarkation site. After internal NPS review, NPS will conduct environmental screening analysis on the top alternative sites as required by the National Environmental Policy Act (NEPA). NPS cannot select a site until the completion of NEPA review. Additionally, site development is subject to CEQA and other regulatory review and approval.

The Port, through staff identified below, will work with NPS to study viable and feasible Port locations to house a permanent embarkation site.

- Peter Dailey, Deputy Director, Maritime
- Jonathan Stern, Assistant Deputy Director, Waterfront Development
- Katharine Arrow, Senior Property Manager, Northern Waterfront
- Phil Williamson, Project Manager

Port staff will provide regular updates to and seek input from the Port Commission and Port Advisory groups including the Maritime Commerce Advisory Committee, the Northeast Waterfront Advisory Group and the Fisherman's Wharf Waterfront Advisory Group.

NEXT STEPS

Port staff will continue to work with NPS to analyze the identified Port facilities with a goal of retaining this important trust consistent, waterfront use at the Port of San Francisco. Upon completion of the feasibility analysis Port staff will present its analysis of the sites to be considered by NPS in their NEPA review to the Port Commission. At a later date, NPS will likely request an Exclusive Negotiations Agreement (or similar agreement) from the Port Commission for a specific site or sites.

Prepared by: Phil Williamson, Development Project Manager
Jonathan Stern, Assistant Deputy Director, Waterfront
Development

For: Byron Rhett, Deputy Director, Planning & Development



NORTHEAST EMBARCADERO STUDY

→ AN URBAN DESIGN
ANALYSIS FOR THE NORTHEAST
EMBARCADERO AREA



SAN FRANCISCO
PLANNING
DEPARTMENT

**SAN FRANCISCO
PLANNING DEPARTMENT**

© 2010 San Francisco Planning Department
1650 Mission Street Suite 400
San Francisco, CA 94103-3114

www.sfplanning.org

Contents

Introduction	1
Study Goals	3
Use of the Study	3
Public Outreach	4
Background	5
Historic Resources	6
Existing Land Use	8
Jurisdiction	10
Socio-Demographics	12
Allowable Height	12
Circulation	12
Open Space	14
Built Form and Character	16
Design Principles & Recommendations	18
Design Principles	21
Public Realm Improvements	29
Design Guidelines for New Development	49
References	66
Appendix: Public Outreach	69
A Summary of Public Comment	69
ROUND 1: Community Discussion & Listening to the Public	70
ROUND 2: The Department's Initial Recommendations	76
ROUND 3: The Department's Refined Urban Design Recommendations and Urban Design Guidelines	84
Acknowledgements	87

LIST OF MAPS

MAP 1	Study Area	2
MAP 2	Historic Resources	7
MAP 3	Existing Land Use	8
MAP 4	Zoning Districts	9
MAP 5	Ownership of Public Property	11
MAP 6	Height Limits	13
MAP 7	Existing Open Space	15
MAP 8	Figure Ground	17
MAP 9	Urban Edge	22
MAP 10	Street Grid Extensions	30
MAP 11	Height Recommendations	52

LIST OF FIGURES

Figure 1	Western Embarcadero Sidewalk Section (Proposed)	32
Figure 2	Western Embarcadero Sidewalk Plan (Proposed)	32
Figure 3	Broadway-Embarcadero Intersection (Existing)	33
Figure 4	Broadway-Embarcadero Intersection (Proposed)	33
Figure 5	Broadway Section (Existing)	35
Figure 6	Broadway Section With Bike Lanes (Proposed)	35
Figure 7	Broadway Section (Existing)	36
Figure 8	Broadway Section Without Bike Lanes (Proposed)	36
Figure 9	Washington Street Section (Existing)	38
Figure 10	Washington Street Section With Bike Lanes (Proposed)	38
Figure 11	Aerial View of The Embarcadero: Washington to just south of Broadway	42
Figure 12	Recommended Infill and Open Space Development: The Embarcadero from Washington to just south of Broadway	43
Figure 13	Aerial View of The Embarcadero: Broadway to just south of Green Street	44
Figure 14	Recommended Infill and Open Space Development: The Embarcadero from Broadway to just south of Green Street	45
Figure 15	Aerial View of The Embarcadero: Union to just south of Greenwich Street	46
Figure 16	Recommended Infill and Open Space Development: The Embarcadero from Union to just south of Greenwich Street	47

Introduction

In February 2009, Supervisor David Chiu urged the Port of San Francisco to engage the Planning Department to lead a planning analysis of the Port's surface parking lots north of Market Street. The Port Commission funded a focused study, managed by the Planning Department, to foster community consensus on the future of Port SWL 351 and at other seawall lot properties on the northern waterfront. This work, entitled the Northeast Embarcadero Study, began in May 2009 and was completed in May 2010. This report presents the results of that study.

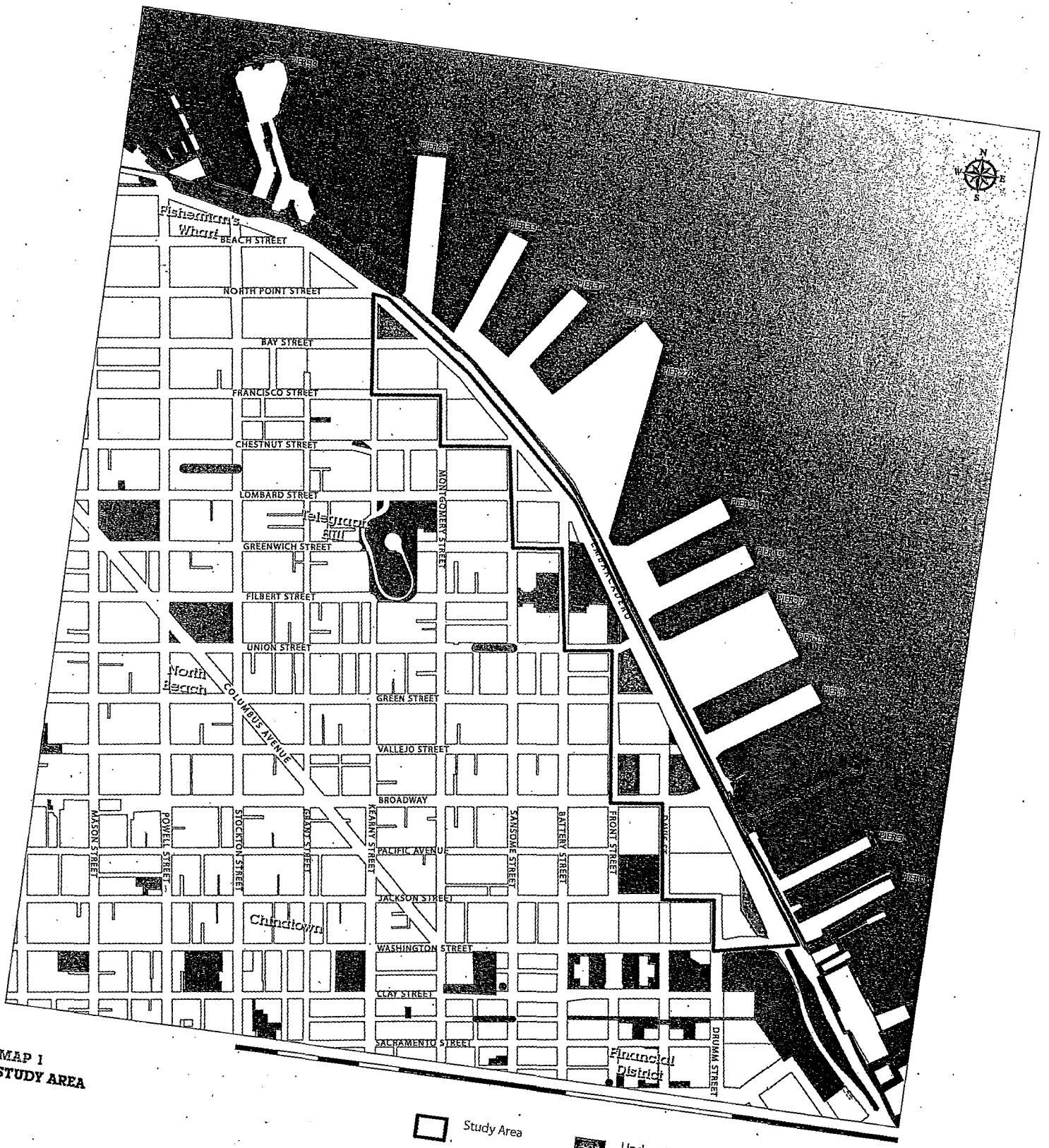
The study area is approximately 40 acres and is roughly located on the west side of The Embarcadero between Market and North Point streets. The study focuses on Port properties between Washington and North Point Streets currently in use as parking lots. It considers appropriate areas beyond these immediate sites in order to more fully understand the context and the role the Port properties can play on The Embarcadero and in the larger city fabric.

This study presents public realm improvements and urban design guidelines for new development consistent with eight design principles established during the Department's analysis. The principles and accompanying

design guidelines address issues of land use, topography and views, city street pattern, quality, and connections, open space, height and bulk, and building context.

The Planning Department conducted extensive public outreach connected to three phases of work: listening to the community, presenting preliminary recommendations and receiving comments on them, and presenting the final recommendations for review and comment. The Planning Department received hundreds of comments from interested individuals and organizations. Public opinions were strong and diverse, making the effort to reach a consensus impossible, particularly for Port SWL 351.

Although a consensus view did not emerge during the public dialogue, these recommendations give full consideration to the great variety of public comments gathered during Department-sponsored workshops and in writing. In the end, the recommendations reflect the Planning Department's fundamental principles of good urban planning and design drawn from public comment, the Port's Waterfront Land Use Plan and Design and Access Element, the City's General Plan, from the City itself, and from the best practices of cities across the continent and around the world.



MAP 1
STUDY AREA

- Study Area
- Undeveloped Port Seawall Lots
- Open Space

Study Goals

The intent of the Northeast Embarcadero Study is to guide the development of properties along the west side of The Embarcadero, from Washington Street to North Point Street, in a common direction. The study also aims to create a pleasing public realm that connects the city to the waterfront and strengthens the linear promenade on the west side of The Embarcadero. More specifically, recommendations are meant to:

1. Create a unique waterfront experience commensurate with The Embarcadero's prominent civic role in San Francisco.
2. Ensure strong connections to the neighborhoods to the west and across The Embarcadero to the Bay;
3. Establish guidelines for site design, massing, articulation and quality materials that reinforce the pedestrian realm and create a distinct place unique to the Northeast Embarcadero;
4. Enhance the open space network by strengthening connections between open spaces and recommending opportunities for new open spaces in the study area;
5. Set forth appropriate streetscape guidelines to provide attractive, safe and inviting sidewalks and pedestrian paths; and
6. Ensure new development respects the context established by historic buildings.

Use of the Study

This report documents the Planning Department staff recommendations for consideration by the public, the Planning Commission, the Port Commission, and the Board of Supervisors. They consider the comments heard at public meetings and those received in writing. The Planning Department sought to identify prevailing ideas and comments expressed by the public to assist in shaping its recommendations. In the final analysis, however, this report represents the Planning Department's professional judgment on the optimal course for the Northeast Embarcadero.

It is the Planning Department's intention that the recommendations and guidelines in this report serve as an additional guide to development in the city's Northeast Embarcadero, further articulating the policies and guidelines of the Port's Waterfront Land Use Plan and Design and Access Element, and the City's General Plan and Planning Code.

Public Outreach

The Planning Department led an open public discussion with the intention of creating the broadest possible shared vision for the Northeast Embarcadero Waterfront, and continued this discussion throughout the course of the study. The public dialogue had three main phases, or rounds. Each phase consisted of a public workshop(s) with stakeholders, merchants, property owners, community members, neighborhood groups, and elected officials.

The public outreach effort was substantial; notification for each workshop included emails, mailings, and web updates. The mailing list included property owners and occupants in the area, local businesses and neighborhood organizations, and attendees of all former community meetings held regarding the Northeast Embarcadero Study. Over the course of the outreach, more than 10,000 postcards were mailed. Additionally, over 600 emails were sent each time a workshop, or project up-date was announced. These emails were sent to local business organizations, Port tenants, Ferry Building merchants, attendees of previous community meetings, and other interested citizens.

The Planning Department hosted five community meetings throughout the course of the study. These meetings were always well attended, often hosting more than 100 people at each meeting. In addition to local residents and residents from other parts of the city who are interested in the northeastern waterfront area, many attendees represented a diverse range of businesses and organizations. The Planning Department also attended six meetings with the Northeast Waterfront Advisory Group.

The Planning Department received hundreds of comments from interested individuals and organizations. While public opinions were strong and diverse, many comments included concern regarding the specific issues of the Golden Gateway Tennis and Swim Club, open space, parking, views, height, historical character, and the public trust. Upon completion of each phase of the study, comments were summarized and published by the Department and posted on the study's web page. These summaries are provided in the appendix.

Background



Northeast Waterfront

INTRODUCTION

The Northeast Embarcadero Study is an urban design study that builds on the existing work in the area including the Northeastern Waterfront Area Plan, the Port's Waterfront Land Use Plan, and its related Design and Access Element. An existing conditions analysis was performed in the area with a lens on the issues most pertinent to the development of the study's recommendations for public realm improvements and guidelines for new development. What follows is a brief summary of the analysis regarding historic resources, land use, jurisdiction, socio-demographics, height, circulation, open space, and built form and character in the area.

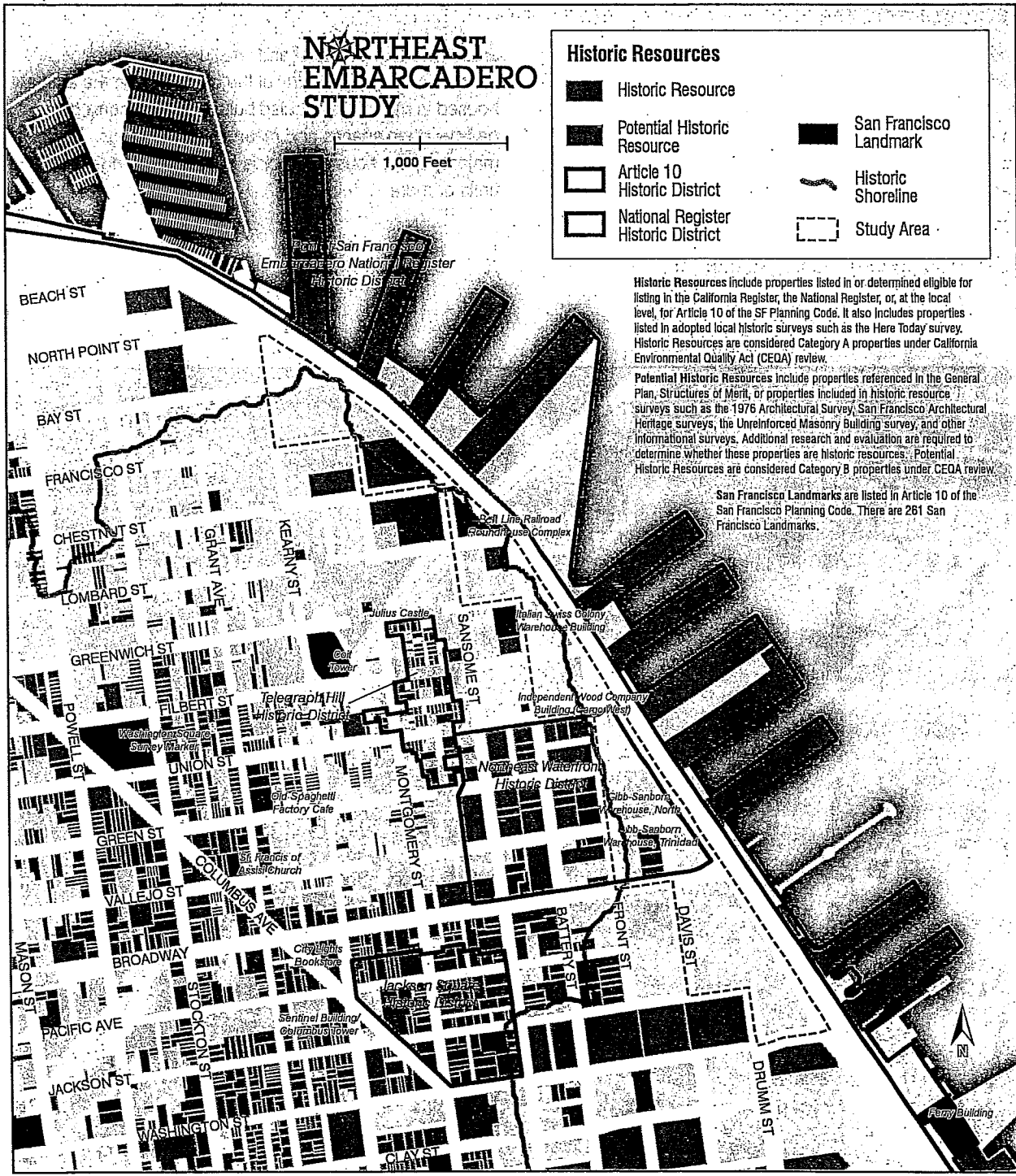
Historic Resources

The study area is rich in historical character derived from a convergence of cultural and natural resources, associations with historical events, and distinctive design. The study area includes a portion of the Northeast Waterfront Historic District and follows a portion of the city's historic shoreline. Additionally, the area contains a San Francisco Landmark, the Belt Line Railroad Roundhouse Complex, with others nearby, including the Italian Swiss Colony Warehouse Building and the Gibb-Sanborn Warehouse. The locally designated Telegraph Hill Historic District and the Jackson Square Historic District, as well as the historic neighborhoods of North Beach and Chinatown are nearby. The Port of San Francisco's National Register Historic District is on the east side of The Embarcadero.

The Northeast Waterfront is part of a former maritime and industrial district that has evolved into a vibrant urban neighborhood, and historic resources need to be respected as the area evolves. The Northeastern Waterfront Area Plan of the General Plan, Article 10 of the Planning Code, the Port's Waterfront Land Use Plan and its related Design and Access element all make reference to the unique relationship between new development and the historic character of the area, requiring that new development be sensitive to the unique physical and built

characteristics of this area. New construction on development sites within these districts is guided by Article 10 of the Planning Code and is subject to a Certificate of Appropriateness from the Historic Preservation Commission and review with the Secretary of the Interior's Standards. In particular, Standard 9 states that, "New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment." Common interpretation builds upon this standard and recommends that new construction not only take into consideration the historic district, but specifically its relationship and compatibility with its immediately adjacent context in terms of visual unity.

Heights of existing buildings in the area are characterized in Appendix D of Article 10 of the Planning Code. It states that predominate building heights within the Northeast Waterfront Historic District range from four to six stories, but notes that this range in historic building heights is not strictly delineated and building heights and rooflines are found at varied intervals throughout the district.



NORTHEAST EMBARCADERO STUDY

1,000 Feet

Historic Resources

	Historic Resource		San Francisco Landmark
	Potential Historic Resource		Historic Shoreline
	Article 10 Historic District		Study Area
	National Register Historic District		

Historic Resources include properties listed in or determined eligible for listing in the California Register, the National Register, or, at the local level, for Article 10 of the SF Planning Code. It also includes properties listed in adopted local historic surveys such as the Here Today survey. Historic Resources are considered Category A properties under California Environmental Quality Act (CEQA) review.

Potential Historic Resources include properties referenced in the General Plan, Structures of Merit, or properties included in historic resource surveys such as the 1976 Architectural Survey, San Francisco Architectural Heritage surveys, the Unreinforced Masonry Building survey, and other informational surveys. Additional research and evaluation are required to determine whether these properties are historic resources. Potential Historic Resources are considered Category B properties under CEQA review.

San Francisco Landmarks are listed in Article 10 of the San Francisco Planning Code. There are 261 San Francisco Landmarks.

MAP 2
HISTORIC RESOURCES

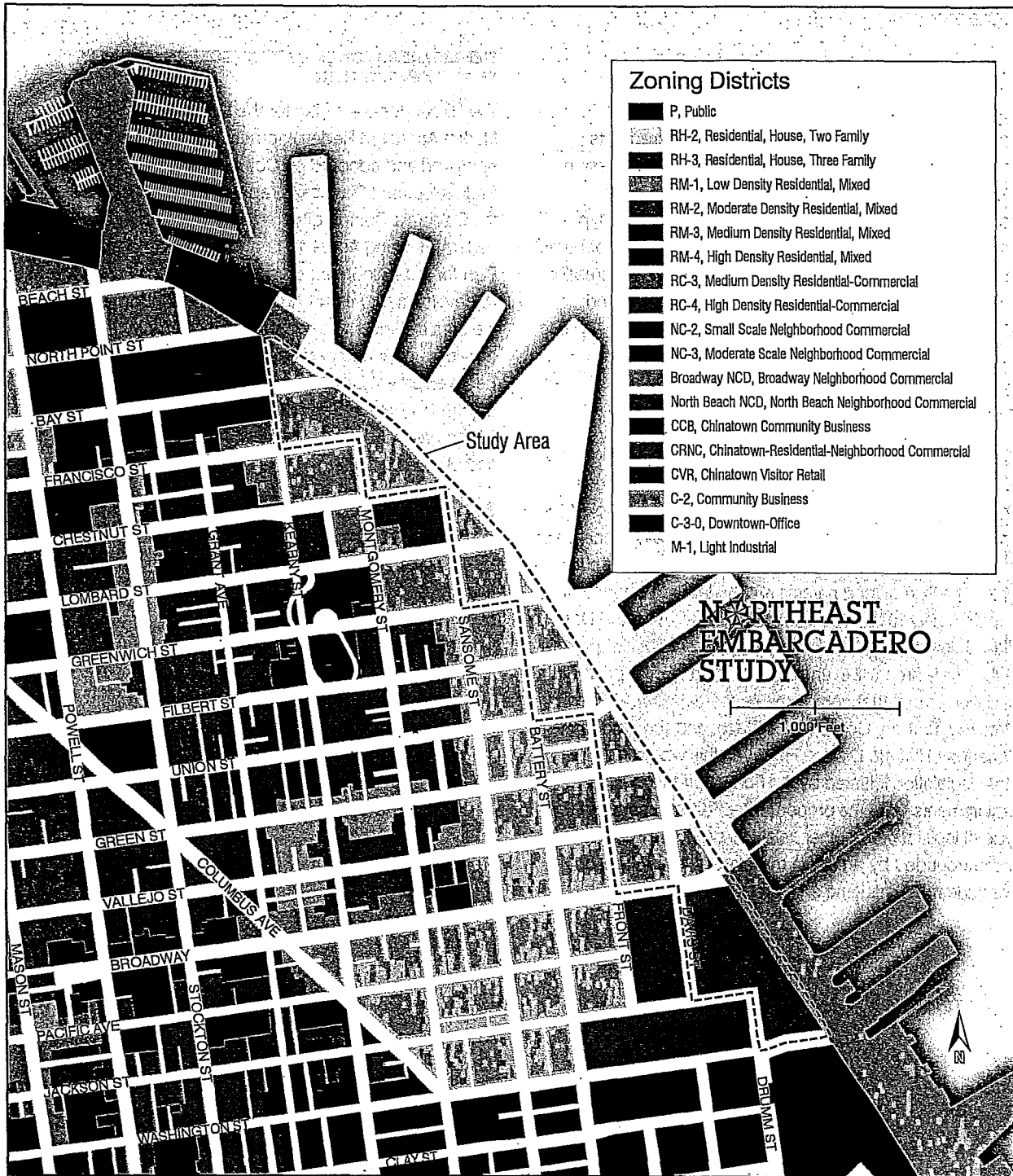
Existing Land Use

The study area is in an RC-4 (high density residential-commercial) and a C-2 (community business) Zoning District. Offices and vacant land make up the majority of uses in the study area. Much of the vacant land is Port-owned property that is currently being used as surface parking lots and the focus of this study. Other uses in the

area include commercial and retail uses, open space, and residential buildings. Many of the office uses in the area are housed in moderately scaled buildings set among green passive open spaces and meandering pathways. The majority of the housing stock is in larger buildings of 20 units or more.



**MAP 3
EXISTING LAND USE**



MAP 4
ZONING DISTRICTS

Jurisdiction

PORT SEAWALL LOTS

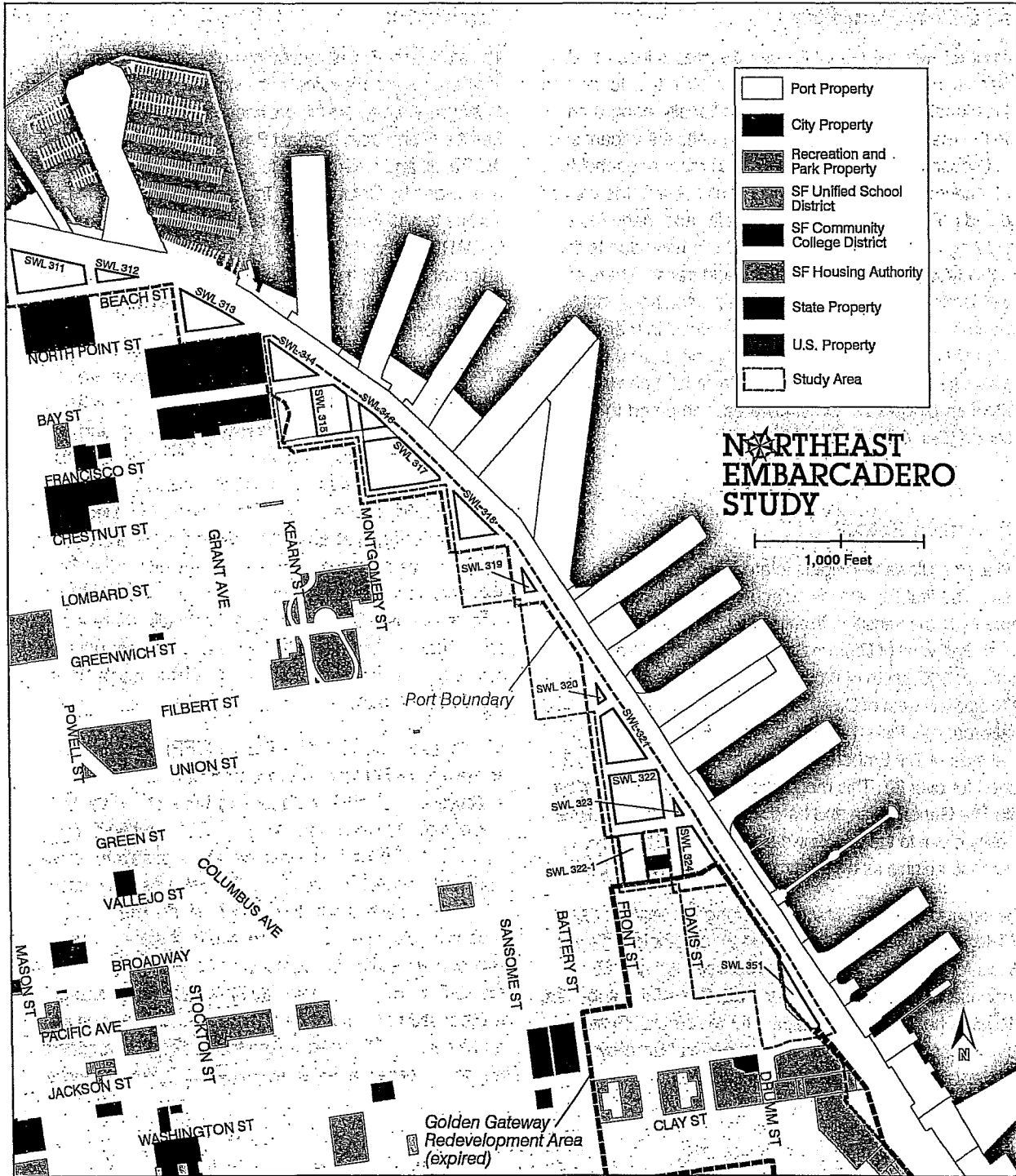
The majority of the land located in the study area is Port property and subject to the public trust requirements administered by the California State Lands Commission. State Lands and the Attorney General's office have provided opinions and interpretations about which types of uses and activities are consistent with the Trust. In general, maritime, public open space and water/passive recreation, environmental restoration, hotels, visitor-oriented and specialty retail/attractions/restaurants that attract people to the waterfront are trust-consistent uses; office, residential, and general or local-serving retail/commercial activities are not.

Today, most of the lots located in the study area and subject to the Public Trust have no direct maritime use. The original maritime and industrial uses that occupied the privately owned portions of the study area have since been converted or redeveloped for housing and commercial uses. The Port owned parcels are the last remnants of this former industrial district. The Port's Waterfront Land Use Plan anticipates that development of its seawall lot parcels in the study area will eventually include a similar program of development that complements the activities in Golden Gateway, Barbary Coast, Levi's Plaza, and the Northeast Waterfront Historic District. However, this would require state legislation initiated by the Port, to lift the trust use requirements from the property. The Port has secured this type of legislation for other selected properties that similarly are surrounded by an urban mix of uses that inhibit or preclude most maritime and trust uses.

EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PLAN

The Redevelopment Plan for the Embarcadero-Lower Market Approved Redevelopment Project Area was approved and adopted on October 14, 1958. The Redevelopment Plan was prepared in accordance with the California Community Redevelopment Law and the Federal Housing Act of 1949 and is based on the Tentative Plan for redevelopment of the Embarcadero-Lower Market Redevelopment Project Area E-1. The plan for redeveloping the area included slum clearance and redevelopment activities under and pursuant to California Community Redevelopment Law by the Redevelopment Agency of the City and County of San Francisco for the elimination and for the prevention of the development or spread of slums and blight.

Both the Redevelopment Plan and the Land Disposition Agreement (LDA) that regulated uses for the Embarcadero-Lower Market Redevelopment Project have expired and any and all covenants and land use restrictions from either of those documents no longer apply.



MAP 5
OWNERSHIP OF PUBLIC PROPERTY

Socio-Demographics

Compared with the rest of the city, the area is less racially/ethnically diverse, incomes are higher, poverty is lower, and educational attainment is higher. Additionally, compared with the rest of the city, more housing units are vacant and used seasonally, prices are higher and more households rent. Interestingly, nearly one third of all households are car free and compared to the rest of the city, and many more residents in the area walk to work. This is likely due to the area's close proximity to downtown and transit. There are fewer families in the area, and single-person households predominate. The majority of employment is in managerial and professional activities, with nearly one-quarter of jobs in sales and office (Census 2000). Office jobs comprised 83% of employment in the study area, compared to 51% citywide (Dun & Bradstreet 2009).

Allowable Height

The area's allowable heights relate to three main sub-areas. The first sub-area is adjacent to the downtown and represents the transition from greater allowable heights - over 200' west of Drumm Street and south of Broadway, and over 300' south of Washington Street - to 60' north of Broadway west of Davis Street and 40' along The Embarcadero. Piers 1 and 3, the Ferry Building and the west side of The Embarcadero south of Broadway are all zoned for over 80'. This modulation of height is consistent with The General Plan and balances the priority to maintain density close to the downtown and the desire to gradually decrease heights as one approaches the waterfront.

The second sub-area, which runs along the eastern base of Telegraph Hill from Broadway north to Francisco Street, allows for slightly taller buildings, between 60' and 80', in response to the steep slope of the hill. In the third sub-area, allowable heights transition to 40' for the blocks immediately west of The Embarcadero and north of Broadway. All the piers north of Broadway are similarly 40'.

Circulation

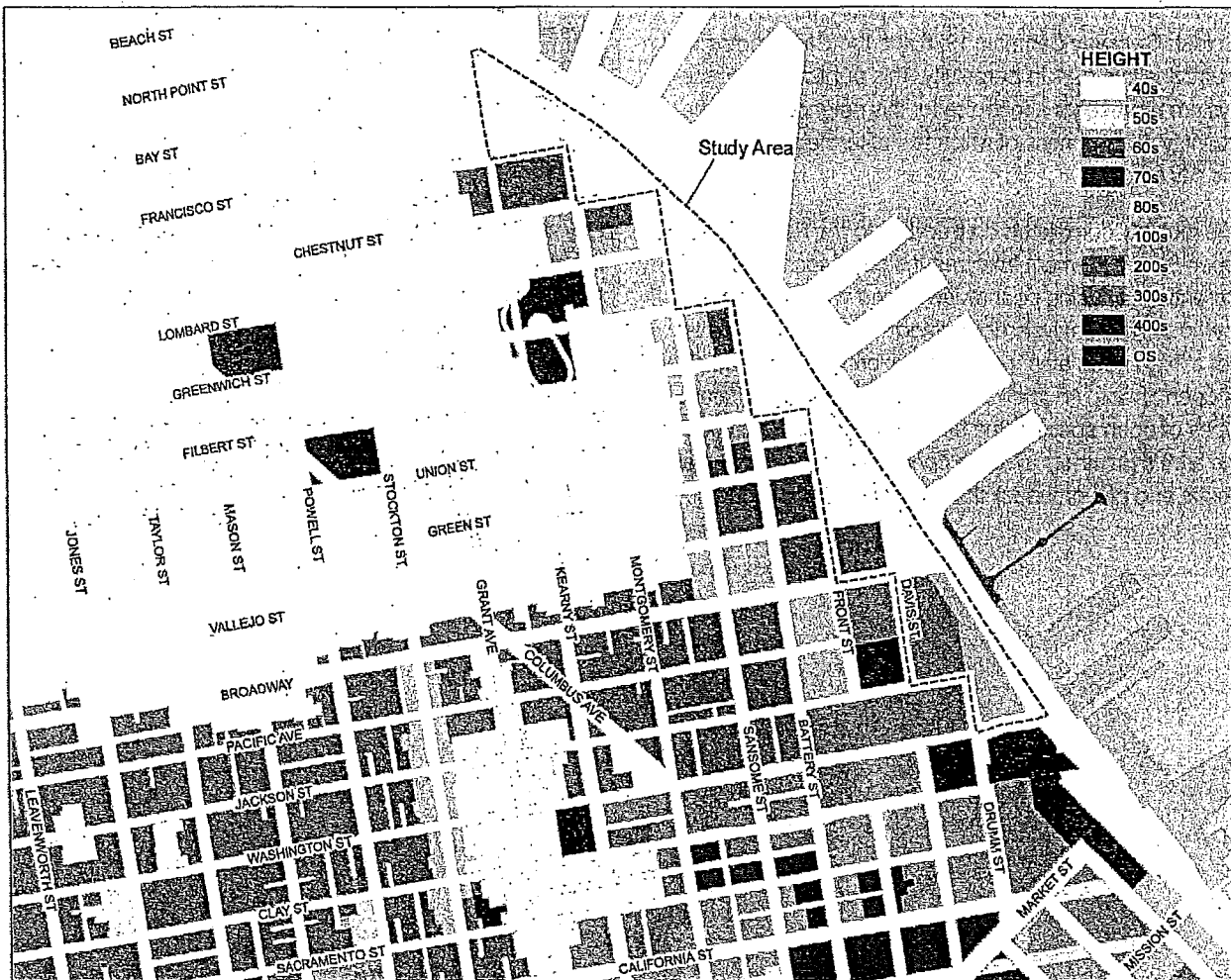
The study area is well served by public transit, with both local and regional service in the vicinity. The San Francisco Municipal Railway (Muni) provides local transit service. Service to and from the East Bay is provided by BART, AC Transit and ferry service to and from the North Bay is provided by Golden Gate Transit buses and ferries and service to and from the Peninsula/airport is also provided by BART. The study area is located near the ferry terminals adjacent to the Ferry Building, as well as near the Embarcadero Muni Metro and BART station, both major transit connection locations.

The Embarcadero, Broadway and Market Street are designated Citywide Bicycle Routes. These routes are interconnected to the Citywide Bicycle Network and provide access to the area and to other locations within the City. Route #5 runs on The Embarcadero and is a Class II facility (signed route only). Route #11 runs on the Clay-Battery/Sansome-Washington one-way couplet and is a Class III facility. Route #50 runs on Market Street (connecting to The Embarcadero via Stuart and Mission Streets) and is a Class II facility. Additionally, there are some near and long term bicycle improvements planned for the area along North Point Street, Fisherman's Wharf and Battery Street.

Muni's Transit Effectiveness Project (TEP) is a comprehensive review of Muni operations, to increase the effectiveness of the City's public transit system with the aim of transforming it into a more efficient public transit system. The TEP includes numerous proposals for service and street network changes that address issues related to reliability, travel times and service areas. The TEP is proposing changes to transit service in the plan area, included eliminating a segment of the 10-Townsend and the 12-Folsom. Additionally, the 82-X Levi Plaza service is proposed to be enhanced. There is also a proposal to add a new historic streetcar line along The Embarcadero, and to enhance the F-Market/Fisherman's Wharf service.

The current economic slowdown, it should be noted, has resulted in the SFMTA reducing service to the study area, and delaying the planned TEP improvements.

The pedestrian realm in the area has strengths and weaknesses. The near continuous sidewalk on the west side of The Embarcadero creates favorable conditions for walking, however the varied widths of the sidewalks and lack of pedestrian amenities make walking not as enjoyable as it could be. The meandering paths along and between some of the buildings provide quiet refuge from the noise of traffic along The Embarcadero.



MAP 6
HEIGHT LIMITS

Open Space

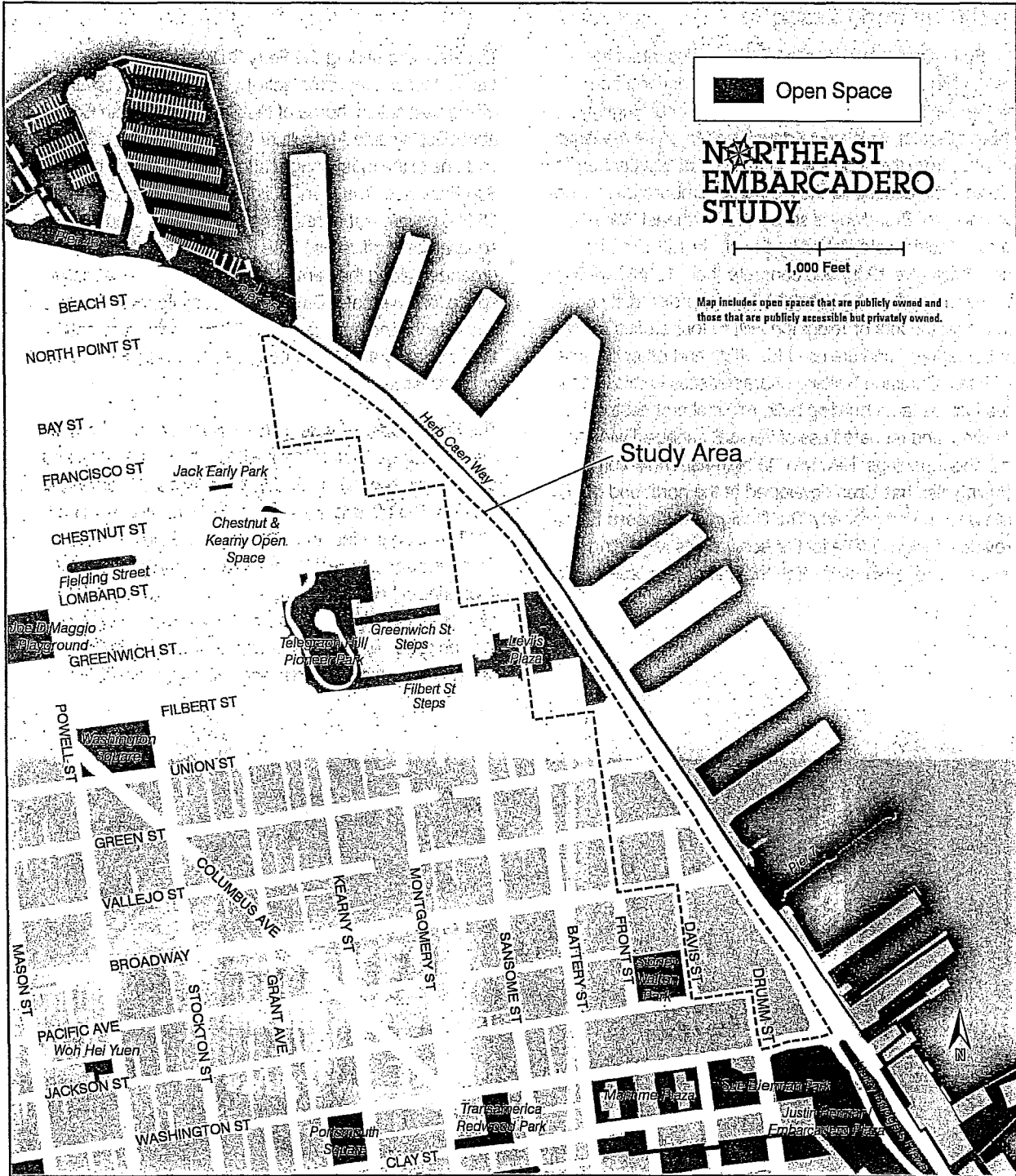
The open space network in the study area is characterized by large passive open spaces such as Sydney Walton Park, Levi Plaza, and Sue Bierman Park (aka Ferry Park), as well as quiet walkways with places for respite, such as John Maher Street and the walkways within the Golden Gateway Center. Additionally, the area is surrounded by other significant open spaces such as the Bay, the piers and bulkhead buildings, and the Embarcadero Promenade. Open space ownership varies throughout the area. Sue Bierman Park is owned by the City's Recreation and Parks Department. Both Levi Plaza and Sydney Walton Park are privately owned but publicly accessible. Sydney Walton Square was dedicated for use as a public park by the Golden Gateway Center in 1976 and the Center holds and maintains this park in perpetuity. This public open space system represents a resource for this neighborhood, the quantity and richness of which few other neighborhoods in the city enjoy.

The recently completed draft update to the Recreation and Open Space Element analyzed the open space needs for the entire city using peer-reviewed and widely accepted methods. The analysis determined that the study area is not a 'high need area' requiring a priority for the acquisition of open space. An analysis of the distribution of different types of open space in the City, however, did conclude that the area's proximity to active open space (e.g. basketball courts and playgrounds) does not meet City standards.

A new open space is proposed in the northeast Embarcadero area; the Northeast Waterfront Plaza on Pier 27. Additionally, the Recreation and Parks Department has been working to improve Sue Bierman Park after the removal of the Embarcadero Freeway that touched down on these parcels. In 2003, the Planning Department and Recreation and Parks Department granted the Recreation and Parks Department \$200,000 to look at how to improve Sue Bierman Park. That work included property surveys, soil testing, tree reports, community meetings, and development of a capital improvement plan for the park. That work is now complete.

A year ago, the Planning and Recreation and Parks Department Commissions appropriated funds for the Planning Department to study Sue Bierman Park and the other major open spaces on the west side of the Embarcadero between Mission and Washington Streets to see how to make them more active and integral to the City and appropriate to their location at the front door of the city. This initial study allowed the Planning Department to determine that a first phase of improvements could be made to the park, including the removal of the pedestrian bridge across Davis Street.

In 2009, the Planning and Recreation and Parks Departments asked their joint commissions to appropriate \$1.7 million for first phase improvements to Sue Bierman Park, and that request was granted. These first phase improvements are now in design.



MAP 7
EXISTING OPEN SPACE

Built Form and Character

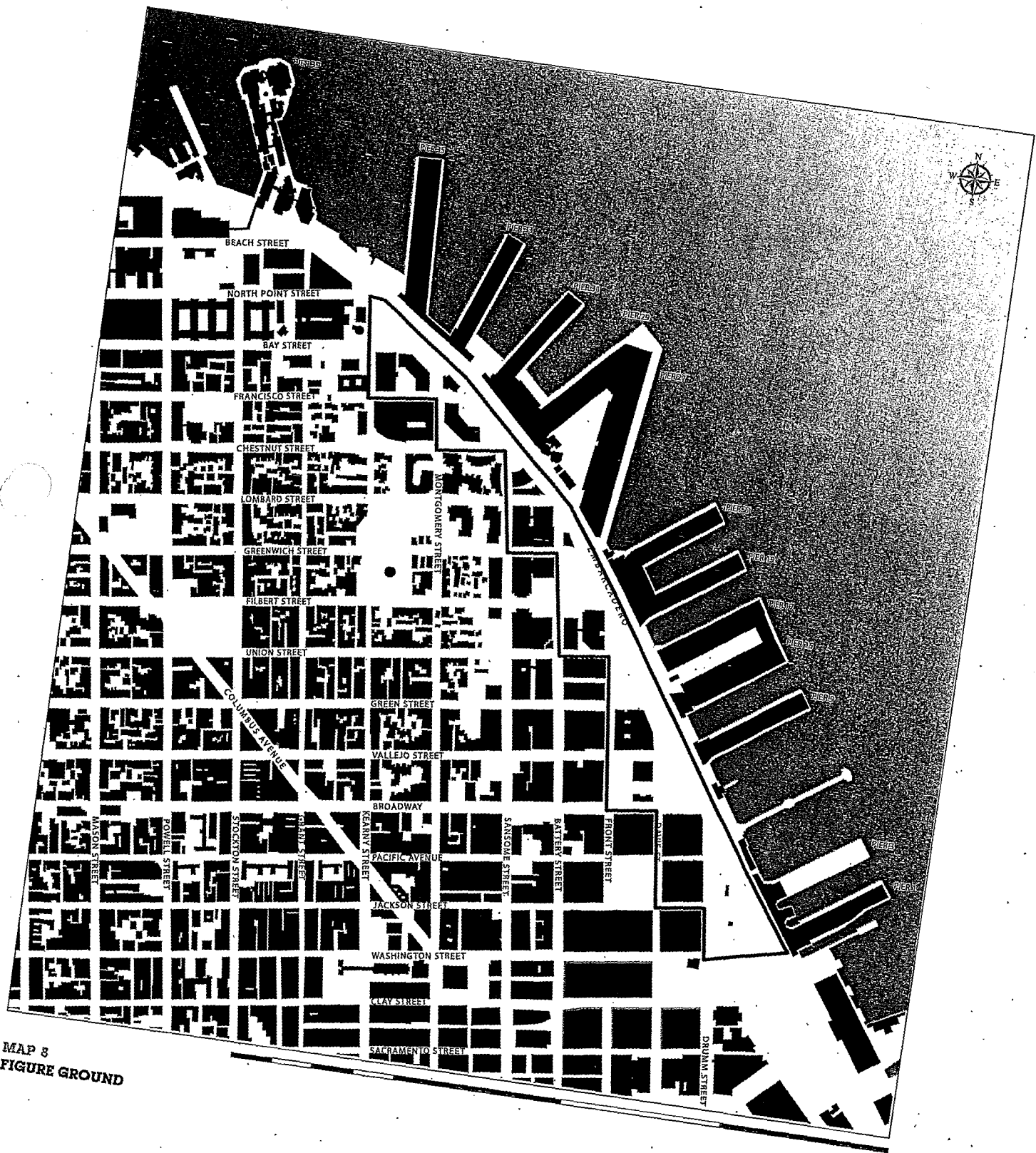
The Port's Design and Access Element describes the area's unique character as being largely derived from the pier facilities in the Embarcadero National Register Historic District, which were developed to serve maritime activities from the 1850's to the first half of last century. In addition, the context for the Northeast Embarcadero study area north of Broadway is set by the Northeast Waterfront Historic District established by the city in 1983. The handsome brick (pre-1906) and concrete (post 1906) buildings that remain today vary in height from approximately 6 stories (at the foot of Telegraph Hill) to four stories (at The Embarcadero), and are used for office and other commercial uses. Common building characteristics in this historic area include large building bulk, minimal architectural detailing, and repeated use of vertically-shaped window and door openings. New mid- to high-rise multi-unit housing also has been developed at the north end of this area on non-Port property. The Design and Access Element provides design criteria for the seawall lots regarding issues of site, orientation, architectural details, and service.

The area surrounding the Ferry Building is a center of transit, tourism, maritime activity, a world class retail and dining destination, home of the Center for Urban Education about Sustainable Agriculture (CUESA) Farmer's Market, and one of the most sought after office space locations in San Francisco. The Ferry Building includes approximately 65,000 square feet of retail/restaurant uses, and 175,000 square feet of office use. The Ferry Building Marketplace, organized along the central nave, provides a distinctive space for the greater Bay Area's specialty food purveyors. The exterior and main public hall have been restored to their original grandeur for use by ferry passengers and the public at large.

The Embarcadero Center is a six-block complex with five office buildings, an interconnected gallery of shops and restaurants, two hotels, and 2,000 spaces of below-ground parking. The office buildings are 30 to 45 stories tall with retail uses on the first three floors. The Gateway Apartments include four residential towers, ranging from 22 to 25 stories in height and constructed over two, two-story garage blocks and a ground-floor commercial space. The Golden Gateway Tennis and Swim Club, also built in 1969, has two one-story buildings and one two-story building.



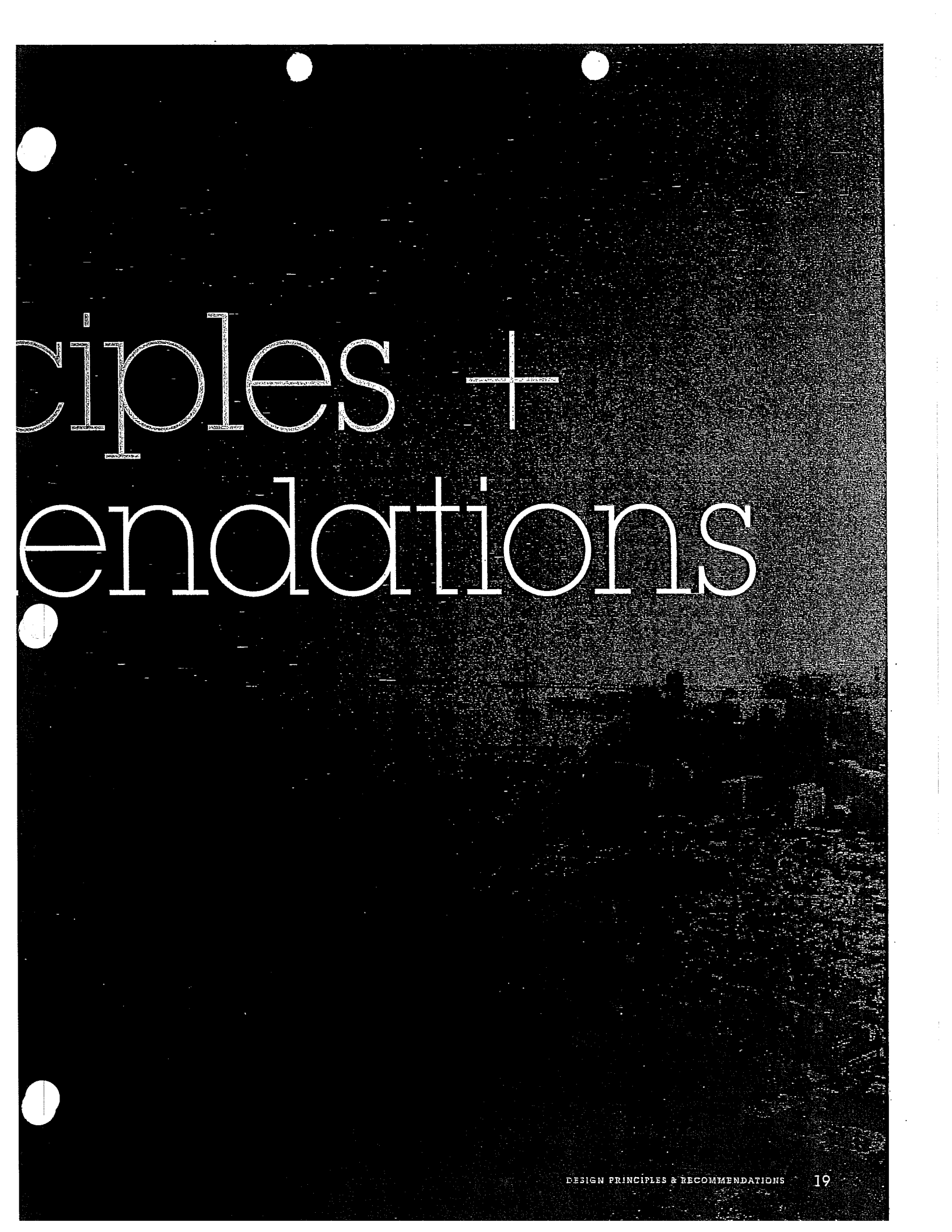
Photo courtesy of Flickr <http://www.flickr.com/photos/wallyj/3960827692/>



MAP 8
FIGURE GROUND

Design Principles Recommendations

The following Design Principles, Public Realm Improvements, and Design Guidelines for New Development represent the Planning Department's fundamental principles of good urban planning and design drawn from public comment, the Port's Waterfront Land Use Plan and Design and Access Element, the City's General Plan, from the City itself, and from best practices of cities across the continent and around the world.



Principles + Recommendations

Design Principles

DESIGN PRINCIPLE 1:

BUILD ALONG THE EMBARCADERO WATERFRONT



Urban edge

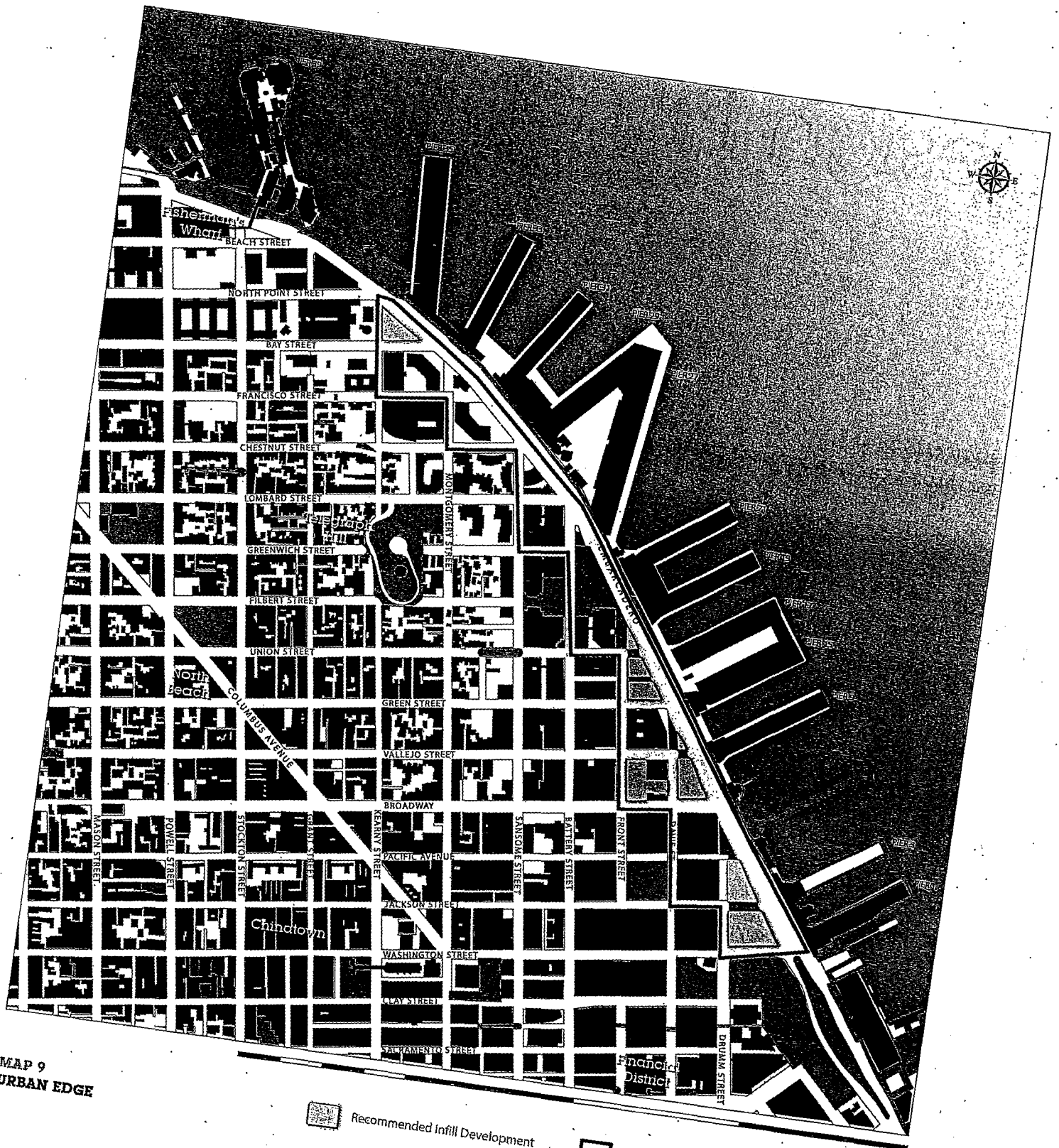
San Francisco's historic pattern of a moderately scaled, dense city fronting directly on The Embarcadero should remain as a fundamental and familiar waterfront characteristic.

One of San Francisco's memorable physical features is the manner in which the City meets The Embarcadero. The Urban Design Element of the City's General Plan reinforces the need to maintain this historic pattern of moderately scaled buildings brought immediately to the edge of the Embarcadero. The plan recognizes that a consistent

building edge is fundamental to the street's character and essential to defining the uniqueness of the City's waterfront. San Francisco's pattern of a moderately scaled, dense city fronting directly on The Embarcadero should remain as a fundamental and familiar waterfront characteristic to which future development strives over time.

A close working relationship between the city and the water's edge is replicated in most comparably-scaled great waterfront cities, including Chicago, Barcelona, Hamburg and Stockholm. In Hamburg, for example, the city is in the process of a major urban expansion along former piers and shipping canals with six- to seven-story buildings fronting most of the water's edge, linked by a gracious public promenade and punctuated by periodic open space. Similarly, Stockholm's waterfront at both the historic center and in its contemporary expansions is defined by stately seven-story buildings either across the street or immediately adjacent to a public promenade at the water's edge.

Vancouver has pursued a different model of urban waterfront development in a response to a unique circumstance: government ownership of very large parcels. Improvements to these large open spaces that now grace Vancouver's waterfront were financed by permitting tall, very high density housing immediately adjacent to the waterfront. Plus, the level of density planned ensured that the parks, community centers and other new public amenities could be financed and as part of the development and would be well-used.



MAP 9
URBAN EDGE

- Recommended Infill Development
- Study Area Boundary
- Open Space

Chicago's waterfront also offers a lesson or two. First, the waterfront, both Lake and River, adjacent to the downtown and the Near North Side, is defined by very tall office and residential towers, built in many places to the water's edge. While the scale of buildings differs widely, the Chicago pattern illustrates the role buildings can play in defining sections of the Northeast Embarcadero. Second, the 319 acre Grant Park, facing the waterfront and lined on the west side by 13 blocks of one of the country's most architecturally impressive building profiles, combines a promenade and bucolic park landscape with active playfields to create a great urban setting that contrasts with the constraints and intent of the San Francisco waterfront. But the Chicago waterfront does show that open space, streets and buildings—compactly and densely arranged—significantly enhance people's experience of great cities.

Strong and compelling pedestrian routes cannot succeed with significant breaks in continuity at the building edge. Accepting such a pattern would also be inconsistent with the historic urban condition intended for San Francisco. Community comment clearly reinforced a strong desire for The Embarcadero, particularly the western sidewalk, to become more pedestrian oriented. Many of the Planning Department's recommendations in this report are directed at this objective.

DESIGN PRINCIPLE 2:

RESPECT SAN FRANCISCO'S TOPOGRAPHY

Topography is a defining San Francisco feature, especially for neighborhoods such as Telegraph Hill and Russian Hill. To diminish the visual prominence of the city's hills and ridges would weaken one of San Francisco's basic images.

As a general principle, buildings and structures that accentuate San Francisco's topography with heights that rise and fall with the topography serve to celebrate important landforms, such as Telegraph Hill. More specifi-

cally, Coit Tower atop Telegraph Hill provides one of the iconic views in the city. Its appearance and disappearance as one travels along the Embarcadero, through North Beach or along the northern waterfront orients the traveler and provides a suggestion of what may be waiting ahead. Such periodic or episodic sightings should remain and be celebrated by any additions to the built environment.

This principle is not isolated to natural topography. The downtown district represents a human-made hill that has been sculpted to mimic somewhat the natural features that punctuate the city's landscape, and therefore should be paid the same respect in terms of visual prominence and design integrity. Failure to do so would promulgate visual incoherence and an overall diminishment of the City's purposeful aesthetic quality. New development should not result in jarring changes in scale from the existing context and should provide a smooth transition within the City's overall urban form.

Similarly, the Bay and the ocean define San Francisco's edge and therefore bring legibility to the city's overall pattern. This can be contrasted with San Francisco's southern boundary, which has little to distinguish it. Further, water as a defining edge can be strengthened by moderately scaled development that frames the waterfront and contrasts with the open expanse of San Francisco Bay.



Topography



City pattern



City pattern*

**DESIGN PRINCIPLE 3:
STRENGTHEN THE CITY PATTERN**

The continuity of San Francisco's street grid, including its extension across hills to the water's edge, is fundamental to the city's pattern and an inseparable city image to San Franciscans and visitors alike.

Providing views down streets to important civic buildings, open spaces and waterfronts is a fundamental principle of city design, and they remain some of our most memorable experiences when moving through the city. In many older cities, unusual street alignments provide numerous opportunities for such views; indeed, the Parisian boulevards were designed to open up new views. San Francisco, along its Northeast Embarcadero, already has a number of views that terminate at important water basins or the historic bulkhead buildings. Providing new view opportunities, or further strengthening existing ones, should be a priority.

In addition to visual access, improving the number and quality of pedestrian connections to The Embarcadero should be sought. A fine-grained block pattern with active designs at the ground level will help to address the local

community's desire for safer, more accessible streets, and will help to ensure the pedestrian scale of development sought in this study. The pedestrian's expectation to be able to travel along a street without confronting a blocked path is one of the most gracious aspects of San Francisco. It is also one of the qualities most admired in world class cities - the opportunity for people to freely move about from one destination to another via attractive, safe and comfortable pedestrian routes. This is true whether one is in Barcelona, Paris, Copenhagen or Melbourne. Past development in the Northeast Embarcadero has disrupted this pattern through the closing of streets or by development that has been allowed to encroach into the rights-of-way or former rights-of-way.

Thinking of our public ways from the pedestrian's perspective will only grow in importance as San Francisco plans for a greener, more sustainable and less energy-intensive future. This larger effort will include creating inviting and safe pedestrian routes, locating more residences close to transit, employment, shopping and recreation opportunities, and strengthening multimodal connections to surrounding neighborhoods. The Northeast Embarcadero, with its proximity to downtown and the associated access to local and regional transit, must play a role in this effort.

* "Street Arrow" painting by Wayne Thiebaud

DESIGN PRINCIPLE 4:

RECOGNIZE THE CITY-WIDE ROLE OF THE NORTHEAST EMBARCADERO

The Northeast Embarcadero Waterfront's significance as an important city-wide, regional and state wide resource should be fully acknowledged in planning decisions.

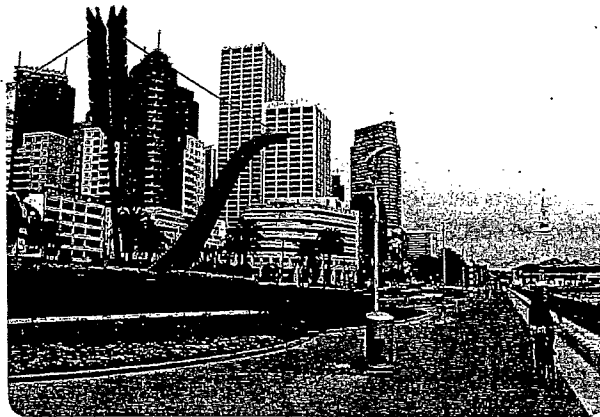
The Bay and the way the City connects to it are indelible pieces of San Francisco's history. A great deal of activity has always been central to this part of the waterfront, where freight was transferred to and from ships and rail, where goods were warehoused, and where people first arrived in San Francisco or disembarked for points around the globe. Today, due to its proximity to the City's downtown core and to local communities across the Bay, transportation continues to be a defining feature for the area. The region's comprehensive ferry and bus system provides transportation alternatives as well as emergency response capabilities.

The unique role urban waterfronts play elevates their prominence in a city's hierarchy of space and special attention must be paid for how properties along the edge are designed. The public promenade that lines Vancouver's entire waterfront, coupled with striking high-rise towers adjacent to downtown, exemplifies this civic importance. Similarly, Hamburg's rejuvenation of former docklands, Amsterdam's Borneo and Java projects, London's River Walk and Toronto's Waterfront Revitalization Project are all reflections of the civic significance given to urban waterfronts.

This special consideration extends to the amount and nature of public open space built on the waterfront and the balance between local and regional destinations. There are few examples of downtown waterfronts with large

open spaces that are not associated with an extensive array of tall residential and commercial towers densely developed. Chicago, Vancouver, Miami, and Toronto are North American examples. Few, if any, major European cities have chosen to maintain such large open spaces along their waterfronts and more typically build dense but moderately scaled structures, usually connected by a elegant public promenade with periodic parks and plazas. Stockholm, Hamburg, London, Copenhagen, and Rotterdam are examples.

It should be noted that many urban waterfronts will be susceptible to some impacts of sea level rise, and San Francisco's northeastern waterfront is not immune. Given the study area's location in downtown San Francisco, its city, regional, state, and international importance makes it inconceivable that development should not continue here, and that sea-level-rise issues will not be confronted and addressed as necessary at a more systemic scale. It also should be noted that the act of building densely in close proximity to the city's commercial core and its rich transportation infrastructure will help to reduce the emission of greenhouse gases, itself a factor in sea level rise.



Urban waterfront

DESIGN PRINCIPLE 5:

PROVIDE PUBLIC OPEN SPACE COMMENSURATE TO THE NEEDS OF RESIDENTS AND VISITORS

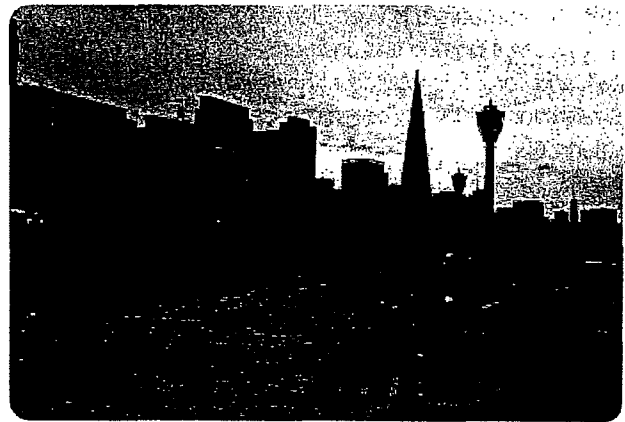
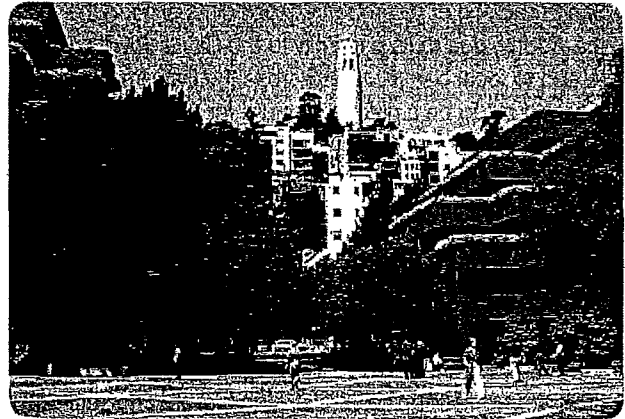
Adequate public open space and public recreational facilities are fundamental needs that all San Francisco neighborhoods must meet/fulfill.

The Bay, the piers and bulkhead buildings and the Embarcadero Promenade constitute a neighborhood, city-wide and regional open space resource equal to any in the world. Indeed, they are part of a larger unbroken network of open spaces that stretches from AT&T Park through to the Golden Gate Bridge, and link such regional destinations as Crissy Field, Marina Green, Fort Mason, Fisherman's Wharf, Coit Tower, the Ferry Building and the entire south-eastern waterfront. The proposed Northeast Waterfront Plaza on Pier 27 will constitute a significant additional open space resource on The Embarcadero. This public open space system represents a resource for this neighborhood, the richness of which few other neighborhoods in the city enjoy.

A high-quality, engaging and safe public realm supports daily living needs, prompting walking as transportation for errands, shopping and meeting friends and neighbors on the street. A diversity of open spaces that meets a variety of needs is also an integral piece of a healthy and successful public realm. Future improvements to the open space network in the area should focus on strengthening connections between existing and anticipated cultural and open space destinations through more attractive sidewalks, more comfortable crossings and periodic open spaces that provide alternative experiences as one travels along the corridor.

Private recreation facilities such as the Golden Gateway Tennis and Swim Club may complement public recreation facilities for certain segments of the population, but they do not replace the need for public recreation facilities.

The Golden Gateway Tennis and Swim Club is used both by immediate residents, such as those of the Golden Gateway Apartments, as well as by the general public. It is an important resource for these residents. Should its loss be threatened by new development that would displace it, those portions of the facility that now serve the immediate residents should be replaced by similar facilities as part of any new development, and any lag time between its removal and replacement should be kept to a minimum if at all. Whether such a replacement facility serves a broader public beyond the immediate neighborhood, however, is not relevant to the current discussion.



Open space

DESIGN PRINCIPLE 6:

**ENSURE THE HIGH QUALITY DESIGN OF STREETS
ALONG THE EMBARCADERO WATERFRONT**



High quality streets

Streets that have special civic importance because of their location or width, or both, play a unique role in the city, merit the highest design standards and should offer a striking public realm for pedestrians.

The Embarcadero, as do Market Street, Van Ness Avenue and Columbus Avenue in their own ways, gives shape to a distinctive physical place in the city. Its overall width, the prominent investment in public transit, the heightened level of design, as well as the Embarcadero Promenade, express The Embarcadero's importance as a transportation route and as a place for people to spend time and engage in the life and activity of the City. Yet, there are a number of challenges with the current design of The Embarcadero that should be addressed. Pedestrian crossings need to be re-designed to improve the appearance, comfort and safety for pedestrians, calming the street and enabling people to move easily from one side to the other. Moreover, The Embarcadero's western sidewalk should be refurbished and made comparable in quality and prominence to the eastern side. Public amenities here should exceed those typical in other parts of the City.

DESIGN PRINCIPLE 7:

**BUILD WITH A CIVIC VISION ALONG THE
EMBARCADERO**



Civic importance

Development along The Embarcadero Waterfront must match the street's civic importance in quality of design, choice of materials, building orientation and active ground floors.

The quality of architecture and the civic prominence of a street are intertwined, with architecturally noteworthy buildings contributing to the street's memorable nature and overall impact on residents and visitors alike.

Historic buildings and historic districts provide a visual story of an area's evolution and must be respected. New development is obligated to continue the narrative through architecture that is both sensitive to context and honest to contemporary culture, building techniques and materials. In this way, future generations can reach a deeper understanding of change with clear evidence of how San Francisco has evolved through different periods and different economic and social conditions.

Buildings oriented to the street strengthen the pedestrian environment and sense of place, while those sited with indifference towards the street weaken it. Further, active ground floors along any street central to the larger pedestrian network, including The Embarcadero and the streets that intersect it, provide a more attractive and convivial space for people to walk.

Finally, The Embarcadero's substantial width requires a near-continuous built edge along its west side to bring definition to the space. Buildings need to be of sufficient height to prevent pedestrians from feeling disconnected from the City. More specifically, buildings south of Broadway, given the immediate context of downtown, tall towers and proximity to major transit, should be taller than those north of Broadway.



Context sensitive design

DESIGN PRINCIPLE 8:

DESIGN IN THE CONTEXT OF ADJACENT NEIGHBORHOODS

New Development should respect the scale and character of the surrounding areas. This includes the special nature of the historic districts in and around the Northeast Waterfront.

The Northeast Waterfront Historic District, the Telegraph Hill Historic District, the Jackson Square Historic District and the Embarcadero National Register Historic District all provide an important context for new development in the larger area. Architecture, for example, that features durable materials, large floor plates, high floor-to-ceiling heights, and large windows spaced rhythmically along the façade can be applied in new building design in a manner that remains faithful to contemporary standards yet respectful to the historic context.

In terms of controls, the Northeastern Waterfront Area Plan of the General Plan, Article 10 of the Planning Code, the Port's Waterfront Land Use Plan and its related Design and Access element all make reference to the unique relationship that new development be sensitive to the unique physical and built characteristics of this area. New construction on development sites within these districts is guided by Article 10 of the Planning Code and is subject to a Certificate of Appropriateness from the Historic Preservation Commission and review with the Secretary of the Interior's Standards.

In contrast to the historic districts discussed above, the Golden Gateway complex, with its 215 foot towers, elevated public open spaces and podium parking garages remains a defining feature in the Northeast Embarcadero, and clearly not always a positive one. The austere ground-floor frontages severely undermine the quality and character of the pedestrian environment. New development should eschew this model of development and instead provide active and transparent ground-floors that enliven the adjacent sidewalks.

Public Realm Improvements

INTRODUCTION

The following chapter describes how the experiential qualities of the city – the streets, open spaces and the public-facing facades of buildings – should be combined to create an attractive, sustainable, safe and convivial space for residents and visitors. Based on the Design Principles articulated in the previous chapter, this means creating streets that support an active sidewalk life, that make walking an enjoyable way to move around and not just the most practical way, that support transit and cycling as priority modes of transportation, and that contribute to San Francisco's effort to become a greener, more sustainable city.

The chapter begins with recommendations for the area's pedestrian network. It then discusses specific improvements to individual streets, including The Embarcadero, Broadway, Washington Street and Jackson Street. It concludes with recommendations for new and refurbished open spaces.

RECOMMENDATION 1

CREATE A STRONG PEDESTRIAN NETWORK




The streets in the Northeast Embarcadero should become more focused on the needs of pedestrians. The area's proximity to downtown, North Beach and Chinatown means residents and visitors can easily move through one of the most interesting and historically significant parts of the city. Making these trips on foot should be an attractive choice that also happens to be the most convenient; indeed, there is little reason why this part of the city cannot have appealing pedestrian routes down every block.

Residents in this area already drive to work far less frequently and walk to work more than three times as often as other San Franciscans. This study proposes building on this foundation by investing in priority corridors, opening up pedestrian access where now it is closed, and increasing the amount of public life that adjacent buildings contribute to the street. In addition to the priority corridors, discussed below, all streets in this area of the city should provide a high quality pedestrian environment, given the area's proximity to transit, jobs and stores, and its higher density of residential development.

All the proposed changes to the street network will need further refinement, including transportation modeling to determine the nature of the impacts on total trip generation and overall mobility.



MAP 10
STREET GRID EXTENSIONS

-  Existing Public Way (Within Study Area)
-  New Easement
-  New Public Way Extension

- 12 Maintain and improve public access to the waterfront using the existing street grid pattern.

The Embarcadero Waterfront should be strongly connected visually and physically to adjoining neighborhoods along all streets that terminate at the Bay, and there should be pedestrian access to The Embarcadero along all streets. Encourage all streets leading into The Embarcadero that do not currently extend, including Jackson, Pacific, Vallejo and Union Streets running east to west and Davis and Front Streets running north to south, to be opened for pedestrian circulation. As circumstances allow or when development occurs, secure easements across privately-owned land or extend the public way across publicly-owned land, depending on circumstances. In addition to their role as pedestrian connections, these extensions should serve as plazas or open space. Vehicular access should not be accommodated in these extensions if it currently does not exist.

- 13 Provide a pedestrian wayfinding system that helps to link neighborhoods west of the study area to the waterfront and to destinations along the Embarcadero.

The City's wayfinding system provides direction to public sites: parks, uses, public destinations and important districts. This system ought to be extended through the study area.



Wayfinding signs in New York city

- 14 Prohibit or discourage curb cuts.

Prohibit curb cuts along the west side of The Embarcadero from Washington Street to North Point Street. Discourage curb cuts along Washington Street from The Embarcadero to Columbus Avenue, and Broadway from The Embarcadero to Columbus Avenue. This will help to reduce unnecessary conflict between pedestrians and vehicles and to allow for the highest quality pedestrian environment along these important pedestrian corridors.

- 15 Ensure the pedestrian-scaled development of the Port seawall lots.

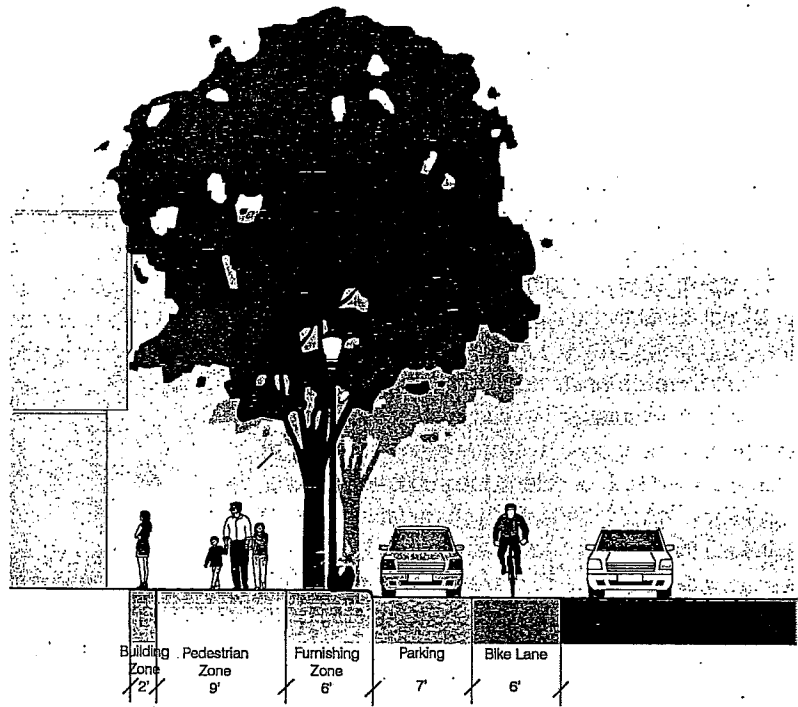
Development of the Port seawall lots should be scaled to the pedestrian. Extending the street grid and keeping it free of development will serve to ensure pedestrian-scale development along The Embarcadero.

**RECOMMENDATION 2:
EMPHASIZE THE COMFORT, ENJOYABILITY
AND SAFETY NEEDS OF PEDESTRIANS AND
CYCLISTS ALONG THE WESTERN EDGE OF THE
EMBARCADERO**

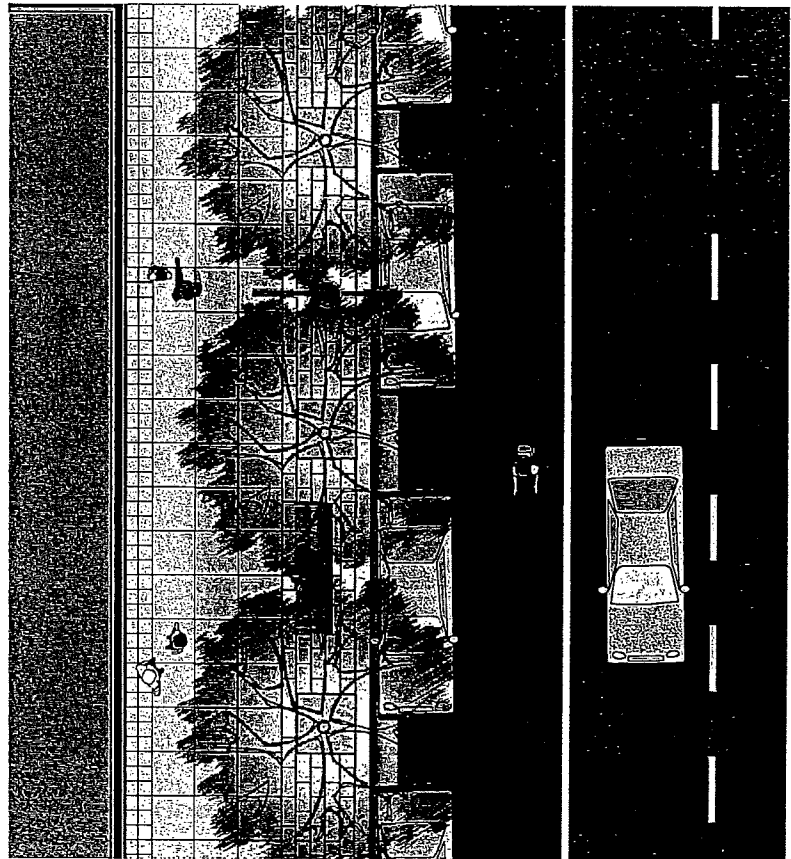
The western edge of The Embarcadero should be enhanced for pedestrians and cyclists. While the existing surface parking lots severely undermine the quality of the pedestrian experience, this study recommends new development should fill these gaps, and the City should seize the opportunity to create a gracious pedestrian route that knits together the city's distinct neighborhoods extending to the west.

- 16 Improve the western edge of The Embarcadero by providing a gracious sidewalk, a diverse set of seating choices, improved pedestrian lighting, consistent tree canopy, augmented landscaping, and consolidated parking meters.

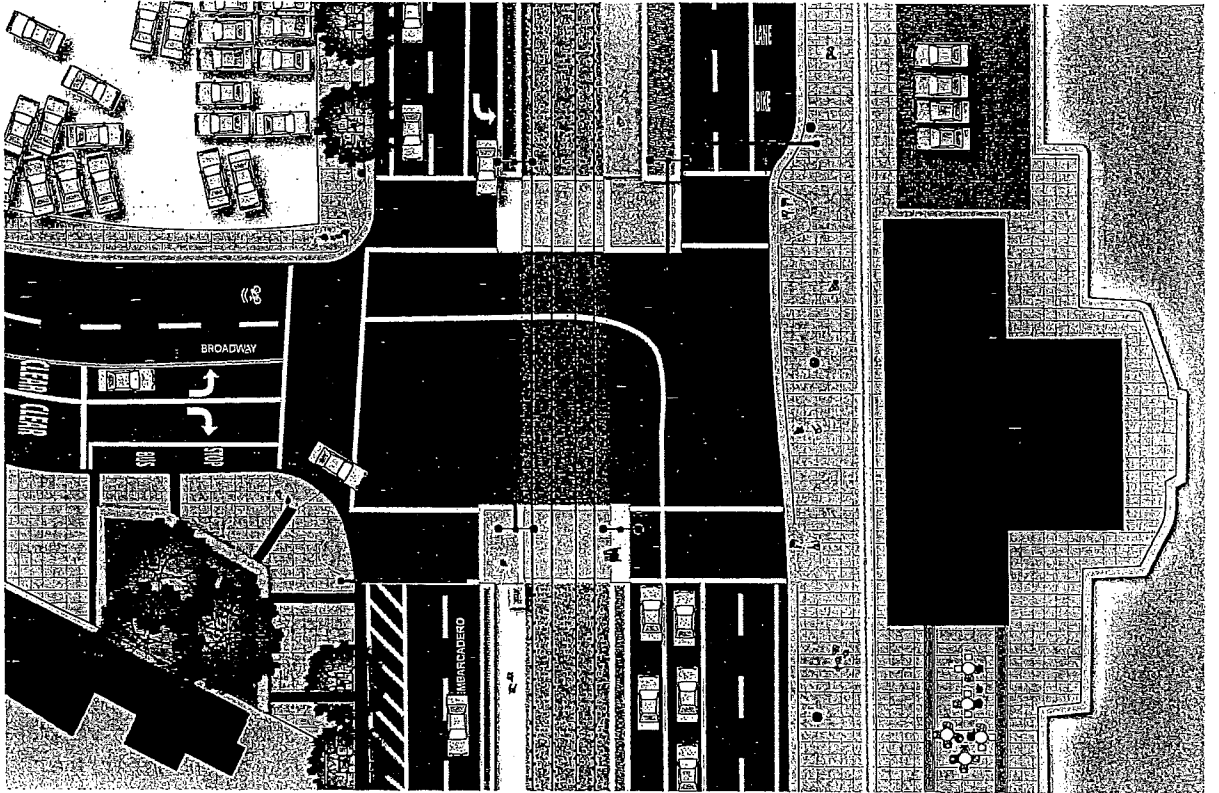
**FIGURE 1
WESTERN EMBARCADERO
SIDEWALK SECTION
(PROPOSED)**



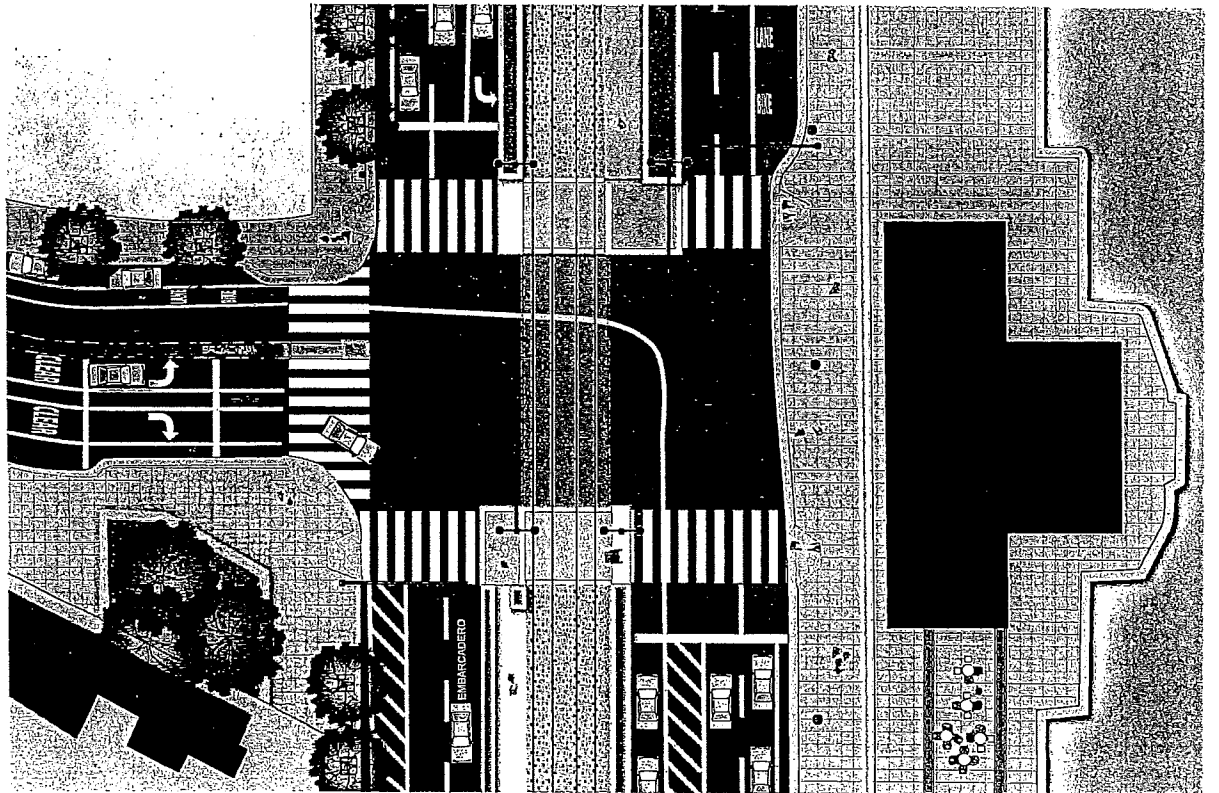
**FIGURE 2
WESTERN EMBARCADERO
SIDEWALK PLAN
(PROPOSED)**



**FIGURE 3
BROADWAY-
EMBARCADERO
INTERSECTION
(EXISTING)**



**FIGURE 4
BROADWAY-
EMBARCADERO
INTERSECTION
(PROPOSED)**



As development occurs, require a 17-foot sidewalk along the western edge of The Embarcadero. This will allow for a 2-foot Building Zone, a 9-foot Pedestrian Zone and a 6-foot Furnishing and Curb Zone. This would allow space for generous landscaping, seating and opportunities for public art.

Ensure a consistent and sufficient level of lighting on the sidewalk so that pedestrians feel safe and can confidently navigate at night. Safety can be achieved primarily with better street lighting complemented by illumination from retail, restaurant and café windows.

New development may need to be set back from the property line to achieve this width; it is not the intention that this sidewalk width be achieved by moving out the existing curbline.

- 22. Build bulb-outs, designed to the specifications in the San Francisco Better Streets Plan, at key intersections along The Embarcadero.

Walking along the west side of the Embarcadero should be improved by minimizing the barriers created by intersecting streets. Bulb-outs should be built where Washington Street, Broadway, Green Street, Sansome Street and Bay Street meet The Embarcadero.

- 23. Identify and improve The Embarcadero's most important pedestrian crossings to strengthen connections between the City and San Francisco Bay. Explore adding a pedestrian crossing where Jackson Street meets The Embarcadero.

In general, the layout of The Embarcadero emphasizes the free movement of the automobile at the expense of pedestrian access, comfort and safety; this balance should evolve over time to reflect more emphasis on pedestrian needs. Pedestrian crossings at a number of intersections should be considered for substantial

improvements, including high-visibility markings, special paving and corner bulb-outs designed to the specifications of San Francisco's Better Streets Plan. At a minimum, the crossings at Washington Street, Broadway, Green Street (in coordination with the Exploratorium on Pier 15) and Battery Street (in coordination with the proposed International Cruise Ship Terminal on Pier 27) should be significantly improved. Also, the City should explore adding additional pedestrian crossings, including where Jackson Street meets The Embarcadero.

- 24. Public art should be an important element of the Western Promenade. Work with the Arts Commission to identify public art sites and to develop a public art program for the area.

To help make the walk along the west side of The Embarcadero as appealing and engaging as possible, the City should work with the Arts Commission to have a number of pieces of public art installed at key points, such as where historic ships or the historic seawall are believed to be buried.



Public art in Civic Center

RECOMMENDATION 3
STRENGTHEN BROADWAY AS A PEDESTRIAN CONNECTION BETWEEN CHINATOWN, NORTH BEACH AND THE WATERFRONT

Broadway is widely recognized as a key connection between the waterfront and the adjacent neighborhoods of North Beach and Chinatown. It also provides important vehicular access to those neighborhoods on the west side of the Broadway Tunnel.

There is broad consensus that Broadway's current pedestrian environment is relatively poor and should be strengthened. The sidewalks are narrow, especially relative to the overall width of the street, and there is insufficient

space for pedestrian amenities, such as seating, mini-plazas, or landscaping. The recent improvements at a number of intersections are positive, but corner treatments alone are not likely to be enough to generate the magnitude of change necessary.

A number of community members expressed concern that any reductions in the number of travel lanes would result in too much congestion; given the finite width of the public right-of-way, some compromise solution likely will be necessary if the community is to realize their goal of strengthening pedestrian connections to inland neighborhoods. The scenarios below suggest two potential approaches that could be used as the basis for further discussion. All options will need to undergo thorough traffic studies to evaluate impacts on all modes.

FIGURE 5
BROADWAY SECTION (EXISTING)

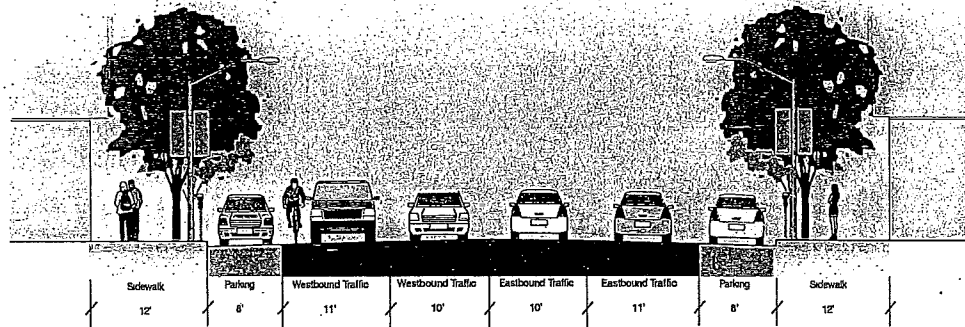
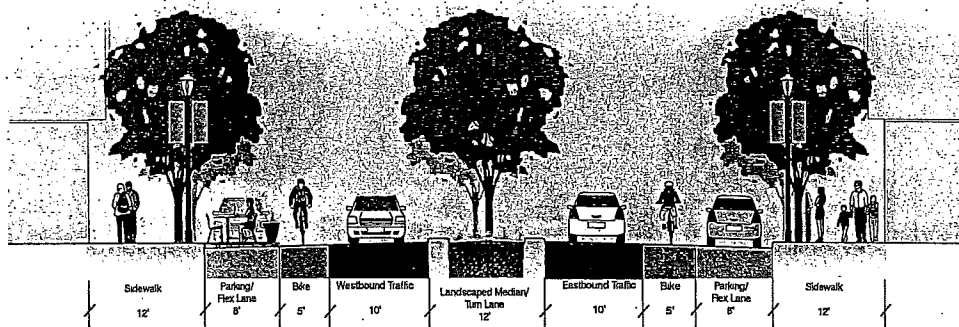


FIGURE 6
BROADWAY SECTION WITH BIKE LANES (PROPOSED)

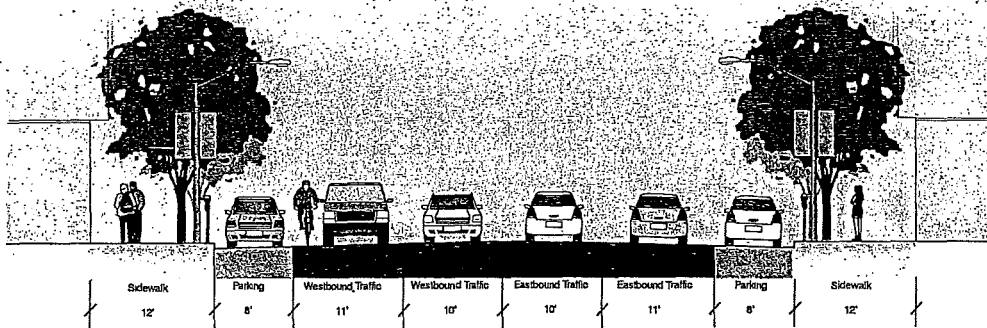


Scenario 1 – A Narrowed Broadway

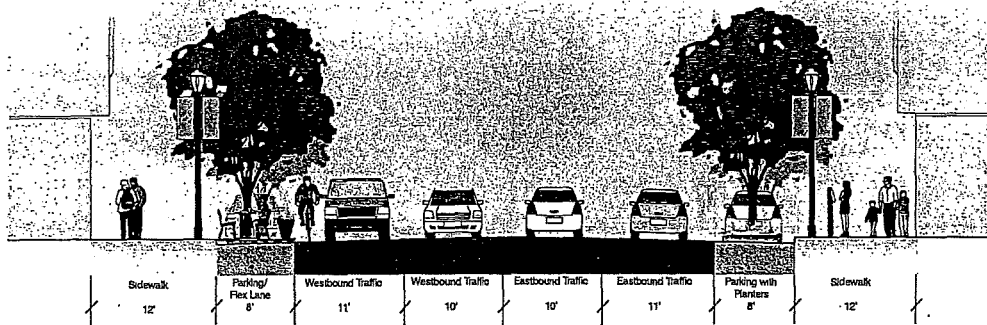
Consider narrowing Broadway to three lanes from four between Columbus Avenue and The Embarcadero, widening sidewalks, building bulb-outs with generous landscaping, attractive site furnishings and pedestrian lighting, and providing dedicated cycling facilities. The left-turn pockets at intersections would ensure left-turning vehicles do not impede through traffic, while providing pedestrian refuges to ease crossings. The new landscaped median would visually narrow the street and provide opportunities for stormwater management in combination with attractive landscaping. The new bicycle lanes would greatly improve the attractiveness of cycling through the corridor.

Scenario 2 – Extended Intersection Treatments and the Use of The Parking Lane as Flexible Space

A second scenario would extend the current intersection improvement design, but create larger corner pedestrian plazas that allow for more seating and landscaping. Under this scenario, the trees would be moved to parking lane planters, effectively widening the sidewalk while visually narrowing the street. Some number of parking spaces each block could be converted either to parkettes akin to those being built as part of the City’s Pavement to Parks Program, or to landscaped mid-block plazas similar in design and intent to the augmented corner extensions described above. Lane widths could be evaluated for whether narrow bike lanes could be installed to provide some level of comfort to cyclists.



**FIGURE 7
BROADWAY SECTION
(EXISTING)**

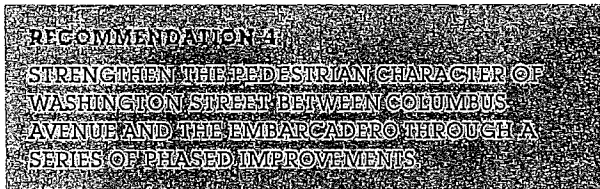


**FIGURE 8
BROADWAY SECTION
WITHOUT BIKE LANES
(PROPOSED)**

Other Improvements – Ground Floor Design

There are a number of improvements that should be pursued regardless of roadway changes. In general, the ground floors are unattractive to pedestrians and efforts should be made to increase the transparency into the buildings, independent of the use. More active retail uses would be ideal and should be pursued as opportunities arise.

There are limited opportunities for infill, but those that exist should be made the most of. The site on the south side of Broadway between Sansome and Battery Streets, for example, would be an ideal location for an iconic building and associated open space. This would substantially improve the attractiveness of Broadway to pedestrians by creating a pedestrian destination between North Beach and the Embarcadero Waterfront.



Washington Street should become, over time, a key pedestrian route linking Chinatown, the proposed Central Subway, North Beach and the Embarcadero Waterfront. Its proximity to the future subway stop at Portsmouth Square, the origin of Columbus Avenue and its terminus at Sue Bierman Park make Washington the preferred choice as a pedestrian connector.

The current layout of Washington Street and the design of adjacent buildings were decided upon during a time when a freeway ramp touched down in what is now Sue Bierman Park, an active railway line ran just to the east, and light industrial uses dominated to the north. Consequently, some of the least pedestrian friendly environments in the city were allowed to be built along Washington, while planners envisioned people walking through the interior blocks of The Embarcadero Center and up along the elevated walkways of the Golden Gateway.

The neighborhood has been transformed over the ensuing three decades, with the freeway coming down, the railway no longer in service, white collar jobs replacing industrial, and massive public realm investments made along the length of The Embarcadero. Within this new environment, it is time for the City to reconsider how vehicles move through the neighborhood in general, given its density of development (particularly in the southern end), the proximity to downtown and the availability of high quality public transit. Washington Street, for the reasons stated above, should be a particular priority for improvement.

The City should, when the opportunity arises, fundamentally redesign Washington Street, including exploring whether to two-way the street. Before such an effort can be undertaken, however, there are a series of intermediate steps that could be taken that would begin transforming Washington Street from a car-oriented street to one that is attractive to pedestrians.

- 209 Prioritize activating the corner locations on Washington Street between Drumm and Battery by inserting two-story retail spaces into the existing parking podium. Over time, extend these activating spaces to the entire block face.

Corner locations should be prioritized for active ground floor uses, with the City and the property owner working together to find ways to extend the active ground floor design to the remainder of the block.

- 224 Narrow Washington Street between Drumm Street and The Embarcadero

Washington Street should be narrowed to one lane in each direction by widening the sidewalk on the north side, narrowing the median and providing bicycle facilities between Drumm Street and The Embarcadero. West of Drumm Street, Washington is already reduced to one lane going westbound. Require development on the parcels to the north of this section of Washington Street to improve this widened sidewalk as per the guidelines for Living Streets in the San Francisco Better Streets Plan or in some similarly satisfactory manner.

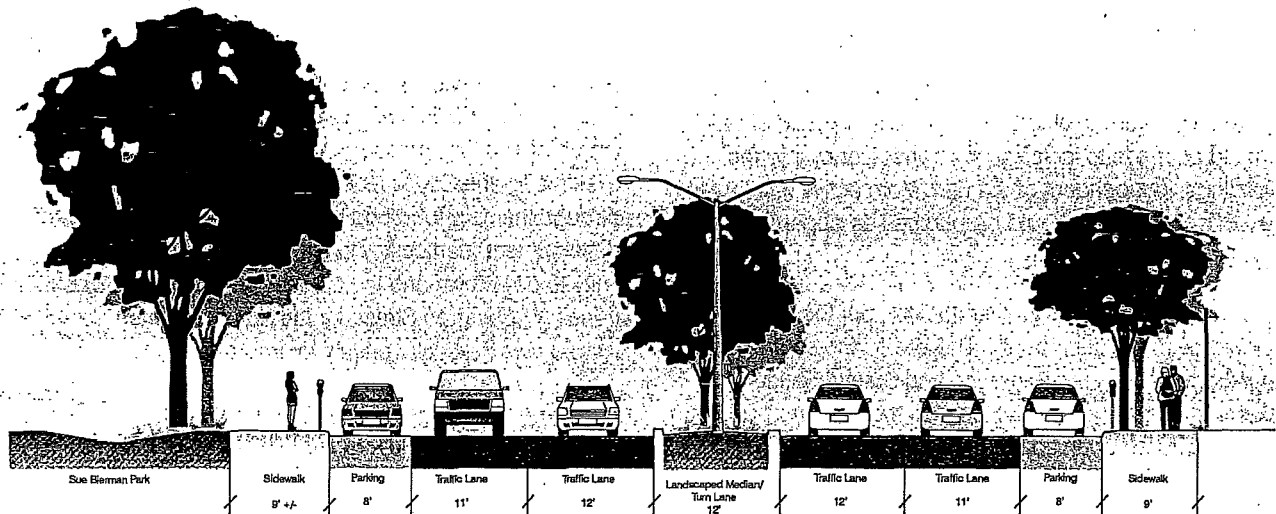


FIGURE 9
WASHINGTON STREET SECTION (EXISTING)

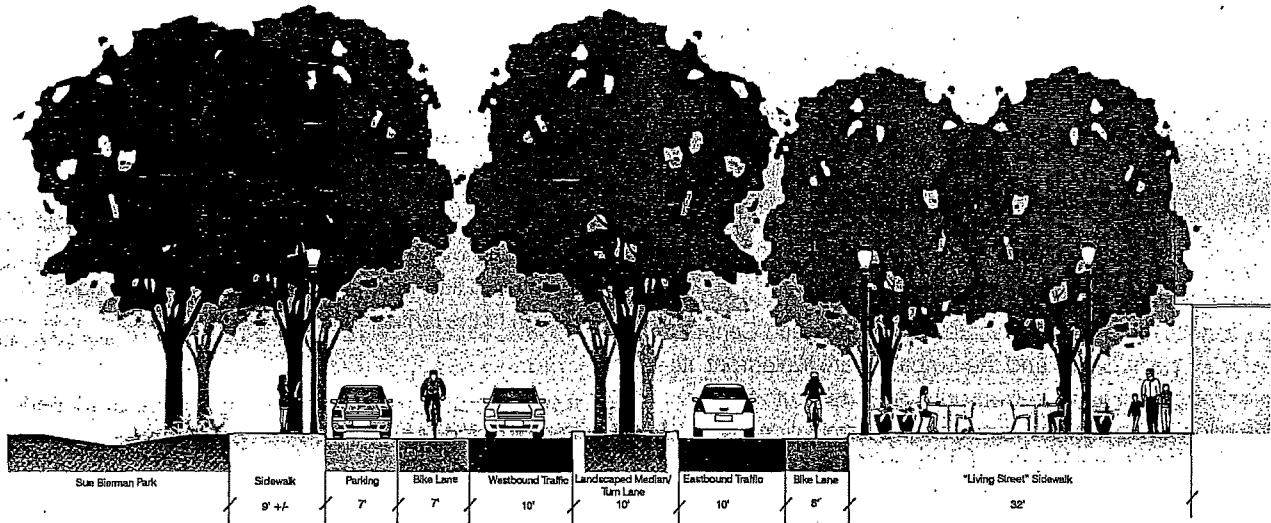


FIGURE 10
WASHINGTON STREET SECTION WITH BIKE LANES (PROPOSED)

- 3. Explore the possibility of returning two-way traffic to both Washington Street and Clay Street.

In an effort to return the area to a pedestrian, transit and bike-oriented transportation system, bringing two-way traffic back to Washington and Clay Streets would simplify vehicular movement, make two-way bike connections easier, and calm traffic.

- 4. Explore the possibility of providing bike lanes on Washington Street between Columbus Avenue and Drumm Street.

Per the San Francisco Bicycle Plan, the City should explore extending bike lanes west to Columbus Avenue to better connect two important city destinations.

RECOMMENDATION 5
JACKSON STREET SHOULD BE EMPHASIZED AS A PEDESTRIAN CONNECTION BETWEEN CHINATOWN AND THE WATERFRONT. AN DEVELOPMENT PROPOSED ON THE PARCELS BETWEEN DRUMM STREET AND THE EMBARCADERO SHOULD ALSO REESTABLISH JACKSON STREET AS A PEDESTRIAN CONNECTION TO THE EMBARCADERO

Improving the quality of the pedestrian environment along Washington Street will be a long-term goal for the area. There remains the need, however, for an interim connection that can adequately fulfill the role in the immediate future. Jackson Street's current quality as a pedestrian street and its strong connection to the Jackson Square historic district makes it an ideal candidate for this role. Pedestrian wayfinding signage and high-visibility crosswalks could be short-term solutions, while modest streetscape improvements, such as trees and landscaping in parking lane planters, could be looked at in the intermediate-term.

RECOMMENDATION 6
CREATE AN OPEN SPACE NETWORK THAT MEETS THE NEEDS OF RESIDENTS AND VISITORS

This study recommends that a number of new small- to medium-sized open spaces be woven around any new development in the study area so as to create a string of plazas and parks along the Embarcadero. These new open spaces could be programmed to accommodate a number of different uses, ranging from plazas to children's play areas, thereby augmenting the diversity of open space options for residents and visitors.

- 6.1 Create a network of linked pedestrian routes and destinations.

Open spaces that already exist or are anticipated should be linked by a network of attractive, engaging and safe pedestrian routes. These routes should

be marked by an integrated pedestrian wayfinding system that directs residents and visitors to cultural and recreational destinations. Throughout the public comment period community members voiced a desire for a strong network of public spaces along the Embarcadero corridor that includes additional public recreational opportunities.

- 6.2 Create a new open space on the Jackson Street right-of-way between Drumm Street and The Embarcadero.

At that time when the parcels south of Jackson Street are developed, the full street right-of-way should be opened for pedestrian access as a new public park or plaza. Ground floor uses in the buildings to the north and south would be encouraged to spill out onto the new open space.

- 6.3 Create a new open space on the parcel bounded by The Embarcadero, Pacific Avenue and Drumm Street.

This parcel should become a new public open space, activated by the ground floor of any building built on the parcel immediately to the south. The entire Drumm Street right-of-way should be included as part of the new open space. If it is feasible to develop a single-story structure on this site to accommodate a use that would activate the Pacific Avenue extension, this option should be entertained, but if it proves infeasible the site should remain free of development.

- 6.4 Create a new public plaza on the Vallejo Street right-of-way between The Embarcadero and Davis Street.

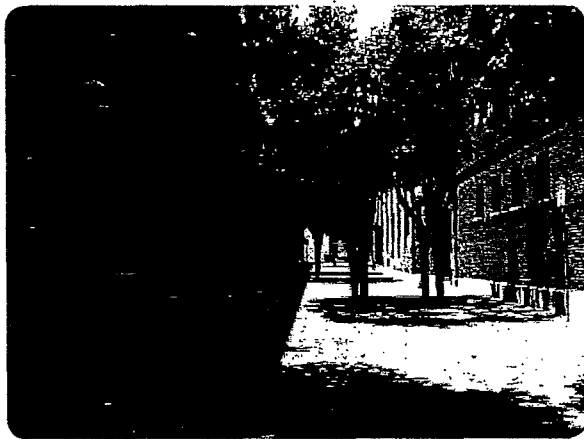
This public right-of-way, currently used as a surface parking lot, would be an ideal location for a new urban plaza framed by the buildings proposed to the south and north. It would extend pedestrian access to The Embarcadero, but remain closed to vehicles.

The area immediately to the north of Vallejo Street between Davis Street and The Embarcadero also should be considered as an open space area. The poor quality ground floor of the adjacent KGO building and the prevailing winds across the site, however, would present challenges in activating the new public space.

For these reasons, if it is feasible to develop a single-story structure on this site to accommodate a use that would activate the space on all three sides, this option should be entertained, but if it proves infeasible the site should remain free of development.

- 6.5.3 Extend Commerce Street (aka John Maher Street) east to The Embarcadero as a Living Street.

Commerce Street west of Front Street is a tranquil pedestrian route between two historic buildings. This design should be extended to The Embarcadero across the parcel bounded by The Embarcadero, Green Street, Front Street and Union Street.



John Maher Street

- 6.5.4 Create two new public plazas on the Union Street and Front Street rights-of-way.

The Union Street right-of-way east of Front Street currently is used as a surface parking lot. The small parcel bounded by Front Street, Union Street and The Embarcadero would be an ideal location for a single-story building that houses a restaurant or café. This would frame the two new plazas, create an activating use that could spill out onto the plazas, protect the Union Street plaza from the prevailing wind and screen the unattractive façade of the commercial building to the west from the sidewalk.

Both plazas would become attractive pedestrian routes to The Embarcadero that would not be open to vehicles, while offering a view corridor from the Embarcadero to the historic buildings to the west.

- 6.5.5 Incorporate a variety of seating in new development, plazas and open spaces.

The design of planters and low walls can provide safe, comfortable places where people can stop, take in the view, socialize and rest. Integrating large windows adjacent to plazas and gathering spaces improves the site's attractiveness to visitors and provides more opportunity for community interaction. Sidewalk and outdoor dining spaces are encouraged, although these spaces should not conflict with other sidewalk uses.

- 6.5.6 Improve opportunities for publicly accessible active recreation space in the area, with a particular focus on the southern part of the study area.

There is a need for additional public active recreation facilities in the southern part of the study area. This need should be met by providing new facilities in Sue Bierman Park, most likely on the western block of the park. The design and type of facilities should be decided through a community process so that the needs of residents are met to the greatest degree.

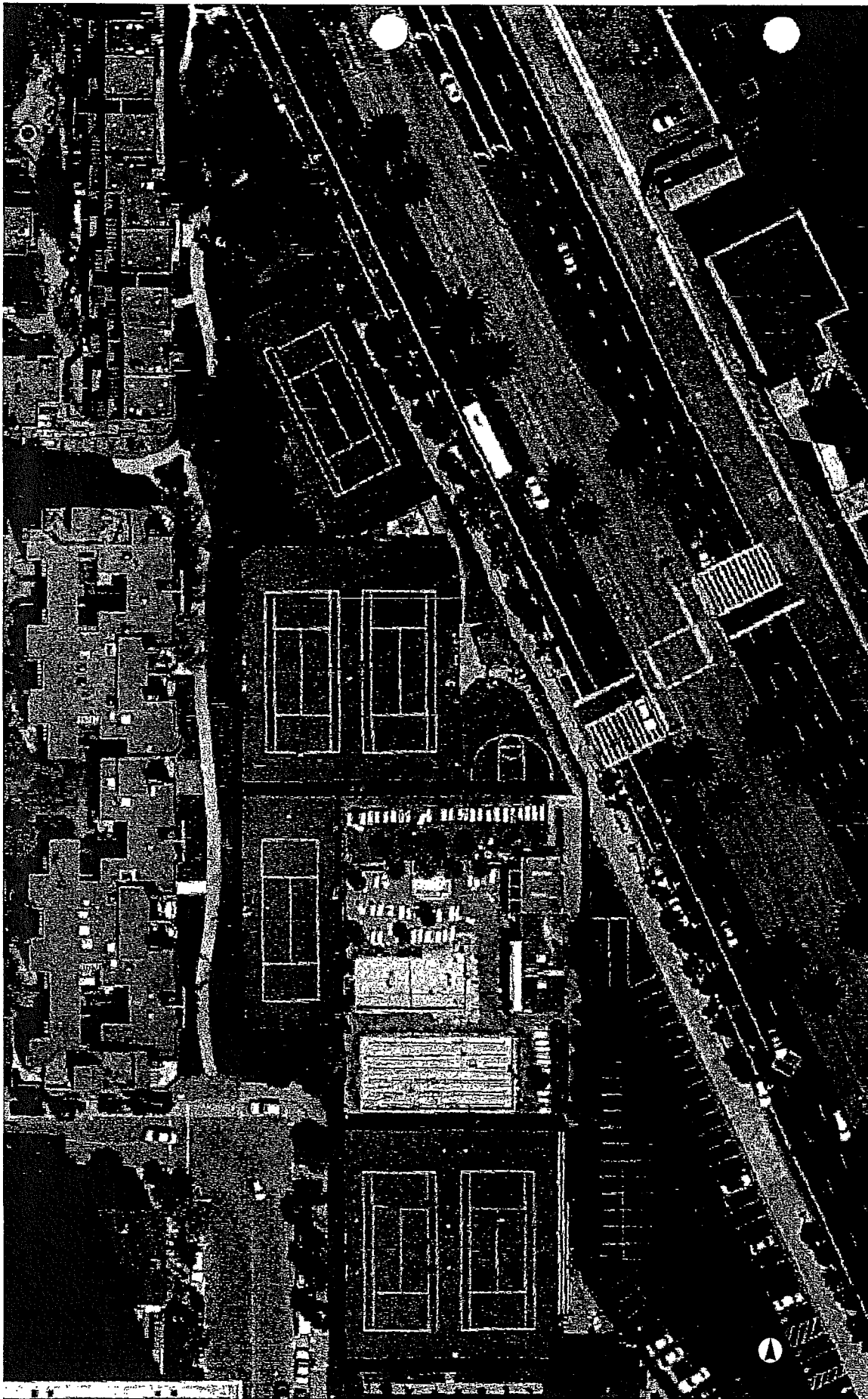


FIGURE 11
AERIAL VIEW OF THE
EMBARCADERO:
WASHINGTON TO JUST
SOUTH OF BROADWAY

FIGURE 12
 RECOMMENDED INFILL
 AND OPEN SPACE
 DEVELOPMENT:
 THE EMBARCADERO FROM
 WASHINGTON TO JUST
 SOUTH OF BROADWAY

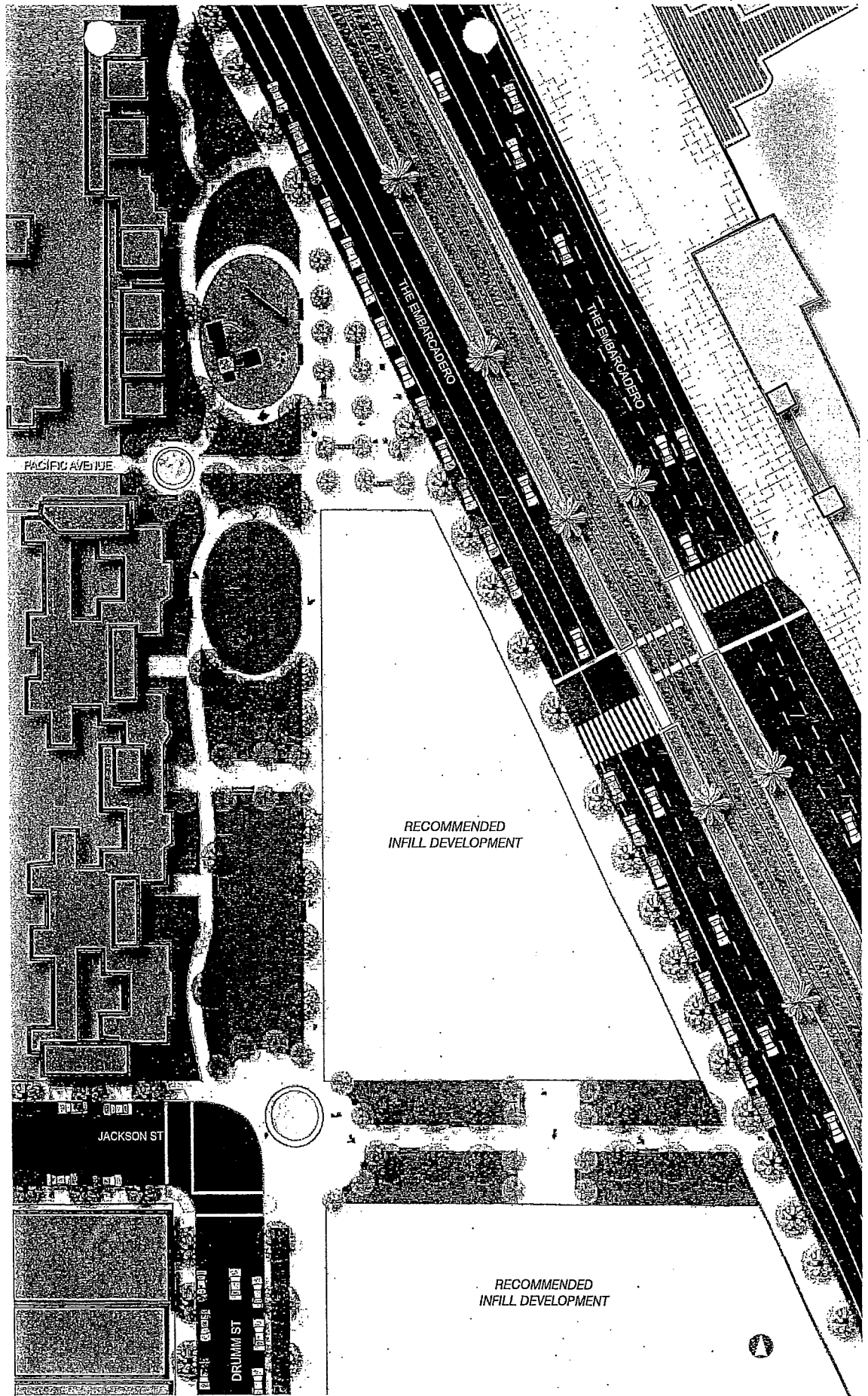




FIGURE 13
AERIAL VIEW OF THE
EMBARCADERO:
BROADWAY TO JUST
SOUTH OF GREEN STREET

FIGURE 14
 RECOMMENDED INFILL
 AND OPEN SPACE
 DEVELOPMENT:
 THE EMBACADERO FROM
 BROADWAY TO JUST
 SOUTH OF GREEN STREET

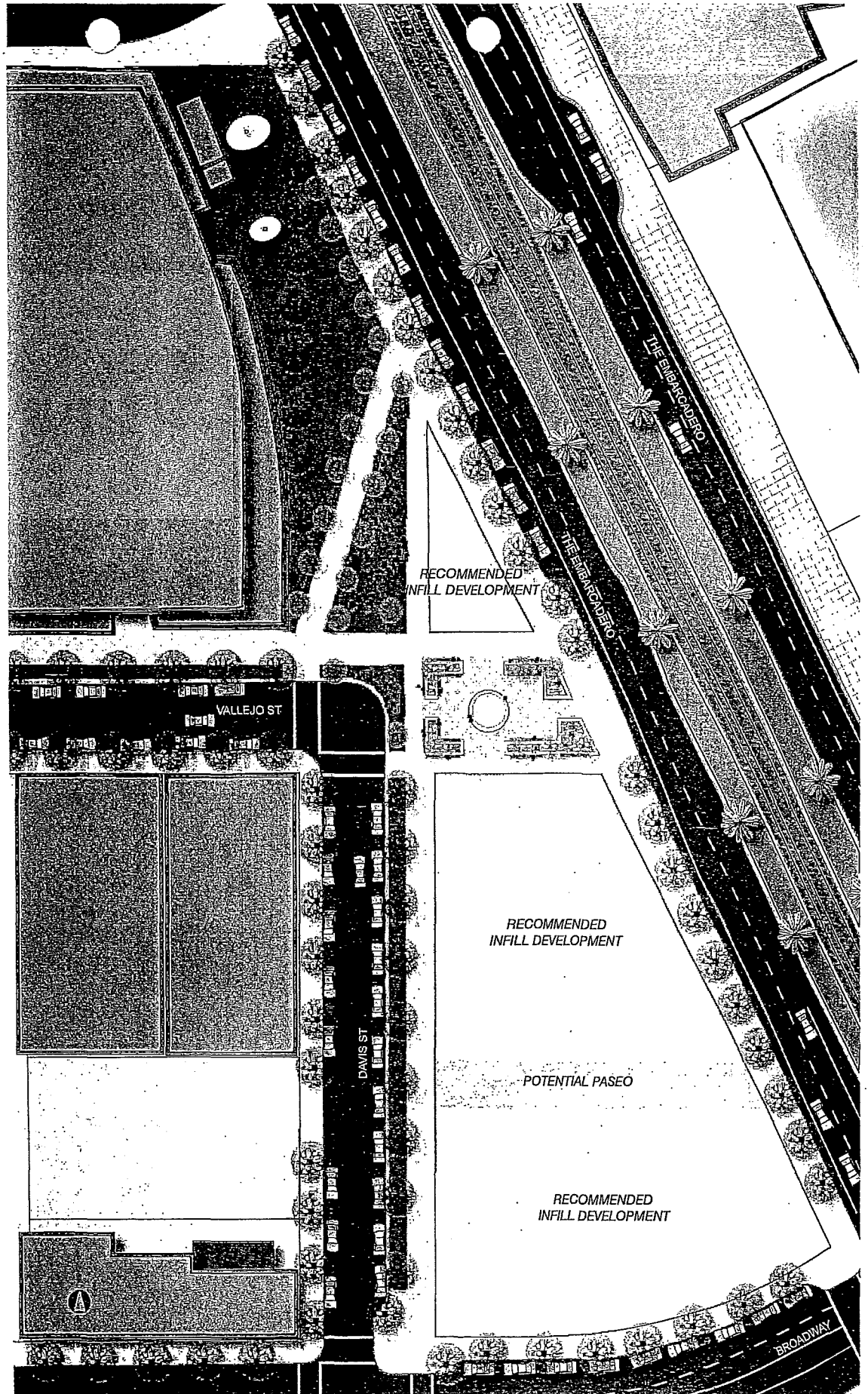
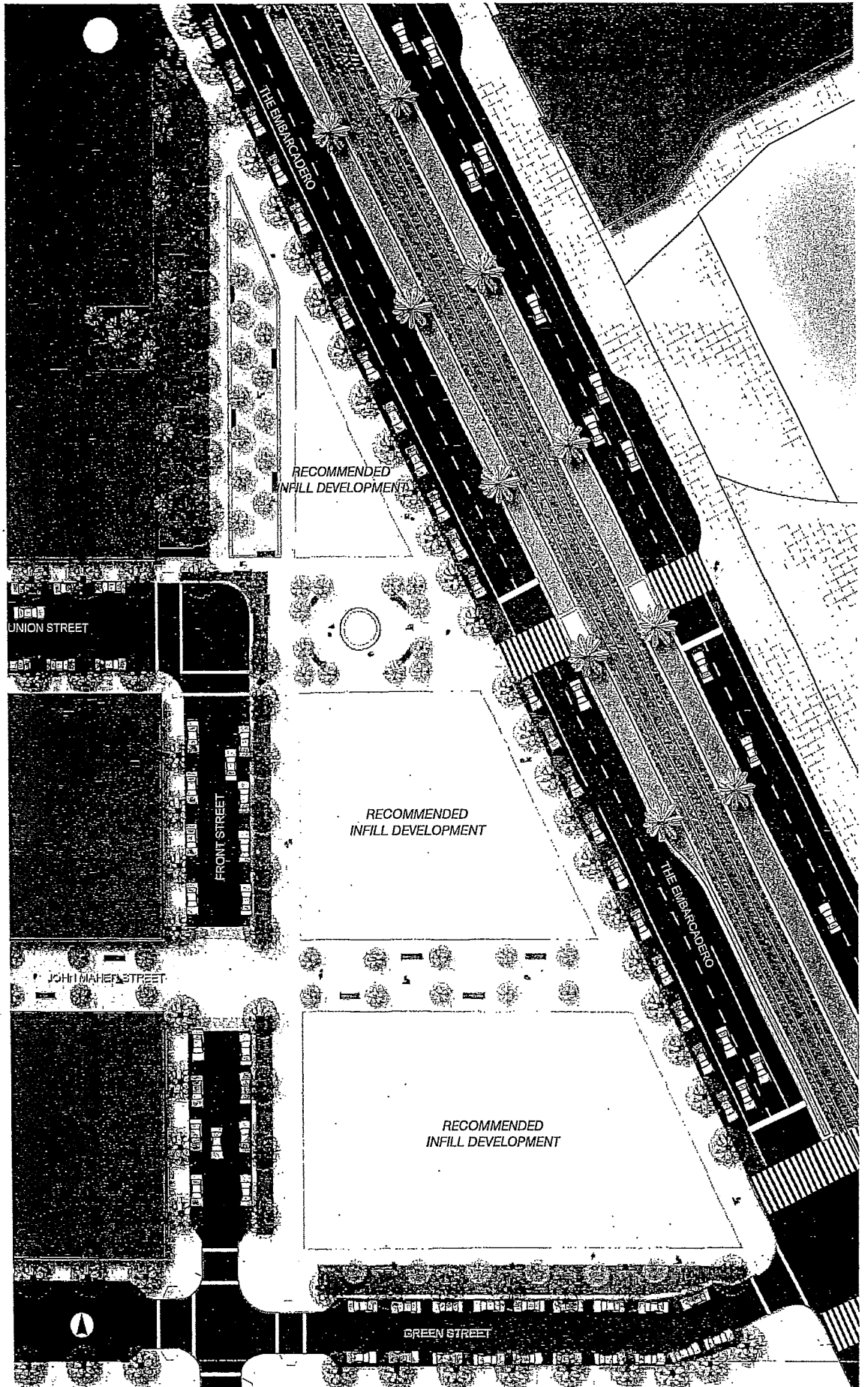




FIGURE 15
AERIAL VIEW OF THE
EMBARCADERO:
UNION TO JUST SOUTH
OF GREENWICH STREET

FIGURE 16
 RECOMMENDED INFILL
 AND OPEN SPACE
 DEVELOPMENT:
 THE EMBACADERO FROM
 UNION TO JUST SOUTH OF
 GREENWICH STREET



Design Guidelines for New Development

INTRODUCTION

Designing buildings in accordance with the Design Principles is necessarily a balancing act that requires trade-offs between goals. This is true of any planning process, but given the study's goals—strong connections, quality and context sensitive architecture, a gracious public space network, and strengthened pedestrian environment—and the diverse set of community opinions, the trade-offs becomes especially difficult. The following guidelines endeavor to balance the study's goals and public comments, while remaining consistent with the Design Principles.

The urban design guidelines for new development describe how buildings should be designed to create an attractive, safe and convivial public realm for residents and visitors, while respecting the surrounding built and natural landscape; this means designing buildings that support an active sidewalk life, that improve safety with active and transparent ground floors, and that are harmonious with the surrounding historic buildings.

RECOMMENDATION 7 STRENGTHEN THE CITY'S WATERFRONT BY ENCOURAGING DEVELOPMENT ON THE AREAS VACANT OR UNDERUTILIZED LOTS

The vacant and underutilized lots along the Embarcadero severely detract from the quality and character of the neighborhood, diminish the attractiveness of the surrounding streets for pedestrians and result in activity dead spots that produce unsafe and unappealing places for people to spend time. The combination of new development and new open space proposed in this study will substantially improve all these aspects, while contributing new life on the street and support for local businesses.

7.1 Release dwelling-unit density limits to improve the feasibility of development on vacant Port seawall lots.

Releasing the dwelling-unit density limits would be an important tool in improving the feasibility of building on the Port's seawall lots.

7.2 New housing should be appropriately designed for families.

The area currently has a significantly lower proportion of households with children than does San Francisco, which already has the lowest proportion nationally. Making sure households with children continue to find housing options that meet their space needs, including 2-3 bedroom units, will be important for the neighborhood to maintain a more balanced demographic profile.

- 73. Encourage a range of businesses regarded as useful for day-to-day living and working in the area.

During the permitting and entitlement phase of new development, the City should encourage the inclusion of local and city-serving uses aimed at the needs of residents and local businesses rather than principally aimed for customers outside the area.

- 74. Encourage community facilities in the area that meet the needs of residents and strengthen the sense of community.

To the extent that new facilities are necessary to meet the needs of residents, the City should work to provide these services as needs arise.

- 75. Discourage Automobile use.

The portions of the study area south of Broadway have a diversity of uses and provision of transit unequaled in the City. New development here should be expected to build on this diversity and discouraged from developing in ways that encourage the ownership and use of the automobile. Just as new development should relate to downtown, new development here should approximate parking levels allowed in the immediately adjacent C-3-O district.

The portions of the study area north of Broadway have a richness of uses commensurate with that south of Broadway, but are somewhat less proximate to the transit connections of downtown. New development here also should be discouraged from developing in ways that encourage the ownership and use of the automobile. Given the area's lesser proximity to transit, however, new development should be allowed to provide parking at levels somewhat greater than that allowed in the C-3-O district.

Many of the subject sites within the study area currently provide parking to surrounding businesses and waterfront attractions. Additional parking beyond that outlined above could be appropriate to directly replace existing parking on a development site or when demonstrated as essential for the district's function.

- 76. Develop a comprehensive long-term parking and street management plan for the area.

A comprehensive parking and street management plan should be prepared to address the long-term parking needs of the Ferry Building and other uses in the study area, including off-street parking, on-street parking, street management, and bicycle parking. This effort should involve the city transportation agencies, the Planning Department and the Port to ensure the strategy is coordinated with the land use plans in the area.

RECOMMENDATION 3
BUILD AT A DENSITY THAT TAKES FULL ADVANTAGE OF EXISTING URBAN INFRASTRUCTURE, SUPPORTS AN ENGAGING GROUND FLOOR, AND ADDS TO THE AREA'S AMENITIES.

The Planning Department has developed a number of guidelines for recommended height within the study area. During this planning process, the Planning Department has received constructive feedback on appropriate heights. The details provided below reflect the long consideration of the very diverse set of opinions on height expressed by the community in combination with the department's professional opinion.

During its deliberation, the department has carefully weighed:

- a. the need to adequately frame The Embarcadero and Sue Bierman Park;
- b. the need for any new development to fit into the existing scale defined by the Golden Gateway Apartments, the Embarcadero Center, the Golden Gateway Commons and the historic buildings across the Embarcadero;
- c. this area's strategic location next to downtown, its adjacency to transit, and proximity to the waterfront;
- d. the City's need for housing; and
- e. the opportunity for new residents to enliven and activate the waterfront, the neighborhood and downtown.

AREA BOUNDED BY THE EMBARCADERO, WASHINGTON STREET, DRUMM STREET AND THE SOUTH EDGE OF THE EASTERLY EXTENSION OF JACKSON STREET.

New development should be sculpted to provide a flexible range of heights and massing. The preferred urban form for the portion of this site fronting Washington Street, The Embarcadero and the south edge of the extended Jackson Street would be 6 stories (67 to 70 feet in height, depending on ground-floor height). The Planning Department remains convinced that markedly lower development on any significant portion of this site, especially where it fronts The Embarcadero or Washington Street, would be visually inconsistent with the scale and civic prominence of The Embarcadero and the scale of buildings in the immediately adjacent downtown.

The portion of the site that fronts Drumm Street should also be sculpted. In general, it should be allowed to rise to 8 stories (87-90 feet in height, depending on ground-floor height). Further, in light of this study's recommendation to apply a six-story height maximum over more of the site south of Jackson Street, and to partially compensate for the resultant reduction in the housing that can now be achieved, while continuing to ensure the sculpted heights desired by the community, approximately one-third of this portion of the site should be allowed to rise to a maximum of 12 stories (125-130 feet, depending on ground-floor height). The location of this great height is most appropriate at the southern corner of the site, where Drumm and Washington Streets meet.

The goal of these height recommendations is to respond to the community's desire for attractive buildings that offer a more varied and compelling urban form than would otherwise be possible under uniform maximum height limits. The community has also asked that greater flexibility be built into the height guidelines to allow for design flexibility to respond to site constraints and community needs.

AREA BOUNDED BY THE EMBARCADERO, THE NORTH EDGE OF THE EASTERLY EXTENSION OF JACKSON STREET, DRUMM STREET AND THE EASTERLY EXTENSION OF PACIFIC STREET.

New development here should be no higher than 2 stories (25 feet in height).

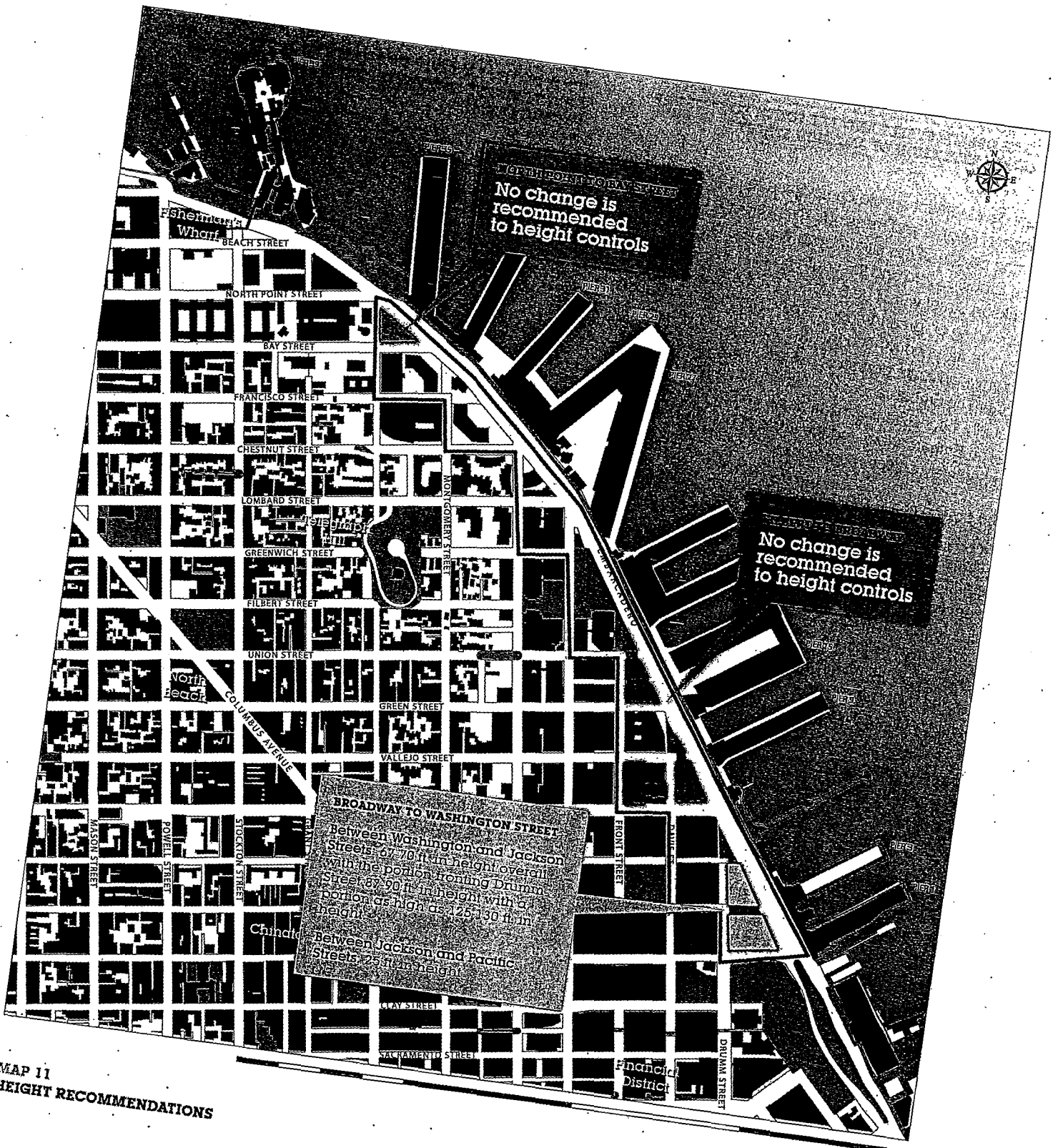
AREA BOUNDED BY THE EMBARCADERO, BROADWAY, AND NORTH POINT STREET.

No change in height controls is contemplated in the portion of the study area north of Broadway

The study area north of Broadway is zoned for 40 and 65 foot height limits. In 2005, two blocks in the study area were rezoned. Block 139 was lowered from 84 feet to 40 feet, and block 140 was lowered from 84 feet to 65 feet. No change is contemplated to these height controls. It should be noted, however, that the pleasing ground floor scale recommended by this study in the portions of the study area south of Broadway will unlikely be achievable within a 40-foot height without losing one floor of development.

AREA BOUNDED BY GREEN STREET, FRONT STREET, THE SOUTH EDGE OF THE UNION STREET EXTENSION AND THE EMBARCADERO.

The size, shape and context of this site suggest a number of constraints and opportunities that will need to be balanced. First, the length of the parcel suggests the need to break down the massing to maintain a pedestrian scale of development. Second, the small triangular parcel north of the Union Street Extension, currently an open space, serves little open space function other than as visual open space. Therefore a development solution should be found that improves the experiential quality of this space. Third, the historic buildings to the west and the existence of the pedestrianized John Maher Street provides an appealing context to build off of.



MAP 11
HEIGHT RECOMMENDATIONS

□ Study Area ■ Open Space

This site affords a number of solutions that would meet these overlapping needs and constraints. The Planning Department prefers that John Maher Street be extended across this site to The Embarcadero, maintaining the design elements present west of Front Street. Further, the extension should be linked by a raised crosswalk across Front Street. Union Street should be extended as a pedestrian route to The Embarcadero, adding to the open space to the north. Some activating element would be suitable for the new combined open space, such as a permanent kiosk-style building; alternatively, a ground-floor use in any future development just south of Union Street could spill out into the proposed plaza. Finally, the northern curb of Green Street between Front Street and The Embarcadero could be widened by approximately 15 feet to create a "Living Street" along the north sidewalk, allowing for generous seating and landscaping elements, including stormwater management elements. Refer to Figure 16 for an illustrative of the above-mentioned recommendations.

URBAN DESIGN ELEMENT

These are the objectives and policies from the Urban Design Element that are of special relevance to new development in the study area.

OBJECTIVE 3
 MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1
 Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.2
 Avoid extreme contrasts in color, shape and other characteristics that will cause new buildings to stand out in excess of their public importance.

Policy 3.4
 Promote building forms that will respect and improve the integrity of open spaces and other public areas.

Policy 3.5
 Relate the height of buildings to the attributes of the city pattern and to the height and character of existing development.

RECOMMENDATION
 PRESERVE EPISODIC VIEWS BETWEEN THE EMBARCADERO AND COIT TOWER WHILE MAINTAINING FLEXIBILITY FOR ARCHITECTS TO DESIGN BUILDINGS WITH MASSING AND HEIGHTS APPROPRIATE TO THE SITE.

There are a substantial number of existing views from The Embarcadero towards Coit Tower that open and close as one moves north from the Ferry Building. Some last for no more than few feet, while others stand out for their scale and clarity. Maintaining flexibility in the massing and orientation of new development will be important in preserving episodic views.

Therefore, this area should have appropriately scaled buildings that increase the amount of public life, improve the aesthetic quality of the area and create a more appealing pedestrian environment; a number of new public spaces would compliment the new development. This means, however, views that currently exist between the north end of the Ferry Building and Coit Tower would be lost when new development is built on the proposed 8 Washington site. Planning believes this is an appropriate trade-off given the benefits resulting from the development.



Preserving views

**RECOMMENDATION 10
EMPLOY CONTEXT-SENSITIVE SITE DESIGN AND
BUILDING ORIENTATION**

Sophisticated site design helps to resolve problems posed by such variables as site constraints, community needs and public policy. In San Francisco, the challenge is often ensuring that design solutions result in a high quality pedestrian experience.

10.1 Orient building elements, such as main entries, lobbies, windows and balconies to face streets, public parks, plazas and open spaces to help ensure a consistently high volume of pedestrians, strengthen the visual and physical connection to the street, and reinforce community character.

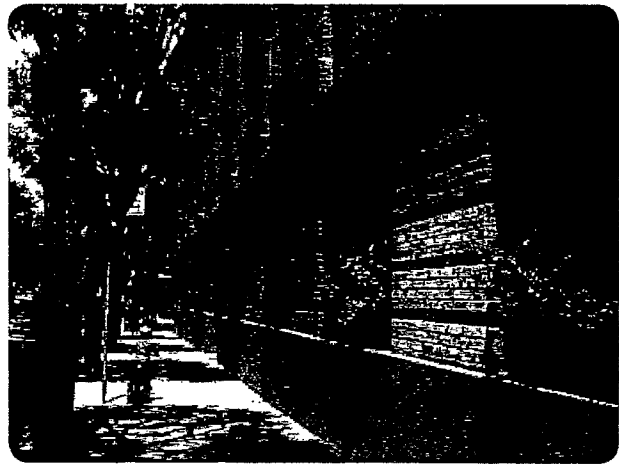
Buildings that are outward facing, rather than inwards, promote a safer and more interesting public realm by increasing the visual and physical connection between public and private space.



Outward facing buildings with good building elements

**RECOMMENDATION 11
THE MASSING AND ARTICULATION OF BUILDINGS
SHOULD BE SCALED TO THE HUMAN BODY AND
THE SPEED OF PEDESTRIANS**

Massing and articulation describes the relationship of a building's size and shape to both 1) its visibility in the larger cityscape and 2) its impact on immediate surrounding natural features and existing development. Massing and articulation also address building spacing, rhythm, and level of detailing. These factors help relate a building's physical form to the type of human activity that happens within and around it. New development should respect the scale and character of the surrounding areas. This includes the special nature of the historic districts in and around the Northeast Embarcadero.



Articulated building with well-defined base

110 Building facades that face the public realm should provide variety on the street through the strong rhythm of vertically articulated elements. This is especially important for large development sites with long facades.

Provide repeating vertical articulation on new buildings, especially those with large frontages, to achieve visual interest necessary to sustain pedestrian interest and activity. Fenestration with landscaping, texture and shade/shadow help establish complimentary horizontal and vertical scales. Avoid undifferentiated massing (blank surfaces) longer than 25 feet.

The desire for diversity should not be taken so far, however, as to produce an incoherent public edge to the building; rather, it would be preferable to break up long frontages by creating distinct-looking buildings with a rationalized internal structure.

112 Building facades should include three-dimensional detailing; these may include bay windows, vertical changes in planes, cornices, belt courses, window moldings and reveals to create shadows and add interest.

The long undifferentiated facades of many modern buildings provide little or no visual interest for pedestrians and their uniformity in design undermines the quality of the public realm.

113 Building form should celebrate corner locations. Special design elements and architectural features such as towers, copulas, awnings, marquees, gables, and "turrets" are encouraged. Special entries should be used strategically at street intersections and near important public spaces.

Corners are special locations in our street network, located at the point where the street visually opens up to new vistas and the pedestrian has the opportunity to choose a new route. Many cities, San Francisco included, highlight the importance of intersections by allowing slightly higher heights, often through the use of special architectural features, such as towers, copulas or turrets.

114 All new buildings should include a clearly articulated base.

Differentiate the function and form of a building's sidewalk level from the middle and top by using elements including, but not limited to, different exterior materials, awnings, signs, cornices, projections, setbacks and large windows. Horizontal architectural design features should be visible to differentiate the base from upper story levels. A minimum 6 inch projection is suggested.

115 Taller buildings should include a clearly defined base, middle and top.

The middle of taller buildings should be clearly distinguished from the base and be articulated with vertically-oriented windows, projections, porches, and balconies. Above five stories, the top floor(s) should be integrated into an appropriately scaled expression of the building's top while complementing the rhythm of the ground floor bays.

Similarly, the roof, cornice, and/or parapet area should be well integrated within the building's overall composition, be visually distinctive, and should include architectural elements that create skyline interest. Roof forms should be drawn from the best examples in the area.

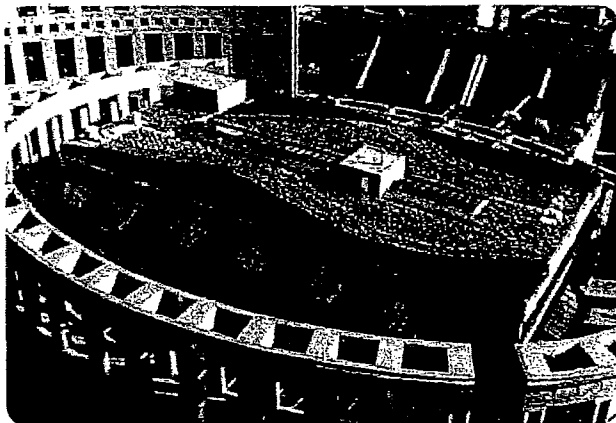
RECOMMENDATION 12
ROOFLINES, SHAPE, SURFACE MATERIALS AND FUNCTION SHOULD BE INTEGRATED WITH THE BUILDING'S OVERALL DESIGN AND BE ATTRACTIVE WHEN VIEWED FROM TALLER BUILDINGS OR NEARBY HILLS.

This area of the city requires roofs to meet standards above and beyond the need for good architecture that is consistent with the building's overall design. The number of very tall buildings immediately adjacent to the study area and the proximity of Telegraph Hill means roofs need to be designed as integrated architectural features of the overall building that is attractive when viewed from above.

121 Develop rooflines, including roof function, shape, surface materials and colors that are integrated with the building's overall design concept, while locating and screening rooftop mechanical equipment, penthouses, and other components to enhance views from surrounding hills.

122 Green roofs that allow rainwater infiltration, provide natural habitat to small birds and insects, and improve the visual quality of roofs from surrounding hillsides are strongly encouraged on all parcels.

San Francisco, being highly developed in this area of the city, needs the built environment to better complement the natural environment by intercepting rainwater for reuse on site, allowing rainwater to infiltrate surfaces, and by providing natural habitat for small birds and insects.



Vancouver green roof

RECOMMENDATION 13
CREATE AN ENGAGING URBAN EDGE BY REQUIRING ACTIVE GROUND FLOOR DESIGNS THAT ENGAGE PEDESTRIANS AND PROVIDE A TRANSITION BETWEEN THE PUBLIC SIDEWALK AND PRIVATE INTERIOR OF A BUILDING.

A building's ground floor design and use have tremendous impact on the street level pedestrian experience. The design of a building's ground floor can do much to encourage activities that begin to define the public life on a street. This area is already more pedestrian-oriented than many in San Francisco, with over three times as many people walking to work than the rest of the city. One way to further support walking is to ensure new buildings are designed with active ground floors, regardless of use. Residents coming and going from individual entrances to each unit, transparent ground floor commercial spaces and activities that spill out onto the sidewalk all contribute to a convivial and neighborly street.

In addition to the design guidelines for new development, retrofitting a number of existing buildings should be undertaken in accordance with the guidelines below. The southern portion of the study area, particularly around the Golden Gateway and surrounding office buildings, suffers from a poor quality ground floor design. The City should engage in partnerships with property owners in an effort to improve the pedestrian experience with activated ground floors and new spaces designed with more transparency from the sidewalk.



Active ground floor

13.1 In general, non-residential buildings should be built to all property lines facing public rights of way.

Non-residential buildings should be built to all property lines facing public rights of way, with the exceptions noted below:

- 13.1.1 Some set back areas should be developed to accommodate active uses such as primary building entries, seating and outdoor dining or display areas. Portions of retail facades should be recessed between 5 and 10 feet to accommodate these uses.
- 13.1.2 New development fronting The Embarcadero may need to be set back from the front property line to achieve the recommended minimum 17' sidewalk width.

13.2 Active pedestrian-oriented uses should be provided within the first 25 feet of the lot depth on all frontages, except where garages and utilities access are required, to create an enlivened, safe, engaging and attractive pedestrian environment.

13.3 Ground floor commercial uses, when designed well, can be important activators of the public realm and should be strongly encouraged along the area's most important pedestrian routes.

- 13.3.1 Design ground floor commercial facades to be at least 75% transparent to allow a clear view inwards to an active space from the street. This fenestration cannot be tinted. Post-construction alterations, such as retail displays, should not prevent a clear view.
- 13.3.2 Locate retail entrances at corners where possible.
- 13.3.3 Ground floor retail spaces should have a minimum 14 foot floor-to-floor height.
- 13.3.4 Ground floor retail use should be directly accessible from the street at the grade of the sidewalk onto which it fronts.

13.4 Large commercial uses, such as a grocery store, should be wrapped by other commercial uses as much as is possible.

The large floor-plates of contemporary supermarkets present special challenges for maintaining a pedestrian-oriented street design. Often they result in long stretches of unattractive streetscapes; the preferred design would wrap as much of the large commercial use with active retail uses as possible.

13.5 Place utility vaults and access panels in driveway curb cuts when possible so as to prevent blank building frontages and to ensure that sidewalk planting opportunities for street trees and landscaping are not limited.

Where necessary, frontages used for utilities, storage, refuse collection and other activities should be integrated into the overall articulation and fenestration of the facade, or be masked by landscaping or other design features where active uses are not possible.

13.6 Building projections and recesses, along with variations in materials and color and other architectural design features, should be used to emphasize pedestrian entries and to de-emphasize garage doors and parking.

One element of defining the regular rhythm of a pedestrian-scaled building is to emphasize the importance of pedestrian entries, which offer a glimpse into the more interesting private realm on the inside. Conversely, garages almost always deaden streets, whether in downtown commercial districts or along residential streets and should be kept to an absolute minimum in terms of number and width.

13.7 Commercial and storefront entrances should be easily distinguishable from residential entrances through the use of recessed doorways, awnings, transparencies, changes in colors and materials, and alternative paving.

Architecture that clearly distinguishes between the different functional roles of commercial and residential entrances improves the building's legibility, making it easier to navigate to the desired destination.

13.8 Elements or features generating activity on the street, such as seating ledges, outdoor café seating, outdoor displays of wares, and attractive signage are encouraged for all mixed-use buildings.

Similar to the residential transition zone described below, design elements that invite a passer-by to stop, sit or engage with the building's edge enhances the public life of a street.

13.9 Residential units on the first floor should generally be directly and independently accessible from the sidewalk, rather than from common lobbies, and should be designed to maximize the amount of visual and physical connection with the street.

The best residential streets in the world most frequently have regularly spaced entrances to either the ground-floor units or central vertical lobbies for apartments. These doorways generate activity, provide for individualization of buildings, and therefore visual interest for pedestrians, and, in the case of setbacks with landscaping, a transition zone where the resident can plant,

maintain and otherwise occupy the space, providing an important level of activity along the street.

▣ Individual entrances to ground floor residential units should be set back 3-5 feet, but no more than 10 feet from the street-fronting property line.

▣ First floor residential units are encouraged to be above the sidewalk level such that the windowsills of these units are above pedestrian eye level to maintain the units' privacy.

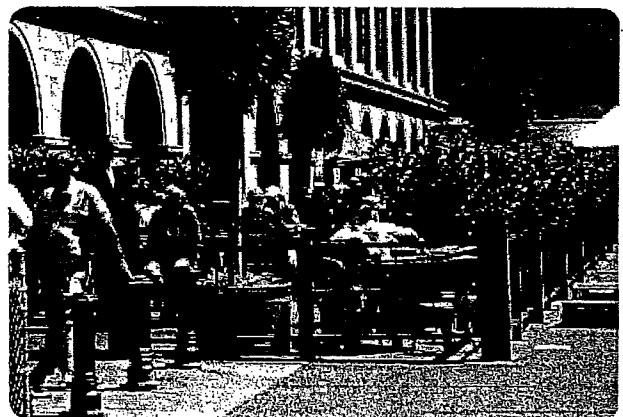
▣ Stoops, porches and landscaped areas at residential entries are strongly encouraged in order to create a positive relationship between the building and the public sidewalks as well as provide ample visual interest for passing pedestrians.

▣ In low- to mid-rise buildings, upper story residential units should connect to a lobby entry that opens directly onto the public way. Where possible, units should not be accessed only from an interior courtyard.

13.10 Integrate universal access within the building's overall design concept. Ensure that features aimed for achieving universal access are compatible with the architectural and historical integrity of the structure.



Ground floor unit entrance



Outdoor café seating

RECOMMENDATION 14
ENSURE NEW BUILDINGS FACING ON THE EMBARCADERO CONTRIBUTE TO AN ENLIVENED SIDEWALK BY REQUIRING RETAIL ON THE GROUND FLOOR

- 14.1 Restaurants and cafes should provide sidewalk seating that is protected from the elements and includes features such as heat lamps, wind blocks and awnings to ensure a comfortable sitting environment.

Given the prime location and the widened sidewalks, outdoor seating would be an attractive and effective way to improve the pedestrian quality of The Embarcadero. Adequate protection from the wind will be a critical element for such areas to be comfortable for as much of the year as possible.

RECOMMENDATION 15
BUILDING FAÇADES SHOULD BE ATTRACTIVE ELEMENTS OF THE OVERALL PEDESTRIAN ENVIRONMENT

The specific design features of building façades help to reinforce and enhance the pedestrian experience. Use of high-quality materials, appropriate colors, rich detailing, and placement of appropriate elements at both residential and retail entrances contribute to a sense of an enlivened pedestrian environment. The following guidelines set the minimum standard for the choice and use of high-quality materials.

- 15.1 Use an integrated, consistent range of materials, colors and design elements for each building, including, but not limited to, construction materials, roofs, entrances, and window, door, sign and lighting systems.

- 15.2 High quality building materials should be used on all visible facades and should include stone, masonry, ceramic tile, wood (as opposed to composite, fiber cement based synthetic wood materials), precast concrete, and high grade traditional hard coat stucco (as opposed to synthetic stucco that uses foam).

- 15.3 Minimize use of synthetic stucco or spray-on stucco on building frontages. For all buildings, stucco on any detailing or projecting element such as belt courses, window trim or cornices should not be used.

- 15.4 A minimum window reveal of 2 inches is required above the ground floor to provide shadows and visual interest to pedestrians from the street. See the San Francisco Window Guidelines for additional details.

For the majority of low- and mid-rise buildings, window reveals produce a visually more engaging surface that changes as the sun moves across the façade. The absence of window reveals tends to produce cheap-looking surfaces that contribute little to the visual interest of a building façade.

- 15.5 Integrate new business signs and their components with the building's overall design concept and materials palette; they should not overwhelm the building's façade with either color or size and should be oriented toward the pedestrian.

Too frequently, stock business signs are installed on buildings with little or no regard for the architectural style or materials used. This results in an incoherent visual landscape that is unpleasant to look at. Business signs should be designed to meet the needs of pedestrians, and not vehicles, which means smaller and with greater attention paid to design details and materials.

- 15.6 Integrate exterior light fixtures, including custom light fixtures consistent with the overall design concept, into the building's overall design.

Similarly, the design of the lighting systems should be consistent with the building's architecture and materials, in addition to providing the level of lighting necessary for a safe and attractive sidewalk or public space.

RECOMMENDATION 14
ADOPT PARKING AND ACCESS POLICIES THAT MINIMIZE THE IMPACT OF PARKED CARS ON THE PEDESTRIAN ENVIRONMENT

How automobile storage is accommodated can have tremendous negative effects on the quality of the pedestrian environment. Long stretches of blank walls that hide podium parking, and excessively wide and/or unnecessarily numerous garage entrances severely detract from the attractiveness of a street from the pedestrian's perspective. The following guidelines should be followed when designing car storage facilities.



Surface parking lot

- 16.1 No more than 30 percent of the width of the ground floor or 20 feet, whichever is less, may be devoted to garage entries or blank walls.

The undifferentiated ground floor is perhaps the most inhospitable edge a building can provide the sidewalk and should be avoided under any circumstance. Recognizing that on average a pedestrian travels 3-5 feet per second highlights how a 30' blank stretch of wall results in 10 seconds of little or likely no visual interest. Very many stretches of blank wall (or similar edge) will completely undermine the appeal of that street to pedestrians.

- 16.2 Off-street parking should create minimal physical and visual disruption to the pedestrian environment. On commercial streets, off-street parking should be discouraged, and in some cases prohibited.

- Where a building has two frontages, locate parking entrances, loading docks, bays, and auxiliary entrances on secondary streets, and minimize their visual impact on the neighborhood. For more details, see SF Planning Code 155(r).
- If provided, off-street parking should be accessed via side streets or alleys where possible.
- Loading, service and access to building utilities should be provided using the same access points as parking garages.
- Parking, loading and garage entries should be recessed to diminish their visual presence and to provide façade shadows.

- 16.3 At or above grade parking is discouraged. Where at or above grade parking is necessary, it should be wrapped with a minimum of 25 feet of active use at the ground floor.

- At or above the ground floor, parking shall be entirely screened from the street.
- Allowable active uses include residential, retail or office, and must be on both the primary and secondary street frontages, except for the minimum frontage required for building utilities and parking access.

- 16.4 Minimize the negative effect of parking and garage entrances on pedestrians by limiting the number and width of openings and architecturally integrating them into the building or landscaping.

Residential garage door widths should be no more than 8' in width. For development with more than 20 units, a separate door for ingress and egress should be allowed, but each door should not exceed 8 feet and should be separated by at least one foot.

Minimize the number of entrances and exits in parking structures. There should be no more than one entrance 20 feet wide per frontage.

165 Design hotel, office and residential lobbies to be accessed directly from the street and not from porte cocheres.

Porte cocheres are inappropriate for an urban and pedestrian-oriented district; they detract from the visual quality of the sidewalk and diminish pedestrian safety by increasing the number of conflicts between people and vehicles accessing the building.

166 Discourage new surface parking lots and explore ways to encourage the retrofitting of existing surface parking lots and off-street loading areas to minimize negative effects on microclimate and stormwater infiltration. The City's Stormwater Master Plan, upon completion, will provide guidance on how best to adhere to these guidelines.



Courtyard in Golden Gateway

RECOMMENDATION 77
PROVIDE THE AMOUNT, QUALITY AND TYPE OF PRIVATE OPEN SPACE THAT MEETS THE NEEDS OF RESIDENTS

Common private open space for occupants of residential buildings in San Francisco should provide a high degree of safety, accessibility, and level of privacy. They are valuable play spaces for children, a setting for "backyard" gatherings, and an extension of interior living areas. Common private open spaces within residential developments are intended to compliment the area's larger network of public streets and open space, but not substitute for them.

171 Common private open space at ground level should be designed to be visible from the street, using views into the site, tree-lined walkways, or a sequence of design elements to allow visual access into the space, even when the space is not publicly accessible.

172 Common private open space should be designed as a usable surface area, containing both landscaped and hardscape areas. Landscaped green and/or garden space should comprise a larger proportion (more than 50%) of the common outdoor area where possible.

173 Develop rooftop terraces, gardens, and associated landscaped areas to be both attractive common private open space, including if viewed from hillsides above, and effective stormwater management tools that reduce runoff and limit water usage.

174 Require new development to adhere to a new performance-based ecological evaluation tool being developed by the City of San Francisco to improve the amount and quality of green landscaping.

RECOMMENDATION 1B:
NEW DEVELOPMENT SHOULD COMPLEMENT THE CHARACTER OF THE HISTORIC DISTRICTS IN AND AROUND THE STUDY AREA WHILE STILL EMBODYING OF THE VERY BEST OF CONTEMPORARY ARCHITECTURE

The urban environment should remain honest to the contemporary social, economic and cultural forces that influence the larger society and thereby reflect the evolving physical narrative of San Francisco's evolution as a city. Along the Northeast Embarcadero, there is the added need to be sensitive to the unique physical and built characteristics of the historic districts in and adjacent to the study area, and to respect episodic views to Coit Tower.

- 1B.1 New development within the Northeast Waterfront Historic District must be consistent with Article 10 of the Planning Code, are subject to a Certificate of Appropriateness from the Historic Preservation Commission, and will be reviewed for compliance with the Secretary of the Interior's Standards.
- 1B.2 New development outside any of the historic districts should sensitive to unique physical and built characteristics of the adjacent historic districts, while remaining faithful to the aspirations of contemporary architecture as expressed through materials, fenestration and building articulation.



New and historic development

References

PLANNING DEPARTMENT DOCUMENTS

Draft Environmental Impact Report; 8 Washington Street/Seawall lot 351 Project. (Preliminary Draft), Case No. 2007.0030E. 2008.

Draft Recreation and Open Space Element. 2009.

Height Limits in Northeastern San Francisco. 1963.

Memorandum: Zoning Map Error for Seawall Lot 351. 2009.

Northeastern Waterfront Area Plan. 1971, 1998, 2003.

Northern Waterfront Area Plan. 1969, 1977.

Notice of Preparation of an Environmental Impact Report; 8 Washington Street Seawall lot 351 Project; Case No. 2007.0030E. 2007.

Preliminary Mitigated Negative Declaration; 8 Washington Street – Residential Development, Athletic Club, and Parking Facilities, Case no. 2002.0376E. 2004.

The Exploratorium Relocation Project, Transportation Report, Case No. 2006.1073. 2009.

The Northern Waterfront Findings Report. 1987.

The Northern Waterfront Plan: A Report by the Department of City Planning. 1969.

Upper Market Community Vision and Recommendations and Upper Market Development Design Guidelines (with MIG, Siefel Consulting, Nelson/Nygaard). 2008.

THE PORT OF SAN FRANCISCO DOCUMENTS

Embarcadero Parking and Transportation Analysis (with the San Francisco Planning Department, Nelson/Nygaard Consulting Associates, Wilbur Smith Associates). 2005.

Case Report: Information Briefing on the Waterfront Land Use Plan. 2008.

Case Report: Informational Presentation by San Francisco Waterfront Partners II, LLC on its 8 Washington Proposal including Seawall Lot 351 at Washington Street and The Embarcadero. 2007.

Case Report: Informational Presentation on Development Criteria for SWL 351. 2008.

Case Report: Informational Presentation on the Port's On-Street Parking Study. 2007.

Case Report: Informational Presentation on Development Options for Seawall Lot 351. 2008.

Case Report: Information Presentation on a Ten-Year Review of the Waterfront Land Use Plan. 2008.

Case Report: Informational Presentation on the Waterfront Land Use Plan, and The Port's Capital Program, Revenue Bond, and Implementation Plan. 2009.

Case Report: Informational Presentation Pertaining to Proposed State Legislation Terminating Trust Use Restrictions with Respect to Eleven Underutilized Port Seawall lots. 2007.

Case Report: Informational Presentation Pertaining to the Discussions with the California State Lands Commission and Public Trust. 2006.

Case Report: Informational Presentation by Port staff and Two Potential Developers for the 2/3 acre Mixed-Use Development Opportunity at Seawall lot 351. 2009.

Case Report: Informational Presentation Regarding Parking in the Ferry Building Area. 2009.

Case Report: Request Approval 1. to award the Seawall lot 351 development opportunity at Washington and The Embarcadero to San Francisco Waterfront Partners II, LLC, and 2. to enter into exclusive negotiations to explore a mixed-use development project combining SWL 351 with the adjacent privately owned Blocks 168, 171, and 201 (resolution No.09-12). 2009.

Memorandum: Port mixed-use development project combining seawall lot 351 at Washington and The Embarcadero with the adjacent privately owned block 168, 171, and 201. 2009.

Memorandum: Request Authorization to Issue a Request for Proposals for SWL 351. 2008.

Request for Proposals: SWL 351 Mixed Use Development Opportunity. 2008.

The Central Embarcadero Piers Historic District, National Register of Historic Places and the California Register of Historic Resources. 2002.

The Waterfront Land Use Plan and Design and Access Element. 1997.

THE SAN FRANCISCO REDEVELOPMENT AGENCY DOCUMENTS

Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan. 1959, 1977, 1995.

Embarcadero-Lower Market Redevelopment Project Area E-1: A Report On The Tentative Redevelopment Plan. 1958.

THE BAY AREA CONSERVATION DEVELOPMENT COMMISSION DOCUMENTS

San Francisco Waterfront: Special Area Plan. 1975 and 2000.

San Francisco Waterfront Total Design Plan (with the Planning Department, the Redevelopment Agency, the Port of San Francisco. 1980.

OTHER

Adavant Consulting. Draft 1 Report: 8 Washington Street/SWL 351 Transportation Study. Case number 2007.00301. 2008.

John S. Bolles Associates. 1968. The Northern Waterfront Plan San Francisco.

San Francisco Waterfront Partners II, LLC (SFWP). 8 Washington Street: A Development Proposal and Presentation to the San Francisco Planning Department. 2009.

San Francisco Waterfront Partners II, LLC (SFWP). Seawall Lot 351: A Development Proposal for the Port of San Francisco. 2008.

SPUR. November 1999. The Public Doctrine: San Francisco's Waterfront.

The San Francisco Board of Supervisors. 1983. The Northeast Waterfront Historic District.

APPENDIX: PUBLIC OUTREACH

A Summary of Public Comment

The Planning Department led an open public discussion with the intention of creating the broadest possible shared vision for the Northeast Embarcadero Waterfront, and continued this discussion throughout the course of the study. The public dialogue had three main phases, or rounds. Each phase consisted of a public workshop(s) with stakeholders, merchants, property owners, community members, neighborhood groups, and elected officials.

The public outreach effort was substantial; notification for each workshop included emails, mailings, and web updates. The mailing list included property owners and occupants in the area, local businesses and neighborhood organizations, and attendees of all former community meetings held regarding the Northeast Embarcadero Study. Over the course of the outreach, more than 10,000 postcards were mailed. Additionally, over 600 emails were sent each time a workshop, or project up-date was announced. These emails were sent to local business organizations, Port tenants, Ferry Building merchants, attendees of previous community meetings, and other interested citizens.

The Planning Department hosted five community meetings throughout the course of the study. These meetings were always well attended, often hosting more than 100 people at each meeting. In addition to local residents, and residents from other parts of the city who are interested in the northeastern waterfront area, many attendees represented a diverse range of companies and organizations. The Planning Department also attended six meetings with the Northeast Waterfront Advisory Group.

The Planning Department received hundreds of comments from interested individuals and organizations. While public opinions were strong and diverse, many comments included concern regarding the specific issues of the Golden Gateway Tennis and Swim Club, Open Space, Parking, Views, Height, Historical Character, and the Public Trust. Upon completion of each phase of the study, comments were summarized and published by the Department and posted on the study's web page. What follows are these summaries.

APPENDIX: PUBLIC OUTREACH

Community Discussion & Listening to the Public

ROUND 1 | SUMMER 2009

Summary of Public Comment

On May 27, June 30, and August 5 2009, the Planning Department hosted community meetings to introduce the Northeast Embarcadero Study, discuss public issues and concerns, set the vision and goals for the study, and to present the work other city agencies are doing in the area. Community participants expressed many concerns and offered many ideas. What follows, is a summary of the public comments received at the community meetings or by the Planning Department via email, mail, and fax during the study's initial phase.

I. Process and Timeline

WHAT WE PROPOSED. At Supervisor Chiu's request, the Port Commission in late February asked the Planning Department to undertake a 6- to 8-month public planning process, which would culminate in a set of recommendations by October 2009. Certain unavoidable delays prevented the Department from starting the project immediately.

WHAT WE HEARD. A significant number of comments were received about the shortness of the timeline and the infeasibility of conducting a meaningful public discussion in that compressed amount of time.

PLANNING DEPARTMENT RESPONSE. The Planning Department is proposing to extend the study timeline by several months. Now the study will be completed by the end of 2009. Additionally, the Department is extending the first round of public discussions to ensure that all points of view are heard.

II. Making Sure the Study's Recommendations Are Implemented

WHAT WE HEARD. There was general confusion regarding the goals and scope of the study, and the review and approval process for future development in the area.

WHAT THE NORTHEAST EMBARCADERO STUDY IS INTENDED TO DO. The Northeast Embarcadero Study will document for the public, the Board of Supervisors, the Port Commission, the Planning Commission and other key public agencies the conclusions and recommendations the Planning Department reaches through its community dialogue regarding land use, the design of buildings, the design of sidewalks, and the design and programming of new and existing open spaces.

The study can be used by the public to monitor change and evaluate it. It can be used by the Port as a basis for actions to be taken on Port SWL 351, including any development agreements for the parcel.¹ It also can be used by the Port to help evaluate and guide development on other Port Seawall Lots in the study area. It can inform the Planning Department's evaluation and recommendations regarding its review of proposed development on non-Port parcels in the study area, including the 8 Washington Street proposal. It can inform the Board of Supervisors when it considers issues in the study area that might come before it. It can inform future changes to the City's General Plan and the Planning Code, the Port's Land Use Plan and its Design and Access Element. Finally, the study can be used

¹ If the study is completed in time, the Port Commission has instructed Port staff to incorporate the recommendations of the study into any development agreement between the Port and the developer who is proposing to incorporate Seawall Lot 351 into any proposed development of at 8 Washington Street.

by other key agencies as they address issues not formally the subject of the study but relate to it, such as transit and parking.

III. Use of Land

WHAT'S THERE NOW. For the most part, the study area is zoned for commercial business (C-2) and high density residential-commercial (RC-4). It contains a diverse range of uses including mixed use residential, office, open space, and surface parking. Much of the surface parking is on Port land. The Port lands in the study area currently are subject to the Public Trust, which restricts some uses on these sites, primarily housing and general office use.

The Port land is subject to the Waterfront Land Use Plan and its accompanying Design and Access Element. The Waterfront Plan sets forth land use policies for all property under the jurisdiction of the Port of San Francisco. The Plan's overarching objective is "Reuniting San Francisco with its Waterfront." The majority of the Study area resides in the Northeast Waterfront area of the Plan, which has the following objectives: protect historic resources as the area evolves; continue cargo support activities for as long as feasible; new activities to draw San Franciscans to the water's edge; and highlight gateways to Fisherman's Wharf, North Beach and Chinatown. The Design and Access Element provides design criteria under the headings of siting and site design, orientation, architectural detail, and service.

WHAT WE HEARD. There is a broad disparity of views about appropriate uses in the study area. A substantial number of people expressed concern about the potential loss of the active recreation uses on the privately owned land now housing the Golden Gateway Tennis and Swim Club. Many note the need for active recreation facilities in the neighborhood. Others believe that some or all of the land now used for parking should be converted to public open space.

Those who do envision some level of development on the land now used for parking generally agree that adding to the diversity of uses with new residences, local-serving retail, community facilities, public open space and other neighborhood amenities would improve livability for the area's residents while strengthening the character of The Embarcadero, assuming that new development is well designed and enlivens the public realm.

- Any new uses should be local-serving and city-serving uses supportive of current residents and businesses, rather than destination uses for those coming from outside the area.
- Any new housing should accommodate a diverse range of income levels, and include affordable housing, senior housing, and family housing.
- Any new development should include open space that engages the public.
- Consider issues of sea level rise when planning for new uses.
- Be respectful of the public trust.
- Be cognizant and respectful of the initial plan for the Golden Gateway Redevelopment Project.

PLANNING DEPARTMENT RESPONSE. Given the widely divergent views that people hold about appropriate uses in the study area, it is unlikely that a single shared vision with specific uses can be crafted. The Planning Department will continue to work openly with the community to create the broadest possible vision for the area. In the event the Department's recommendations include some level of added development, the Department will work closely with the community to establish development and design guidelines and standards that ensure that any new development is well-designed and enlivens the neighborhood and the public realm.

IV. Seawall Lot 351 and Adjacent Parcels

WHAT'S THERE NOW. On February 24, 2009, the Port Commission awarded San Francisco Waterfront Partners II (SFWP) the opportunity to advance a development proposal to include Port Seawall Lot 351, pursuant to a Request for Proposals issued by the Port in 2008. The Port Commission found that the SFWP proposal responded to the development objectives in the RFP, and it directed staff to enter into negotiations with SFWP to refine the project. At the same meeting the Port Commission, at the behest of Supervisor Chiu, asked the Planning Department to conduct the Northeast Embarcadero community planning process, and directed staff and SFWP to support and participate in the study and to incorporate the recommendations of the study into any proposal and negotiations for Seawall Lot 351. The San Francisco Planning Department agreed to conduct the study, which is now underway and is the subject of this paper.

WHAT WE HEARD. Like the issue of land use discussed above, there is a broad disparity of views about the proposed development on the site of the Golden Gateway Swim and Tennis Club, also known as the 8 Washington site, with or without the inclusion of Port SWL 351. A substantial number are opposed to development on the site and the redesign of its recreational facilities. Others have expressed concern about current height limits and whether they are appropriate to the location.

PLANNING DEPARTMENT RESPONSE. The Study will provide recommendations regarding development on Port SWL 351 and the adjacent parcels, including requirements to include in any development agreement for Port SWL 351 should the Port Commission decide to engage in one.²

2 If the study is ready in time, the Port Commission has instructed Port staff to incorporate the recommendations of the study into any development agreement between the Port and the developer who is proposing to incorporate Seawall Lot 351 into any proposed development at 8 Washington Street.

V. Quality of Design

WHAT'S THERE NOW. The area has an eclectic mix of large and small buildings, but generally transitions from towers in the south to lower-scale office in the north. The grain of development becomes much finer as one moves westward towards Telegraph Hill, but building footprints remain large from the base of the hill to the edge of The Embarcadero.

WHAT WE HEARD. Broad community support was expressed for a large number of urban design strategies aimed at achieving an active and attractive built environment that is complementary to the very best historic buildings. The strategies include:

- Site design and building heights should balance views to landmarks and the relationship to adjacent historic buildings with the need for additional public amenities.
- Any development that does occur on parcels along the Northeast Embarcadero should be built with high quality materials and reflect the very best of contemporary design.
- New development should relate to, but not mimic, the historic bulkhead buildings on the east side of The Embarcadero.
- Connections from adjacent neighborhoods to and along The Embarcadero should be strengthened through high quality development and a gracious public realm.
- New development should enliven the public realm with active ground-floor frontages, such as townhouses, retail shops, restaurants and cafes.
- Greater floor-to-ceiling heights for ground floor retail that results in a more appealing pedestrian experience along adjacent sidewalks ought to be explored.

- Other people-oriented design principles should be explored, including hiding parking from view, limiting the number of driveways, and adding pedestrian-scaled lighting.
- Efforts should be made to ensure select parcels provide the opportunity for meaningful development.
- The design of the public realm and range of public amenities should make the waterfront a more attractive place for a variety of ages, both resident and visitor.

PLANNING DEPARTMENT RESPONSE. The Planning Department will use these strategies, many of which have been refined through recent area plans, to develop a set of guidelines for new development that reflect the waterfront's prominence in the city's urban landscape and respect the local and historic character of buildings in this neighborhood. Design guidelines must also respect the prominent character of the Embarcadero Historic District, yet provide appropriate guidance for the best of contemporary architecture.

VI. Quality of the Public Realm

WHAT'S THERE NOW. The area contains a large number of open spaces, passive in character, with several privately owned. The design of the west side of the Embarcadero does a poor job of linking existing open spaces, in part due to the gaps in the built environment used as parking lots. Further, street and intersection design generally could do a better job of addressing and accommodating the needs of pedestrians; better streetscape design, for example, would improve the linkages to open space and other community facilities.

WHAT WE HEARD. Most comments supported the need to strengthen the public realm. There was disagreement, however, over whether perceived deficiencies in open space would be best remedied by significant new parks, or

by the reprogramming and redesign of existing parks. Similarly, there was disagreement over whether any new open space should be heavily landscaped or more integrated into any new urban fabric in the form of plazas and the like. Despite these differences, the community voiced broad support for a number of strategies to strengthen the public realm:

- The network of open spaces along The Embarcadero corridor should serve a wider variety of users, including children, the elderly, and dog owners.
- The network of open spaces should remain active and safe throughout the day and night.
- New open spaces could be created in a variety of ways, with consideration given to turning 'paper streets' and parts of underutilized streets into public plazas and gardens, and being placed on top of parking structures.
- All new open spaces must remain accessible to the general public and have no barriers to access.
- The quality of the public realm should reflect the area's prominence as the city's gateway to the waterfront.
- Connections to the surrounding neighborhoods, such as along Clay or Washington streets, should be made stronger by adopting a more people-oriented streetscape design, including at intersections.
- The West Esplanade walk should match the east side's prominence as a pedestrian route in terms of design quality and width.

PLANNING DEPARTMENT RESPONSE. These strategies are sound, and the Department will use them as the basis for the study's open space recommendations. The amount and location of additional open space, how it would be designed and the uses it would accommodate will require additional community input and analysis of existing conditions.

VII. Moving About

WHAT'S THERE NOW. The Embarcadero is the transportation spine for the area, carrying cars, transit, bicycles and pedestrians along the length of the waterfront. Its width is dominated by car and transit infrastructure, and while pedestrians enjoy a generous walking path on the east side adjacent to the water and historic piers, the west side path is not as gracious. Cyclists have two narrow bike lanes, one in each direction, and are allowed to move slowly along the Embarcadero Promenade. The streets west of The Embarcadero are generally quiet and provide enjoyable routes for pedestrians.

WHAT WE HEARD. There was broad agreement that more needed to be done for pedestrians, particularly along the west side of The Embarcadero. There was general agreement that over time, the transportation infrastructure needs to be re-oriented and become more people-oriented by shifting priorities away from automobiles and towards pedestrians and cyclists, although some cautioned that transit and other ways of moving about should be improved before any effort to shift right-of-way away from cars.

The community's priorities discussed include:

- Future transportation investments should shift the transportation network to become more 'people-oriented' by widening sidewalks, improving wayfinding signage and dramatically improving the comfort and safety of bicycle facilities.
- Transit service should be increased to reduce crowding and improve reliability for residents and employees, while additional services, such as a downtown transit loop, should be explored.

PLANNING DEPARTMENT RESPONSE. The scope of this effort does not include transit service planning or operations. Nonetheless, community views and study conclusions on the need for improved service, particularly as a means to improve pedestrian, bicycle and automobile circulation, will be conveyed to the SFMTA and City leadership.

VIII. The Need for Parking

WHAT'S THERE NOW. Depending on the time of day and day of the week, off-street parking supply in the area roughly defined by Sansome and Kearny to the west, the water to the east, The Embarcadero to the north, and Sacramento and Market Street to the south ranges from 5,500 to 7,000 parking spaces and has an average weekday occupancy rate of 78% and weekend occupancy rate of 32%.³ Many of the Port owned seawall lots are currently being used as surface parking lots.

WHAT WE HEARD. Substantial numbers of people think that the land now used for parking should remain as parking for the foreseeable future. Almost all agree that the continued need for parking will need to be balanced against any proposed development for the current surface parking lots. There is a concern regarding the perceived 'lack', and recent reduction, of parking in the area, and a desire to survey parking needs in the area while better managing existing supply.

- Regardless of new development there should not be a net increase in parking in the area; rather existing parking supply should be used more efficiently.
- Create a plan for the parking provided by the study parcels before the use of the land is changed.
- Examine parking needs for local businesses and employees in the area (especially the Ferry Building), including loading and delivery needs.
- Manage parking to communicate parking availability near the Ferry Building.
- Work with garage owners to make better use of garages in the area.

PLANNING DEPARTMENT RESPONSE. As with transit, the scope of this study does not include a means for extensive parking analysis and programmatic conclusions. However, to the extent this work identifies parking needs or relationships in the area or on specific sites, these will be forwarded to the Port, the SFMTA and City leaders for consideration.

³ Exploratorium relocation transportation report, Wilbur Smith Associates, January 23, 2009.

IX. How Things Get Built

WHAT'S THERE NOW. The Northeast Embarcadero Study will provide design guidelines for new development in the area.

WHAT WE HEARD. There is a community belief that private development should provide public benefits to the area. Additionally, there were many comments in support of public-private partnerships to help further community goals for the area, as well as an understanding and desire for interagency cooperation and support to help achieve the community's vision for the area.

- Create partnerships between the public and private interests in the area.
- Establish a framework for interagency communication and cooperation to ensure new development follows existing regulations for the area.
- Help the City and the Port find funds for community amenities.
- Evaluate the proposal of Revenue Bonds to finance the construction of parks and parking improvements in the area, including financing for maintenance.
- Encourage new development to be affordable to neighborhood serving businesses.

PLANNING DEPARTMENT RESPONSE. The Northeast Embarcadero Study will provide a set of recommendations to guide future actions in the area. These recommendations can inform the work of neighborhood organizations, developers, and residents interested in improving their neighborhood.

APPENDIX: PUBLIC OUTREACH

The Department's Initial Recommendations

ROUND 2 | FALL 2009

Summary of Public Comment

On September 30, 2009, the Planning Department conducted a walking tour and community workshop to present recommendations for the Northeast Embarcadero study area. In its presentation, the Planning Department outlined fundamental planning and design principles and described how they could best be applied in the Northeast Embarcadero.

Attendants at the workshop gathered into small groups to discuss the Department's initial recommendations, to exchange ideas, and to concur or express alternative views. What follows summarizes public comment at the workshop, as well as comments received by the Department via email and mail. The summary is organized by the Department's Fundamental Principles.

I. Building Along the Waterfront

PRINCIPLE. San Francisco's historic pattern of a moderately scaled, dense city fronting the working waterfront across The Embarcadero remains fundamental to its character.

PRELIMINARY RECOMMENDATION. Although the Northeast Waterfront has transitioned away from a working waterfront, the fundamental character of the city connected to the Bay through a continuous or nearly continuous urban edge at the western edge of The Embarcadero must be maintained and strengthened by encouraging new development on now-open parcels.

WHAT WE HEARD ABOUT THE PRINCIPLE. There was general agreement with this Principle. Many agreed with encouraging reasonable density and moderately scaled buildings on The Embarcadero. Some thought the historic pattern was disrupted in places, especially from Broadway to North Point. Others thought increasing height and density above the City's historic pattern would be better. In keeping with the City's scale and historic pattern, comments were received about the need to ensure the appropriate size and scale of the seawall lot parcels. Most agreed that The Embarcadero is a fundamental component of the character of the area and that the street should be enhanced as a promenade and symbol of a living waterfront.

There was disagreement about what constitutes an urban edge. Some translated an 'edge' to mean a built edge and others thought an 'edge' could be defined by open space. As before, views differed as to whether parking lots should be replaced with active open space or development.

Other comments included:

- The west side of the Embarcadero needs a street edge; remove the parking lots, add retail and small scale outdoor space. Create an opportunity for events to occur in the area; Sue Bierman Park would be the best space for this.
- Don't accept a hard edge – don't need to build to create an edge. The role for a street wall is to have open space along the street.
- Buildings should form a complete street wall and an urban edge means encouraging development. A good street wall is defined as a mixture of uses activating the street with people. Creating an exciting, engaging and safe pedestrian environment along the west side of The Embarcadero should be one of the City's highest priorities, and developing the parking lots is an essential step to achieving this.

II. Respecting San Francisco's Topography

PRINCIPLE. Topography is a defining San Francisco feature, especially for neighborhoods such as Telegraph Hill and Russian Hill. To weaken the visual prominence of the city's hills and ridges would weaken one of San Francisco's basic images.

PRELIMINARY RECOMMENDATION. Public views of Telegraph Hill generally, and Coit Tower in particular, from The Embarcadero must be acknowledged and respected. Views of Coit Tower from certain locations are a defining element of the Northeast Embarcadero and of the city and should be preserved. Urban design guidelines should protect these views to the extent possible. Similarly, public views from the hills and ridges above the Northeast Waterfront to The Embarcadero, the Ferry Building and San Francisco Bay must be considered and respected.

WHAT WE HEARD ABOUT THE PRINCIPLE. Most comments supported the importance of keeping view corridors open to emphasize topography, but specified that public views are more important than private views, and even more specifically, that public views from hills are more important than those from The Embarcadero. Many agreed that episodic views are important, but not necessarily from the Ferry Building and that views need not be continuous or unbroken. Many agreed that if done well, there could be a successful series of views as you walk along The Embarcadero. Others expressed the importance of views of Coit tower from the Ferry Building, and the possibility of gaining new residential units in the area, while varying height to maintain views to historic landmarks.

Other comments included:

- View corridors should be created carefully, incorporating the right sized spaces, and a balanced, smooth transition from building to view.
- Need to have the highest quality views from The Embarcadero. The existing water basins do not provide enough water access; views aren't as great as they should be for this promenade boulevard.

III. Strengthening the City's Pattern

PRINCIPLE. The continuity or near continuity of San Francisco's street grid, including its extension across hills and to the water's edge, is fundamental to the city's pattern and an inseparable city image to residents and visitors.

PRELIMINARY RECOMMENDATION. The Embarcadero Waterfront should be strongly connected visually to adjoining neighborhoods along all streets that terminate at the Bay, and there should be pedestrian access to The Embarcadero along all streets. Therefore, the streets leading into The Embarcadero from the west – including Clay, Jackson, Pacific, Vallejo, and Union – should be opened to public pedestrian access and allow views to the waterfront. This access may be the result of an easement across privately-owned land, or an extension of the public way across publicly-owned land. Establishment or

reestablishment of these accessways would be expected to happen over time as opportunity arises, and would not come about through the indiscriminate removal of current development or uses. Where a physical connection exists but a visual connection is not possible, signage needs to clearly indicate that pedestrians can access the waterfront via the designated route. Likewise, where intersecting streets lead out from The Embarcadero to destinations inland, such as North Beach, Chinatown, Telegraph Hill and the like, these connections should be clear and clearly marked.

WHAT WE HEARD ABOUT THE PRINCIPLE. Many agreed that The Embarcadero is a civic street that requires strong connections both to the waterfront and to adjacent neighborhoods. There was strong support to enhance the public realm, with a particular emphasis on pedestrian travel. Many commented that the idea of connections must go beyond vehicles to include bikes and pedestrians.

Most agreed with the need to enhance existing connections and re-establish previously severed connections in the area. Connecting the street grid to the waterfront was seen as an important first step. Differences did occur. For example, some liked the idea of opening up the Jackson Street corridor while others did not. Others liked strengthening the formal grid, while others questioned its formality, suggesting meandering pathways and a desire to explore other 'informal' street frameworks. There were many comments on parcel size; both to reinforce the existing street pattern, to enhance connections from other neighborhoods and to the waterfront, and to enhance the pedestrian quality of the area.

Other comments included:

- The prevailing city pattern and its continuity is an important Principle.
- The seawall lots are large lots (in length along the Embarcadero). When developing these lots, buildings need to replicate the small grain sensitivity of San Francisco buildings.
- There is concern about the ability to get through where streets dead end; people should be able to access The Embarcadero along the grid, and priority for this access should be given to pedestrians.

IV. Recognizing the City-Wide Role of the Northeast Waterfront

PRINCIPLE. The Northeast Embarcadero Waterfront is a resource of city-wide, regional and state-wide significance, and the importance of this resource must be respected.

PRELIMINARY RECOMMENDATION. The use of land and design of buildings along the Northeast Embarcadero should be based on the needs defined by the larger public context. The demands of financial expediency or preferences of the local community should not dominate the decision-making process; in addition to the civic centrality of the area, the area's proximity to major transit infrastructure, the downtown and other major destinations must be carefully weighed before any final solution is adopted. Therefore, surface parking and above-grade structured parking is inappropriate here and the existing surface parking should be phased out from this significant location. To the extent that parking is needed in this area, it must be below-grade or accommodated in adjacent develop, and/or managed by strong on- and off-street parking management programs.

WHAT WE HEARD ABOUT THE PRINCIPLE. While there is little dispute on the northeast waterfront's national and local importance, a suggestion was made to expand this description to include its international significance. Others suggested that an accessible waterfront is a defining San Francisco feature. Yet others mentioned that waterfront decisions should be driven by local constituents, since it is the local constituents and immediate residents that contribute to the vibrancy and fiscal survival of the area. There was also some concern about rising sea levels, and that planning principles needed to be expanded to include a discussion about this issue.

Similar to the first workshop, a desire was expressed for a '24 hour' neighborhood featuring housing, retail and amenities for a diverse range, including seniors, children, tourists and dogs. Some questioned why private condominiums are of regional significance. Some mentioned the desire for more affordable housing in the area. Many agreed that the time had arrived for the waterfront to produce revenue for the City and that reuse of the surface parking lots is fundamental to that objective. Again, there were concerns about maintaining control over the type and quality of the area's retail choices.

Other comments included:

- Seek administrative or legislative changes to allow a wider variety of uses on the Seawall lots.
- Retain the seawall lots and paper streets as public trust lands, and maintain Port ownership of these lots.
- Ensure new development is amenable for visitors and residents.
- Concern that the 8 Washington proposal would result in a loss of light and green space for the Golden Gateway residents.

A number of comments were made regarding parking. Most agreed with the Department's recommendation that parking should be below grade. There were concerns about the gradual phasing out of parking from the area, and its effect on local businesses. Concern was also raised regarding the potential conflict between different modes of travel, and the need to create a multi-modal balance. Many offered specific suggestions regarding parking; others offered more general suggestions. A consistent theme was the question for whose benefit was parking being built? Was it to increase the market value of a development? Or was it needed to serve the larger community? Other comments included:

- All parking should be discouraged in the area. As part of any specific Plan this area should have a maximum parking requirement and parking lots operating simply as revenue generators should not be allowed.
- The Port's request for a parking facility appears to be an idea for generating revenue and not for serving a real community need.
- Parking is inevitable. Regardless, it should be below ground and as minimal as possible.
- With a high water table, constructing parking below-grade is expensive. Is this a realistic expectation?

V. Providing Public Open Space

PRINCIPLE. Adequate public open space and public recreational facilities are fundamental needs in all San Francisco neighborhoods.

PRELIMINARY RECOMMENDATION. This part of the city has access to some of the most stunning open spaces found along any waterfront, and the anticipated improvements will only further enhance the quality of the public realm. This study envisions a number of new small- to medium-sized publicly accessible open spaces to be part of any development built on the study parcels. Taken together with the substantial upgrade to the western sidewalk of The Embarcadero anticipated in this study, there would be a string of open spaces offering a unique and greener pedestrian walkway as an alternative to the eastern promenade.

The potential of Sue Bierman Park and the rest of the public open space at the foot of Market Street add to this richness. Given that the southern part of the study area is regarded as deficient in public active open space, a portion of Sue Bierman Park bounded by Drumm, Washington, Davis and Clay streets offers an excellent opportunity for new public active recreation facilities. Further, the Embarcadero Open Space planning effort, while focused on the design and reprogramming of the larger network of open spaces centered on Market Street and The Embarcadero, will provide a forum for a more detailed discussion of how these exceedingly important civic spaces can gain new significance.

With these thoughts as background, the Department concludes that this section of the waterfront is not in need of significant new open space. The Embarcadero Waterfront is not an appropriate location for space-intensive public recreation facilities, such as formal ball fields and the like. The deficiency in active open space can be addressed on some portion of Sue Bierman Park between Davis and Drumm streets.

Private recreation facilities such as the Golden Gateway Tennis and Swim Club may complement public recreation facilities for certain segments of the population, but they do not fully replace the need for public recreation facilities. The Golden Gateway Tennis and Swim Club is used both by immediate residents such as those of the Golden Gateway Apartments as well as by the general public. It is an important resource for these residents. Should its loss be threatened by new development that would displace it, those portions of the facility that now serve the immediate residents should be provided as part of any new development, and any lag time between its removal and replacement should be kept to a minimum if at all. Whether such a replacement facility serves a broader public beyond the immediate neighborhood, however, is not relevant to the current discussion.

WHAT WE HEARD ABOUT THE PRINCIPLE. There was general support for the Principle, including the graphics that accompanied it. Some comments placed concern on the fact that the Principle did not include private recreational facilities.

A number of comments were received regarding the proposed 'string of open spaces' recommended for the west side of the Embarcadero. Many expressed the need for a comprehensive open space plan for the area that could include making better use of existing space or introducing other uses, such as bike rental and changing facilities, rather than a series of smaller open spaces along the length of the study area. Some supported the idea of private development contributing public open space as part of proposals to build on key sites.

Some comments asked to vary the scale of the areas open spaces, and to site them to enhance unique view points, where appropriate. Many comments regarded the need for the open spaces to be of a usable size and location and orientation, to be inter-woven with development, to be public, active, functional, and to enhance the area.

Other comments included:

- Provide functional open spaces: including; playgrounds, parks, recreational spaces.
- Reserve small seawall lots as either public open spaces, or for uses which enhance the adjacent public open spaces.
- Ensure open space in the area is cognizant of the water as open space.
- Save as much open space as possible; take all parking places and turn them into plazas, change existing open spaces to include play area. Break through the Levi Plaza street wall and open up the visual connection to street.

Many liked the proposal to incorporate an active recreation program at Sue Bierman Park and agreed that the park needed to be improved and programmed permitting, as in the past, recreational activities in the park. Some felt that Sue Bierman Park should be left as is, that is, natural and un-programmed. Many agreed to the need to provide recreational amenities for children in particular, such as playgrounds, and other active recreation uses. Others commented on the importance of the location of Justin Herman Plaza and Sue Bierman Park and their proximity to the Ferry Building and Market Street.

Other comments included:

- Want to see replacement, in-kind, of on-site recreation per the Recreation and Open Space Element.
- Need for large public spaces near the Ferry Building. Justin Herman Plaza and Sue Bierman Park offer a great opportunity to provide a gateway to the city. These spaces can be used by the city for celebrations and public gatherings.
- Need for large spaces and functional parks to accommodate new arrivals and city celebrations.

There was some disagreement over whether a facility with a fee-based membership system constitutes a private club, although the majority believed that it did. Suggestions were made to amend the Principle so that it did not delineate between public and private facilities. Additionally, comments were received regarding the relationship between the Golden Gateway Redevelopment Plan and the Golden Gateway Tennis and Swim Club; many stated its direct correlation for the provision of open space in this area. Others commented on expanding the role of the Golden Gateway Tennis and Swim Club as defined by the Planning Department to serve beyond the area's residents, since many people all over the City use its facilities. Lastly, many comments highlighted the community service and health benefits the club provides in the area.

Other comments included:

- Amend Principle to read 'and recreational facilities', rather than 'and public recreational facilities.'
- There are a large number of elderly and disabled people using the facility, and it is important to remember the community and health benefit aspect this facility provides to the community.

VI. Ensuring the High Quality Design of Streets Along the Waterfront

PRINCIPLE. Streets that have special civic importance because of their location and/or width play a unique role in the city, merit the highest design standards and should offer a gracious public realm for pedestrians.

PRELIMINARY RECOMMENDATION. The west side of The Embarcadero should have a graciousness that equals but does not duplicate the Embarcadero Promenade. It should be softer and greener – with street trees and plantings – to contrast with the harder eastern edge, where such trees and plantings are less appropriate. There should be a wide

sidewalk with generous space for landscaping and public amenities; there should be places for pedestrians to stop, relax and enjoy the unique environment; there should be attractive pedestrian lighting that provides a well-lit and safe environment for people to walk in the evenings and at night; and there should be narrow, safe and comfortable intersections that prioritize pedestrian needs over vehicular at most crossings.

WHAT WE HEARD ABOUT THE PRINCIPLE. There was agreement that the Embarcadero is a civic street, and that the west side is different from the east side in both scale and feel. Comments were made regarding the need to create an environment that encourages people to walk on the west side of the Embarcadero, including increasing the ability to walk continuously without traffic interruptions, providing active and engaging ground floors, a spacious sidewalk width, episodic views, strong connections, small seawall lot parcels, public art, pedestrian amenities, and better east-west crossings.

Specific comments regarding street design were also received. Such comments included:

- Create a promenade along the west side of the Embarcadero that provides bulb-outs, greenery, raised crosswalks, reduces parking and curb cuts, adds dedicated bike lanes separate from the walkway, and emphasizes a pedestrian-oriented environment.
- Allow no blank walls facing the pedestrian realm. No matter what happens on the ground floor, development should face the street, and provide a good combination of materials and design.
- Make intersection improvements, especially the Broadway and Washington intersection.
- Activate the existing plazas; create more open space, green space, parks, and bicycle paths.

VII. Building with a Civic Vision Along The Embarcadero

PRINCIPLE. Development along The Embarcadero Waterfront must match the street's civic importance in quality of design, choice of materials, building orientation and active ground floors.

PRELIMINARY RECOMMENDATION. New development in the Northeast Embarcadero Waterfront must be held to the City's highest design expectations in view of The Embarcadero's prominence as a grand civic street.

Based on its analysis of the proper scale and enclosure of The Embarcadero and of proper relationships to surrounding areas and key public views of Telegraph Hill and Coit Tower from The Embarcadero, the Planning Department recommends that certain currently allowed heights in the study area be reduced. The area south of Broadway to Washington Street is now zoned to allow heights of 84 feet. The Department recommends that development fronting The Embarcadero between Washington and Jackson Streets be limited to a height of 65 feet. For development fronting The Embarcadero between Jackson and Pacific Streets the Department recommends that heights be limited to 35 feet to facilitate a key view of Coit Tower and portions of Telegraph Hill from The Embarcadero Promenade. To protect a key view of Coit Tower from the north end of the Ferry Building, the Department recommends that a limited view corridor be considered to further sculpt development fronting The Embarcadero to retain that key view. North of Broadway, fronting parcels were recently zoned for 40' and no change is now recommended to those height limits.

For the Drumm Street frontage of the parcel bounded by The Embarcadero, Washington, Drumm and Jackson streets, the Planning Department recommends a street wall height of 45 feet to reflect the street's width and respect the character of the Golden Gateway development across the street. There should be a horizontal setback of at least 20 feet above the fourth story, above which the building should be permitted to rise to 84 feet.

WHAT WE HEARD ABOUT THE PRINCIPLE. Many thought this was a good Principle and agreed that The Embarcadero waterfront must include high quality design. Comments were received regarding the importance of respecting

the historic character of the area but not mimicking it; expressing a desire for a contemporary style in new development. Others commented on the need for 'green' buildings and high quality materials. Lastly, there was a comment requesting that the Study's urban design guidelines should be parcel specific, and not generally applied to the study area.

Many comments were received regarding the importance of building design, scale and massing over building height. It was emphasized that building design should promote and preserve views, be articulated, and provide variety through appropriate bulk and massing, with less stress on rigid height requirements. Comments questioned the Department's recommendation for reducing heights, some stating that height was needed to help define The Embarcadero. Some supported the existing 85' height limit along The Embarcadero, others preferred a lower building, including buildings one-story in height with active ground floor retail. Comments included:

- The style of a building contributes more to the City than height. Taller heights can be allowed with setbacks and floor area ratios to limit the massing of the building and to restrict a full build out of a building's potential envelope.
- There should be a preference for low-rise, one-story buildings with restaurants and other active uses such as bicycle rental facilities.
- A tower on the southwest corner is the best proposal for the 8 Washington Street project. But since 'political considerations' rule out any possibility of a tower, sculpting 35-65-84 works.

There were comments for and against the Planning Department's recommendation of 45 feet along Drumm Street between Washington and Jackson. Some agreed with the recommendation, and thought that an 85 foot building would make that street section 'cavernous'. Others preferred tall buildings, sighting that the setback was not necessary due to the width of the street itself. Other comments were received suggesting a reduction to 65' feet for the entire length of the block. Comments were also received regarding the residents of the Golden Gateway development, and their concerns for loss of light and green space with any new development.

VIII. Designing in the Context of Adjacent Neighborhoods

PRINCIPLE. New Development should respect the scale and character of the surrounding areas. This includes the special nature of the historic districts in and around the Northeast Waterfront.

PRELIMINARY RECOMMENDATION. New development within the Northeast Embarcadero Historic District must be consistent with the design guidelines established by the Secretary of the Interior Standards. New development outside any of the historic districts should recognize and respect the precedent set by the districts, but remain faithful to the aspirations of contemporary architecture.

As noted above, many of the public streets and rights-of-way in the study area serving the Golden Gateway project are lined with at-grade parking garages and elevated public open spaces. These design decisions, made several decades ago, severely undermine the quality and character of the pedestrian environment, offering austere ground-floor frontages, which is especially concerning along streets identified in the study as potential neighborhood connectors (Broadway, Clay, Washington). At least on those streets identified as neighborhood connectors, the City should consider a program to correct this condition over time, perhaps in partnership with adjacent property owners. Such an effort might include the use of a portion of the public right-of-way to create ground-floor activities that enliven the street and vastly improve them as pedestrian-friendly connectors to nearby neighborhoods.

WHAT WE HEARD ABOUT THE PRINCIPLE. There was a comment that the Principle should include the existing neighborhood as well as surrounding areas, particularly, that the Principle should not disregard the existing neighborhood and club. There was concern whether this Principle defined the Embarcadero Center as a 'surrounding area'. Additionally, comments were received stating that development should be of relative consistency near the ferry terminal plaza and consistent but lower (in height) north of Broadway, and that form, articulation, and good design are needed to retain and enhance the area's character.

We received comments agreeing with the Department's recommendation, particularly that being informed by the existing context is good, but to encourage contemporary architecture that respects the area's historic context, not mimic it. Most support the proposal to activate ground floors, particularly on the streets identified as connectors to other neighborhoods.

Other comments included:

- Develop a Waterfront Open Space capital program, and place a Waterfront Open Space Bond before the voters.
- Establish special use districts (SUD's) and charge impact fees for private development in the Waterfront and Washington-Broadway SUDs to finance a program of neighborhood improvements.

APPENDIX: PUBLIC OUTREACH

The Department's Refined Urban Design Recommendations and Urban Design Guidelines

ROUND 3 | WINTER 2010

Summary of Public Comment

This document summarizes comments received during the study's third phase, including comments made at the study's workshop on February 24, 2010, as well as comments received via email, mail, and fax. In order to ensure all comments were received prior to the release of the final study, the Planning Department placed a deadline for submitting comments to the Department of March 24, 2010.

Comments are classified according to the study's final products, namely: the public realm improvements, urban design guidelines for new development as well as summarizes long-term recommendations for the area. While a wide range of comments was received by the Department during this phase of the study, and all comments have been reviewed and recorded, comments that were summarized in previous public comment summaries are not included in this document. It is important to note, however, that all comments submitted to the Department during each phase of the study have been considered for the final report.

I. Public Realm Improvements

Comments regarding the public realm focused on open space, sidewalk and street improvements, and the character of the area. Many comments agreed with the need for more active open space, but questioned how to implement active space in the area. Some comments asked for greater detail on the proposed urban plazas for the area, both to help better understand the proposed network of open spaces in the area, and also to better describe the type of materials (e.g., lighting, planting, and art) used for the plaza's.

There was strong and broad support for improving the pedestrian character of the area, although there was conflict between the desire for widened sidewalks on one hand and the perceived need to maintain space for vehicles on the other. Some comments expressed concern regarding the potential traffic impacts of the study's proposed street improvements.

Some comments noted that the study did not go far enough in integrating the area's historic districts as a defining character of the area. Comments requested that the study highlight the area's historic importance, such as by emphasizing the connection to the Jackson Square Historic District with the study's proposal to extend Jackson Street to The Embarcadero, and expanding the language that described the additional Planning Code requirements when proposing to develop in or near historic districts.

Comments included:

- Decrease the number of lanes on The Embarcadero, increase the frequency of the F-line, solve traffic, and make it a more attractive street for pedestrians.
- The Embarcadero needs more specifics on intersection design, traffic calming, and bicycle facility design.
- Undertake a traffic modeling effort prior to proposing changes to the circulation system.
- Prioritize improved pedestrian crossings that connect Washington Street to the Ferry Building and Pier 1 (Port of SF), Green Street to Piers 15/17 (Exploratorium), and Battery Street and Lombard Street to Pier 27 (Cruise Ship Terminal).
- Provide flexibility for sidewalks widths so that the development potential for smaller parcels is not compromised.
- The City should conduct a separate study for Broadway that includes streetscape improvements and traffic impacts.
- Consider converting Washington and Clay Streets to two-way streets east of Battery Street. If Washington remains a one-way street, the eastbound bike lane should be located on Clay Street, instead of Washington, to avoid one-way conflicts.
- Manage the potential traffic on Washington Street originating from the proposed 8 Washington project.

II. Urban Design Guidelines for New Development

Comments regarding design guidelines for new development focused on land use, views, and height. Comments referred to the existing mixed-use character of the area, including the media industry, and the existing dense housing stock. Some comments stated that the proposed land use for the area should complement the existing land uses in the area, including commercial and cultural institutions, as well as housing. Comments requested that the study include a demographic analysis and existing uses analysis because there was a fear that the urban design guidelines will determine the socioeconomic profile of future residents and undermine the economic profitability of existing businesses. Some discussed the limited number of uses permitted in the area due to the constraints of the Public Trust; indeed, opinion was divided over whether the Planning Department should recommend uses that are not currently allowed under the Public Trust.

Comments were received regarding views. Many thought that preserving views to Telegraph Hill was important; however, opinions on how to create these views were diverse. Some liked the 'episodic' views proposed in the draft study, others wanted open view corridors along the entire length of The Embarcadero. The opinion was expressed that preserving the views to and from Telegraph Hill should be the single most important criteria in evaluating the height and sculpting of any proposed development south of Broadway.

Comments on the Department's height proposal varied immensely, suggesting a poor chance for a broad community consensus. As with before, opinions ranged from maintaining the current parking lots in perpetuity to allowing a tower on the proposed 8 Washington site, and many points in between. Some argued the Department's height proposal for the 8 Washington site defined heights too rigidly. Others proposed eliminating height limits altogether and instead proposed evaluating height on a project-by-project basis, possibly using a bonus framework to allow for more bargaining over the potential public benefits that

would be paid for by an individual development. There was broad disagreement over the most appropriate height for any non-tower building on the proposed 8 Washington Street site, although many suggested allowing for a transition to the Golden Gateway Commons to the north, which is between 55' and 60' in height. Many expressed support for the idea of a taller building (8-12 stories), and even a tower, along the Drumm Street portion of the site, so long as the building was reduced significantly in height along The Embarcadero.

Comments included:

- The area needs ground-floor uses that 'spill over' into the public realm.
- Some community members were unconvinced that the additional housing, new public open spaces and improved streetscapes constitute "public serving" uses.
- Amend the guideline to "enhance views from surrounding hills and public areas."
- Consider providing rooftop guidelines, including for 'living roofs'.
- There was disagreement over whether the sense of enclosure created by a building framing a street and/or open space contributed to the sense of place, and whether short buildings adjacent to large open spaces were appropriate.
- Consider roof top height exemptions when evaluating height.
- Consider a height bonus for SW lots 320-324, and 374 to provide more gracious ground floor space for uses that activate the pedestrian realm, as has been approved for mixed-use buildings in the Eastern Neighborhoods.

III. Long-Term Recommendations

Comments were received that discussed the need for the study to include parcel-specific development standards and a land use matrix, along with general urban design guidelines. Some comments requested a new and/or revised Plan for the area that would address the conflict between the proposed uses in the study and the public trust provisions and include a plan for land use, height and parking. Comments were also received regarding the implementation of many of the proposed public benefits for the area, and requested prioritizing some improvements over others.

Comments included:

- Incorporate tiers for decision making. Set a priority of the urban design principles and order them with an agenda in mind.
- Consider conducting a cost benefit analysis of height and public benefits proposals.

Acknowledgements

PLANNING DEPARTMENT

John Rahaim, *Planning Director*
David Alumbaugh, *Acting Chief of Comprehensive Planning*
Kate McGee, *Project Manager and Lead Planner*
Neil Hrushowy, *Lead Urban Designer*
Nicholas Perry, *Urban Design*
Amnon Ben-Pazi, *Urban Design*
Michael Webster, *Mapping*
Johnny Jaramillo, *Data Analysis*
Tim Frye, *Preservation*
Kevin Guy, *Planner*
Gary Chen, *Graphic Design*

PLANNING COMMISSION

Ron Miguel, *President*
Christina Olague, *Vice President*
Michael J. Antonini
Gwyneth Borden
William L. Lee
Kathrin Moore
Hisashi Sugaya

PORT OF SAN FRANCISCO

Monique A Moyer, *Executive Director*
Byron Rhett, *Deputy Director Planning and Development*
Diane Oshima, *Assistant Deputy Director, Waterfront Planning*
Jonathan Stern, *Assistant Deputy Director, Waterfront Development*
Kathleen Diohep, *Project Manager*

PORT COMMISSION

Ann Lazarus, *President*
Kimberly Brandon, *Vice President*
Rodney Fong
Michael Hardeman
Stephanie Shakofsky

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *NS*
RE: Term Sheet Endorsement and Exemption from Competitive Bidding Policy
- National Park Service, Alcatraz Island Embarkation
DATE: October 25, 2016

Attached for introduction to the Board of Supervisors is a resolution endorsing the term sheet between National Park Service and the Port Commission for a Memorandum of Understanding outlining the business terms for an Alcatraz Island Ferry Embarkation site located at Piers 31-33 on The Embarcadero at Bay Street including (1) a form lease for ferry service to Alcatraz Island with a future concessioner selected by NPS and (2) a form lease with the Golden Gate National Parks Conservancy to provide associated amenities, and exempting the Memorandum of Understanding and leases from the competitive bidding policy set forth in Administrative Code Section 2.6-1.

Please note that this legislation is co-sponsored by Supervisor Peskin.

I respectfully request that this item be calendared in Budget & Finance Committee on November 23, 2016.

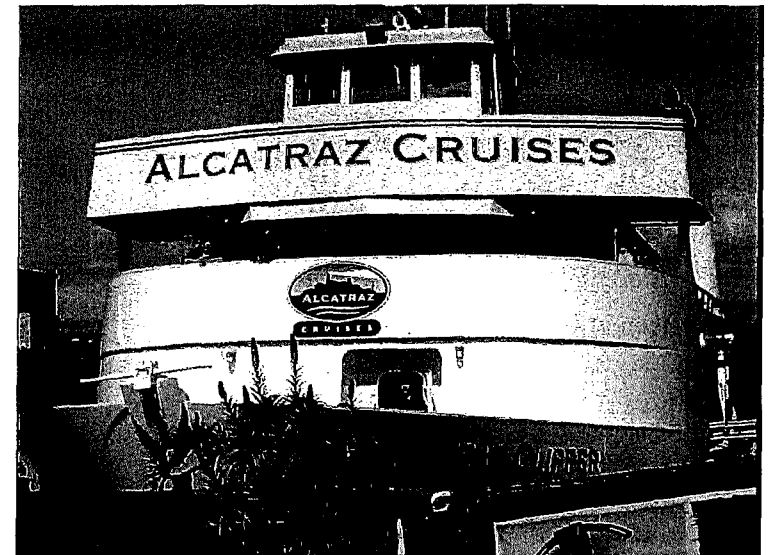
Should you have any questions, please contact Nicole Elliott at (415) 554-7940.

51
NS
2016 OCT 25 PM 1:52
RECEIVED
CLERK OF THE BOARD OF SUPERVISORS
SAN FRANCISCO

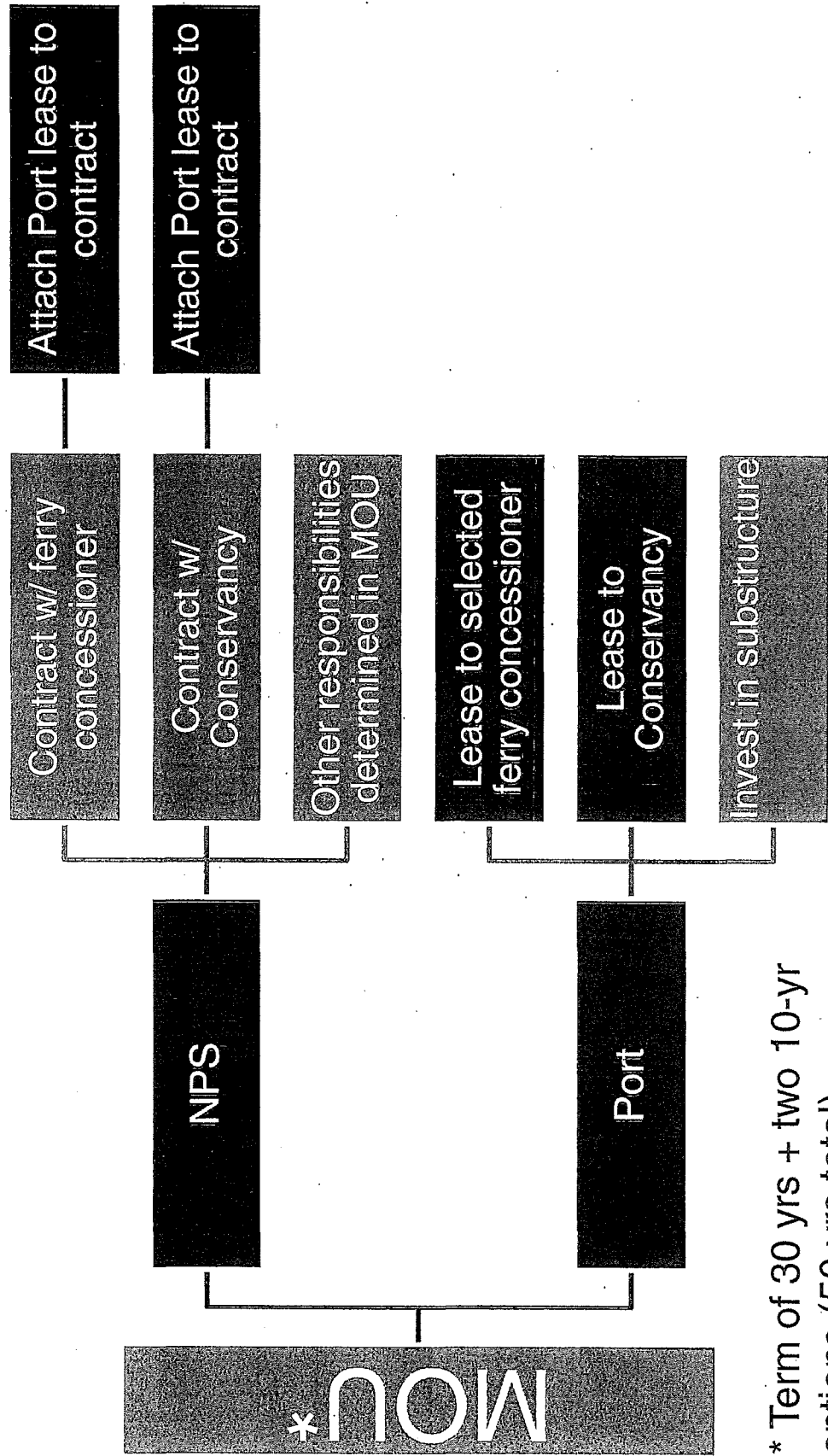
November 16, 2016

ALCATRAZ FERRY EMBARKATION: PIER 31½ - 33 PROPOSED TERM SHEET

Presentation to the Board of Supervisors
Budget & Finance Committee



Proposed Framework



* Term of 30 yrs + two 10-yr options (50 yrs total)

Business Terms: Estimated Capital Spending

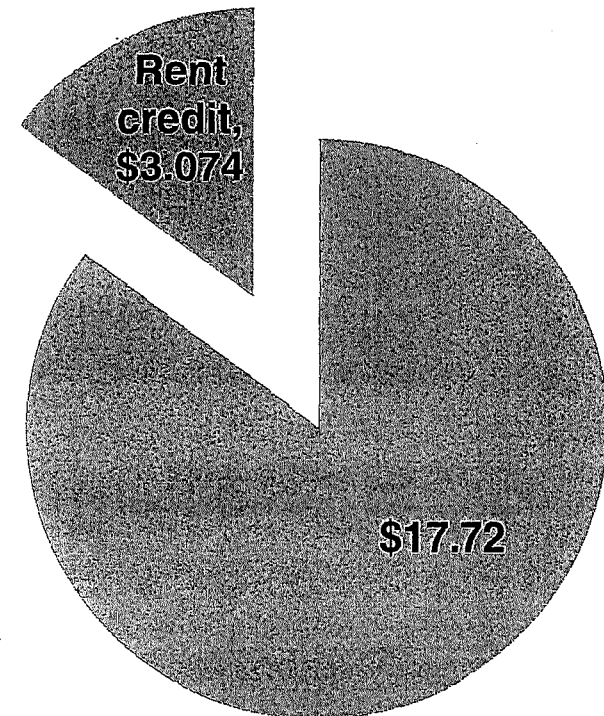
Tenant-Superstructure

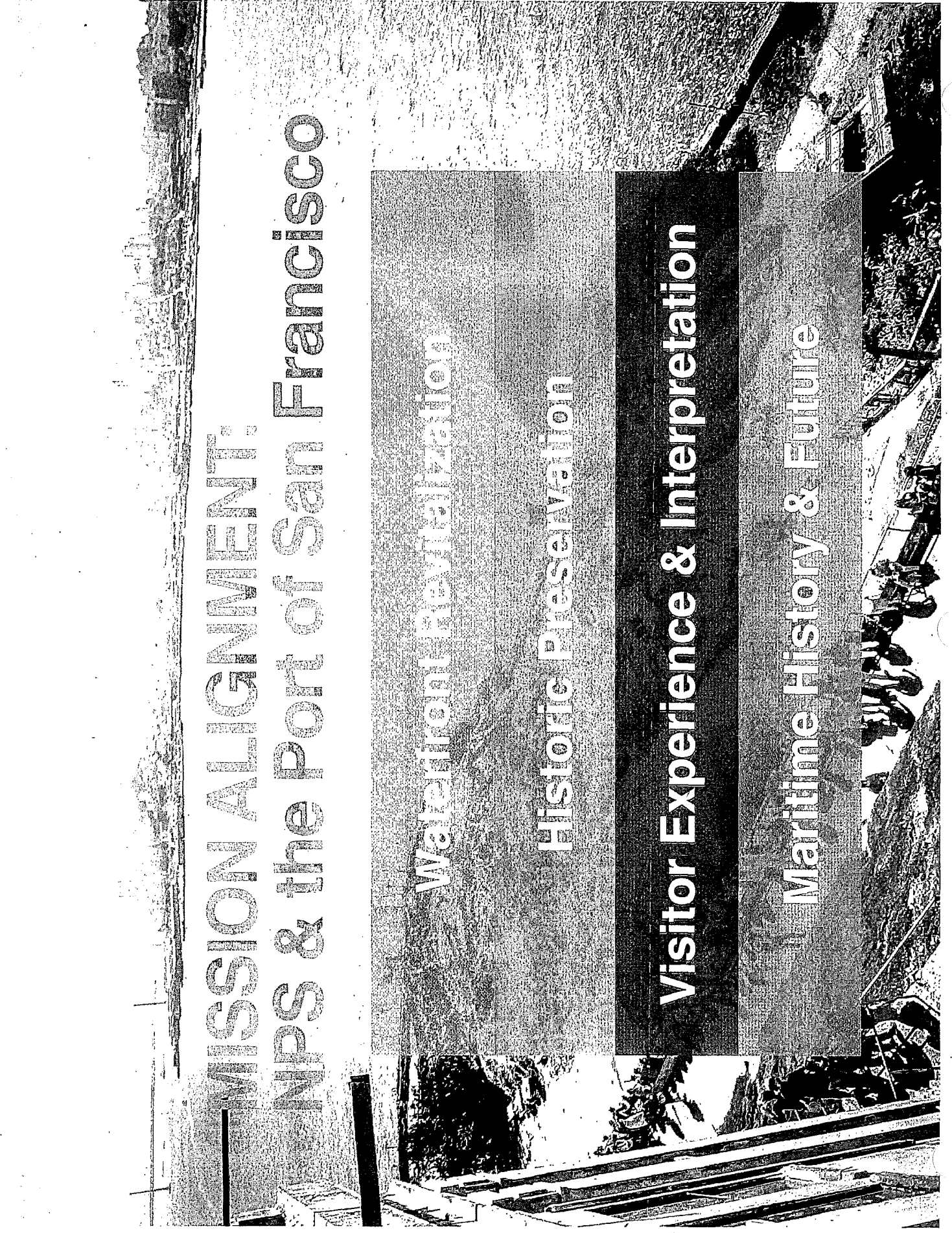
- \$20.8M investment
- \$3.074 of which is rent credited
- Rent credits paid back over 4 years

Port-Substructure

- \$5M major substructure repair

Superstructure Capital Investment





MISSION ALIGNMENT: NPS & the Port of San Francisco

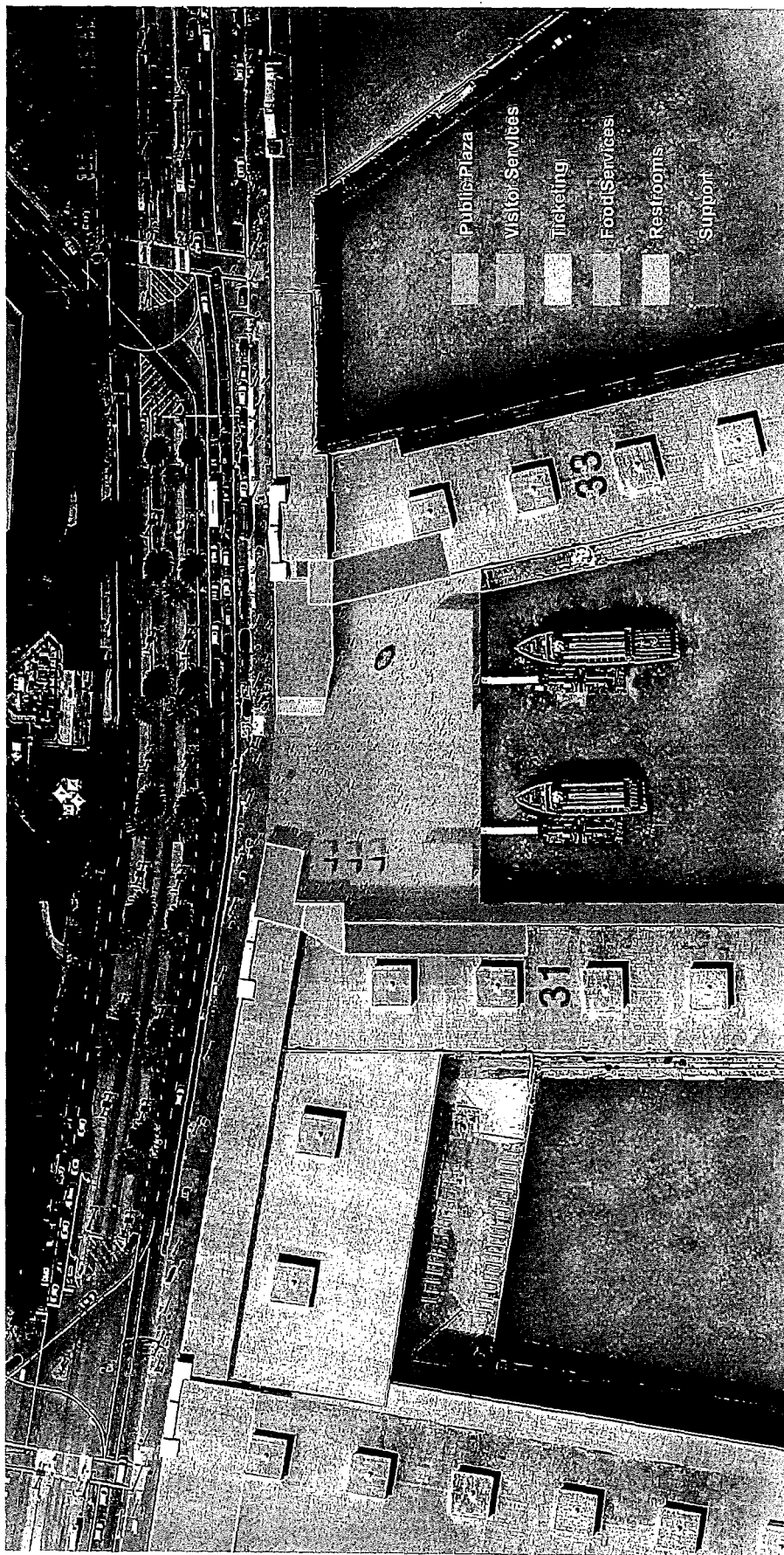
Waterfront Revitalization

Historic Preservation

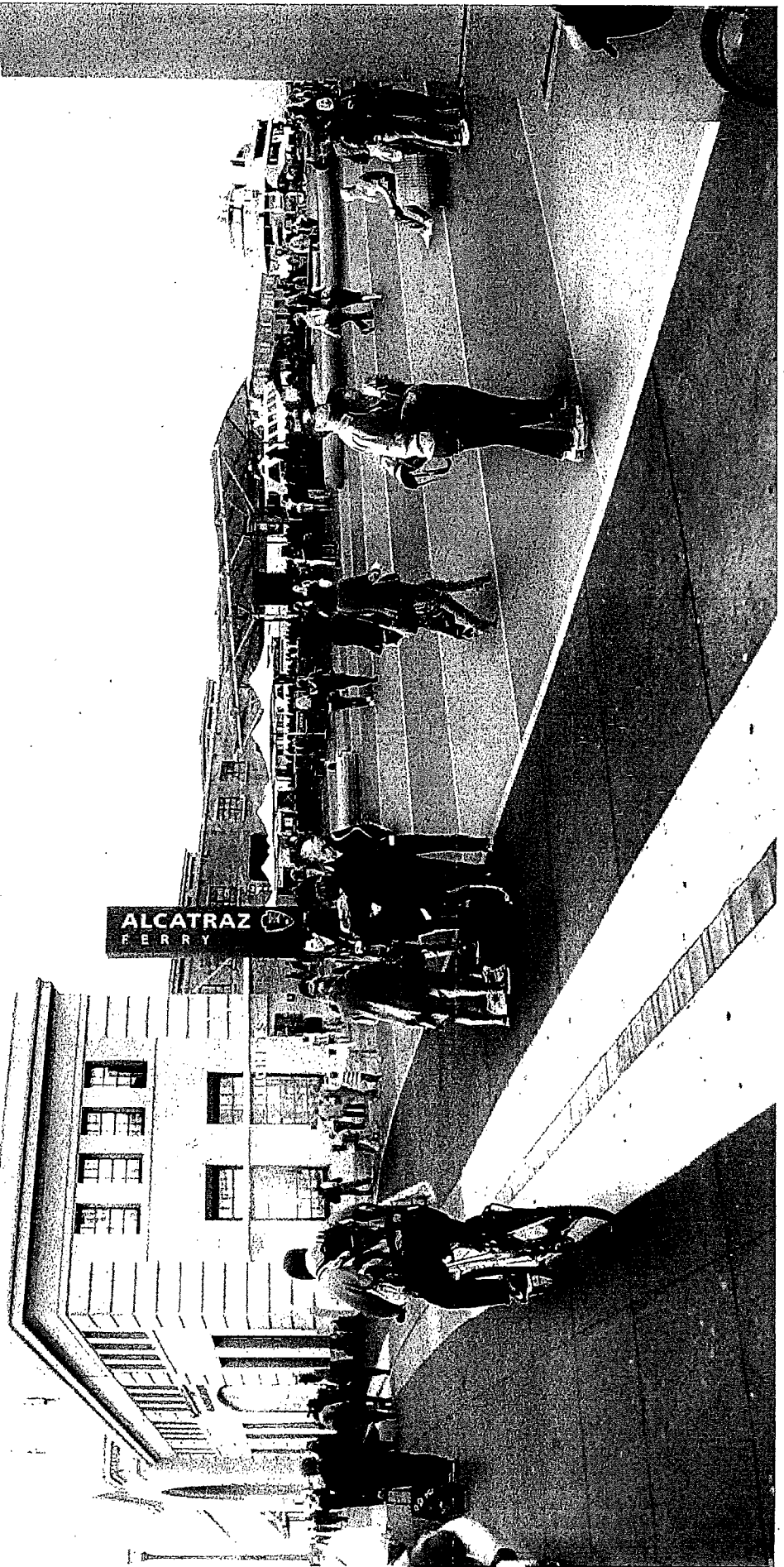
Visitor Experience & Interpretation

Maritime History & Future

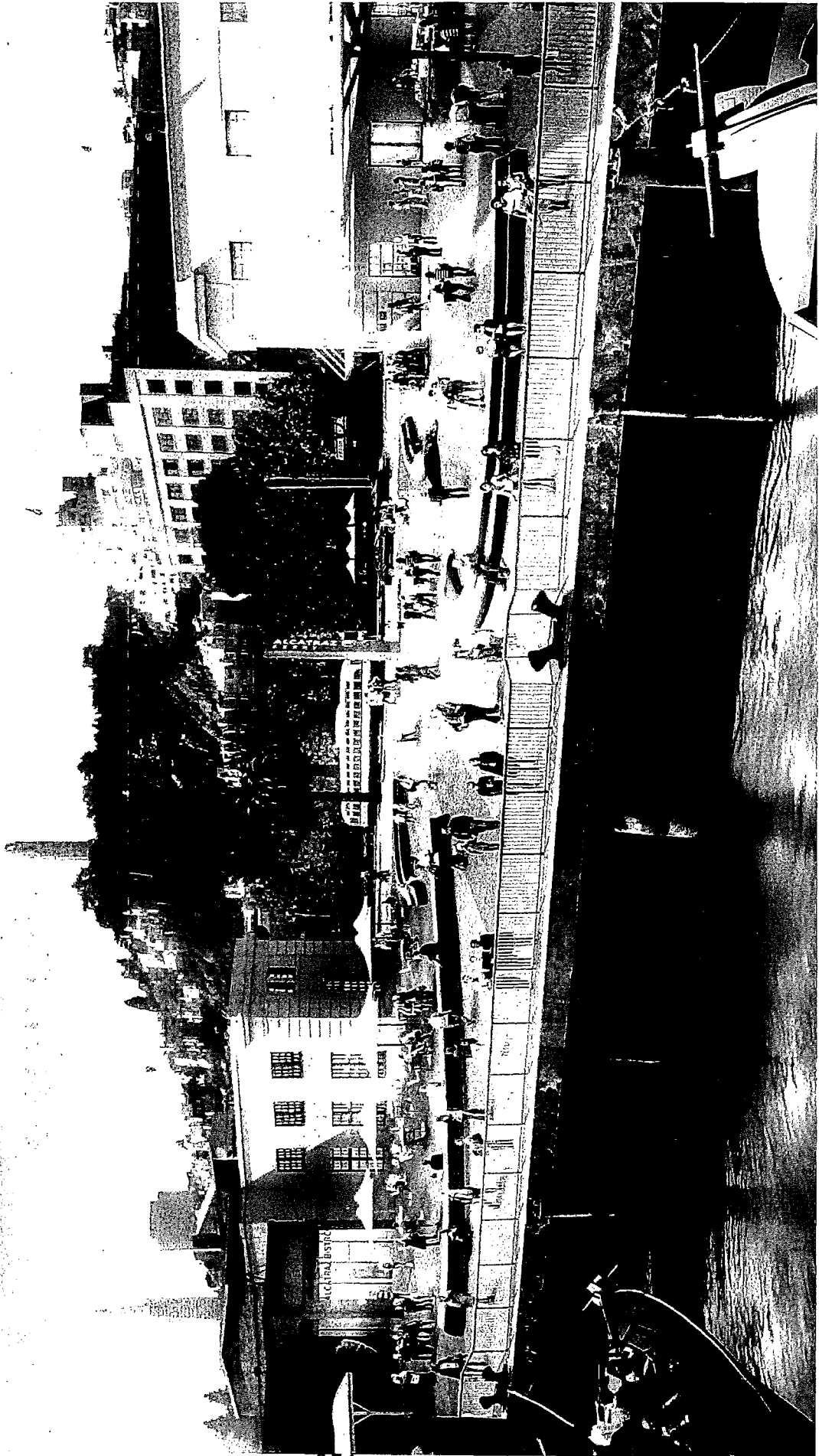
Proposed Site Plan



A Revitalized Waterfront for National Park & Port Visitors



A Welcoming and Open Pier with Quality Public Amenities



Ferry Concessioner / Conservancy Proposed Base Rent

Leasehold	Annual Rent to Port
Pier 31 Shed	• \$111,600
Pier 31 Marginal Wharf	• \$206,400
Pier 33 Bulkhead 1 st FL & Mezz	• \$126,000
Pier 33 Shed	• \$108,000
Berth Space	• \$144,000
3 rd floor office	• <u>\$162,540</u>
Total Annual Rent	• \$858,540
<i>Conservancy Base Rent</i>	• <i>\$330,000</i>

- Base rent increases by 2.5% per year.
- Office rent increases by 3% per year.

Proposed MOU Percentage Rents*

Business Line	Rent to Port (% Gross Receipts)
Ferry service	• 7.50%
Ferry retail	• 8.00%
Ferry food/beverage	• 7.25%
Café	• 7.50%
Retail	• 7.50%

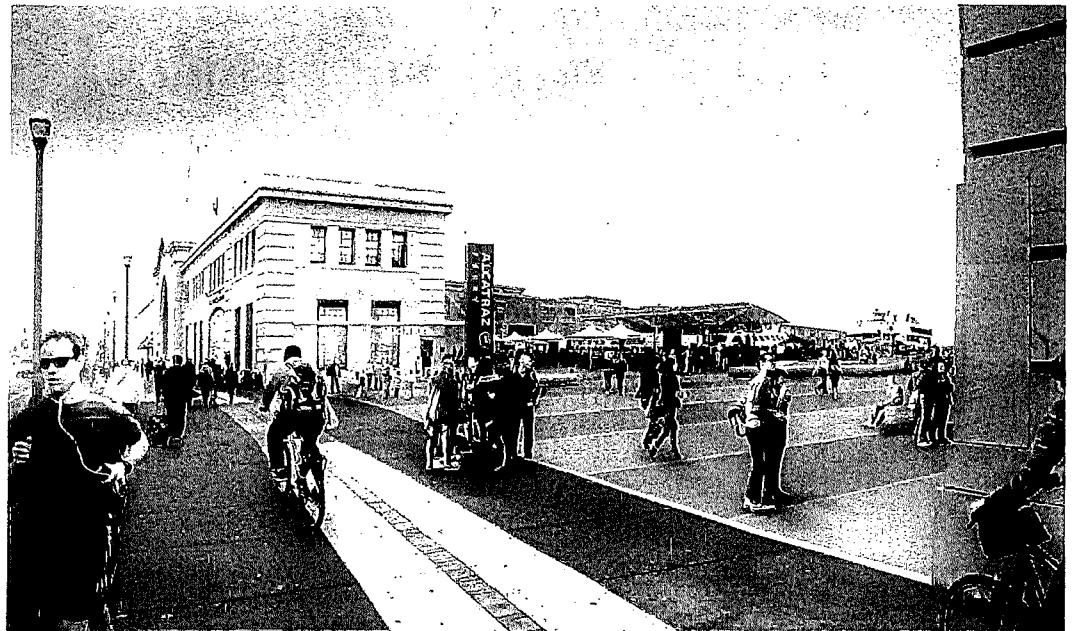
*Terms negotiated by Port | NPS staff;
Analytic support from Seifel Consulting
(real estate economics) and R. Blum +
Associates (appraisal)

Proposed MOU Business Terms-Results

Item	Perc Rents/ Annual Office Rent/ Rent Credit	Est. 2020 Rent to Port
Ferry Operations	7.50%	\$2,350,000
Ferry Retail	8.00%	\$137,000
Ferry F&B	7.25%	\$76,000
Pier 31 Café	7.50%	\$300,000
Pier 33 Retail	7.50%	\$225,000
Pier 33 Office	\$162,000	<u>\$162,000</u>
		\$3,250,000
Rent Credits (\$Ms)	\$3.074 @0%, 4yrs	(\$768,500) (for 4 yrs)

Next Steps

- Term Sheet endorsed by Port Commission in July:
 - Seek Board of Supervisors' Term Sheet endorsement & Sole source waiver
 - Update advisory groups
 - Finalize MOU, ferry concessioner form lease, Conservancy form lease
 - Concurrently conduct CEQA
 - Initiate BCDC & Army Corps consultation
 - Bring MOU w/ form leases to PC and BOS for approvals



PORT & PARK: Partnership

