



May 19, 2023

Request for Information: Fisherman's Wharf Development Interest

Background

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

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

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

February 28, 2023:

https://sfport.com/files/2023-02/022323_item_12b_fw_development_proposal_final.pdf

https://sfport.com/files/2023-02/022323_item_12b1_fishermans_wharf_revitalized_request_for_ena_2023_0215.pdf

April 25, 2023:

https://sfport.com/files/2023-04/042523-10a_fishermans_wharf_development_proposal_-_stakeholder_engagement_process_and_next_steps.pdf

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

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

Information Request

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

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

1. Location: Which of the following areas are you interested in leasing and developing:
 - a. Triangle Parking Lot
 - b. Little Embarcadero/public plaza, including seismic and flood protection resilience improvements as required by relevant codes and policies
 - c. Pier 45 Shed A, including seismic and flood protection resilience improvements as required by relevant codes and policies
 - d. Pier 45 Shed C, including seismic and flood protection resilience improvements as required by relevant codes and policies
2. Project Vision: Please provide a short description of your proposal for each area proposed for development. In developing the Project Vision, respondents should consider the Port's Waterfront and Strategic Plans. Such description should also highlight the following:
 - a. Whether and how the proposal will elevate and reenergize the historic role of Fisherman's Wharf as a working waterfront for the fishing industry.
 - b. Whether and how the proposal would work to ensure that workers and visitors can access their respective destinations in Fisherman's Wharf if some or all of the Triangle Parking Lot, Little Embarcadero, or Pier 45 are proposed to be repurposed for new uses.
3. Proposer Team and Experience:
 - a. Please identify all members of the team that will either be investors or otherwise employed or contracted in support of your proposal.
 - b. What is the experience of the members of your team in entitling, financing and constructing the types of facilities set forth in your proposal? Please provide specific projects, dates of completion, and names of key staff or entities who were involved in prior examples that would also be involved in this one in similar roles.
4. Financial Capacity: Development proposals on Port property often require significant time and financial investment in order to achieve legal and regulatory compliance and related agreements necessary to commence construction of improvements. Developers often pursue entitlements from one source of funding and then, when appropriate entitlements and approvals are obtained, they raise additional funds to complete construction. With the above in mind, please provide the following information:

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



June 21, 2023

TO: San Francisco Port Commission
FROM: Dan Giraudo
Chairman and CEO of Boudin Bakery
SUBJECT: Request for Information (RFI): Fisherman's Wharf Development Interest

Dear San Francisco Port Commission,

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

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

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

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

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

SF = SAFETY FIRST

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

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

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

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

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

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

OUTSTANDING PROPOSALS SHOULD STAND OUT FROM OTHERS

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

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

CHAMPIONS OF THE WHARF

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Giraud', with a long horizontal flourish extending to the right.

Dan Giraud

APPENDIX

Information Request

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

Locations of Interest

- Triangle Parking Lot
- Little Embarcadero / Public Plaza

Project Vision

Welcome Center and Plaza Space

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

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

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

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

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

Team and Financials

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

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

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

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

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

June 21, 2023

Re: Unsolicited Request for an Exclusive Negotiating Agreement (“ENA”) for the Proposed Leasing and Phased Development of Portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman’s Wharf

Executive Director Forbes:

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

The Application Before the Port

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

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

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

The Circumstances Surrounding FWR's Application

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

Our Concept

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

The FWR Team is Uniquely Positioned to Deliver a Successful Project

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

nation, he is perhaps best recognized by the Port for his complete renovation of the Boudin bakery on Jefferson Street – the largest private investment in the wharf in the past twenty-five years – which was completed in an astonishing 18 months. Over the course of a 25-year career in the grocery and supply chain sectors, Chris McGarry has overseen the development of approximately \$1.0 billion in retail, shopping center, industrial and warehouse facilities. Collectively, the three principals of FWR have managed billions of dollars of lending and investment, both as capital providers and as developers, operators and owners. They have delivered over half a billion dollars in public infrastructure, accessing a wide variety of public and private sources of capital, and secured funding for a variety of private and publicly traded companies well in excess of \$20 billion. With an early “rough order of magnitude” estimated cost for this project of approximately \$350.0 million, and an early entitlement budget of \$10.0 million, the FWR team has a more than ample understanding of, and demonstrated ability to access, the capital markets for a project of this profile and scale.¹

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

FWR’s Ongoing Work in Response to Early Concept Feedback

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

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

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

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

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

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

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

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Elaine Forbes, Executive Director

June 21, 2023

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

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

Best regards,

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

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