

1 [Finding of Fiscal Feasibility and Term Sheet Endorsement - Port and Fisherman’s Wharf
2 Revitalized, LLC - Lease and Development of Pier 45 Sheds A and C and Portions of Seawall
3 Lot 300/301]

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4 **Resolution finding the proposed lease and development of Pier 45 Shed A and the**
5 **former Shed C area, and portions of Seawall Lot 300/301, generally located along the**
6 **Embarcadero at the terminus of Taylor Street, fiscally feasible under Administrative**
7 **Code, Chapter 29, and endorsing the term sheet.**

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

12 WHEREAS, Pier 45 Sheds A and C is a pier site located along and bayward of the
13 Embarcadero at the terminus of Taylor Street in the Fisherman’s Wharf neighborhood, and
14 portions of Seawall Lot (“Triangle Lot”) 300/301 are located on the east side of the
15 Embarcadero bounded by Taylor Street, Powell Street, Jefferson Street; and

16 WHEREAS, Pier 45 and SWL 300/301 (collectively, the “Site”) are within the Port’s
17 Fisherman’s Wharf sub-areas under the Port’s Waterfront Land Use Plan; and

18 WHEREAS, On February 15, 2023, the Port received an unsolicited proposal from
19 Fisherman’s Wharf Revitalized, LLC (the “Developer”) to lease and develop portions of
20 Seawall Lot 300/301 (commonly known as the Triangle Parking Lot) and Pier 45 Sheds A and
21 C in Fisherman’s Wharf (the “Proposal”); and

22 WHEREAS, In response to the Proposal, the Port Commission directed staff to pursue
23 a stakeholder process consistent with the Waterfront Plan to elicit public feedback and staff
24 conducted multiple community meetings; and

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1 WHEREAS, On May 20, 2023, the Port issued a Request for Information ("RFI") to
2 seek feedback on whether there was comparable development interest in the Site, and
3 subsequently, the Port Commission adopted Resolution No. 23-37 authorizing Port staff in
4 consultation with the City Attorney's Office, to seek Board of Supervisors approval to waive
5 any applicable requirements of the City's policy regarding competitive solicitation for
6 development opportunities with respect to the Proposal and commence negotiations of an
7 Exclusive Negotiation Agreement ("ENA"); and

8 WHEREAS, On September 12, 2023, the Board of Supervisors adopted Resolution
9 No. 425-23, waiving the competitive solicitation procedures and urging the Port to take all
10 actions necessary to negotiate and enter into an ENA with the Developer; and

11 WHEREAS, The Port Commission, on October 10, 2023, approved Resolution
12 No. 23-47, authorizing Port staff to enter into the ENA with Developer for the proposed lease
13 and development of the Site; and

14 WHEREAS, After entering into the ENA, the Developer further refined conceptual plans
15 for the Project and conducted community outreach on each iteration of those plans; and

16 WHEREAS, Based upon community feedback, the Developer redesigned the Project to
17 provide space for the fishing industry consistent with current uses as part of a mixed-use
18 development that celebrates, highlights, incorporates, and directly supports the fishing and
19 seafood industry of Fisherman's Wharf and increases public access to and enjoyment of the
20 Bay; and

21 WHEREAS, The Developer is proposing a mixed-use project (the "Project") that
22 includes (i) at Pier 45 Sheds A and C, fishing industry space in Shed A and C for storage and
23 other uses, a fresh seafood market, and an experiential museum with an events center and
24 theater that celebrates the seafood industry, and, (ii) at portions of the Triangle East/Seawall
25 Lot 300/301 Phase I, a public plaza and open space, a new beverage center retail, short-term

1 rentals, and a visitor’s center, all as further described in the Port Memorandum dated
2 October 4, 2024 on file with the Clerk of the Board of Supervisors in File No. 241100; and

3 WHEREAS, On January 23, 2024, pursuant to Resolution No. 24-10, the Port
4 Commission endorsed the Term Sheet that described the fundamental deal terms for the
5 Project (the “Term Sheet”) and directed Port staff to present the Term Sheet to the Board of
6 Supervisors for endorsement and to submit a request that the Board of Supervisors review the
7 proposed Project under San Francisco Administrative Code, Chapter 29 and determine
8 whether the project is fiscally feasible and responsible; and

9 WHEREAS, The initial estimated total Project cost of \$548.0 million will be funded by a
10 combination of public and private sources including Developer equity, debt, and public
11 sources including an Infrastructure Financing District and a Community Facilities District; and

12 WHEREAS, The Project will require an estimated \$185.9 million in critical horizontal
13 infrastructure including seawall strengthening, seismic improvements, pier apron
14 improvements, and public space enhancements; and

15 WHEREAS, Due to the sizeable cost of the pier infrastructure and resilience
16 improvements the Term Sheet contemplates providing Developer a rent credit of \$1.5 million
17 annually for 15 years for Pier 45, up to a maximum of \$22.5 million; and

18 WHEREAS, The Port and Developer agree to work in collaboration to identify
19 additional public sources of capital from Federal, State and local grants, infrastructure and
20 resilience funding related to the San Francisco Waterfront Flood Study Project and other
21 government or tax sources to improve the financial feasibility of the project given the sizeable
22 infrastructure investment; and

23 WHEREAS, As part of ongoing efforts, the Port and Developer will work with the U.S.
24 Army Corps of Engineers (“USACE”) on coordination related to the Project and other
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1 resilience work related to coastal flood defenses, the San Francisco Waterfront Flood Study,
2 or other relevant efforts; and

3 WHEREAS, The Controller finds that the Project is fiscally feasible; and

4 WHEREAS, The Term Sheet is on file with the Clerk of Supervisors in File No. 241100
5 and is incorporated herein by reference; and

6 WHEREAS, The construction cost of the Project will exceed \$25 million and more than
7 \$1 million in public monies will be used for the predevelopment, planning or construction costs
8 of the Project, thus triggering review by the Board of Supervisors to determine the fiscal
9 feasibility of the Project under Administrative Code, Section 29.1; and

10 WHEREAS, Pursuant to Administrative Code, Section 29.3, the Port and Developer
11 have submitted to the Board of Supervisors a general description of the Project, the general
12 purpose of the Project, and a fiscal plan; and

13 WHEREAS, Pursuant to Administrative Code, Section 29.2, prior to submittal to the
14 Planning Department of an environmental evaluation application (“Environmental Application”)
15 required under Administrative Code, Chapter 31 and the California Environmental Quality Act
16 (“CEQA”) related to the Project, it is necessary for the Port to procure from the Board of
17 Supervisors a determination that the plan to undertake and implement the Project is fiscally
18 feasible and responsible; and

19 WHEREAS, The Board of Supervisors has reviewed and considered the general
20 description of the Project, the general purpose of the Project, the fiscal plan, and the Term
21 Sheet; and

22 WHEREAS, The Term Sheet is not itself a binding agreement that commits the City,
23 including the Port, or the Developer to proceed with the approval or implementation of the
24 Project; rather, the Project will first satisfy environmental review requirements under CEQA
25 and will be subject to public review in accordance with the processes of the City and other

1 government agencies with approval rights over the Project before any binding agreements,
2 entitlements or other regulatory approvals required for the Project will be considered; now,
3 therefore, be it

4 RESOLVED, That the Board of Supervisors finds that the plan to undertake and
5 implement the Project is fiscally feasible and responsible as set forth in San Francisco
6 Administrative Code, Chapter 29 (“Fiscal Feasibility Finding”); and, be it

7 FURTHER RESOLVED, That pursuant to San Francisco Administrative Code,
8 Chapter 29, the Environmental Application may now be filed with the Planning Department
9 and the Planning Department may now undertake environmental review of the Project as
10 required by Administrative Code, Chapter 31 and CEQA; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors endorses the Term Sheet and
12 urges the Port:

13 (1) To seek assistance from the Office of Economic and Workforce Development
14 (“OEWD”), the City Attorney’s Office, and other City officials as appropriate, to make
15 evaluation and further negotiation of the proposed Project among its highest priorities;

16 (2) To work with OEWD, other City officials, and the Developer to identify additional
17 sources of capital to fund critical pier and public infrastructure;

18 (3) If necessary due to fiscal feasibility constraints or complications arising from
19 resilience infrastructure work, to explore changes to the Project to move forward viable
20 opportunities at Pier 45 and/or SWL 300/301, if approved by the Port Commission in its sole
21 and absolute discretion; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors’ endorsement of the Term
23 Sheet and its Fiscal Feasibility Finding do not commit the Board of Supervisors, the Port, or
24 any other public agency with jurisdiction over any part of the Project to approve the terms of
25 final leases or other transaction documents or grant any entitlements to the Developer, nor

1 does either the Term Sheet endorsement or Fiscal Feasibility Finding foreclose the possibility
2 of considering alternatives to the Project or imposing mitigation measures, or deciding not to
3 grant entitlement or approve or implement the Project, after conducting and completing
4 appropriate environmental review under CEQA, and while the Term Sheet identifies certain
5 essential terms of a proposed transaction with the Port, it does not set forth all of the material
6 terms and conditions of any final transaction documents; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary
8 actions committing the City to implement the Project, and the provisions of the Term Sheet
9 are not intended to and will not become contractually binding on the City, unless and until: (1)
10 the Planning Department has reviewed and considered environmental documentation
11 prepared in compliance with Administrative Code, Chapter 31 and CEQA for the Project and
12 has determined that the environmental documentation complies with Administrative Code,
13 Chapter 31 and CEQA; (2) the Port Commission has adopted appropriate CEQA findings in
14 compliance with CEQA and has approved the terms of the final transactions documents for
15 the Project incorporating the Term Sheet provisions; and (3) the Board of Supervisors has
16 adopted appropriate CEQA findings in compliance with CEQA and approved the terms of the
17 final leases and any other property transfers for the Project.