

Port 1/17/2024

Section	Provision	Summary of Terms
	Introduction	
1	Parties	<p>Port: City and County of San Francisco (the "City"), acting by and through its Port Commission.</p> <p>Developer: Strada TCC Partners LLC, a Delaware limited liability company ("Strada TCC"), or other entity controlled by Strada Principals, LLC.</p>
2	Premises or Site	<p>Pier 30-32: Approximately 574,000 square foot (about 13 acre) pile-supported structure along The Embarcadero roadway as depicted on Exhibit A.</p> <p>Seawall Lot (SWL) 330: Approximately 101,330 square foot (about 2.3 acre) portion of Seawall Lot 330, excluding Watermark Building site, that fronts The Embarcadero roadway and is bounded by Beale and Bryant Streets as depicted on Exhibit A.</p>
3	Proposed Development Program	<p>Exhibit B describes all aspects of the Development Concept, including:</p> <ul style="list-style-type: none"> <li>• SWL 330 Program</li> <li>• Piers 30-32 Program</li> <li>• Affordable Housing Program</li> <li>• Maritime Uses</li> <li>• Waterfront Recreation and Public Open Space</li> <li>• Pier and Resilience Infrastructure Improvements</li> <li>• Project Phasing</li> </ul>
4	Total Development Cost and Sources of Funding	<p>Strada TCC financial capacity and financial assurances for completion of construction of improvements.</p> <p>Intended sources include:</p> <ul style="list-style-type: none"> <li>• CFD Mello-Roos funding backed by a dual pledge of special taxes and IFD tax increment</li> <li>• Federal and State Grant affordable housing funding (for standalone affordable, if necessary)</li> <li>• 4% Tax Credits (LIHTC) and tax-exempt bond financing for the stand-alone Affordable project</li> <li>• Resiliency funding from local, state and/or federal sources</li> <li>• Developer equity (at least 20 percent) and debt to fund Project costs</li> <li>• Potential PUC infrastructure funding for shoreside power</li> </ul> <p>Parties will identify appropriate financial terms, fees, and penalties, if any, to ensure the successful completion of all phases of the Project.</p>
4.1	Infrastructure Financing Structure	<ul style="list-style-type: none"> <li>• Establishment of IFD comprising the Site</li> <li>• Strada TCC to receive 100 percent of available IFD revenue (capture of 65 percent of ad valorem taxes with up to 90 percent with State authorization), including pay-as-you-go incremental</li> </ul>

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		<p>revenues for reimbursement of agreed-upon substructure, public improvements, and associated costs (unimproved land)</p> <ul style="list-style-type: none"> <li>• Strada TCC to receive ongoing pay-as-you-go ad valorem and Special taxes to fund infrastructure costs, including those released after meeting debt service coverage requirements, for reimbursement of horizontal improvements</li> <li>• Strada TCC plans to dedicate ongoing pay-as-you-go taxes to fund operations and maintenance of the pool and other public facilities to subsidize programming in support of its DEI plan</li> <li>• Community Facilities District (Mello-Roos) covering the entire site will serve as bridge to IFD; the CFD will be sized to match projected tax increment amounts, and tax increment will serve as a credit to CFD Special Tax payments</li> <li>• Issuance of CFD bonds with a pledge of IFD revenues as a source for debt service; Strada TCC and its transferees and assignees agree to not appeal any assessment once Baseline Assessed Value is established. Developer will include in all its leases a similar provision prohibiting its tenants from appealing any assessment once Baseline Assessed Value is established</li> <li>• If Strada TCC does not file for a Site Permit or complete construction of Phase 3 within the timeframes described in Exhibit C. Schedule of Performance, as amended by extensions set forth in Section 9 and any force majeure events, herein:               <ul style="list-style-type: none"> <li>○ Strada TCC forfeits its rights to any IFD and CFD revenues</li> <li>○ The Port may directly use these sources to fund infrastructure improvements at the Piers 30-32 site (including demolition, seawall strengthening, and reconstruction of the piers)</li> </ul> </li> </ul>
5	LDDA and Ground Leases	<p>The primary Transaction Documents will consist of:</p> <ul style="list-style-type: none"> <li>• Lease Disposition and Development Agreement between the Port and Strada TCC for the Site (LDDA)</li> <li>• Up to Four Separate Ground Leases (Waterfront Site, Up to two (2) Seawall Lot Market Rate Sites, Seawall Lot Affordable Site) between the Port and Strada TCC Partners</li> <li>• Potential for a Master Lease or Construction License to facilitate demolition of the existing Piers 30-32 and seawall improvements</li> <li>• Ground leases to be conveyed on a phased basis after satisfying conditions such as:               <ul style="list-style-type: none"> <li>○ Conditions to executing, incl. Strada TCC’s evidence of financing, issuance of all permits</li> <li>○ Financial security for construction of improvements on Site</li> <li>○ As-is delivery by Port of Site</li> <li>○ Termination of existing leases/encumbrances</li> </ul> </li> </ul>

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		<ul style="list-style-type: none"> <li>○ Additional conditions as further described below in this term sheet and as set forth in the form ground lease attached as an exhibit to the RFP.</li> <li>● LDDA effective upon final and non-appealable action by Board of Supervisors (“Effective Date”)</li> <li>● Parties intend to pursue approval of a Development Agreement (DA) that will provide that project will be exempt from future development impact fees or increases to existing development impact fees</li> </ul>
6.1	Seawall Lot 330 Market Rate Site Ground Lease Terms	<ul style="list-style-type: none"> <li>● As-is condition</li> <li>● Term: 75 years</li> <li>● Construction Rent:               <ul style="list-style-type: none"> <li>○ Reduced rent of \$150,000 annually owed during construction from the execution of the Ground Lease until the issuance of a certificate of occupancy up to a maximum of 36 months</li> <li>○ Increases based on CPI growth with a floor of 2% per year and a cap of 6% per year from LDDA execution to Ground Lease execution</li> </ul> </li> <li>● Base Rent:               <ul style="list-style-type: none"> <li>○ \$600,000 annually</li> <li>○ Increases based on CPI growth with a floor of 2% per year and a cap of 6% per year from LDDA execution to Ground Lease execution</li> <li>○ Increases every 5 years after execution based on CPI growth with a floor of 2% per year and a cap of 6% per year</li> <li>○ In the event the Site Permit for the Piers 30-32 site has not been approved 24 months after the completion of Phase 1, then Base Rent will increase to \$1,800,000 annually (“Non-Performance Rent”), with CPI growth with a floor of 2% per year and a cap of 6% per year from LDDA execution</li> <li>○ Non-Performance Rent will end, and Base Rent will return to \$600,000 annually (adjusted for CPI) if Strada TCC receives an approved Site Permit for the Piers 30-32 site and reaches all future Piers 30-32 milestones within Schedule of Performance timelines</li> </ul> </li> <li>● Phasing               <ul style="list-style-type: none"> <li>○ Strada TCC has the right, but not the obligation, to develop the market rate residential portion of the SWL in two separate phases per phasing diagram on Exhibit C. Project Phasing. In event of phased delivery, rent will be apportioned with 50 percent allocated to each of the two phases</li> </ul> </li> </ul>

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		<ul style="list-style-type: none"> <li>• Other               <ul style="list-style-type: none"> <li>○ Strada TCC solely responsible for operation, maintenance, and repair obligations for the term of the Ground Lease</li> <li>○ Return of premises in good condition at end of Lease term</li> <li>○ Obligation to demolish all facilities at end of Lease term if requested by Port</li> <li>○ The parties will continue to explore the possibility of fee title transfer</li> <li>○ Transfer fee covenant on every individual unit if residential units offered for sale.</li> </ul> </li> </ul>
6.2	Piers 30-32 Ground Lease Terms	<ul style="list-style-type: none"> <li>• As-is condition</li> <li>• Term: 66 years</li> <li>• Construction Rent:               <ul style="list-style-type: none"> <li>○ Reduced rent of \$200,000 annually owed during construction from the execution of the Ground Lease until the issuance of a certificate of occupancy up to a maximum of 60 months</li> <li>○ Increases based on CPI growth with a floor of 2% per year and a cap of 6% per year from LDDA execution to Ground Lease execution</li> </ul> </li> <li>• Base Rent:               <ul style="list-style-type: none"> <li>○ \$900,000 annually</li> <li>○ Increases based on CPI growth with a floor of 2% per year and a cap of 6% per year from LDDA execution to Ground Lease execution</li> <li>○ Increases every 5 years after execution based on CPI growth with a floor of 2% per year and a cap of 6% per year</li> </ul> </li> <li>• Other               <ul style="list-style-type: none"> <li>○ Operation, maintenance, and repair obligations solely responsibility of Strada TCC or its successor(s) or assign(s)</li> <li>○ Dredging obligations of the East Berth responsibility of Port</li> <li>○ Return of premises in good condition at end of Lease term</li> <li>○ Obligation to demolish all facilities at end of Lease term if requested by Port</li> <li>○ Leasehold mortgage and mortgagee protection provisions</li> </ul> </li> </ul>
6.3	Seawall Lot 330 Affordable Site Ground Lease Terms	<ul style="list-style-type: none"> <li>• As-is condition</li> <li>• Term: 75 years</li> <li>• Rent: \$0 annually</li> <li>• No right to assignment without Port approval in its sole discretion before completion of Project; reasonable approval after completion of Project. Reasonable approval for subletting</li> <li>• Fee title transfer potential</li> </ul>

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		<ul style="list-style-type: none"> <li>• Operation, maintenance, and repair obligations solely responsibility of tenant</li> <li>• Return of premises in good condition at end of Lease term</li> <li>• Obligation to demolish all facilities at end of Lease term if requested by Port</li> </ul>
7	Participation Structure	<ul style="list-style-type: none"> <li>• First Sale/Refinance by Strada TCC: Port to receive participation on sale (or refinancing resulting in the repayment of project equity) equal to 20% of net proceeds after Strada TCC has achieved an 18% IRR</li> <li>• Port and Strada TCC to develop a methodology to ensure that, in the event that Strada TCC decides to finance the project with more than 50% equity, the portion above 50% will be treated like debt for purposes of calculating Port's participation. Debt costs will be established through a market-based solicitation of debt quotes.</li> <li>• Port to receive participation on any subsequent sale or refinancing equal to 1.5% of net proceeds (gross proceeds less outstanding debt, equity, and transaction costs).</li> </ul>
8	LDDA Term and Extension Fee	<ul style="list-style-type: none"> <li>• LDDA term is anticipated to be 180 months (15 years).</li> <li>• Strada TCC may extend the time for Execution of any Ground Lease or extend a performance milestone under a Ground Lease for the following fees (the "LDDA fee") as consideration for having exclusivity over the Premises during the LDDA Term: <ul style="list-style-type: none"> <li>○ Initial two (2) six-month increments upon the payment of \$50,000 for each six-month extension period</li> <li>○ Additional two (2) six-month increments upon the payment of \$200,000 for each six-month extension period</li> <li>○ LDDA fees will not be prorated</li> </ul> </li> <li>• In addition, the LDDA will have force majeure provisions that will provide for schedule relief due to regulatory delays outside of Strada TCC control.</li> </ul>
9	LDDA Termination Fee and Assignment of Project Materials	<p>If the LDDA terminates before the first transfer of Ground Lease, due solely to a Tenant event of default, Port shall be entitled to retain any Payment Advances previously paid to Port, and upon request, Developer shall assign to the Port its Project Materials and Structural Materials, consistent with the requirements of the ENA, and any and all Project entitlements received as of the termination date.</p>
10	Period to Complete Construction	<p>The LDDA will require Tenant to diligently pursue construction of the Project to completion, and will also provide that it will be an event of default if Developer suspends or abandons work on the Project for more than 180 consecutive days (subject to extension for force majeure events). The LDDA will also include</p>

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		<p>a schedule of performance, attached as Exhibit C, that includes outside dates for site permit filing, commencement of construction, and construction completion, subject to force majeure extension.</p> <p>The LDDA will also require delivery of a Completion Guaranty or payment and performance bonds (as more particularly described in Section 14 below) that will secure Tenant's construction obligations.</p>
11	Reimbursement of Port's Transaction Costs	<p>Developer will reimburse Port for all of Port's direct transaction costs, including, but not limited to, Port and City Attorney staff time, incurred during the term of the LDDA, including any extension periods based on the direct costs incurred by the Port. The LDDA will include procedures and reporting requirements that are generally consistent with the cost estimate and payment advance structure set forth in the ENA, including provisions relieving Developer from payment obligations for untimely invoices (e.g., more than fourteen months for Port staff costs). Accrual of new reimbursable transaction costs shall cease upon a date on or near the project closeout date and to be agreed upon by Port and Developer prior to the issuance of the final Project Certificate of Completion. Developer's obligation to reimburse the Port for accrued unpaid transaction costs shall survive the expiration, termination, or issuance of the Certificate of Completion.</p>
13	Performance and Payment Bond	<p>Upon Port's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed, Tenant may provide the Port with a Completion Guaranty for the Project from an entity satisfying minimum net worth requirements to be defined in the LDDA in lieu of a Payment and Performance Bond from Developer's General Contractor, before commencement of construction under Port-issued building permits, guarantying completion of construction of the proposed improvements to the Premises, including timely performance of construction of the improvements, and timely payment of all construction materials and labor, and all applicable fees.</p>
14	Deposits	<p>On or before execution of the Lease, Tenant shall provide the Port with a security deposit for performance under the Lease in an amount equal to two months of then current Base Rent due under the Lease.</p>
15	Payment of Impositions	<p>Tenant shall pay when due all impositions, such as real and personal property tax, possessory tax, licensee fees, or periodic permits, as applicable.</p>
16	Uses	<p>Tenant may use the Premises for uses consistent with the Development Concept (collectively, the "Permitted Uses"), and for no other uses without the prior written consent of the Port, not to be unreasonably withheld, conditioned or delayed, and further subject to Section 31 below (Public Trust consistency).</p>

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17	As-Is Condition	Premises will be delivered in its as-is condition. Port will provide or make available to Tenant all prior studies and reports in its possession pertaining to the Premises in advance of executing the LDDA.
18	Assignment and Transfer	<p>Strada TCC has the right to capitalize the project with outside investor(s) without Port approval so long as Strada TCC maintains controlling interest and maintains a minimum of a 2 percent equity investment in the project.</p> <p>Port to have reasonable approval over assignment/transfer of Strada TCC controlling interest for project phases governed by ground leases that have not yet been executed, or if underway, have not received certificate of occupancy.</p>
19	Leasehold Financing	<p>Tenant has the right to obtain construction financing, other interim financings, and permanent take-out financing from bona fide institutional lenders for the development of the Project that will be secured by Tenant's leasehold interest. Financing must not:</p> <ol style="list-style-type: none"> <li>i. Impair the Port's and Tenant's ability to implement the public financing scheme as contemplated in Section 4 (Total Development Cost and Sources of Funding),</li> <li>ii. Impose conditions upon Port unless agreed to by Port in its sole discretion, subject to leasehold mortgagee provisions included in the LDDA/Ground Lease generally consistent with such provisions in other Port ground leases for comparable projects, or</li> <li>iii. Encumber Port's fee interest in the Premises.</li> </ol>
20	Maintenance and Repair of all components of the Project	Unless Port elects to perform any maintenance itself, sole responsibility of Tenant and consistent with all Port standards. Port will have no maintenance obligations with respect to the Project.
21	Utilities	Port makes no representation regarding existing utilities (including water and sewer) or need to construct new utilities (including water and sewer) or relocate existing utilities (including water and sewer) for development of the Project. Sole responsibility of Tenant.
23	Hazardous Materials	Sole responsibility of Tenant, provided Tenant will not be responsible for any pre-existing hazardous materials so long as they are not released or exacerbated by Tenant or its agents or invitees or due to the Project.
24	Possessory Interest and Other Taxes	Tenant will be required to pay possessory interest taxes on the assessed value of its leasehold interest on the date of any Lease. Tenant also will be required to pay other applicable city taxes, including parking, sales, and payroll taxes, and special assessments imposed under applicable CFDs.
25	No Subordination of Fee Interest or Rent	Under no circumstance will Tenant place or suffer to be placed any lien or encumbrance on Port's fee interest in the Premises. Port will not subordinate its interest in the Premises nor its right to receive rent

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		to any mortgagee, whether such mortgagee is a public entity or private party.
26	Insurance Requirements	<p>Throughout the term of the Lease, Tenant must maintain insurance in amounts and with limits determined appropriate by the Port and with carriers acceptable to the Port in consultation with the City's Risk Manager.</p> <p>Insurance will include (but is not limited to): commercial general liability; workers' compensation; property insurance; automobile liability; personal property; business interruption; builder's risk; pollution legal liability and various maritime coverages, if applicable.</p> <p>The Port and City must be named as additional insureds/loss payees. Insurance will include waivers of subrogation.</p>
27	Trust Consistency	The Project and all uses will be consistent with the public trust, Burton Act, SB 815, AB2797, SB 273, and any other relevant laws as applicable.
28	Regulatory Approval	Tenant is responsible for obtaining all regulatory approvals, at its sole cost and expense. Port shall reasonably cooperate (for any obligations on Site) in such efforts, including applying as a co-permittee where required so long as Tenant assumes all obligations under the permit at its sole cost and expense. Port shall have sole discretion to approve/disapprove any obligations off-site where Port is a co-permittee.
29	Standard Lease Terms	The Lease will include other lease terms generally consistent with other Port leases on projects of this scale and complexity, including but not limited to force majeure event provisions and as set forth in the form ground lease attached as an exhibit to the RFP.
30	Public Benefits and Diversity, Equity, and Inclusion Initiatives	The DEI Plan and planned public benefits are described in Exhibit D. DEI Plan. The benefit list and its characterization are subject to the mutual determination of the Port and Tenant and Port shall not unreasonably withhold condition or delay its approval.
31	Port Regulatory Authority	Port shall issue building permits for the Project.
32	Impact Fees	<p>Strada TCC payment of all applicable fees, inc. but not limited to Childcare Fee, Affordable Housing Fee(s), Transit Impact Development Fee, Public Art Fee, and others.</p> <p>Strada TCC and Port will pursue opportunities to dedicate fees to costs within the project or reduce fees based on performance in other areas (e.g., both meeting inclusionary target and dedicating land for 100% affordable).</p>
33	Indemnification	Strada TCC to indemnify Port as set forth in the form ground lease attached as an exhibit to the RFP.



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34	Infrastructure Funding Gap	<p>Strada TCC and Port acknowledge the Waterfront Site Project currently projects a \$125 million funding gap. Both parties will work to identify and obtain sources to fill this gap. Potential sources include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Increased Project Revenues</li> <li>• Adjustments or waivers of the City Transfer Tax</li> <li>• Impact Fee reductions or deferred collection</li> <li>• State and local Grants/Payments</li> <li>• Federal or State funding for resilience improvements (e.g., Seawall)</li> <li>• Capture of additional tax increment</li> <li>• Coastal Conservancy Grant Funding</li> <li>• Potential revenue sharing from East Berth activities</li> </ul> <p>If the Parties are successful in raising outside funding to close the infrastructure funding gap, but Strada fails to meet the Phase 3 Schedule of Performance obligation to commence construction, as specified in Exhibit 3, then the Port shall be entitled to an additional tier of participation at sale of SWL projects equivalent to 10% of cash flow after Strada TCC achieves a 15% IRR. If the first sale or refinancing of SWL projects occurs before Phase 3 Schedule of Performance obligations and Strada TCC fails to meet Phase 3 obligations, Strada TCC will owe the additional performance upon the date of failure.</p>

## Attached Exhibits:

Exhibit "A," LDDA Boundary

Exhibit "B," Development Concept

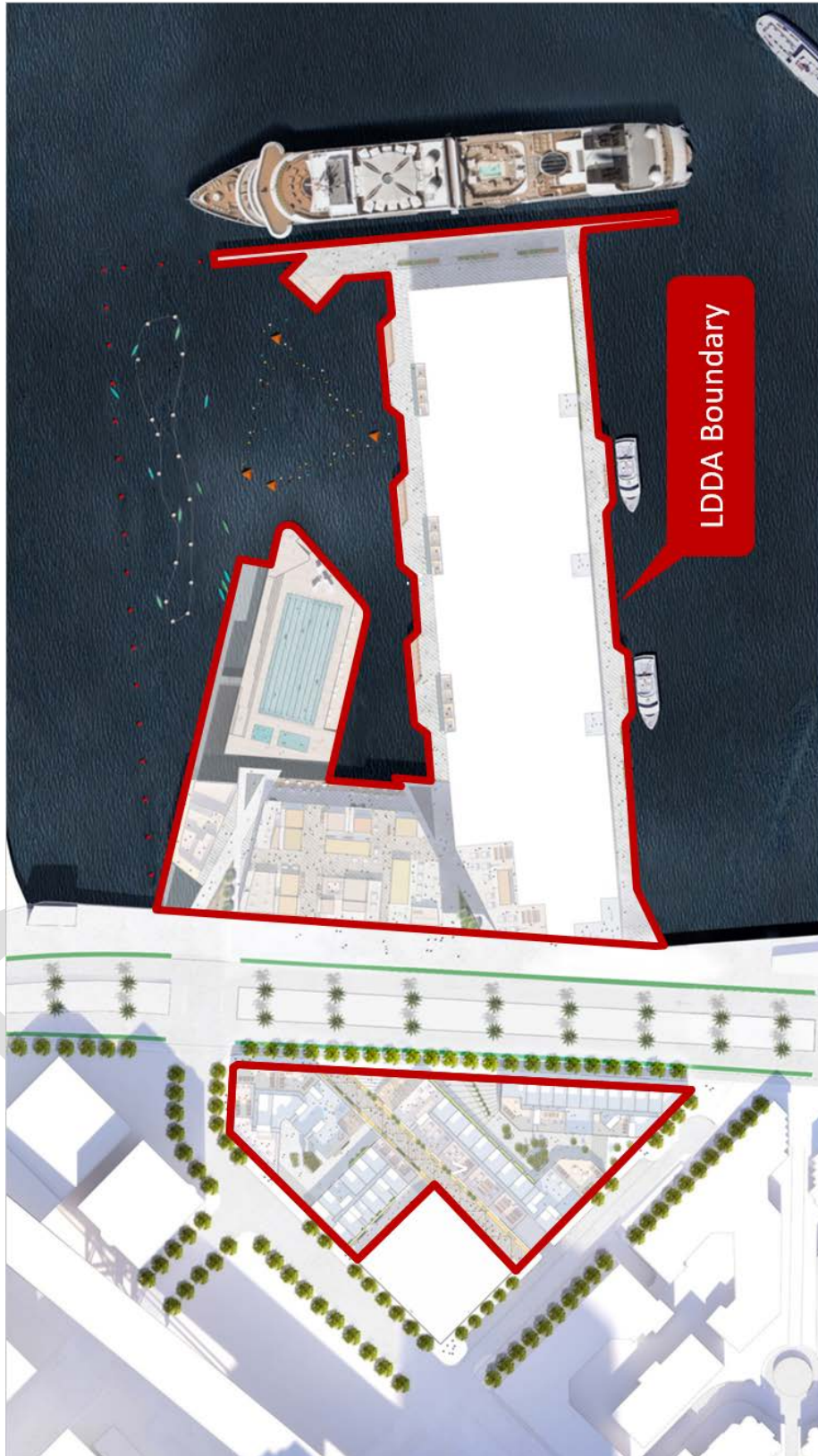
Exhibit "C," Schedule of Performance

Exhibit "D," DEI Plan and Community Benefits

Exhibit "E," SWL 330 Ground Lease Boundaries

**EXHIBIT A. PIERS 30-32 AND SWL 330 LDDA Boundary**

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**EXHIBIT B. DEVELOPMENT CONCEPT**

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**Phase 1 – 2 + Affordable Housing Building. SWL 330 Development**

- Projected total of 713 units, including 186 BMR units (26.1%)
- 2 market rate residential buildings totaling 619 units, including 15 percent inclusionary
- Market rate tower assumes use of State Density bonus; alternative design with 105' height limit results in fewer units and potentially larger funding gap
- 1 Affordable Housing building totaling projected 94 units at 55% AMI
- Approximately 13,000 SF of ground floor retail
- Approximately 34,800 SF of publicly accessible ground level open space

**Phase 3. Piers 30-32 Development***Pier and Resilience Infrastructure Improvements*

- Demolition of existing Piers
- Strengthening of Seawall for seismic and sea level rise resilience
- Reconstruction of a single pier
- Strada TCC must construct all horizontal infrastructure in line with requirements and/or guidelines from the Port, Army Corps of Engineers, BCDC, State Lands Commission, or any other governmental agency
- Strada TCC required to fund all costs associated with horizontal infrastructure, may receive funding from sources available in Section 4 or dedicated to infrastructure in the future

*Vertical Improvements*

- Approximately 375,000 GSF office space in Pier Shed with potential for additional 55,000 GSF in mezzanine space within existing first floor
- Approximately 70,000 SF retail space, including a market hall fronting the Embarcadero with publicly accessible restrooms and water bottle filling stations

*Maritime Uses*

A deep water cruise ship terminal built to Port standards that allow for both cruise ship berthing for passenger embarkation and debarkation and emergency/disaster for the Site

*Waterfront Recreation and Public Open Space*

- Publicly accessible aquatic facility with float-in pool of at least, showers, lockers, and other facilities
- Publicly accessible Pier space

All uses and improvements within the Piers 30-32 site must meet the requirements of and be consistent with SB 273.

**EXHIBIT C. SCHEDULE OF PERFORMANCE**

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<b>Performance Benchmarks</b>	<b>Target Performance Date</b>	<b>Performance Date (subject to extension for Excusable Delay)</b>
<b>1. Phase 1 Construction Permit Issuance</b>	<b>18 months post-LDDA execution</b>	<b>24 months post-LDDA execution</b>
<b>2. Phase 1 Construction Commencement</b>	<b>6 months post-Phase 1 Construction Permit Issuance</b>	<b>12 months post-Phase 1 Construction Permit Issuance</b>
<b>3. Phase 1 Construction Completion</b>	<b>24 months post-Phase 1 Construction Commencement</b>	<b>36 months post-Phase 1 Construction Commencement</b>
<b>4. Phase 2 Construction Permit Issuance</b>	<b>30 months post-LDDA execution</b>	<b>48 months post-LDDA execution</b>
<b>5. Phase 2 Construction Commencement</b>	<b>6 months post-Phase 2 Construction Permit Issuance</b>	<b>12 months post-Phase 2 Construction Permit Issuance</b>
<b>6. Phase 2 Construction Completion</b>	<b>24 months post-Phase 2 Construction Commencement</b>	<b>36 months post-Phase 2 Construction Commencement</b>
<b>7. Phase 3 Construction Permit Issuance</b>	<b>12 months post-Phase 2 Completion</b>	<b>24 months post-Phase 2 Completion</b>
<b>8. Phase 3 Construction Commencement</b>	<b>6 months post-Phase 3 Construction Permit Issuance</b>	<b>12 months post-Phase 3 Construction Permit Issuance</b>
<b>9. Phase 3 Construction Completion</b>	<b>30 months post-Phase 3 Construction Commencement</b>	<b>48 months post-Phase 3 Construction Commencement</b>

(\*All dates expire on the last day of the applicable month.)

**EXHIBIT D. DEI PLAN AND COMMUNITY BENEFITS**

- **Swim and Water Sports Access for Underserved Communities:** The pool facility will be controlled and managed by a mission-driven non-profit whose core focus will be to address the racial, gender and economic disparities associated with access to water-oriented sports. There will be a specific focus on increasing swimming proficiency among children of color, where drowning is a leading cause of preventable death and where access to state-of-the-art swim facilities has been historically restricted due to racist policies such as restrictive covenants, redlining and disinvestment in black and brown communities. As part of this effort, Strada will partner with CBOs and city agencies that are already working on bridging the swimming divide (i.e., Boys and Girls Club, YMCA, Rec Park) to make sure we are leveraging the deep capacity that already exists in this area.
- **BIPOC Artisan Retail Program:** Strada will implement a comprehensive program to support BIPOC entrepreneurs for the artisan retail/maker spaces that line the north side of the Pier Shed Building. Strada will make these spaces available on a priority basis to BIPOC entrepreneurs and will provide lease structures that are aligned to maximize potential for success (i.e., below market and/or percentage rent leases). It is anticipated that, for many of the entrepreneurs that lease these spaces, this could be their first “brick and mortar” space. That is one of the reasons we have intentionally designed the spaces on the smaller side – so that we limit the cost of expensive TI buildout and limit operating costs. However, we also intend for the user to be able to occupy the public promenade spaces directly in front of the storefronts to display their goods. This has a twofold benefit: first, it helps to provide the vendor with more display space, but, just as importantly, it helps to activate the promenade. This has the potential to be particularly beneficial on the days that a Cruise Ship is berthed at the Pier when thousands of visitors will be disembarking and walking right by these spaces.

Finally, we see these spaces on the Promenade to be an important “feeder” for the Market Hall: as these entrepreneurs demonstrate success and build momentum, the idea would be to transition these businesses into a larger space in the Market Hall. We anticipate working with outside partners, such as SF Black Wallstreet, on this comprehensive program to both source BIPOC entrepreneurs for the promenade spaces and then to assist with capacity building and growth.

We believe this overall approach has strong alignment with Policy 9.1 of the Port’s Racial Equity Action Plan.

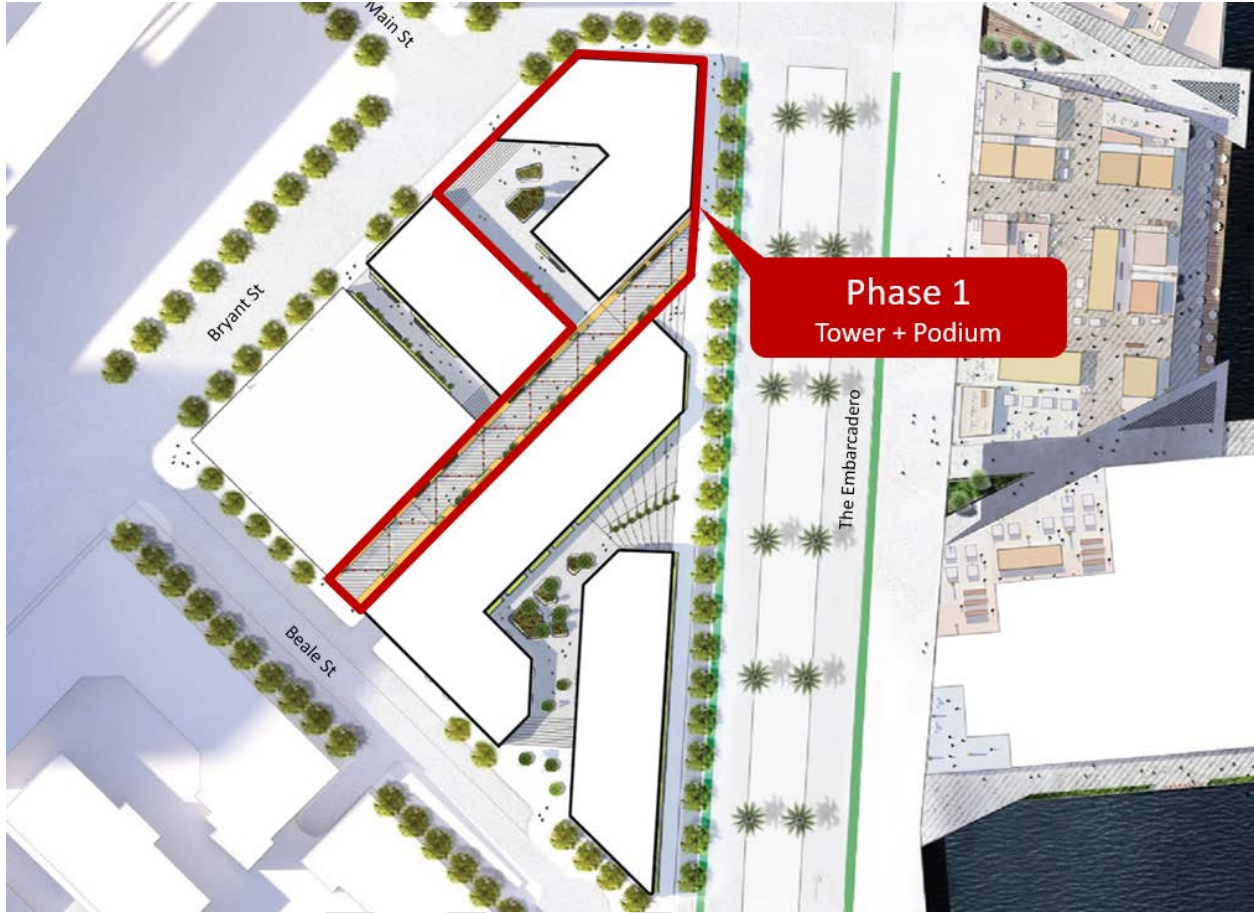
- **Affordable Housing Partnership:** When Strada submitted its response to the RFP, we left the decision open as to who the development partner for the roughly 100-unit stand-alone affordable site would be. We believe that the affordable site represents a strong opportunity to bring in a BIPOC development partner (or team of developers) to execute that component. Following endorsement of the Term Sheet, we would work with the Port and MOHCD, as appropriate, to identify that development partner. We will place a heavy emphasis on BIPOC leadership within the development entities as part of the selection criteria.

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- **LBE/WBE Participation in project:** Strada has a long track record of success obtaining high levels of LBE/MBE/WBE participation on public private projects. For example, Strada ran the contractor engagement and selection process that resulted in an over 45% participation rate on the Golden State Warriors project. Success in that effort was due to extensive early outreach and aggressive efforts to pair larger, non-qualified contractors with smaller qualified LBE/MBE firms. This was done under the OCII model of creating joint ventures or associations. During the preconstruction phase of the project, we would like to explore a similar approach to the OCII model.
- **Workforce Development.** Strada is committed to covering the entirety of this project under a Project Labor Agreement (PLA). We believe there is a tremendous opportunity under the PLA to negotiate for significant commitments for apprenticeship and pre-apprenticeship job opportunities in all of the building trades. To that end, we intend to work with CityBuild to prepare a pipeline of candidates for the project, with a specific focus on recruiting people of color and women for participation in the program. Since this project will have a significant amount of in-water work, we believe there may be an opportunity for a customized CityBuild Academy for the specialized trades for in-water work that would carry over to job opportunities within the Port's overall Resiliency program.

We also think there are significant workforce development opportunities as it relates to the Market Hall and Swim Facility. With the latter, we believe that recruitment of people of color to staff the pool (swim instructors, lifeguards, etc.) will be a critical element of the swimming program. Research has shown that having swim instructors of color leads to better outcomes among participants of color.

**EXHIBIT E. SWL 330 GROUND LEASE BOUNDARIES**



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