




## MEMORANDUM

October 4, 2024

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Gail Gilman, Vice President  
Hon. Willie Adams  
Hon. Stephen Engblom  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Informational presentation and possible action to request endorsement of the Proposed Term Sheet with Fisherman's Wharf Revitalized project for the development of portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman's Wharf (the "Project"), generally located bayward of Jefferson Street between Taylor and Powell Streets.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 24-49

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### EXECUTIVE SUMMARY

On February 15, 2023, Port staff received an unsolicited proposal (the "Proposal") from Fisherman's Wharf Revitalized, LLC ("Developer") to lease and develop portions of SWL 300/301 (commonly known as the Triangle Parking Lot) and Pier 45 Sheds A and C (the "Site", see Exhibit 1). Consistent with the Waterfront Plan policies related to the community engagement process for review and consideration of unsolicited proposals, the Proposal was brought to the Port Commission at the February 28, 2023 meeting and subsequently reviewed through a series of community and Port Advisory Group meetings.

On May 20, 2023, the Port issued a Request for Information ("RFI") to supplement the outreach noted above and to seek feedback on whether there was other, comparable development interest in the Site. The Port received two responses to the RFI that were presented to the Port Commission on July 11, 2023. Given the urgency of providing

support to Fisherman’s Wharf and the limited response to the RFI, the Port Commission authorized staff (Resolution 23-37), in consultation with the City Attorney, to seek a waiver of the City’s competitive solicitation process and commence negotiations of an Exclusive Negotiation Agreement (“ENA”) with Developer.

Subsequently, on September 12, 2023, the Board of Supervisors adopted Resolution No. 425-23, waiving the competitive solicitation procedures and urging the Port to take all actions necessary to negotiate and enter into an ENA with Developer. With the authorization of the Port Commission and Board of Supervisors, Port and Developer executed the ENA on January 4, 2024. Since that time, the Developer has been working on community outreach to further refine the Project concept. Port staff has engaged a consultant to prepare a formal Fiscal Impact Analysis for the City, and Port staff and the Developer have been negotiating a term sheet which sets forth key deal terms of the Project. This report outlines those terms, including the proposed development program and use of the site, DEI plan, project financing, rent and Port participation, a description of the transaction documents, and schedule of performance.

After Port Commission approval of the term sheet, Port staff will bring the term sheet to the Board of Supervisors (“Board”) for endorsement, along with a request that the Board find the Project fiscally feasible. If the Board finds that the Project is fiscally feasible, the Developer may submit an environmental evaluation application for the Project to the Planning Department.

## **STRATEGIC PLAN ALIGNMENT**

The Project will provide a number of benefits including promotion and support of the fishing and seafood industry and increased public access to the Bay. The project will ensure that the fishing industry uses in Pier 45 Sheds A and C of Fishermen’s Wharf are preserved and protected for the long term, aligning with the 66-year term of the ground leases.

The proposed Project’s success will be defined by its redevelopment of assets, implementation of resilience and adaptation strategies, curation of a mix of uses that enliven Fisherman’s Wharf, and advancement of the Port’s goals and objectives of its Strategic Plan and Waterfront Plan.

If approved and implemented, the proposed Project will achieve at least six goals of the Port’s Strategic Plan objectives:

### Evolution:

Develop a critical area of Port property in a manner that responds to changing public and Port needs including the addition of attractions and amenities for waterfront tourism as well as support for the existing fishing industry.

### Resilience:

The project includes investments in sea level rise resilience and seismic integrity for this portion of the northern waterfront including Pier 45 and “Little Embarcadero”.

Engagement:

Throughout the project development process, Port staff and the developer will engage with the Fisherman’s Wharf Advisory Committee and other neighborhood groups to increase the public’s awareness and contribution to the site and development plans. The project itself will deliver an attraction intended to educate visitors about the fishing industry and the rich history of the Wharf.

Equity:

The Project will be accessible, attractive, and beneficial to a diverse group of people who live, work, and use the recreational assets along the Waterfront.

Productivity:

Attract new tenants that complement existing commercial uses to support an economically successful and vibrant waterfront, including a new food hall, public seafood market, enhancements to existing fish processing on the Pier, a retail beverage garden, short-term vacation rentals, and visitor attractions.

Economic Recovery:

Contribute to the Port’s financial strength by using investor capital to address the Port’s deferred maintenance backlog and generating revenues for the Port to sustain ongoing operations and address deferred maintenance at other Port facilities.

**BACKGROUND**

On February 15, 2023, the Port received an unsolicited Proposal for the lease and development of the Site with a mixed-use development celebrating, highlighting, and supporting the fishing and seafood industry of Fisherman’s Wharf and increasing public access to and enjoyment of the Bay. The Proposal was submitted by Fisherman’s Wharf Revitalized LLC, consisting of Lou Giraudo, Seth Hamalian, and Chris McGarry.

The Port’s Waterfront Plan outlines a public engagement process for unsolicited proposals that is to occur prior to the consideration of a waiver of the City’s competitive bidding procedures by the Board of Supervisors. At the February 28, 2023, Port Commission meeting, Port staff described the Proposal and the Port Commission directed staff to pursue stakeholder engagement as called for under the Waterfront Plan. At the April 25<sup>th</sup> Port Commission meeting, Port staff reported on the stakeholder engagement process and the Project’s alignment with the Waterfront Plan. In response to the dialogue at the meeting, the Port issued an RFI on May 20, 2023, to supplement the outreach noted above and to seek feedback on whether there is other, comparable development interest in the locations identified in the Proposal.

The Port received two responses to the RFI that were presented to the Port Commission on July 11, 2023: (1) a letter from Dan Giraudo, Chairman and CEO of Boudin Bakery, and (2) a follow-up submittal from the Developer. Given the limited response to the RFI indicating limited interest in potential bids if the Port were to issue a competitive solution, the urgency of providing support to the recovery of Fisherman’s Wharf, and the potential for the Project described by the Proposal to attract visitors and significant investment to the

wharf, the Port Commission authorized staff (Resolution 23-37), in consultation with the City Attorney, to move ahead and seek a waiver of the City's competitive solicitation requirements and commence negotiations of the ENA with Developer. On September 10, 2023, the Board of Supervisors adopted Resolution No. 425-23, waiving the competitive solicitation procedures so the Port could negotiate and enter into the ENA.

The Port Commission adopted Resolution No. 23-48 approving the ENA with FWR on October 10, 2023. Following this approval, FWR began the process of further designing the project, creating a DEI plan, and conducting community outreach in coordination with Port staff. During the ENA, FWR reimburses the Port via Payment Advances. The current Performance Schedule under the ENA is included in Exhibit A of this report.

## **PROPOSED DEVELOPMENT PROGRAM**

The proposed Project is comprised of two areas of development: 1) portions of the Seawall Lot 300/301 (the "Triangle Lot") and 2) Pier 45 Sheds A and C.

The vision for the Triangle Lot, from the western edge of the Boudin Bakery to the eastern edge of the Triangle Lot/Seawall Lot 300/301, includes 1) a central public square and the expansion of the adjoining portion of the "Little Embarcadero" to accommodate a pedestrian promenade as well as vehicular traffic; 2) new retail uses and a projected ten short-term vacation rental units on the upper floors that provide accommodations for families and groups seeking apartment-like amenities and adjoining bedrooms; and 3) a visitor's center at the eastern point.

The vision for Pier 45 is a two-pronged approach to reinvigorating Fisherman's Wharf as a must-visit location for the region, for visitors and residents alike: 1) enhanced support to existing fishing operations on the Pier and an experiential museum dedicated to the fishing and seafood industry that will return Fisherman's Wharf to its legacy and former prominence as the go-to location in the region for all things related to the industry, and 2) a flexible events center and open-air space configured to allow for a variety of indoor and outdoor concerts, local performance art, school events, rentals and other experiences. This would be implemented to support and protect the history of Fisherman's Wharf, the existing commercial fishing operations at Pier 45, and other existing tenants at Pier 45 Shed A.

The Project also contemplates a potential for a Phase II on the remainder of the most western portion of the Triangle Lot. Prior to full development, the Port and FWR would explore activation opportunities for open space within this area.

Exhibits A and B included in this report show conceptual diagrams of the proposed development plans for the Triangle Lot and Pier 45 Sheds A and C, respectively.

## **COMMUNITY OUTREACH**

As part of the ENA, the Developer created a community outreach plan to guide outreach to key stakeholders in the Project. Throughout 2024, the Developer has engaged in broad outreach efforts to a wide variety of stakeholders and community groups including:

- Fisherman's Wharf Advisory Committee (FWAC)
- Fishers and crabbers
- Pier 45 fish wholesalers and processors
- U.S.S. Pampanito
- Musee Mecanique
- Neighborhood businesses
- Neighborhood organizations
- Business and Tourism Organizations including the Fisherman's Wharf Community Benefit District, Hotel Council of San Francisco, and San Francisco Travel
- Other nearby stakeholder community groups

Notably, the fishers and adjacent and proximate business owners participated in the dialogue. The overall community response has expressed enthusiasm for celebrating the fishing industry and investment in the Fisherman's Wharf neighborhood. Furthermore, the community has shown excitement about the opportunity to attract locals and enhance the visitor experience.

Feedback also included concerns about the impact of the project which centered on a few key themes that have surfaced about the specific components of the project:

#### Triangle Lot:

- Concerns that development on the lot would "turn its back on" existing Jefferson Street business/activity between Powell and Taylor Streets (south side) and direct visitors to Pier 45
- A desire for a central gathering place in Fisherman's Wharf where people can gather, linger, and attend central events
- Concerns about pedestrian-vehicle traffic conflicts since the fishing industry utilizes The Little Embarcadero at times for vehicular access to Pier 45
- Questions as to whether the Short-Term residential units proposed would violate the 1990 Proposition H, banning hotels within 100' of the waterfront

#### Pier 45:

- Prioritization of the fishing industry as "without them, there is no Fisherman's Wharf" and a general sentiment that the primary attraction for visitors should be the ability to witness the activity of the fishing industry
- A desire to preserve gear storage and staging areas which are currently located in Shed A

- The fishing industry in the wharf would benefit from cold storage space on Pier 45<sup>1</sup>

Concerns regarding the potential for crowding and congestion in the “valley” that may impact fishing operations on Pier 45.

## **PROJECT DESIGN CHANGES**

In response to community feedback, the Developer has refined the Project concept to address specific concerns about 1) preserving Pier 45 for fishing industry use, 2) a lack of connection to other retail uses on Jefferson Street, and 3) competing vehicular traffic requirements of visitors and industry. Major modifications include:

**Reserving Shed A and some of the new Shed C for current uses.** The original proposal used almost all of Shed A and all of the former Shed C for the new Project. The revised proposal preserves the vast majority of Shed A as well as a substantial portion of the ground floor of the new Shed C for fishing industry storage and other uses.

**Added Second Floor to New Building on Shed C.** The latest design concept adds a second story and moves the majority of visitor uses to the upper floor to make more room for industry use on the ground floor and help ensure separation between industry activities and visitors.

**Provision of space for industry use at or greater than what was available prior to the Shed C fire.** The original proposal assumed gear storage would be fully relocated. The new proposal preserves fishing industry use at or above pre-fire levels and returns indoor storage on the former Shed C site by incorporating some spaces for the fishing industry into the new building.

**Added Ability to Flex for Peak Industry Need.** The current design reconfigures ground-level uses to ensure that certain circulation, parking, and back-of-house space can be flexible to serve industry use during staging at the beginning and end of fishing and crabbing seasons when space demand and activity intensity increases for several weeks.

**Separation of Visitor and Industry Use.** The revisions further concentrate visitor uses only along the eastern apron of Pier 45 – where visitors have traditionally been to visit Musee Mecanique, the U.S.S. Pampanito, and the SS Jeremiah O’Brien – leaving the western portions of Shed A and C for industry use.

**Added Connections Between Jefferson and Waterfront.** The original plan included continuous, uninterrupted building frontage between Powell and Mason. The revised plan includes multiple north/south connections between Jefferson and the waterfront.

**Added Active Frontage on Jefferson.** The original plan focused energy on the waterfront portion of the Triangle Lot, whereas the revised concept provides a clear and inviting

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<sup>1</sup> The Port is currently working to decommission the existing Ice Machine Asset at Pier 45 Shed D and replace it with an Ice Machine with a Dual Chiller Unit with a daily output capacity of 20 to 24 tons. The Port aims to complete this effort in 2025.

pathway to continue along Jefferson and engages storefronts and activities along the southern side of the building that enliven the pedestrian experience.

**Added Programming.** Efforts have been made to activate energy throughout the neighborhood including the bundling of attractions via a new visitor's center on the Triangle Lot, incorporation of a walking tour and progressive experience where tickets to Pier 45 attraction include related content in storefronts and attractions along Jefferson, and strategic partnerships (e.g., locating preferred parking for Pier 45 in lots that drive foot-traffic along Jefferson). The Triangle Lot is being preserved as an anchor location in the district, with outdoor plaza space that benefits the surrounding businesses.

**Increased Flexibility on the Little Embarcadero.** The original plan had Little Embarcadero converting from the current street condition to a generous, non-vehicular promenade. The revised plan still contemplates a generous new promenade with primarily pedestrian usage but also includes movable bollards that allow vehicular traffic when and where necessary (e.g., emergency vehicles, loading and servicing, periods of peak industry need). Further research and analysis of traffic data will inform flexible uses of the Little Embarcadero and ensure safe circulation for all users.

## **TERM SHEET**

The following section outlines key components and terms within the Term Sheet.

### Project Cost & Funding:

The Project will utilize a combination of public and private sources for the horizontal infrastructure components (e.g., pier substructure, seawall improvements, publicly accessible pier apron, and public open space/plaza).

In the term sheet, the Port and Developer propose forming both an Infrastructure Financing District (IFD) Project Area to capture tax increment and a Community Facilities District (CFD) to levy special taxes on the buildings. IFD tax increment is anticipated to offset CFD Special Tax charges, similar to the financial structure for the Mission Rock and Pier 70 projects.

Based on preliminary estimates, the total Project cost is \$548.0 million. This estimate will include \$185.9 million in infrastructure investment, including pier substructure enhancements, pier apron improvements, seawall seismic strengthening and sea level rise improvements, and plaza/open space. Under the proposed term sheet, the Port will utilize the CFD/IFD tax district funding, a rent credit, and additional yet-to-be-identified sources to help fund the infrastructure needs of the Project. The Developer will fund all the infrastructure costs and a projected \$362.1 million in private improvements through a combination of debt, equity, and other sources. Potential public sources to support infrastructure funding for the Project include Federal, State, and local grants, infrastructure and resilience funding related to the Flood Study Project and other government or tax sources.

Table 1 below shows preliminary capital budget estimates for each development area.

**Table 1. Fisherman’s Wharf Revitalized Project Costs**

<b>Project Area</b>	<b>Total Cost</b>	<b>Infrastructure Costs</b>
<b>Pier 45</b>	\$401.5	\$147.0
<b>SWL 300/301</b>	\$82.6	\$39.0
<b>Other Costs</b>	\$64.0	\$ -
<b>Total</b>	<b>\$548.0</b>	<b>\$185.9</b>

*Note: Numbers may not sum correctly due to rounding.*

Table 2 below shows preliminary sources to fund the project. Note, due to the infrastructure costs associated with the Project, FWR and the Port may need to identify additional public sources outlined above that would replace equity/debt listed below.

**Table 2. Fisherman’s Wharf Revitalized Project Sources**

<b>Source</b>	<b>Amount</b>
<b>Equity</b>	\$249.8
<b>Debt</b>	\$239.1
<b>CFD/IFD</b>	\$36.6
<b>Rent Credit</b>	\$22.5
<b>Total</b>	<b>\$548.0</b>

*Note: Public sources will reimburse Developer equity or debt rather than directly pay for Project costs.*

Development Agreement Structure and Ground Leases Term:

The Term Sheet contemplates Transaction Documents that include a Lease Disposition and Development Agreement (LDDA) and separate Ground Leases for Pier 45 and the Seawall Lot 300/301. The term for all Ground Leases will be 66 years.

The term sheet aims to ensure the Project area generates revenue for the Port consistent with its current potential, approximately \$2.5 million, after development. The revenue potential from current uses includes rent from Shed A (approximately \$423k per year), miscellaneous revenues from the former Shed C area (\$42k per year), and parking revenue from the Triangle Lot (\$2.04 million per year). Parking revenue potential is based on amount collected in 2019 to avoid comparison to revenues during the Covid-19 pandemic and after the installation of the Skystar Ferris Wheel. Total rent after the Project development is \$2.5 million per year to achieve the same revenue potential of the site today. However, the proportion of rent coming from the Pier is greater than today, and the revenue coming from the Seawall lot is less than current levels.

For the Seawall Lot 300/301, the Port will receive a total of \$700,000 in annual minimum ground rent upon construction completion. Ground rent will increase based on CPI (limited



to 2 – 6 percent annually) every five years. The tenant will pay reduced construction rent of \$400,000 per year from the execution of the lease until the issuance of a certificate of occupancy up to a maximum of 30 months. The Port will also receive a percentage rent equal to 6 percent of gross revenues within the lease area in the amount, if any, that the percentage rent exceeds the minimum rent.

Pier 45 Sheds A and C Base rent will be \$1,800,000 per year, with an increase based on CPI (limited to 2 – 6 percent annually) every five years. The tenant will pay reduced construction rent of \$500,000 per year from the execution of the lease until the issuance of a certificate of occupancy up to a maximum of 48 months.

In recognition of the infrastructure improvements made to the Site, the Pier 45 tenant will receive a \$1,500,000 rent credit to repay the Port's portion of infrastructure funding up to a maximum of fifteen years (\$22.5 million maximum total over 15 years). Additional public sources may reduce the term of the rent credit. For every \$3.0 million in additional sources identified to fund infrastructure or other costs in the Project, the rent credit period will be reduced by one year (with prorations for partial years). The rent credit will increase based on CPI (limited to 2 – 6 percent annually) every five years.

#### Assignment and Transfer:

The Port retains approval rights over any assignment or transfer of FWR's controlling interest for project phases governed by ground leases that have not yet been executed or, if underway, receive a certificate of occupancy. Thus, for FWR to transfer any element of the project they must obtain Port approval. However, FWR does have the right to capitalize on any element of the project with the outside investor(s) so long as FWR retains a controlling interest.

#### Reimbursement of Port's Transaction Costs:

The Developer will reimburse the Port for all the Port's transaction costs including but not limited to staff time, City Attorney time, and consultant costs.

#### DEI Plan:

As part of the term sheet, the Developer has proposed a conceptual Diversity, Equity, and Inclusion (DEI) Plan. The Project DEI Plan supports the Port's Racial Equity Action Plan (REAP) in several key areas including creating access to waterfront open space and activities, providing support and space for BIPOC-owned small businesses, and offering economic opportunities for local, BIPOC-owned, and women-owned businesses. Key proposals in the DEI Plan include:

- Creating economic opportunity through LBE, MBE, and WBE participation, a planned Project-wide Project Labor Agreement (PLA), and a potential pipeline program with CityBuild.
- Discounted use and admission fees for under-represented groups

- Leasing opportunities designed to be accessible to target groups, local businesses, and new food entrepreneurs
- Diverse programming in public spaces and the events center on Pier 45

Further details on the DEI Plan such as goals and metrics will be further refined in the coming years and included in the final transaction documents.

Performance Schedule:

Table 3 below shows the Schedule of Performance included with the Term Sheet. All dates are based on the actual LDDA execution and prior milestones.

**Table 3. Fisherman’s Wharf Revitalized Schedule of Performance**

Performance Benchmarks	Target Date	Performance Date (subject to extension for Excusable Delay)
1. Phase 1 Construction Permit Issuance	12 months post-LDDA execution	18 months post-LDDA execution
2. Phase 1 Construction Commencement	6 months post-Phase 1 Construction Permit Issuance	12 months post-Phase 1 Construction Permit Issuance
3. Phase 1 Construction Completion	30 months post-Phase 1 Construction Commencement	42 months post-Phase 1 Construction Commencement
4. Phase 2 Construction Permit Issuance	7 years post-LDDA execution	8 years post-LDDA execution
5. Phase 2 Construction Commencement	6 months post-Phase 2 Construction Permit Issuance	12 months post-Phase 2 Construction Permit Issuance
6. Phase 2 Construction Completion	24 months post-Phase 2 Construction Commencement	36 months post-Phase 2 Construction Commencement

Table 4 below illustrates a hypothetical Schedule of Performance assuming the Port and FWR execute an LDDA in January 2026.

**Table 4. Fisherman’s Wharf Revitalized Illustrative Schedule of Performance**

Performance Benchmarks	Target Date	Performance Date (subject to extension for Excusable Delay)
1. Phase 1 Construction Permit Issuance	January 2027	July 2027
2. Phase 1 Construction Commencement	July 2027	July 2028
3. Phase 1 Construction Completion	January 2030	January 2032
4. Phase 2 Construction Permit Issuance	January 2033	January 2034

5. Phase 2 Construction Commencement	July 2033	January 2035
6. Phase 2 Construction Completion	July 2035	January 2038

Port Participation:

The Port will receive participation in any sale or refinancing equal to 1.5% of net proceeds (gross proceeds less outstanding debt, equity, and transaction costs).

Protection of Existing Tenants:

Under the Term Sheet, the total fishing industry space between the portions of Shed A and the new Shed C shall be no less than the total square footage that was dedicated to such use in Shed A and former Shed C prior to the 2020 Shed C fire. The western bays of Shed A are reserved for fishing industry use, including a drive aisle for logistics and staging. The spaces dedicated to fishing industry use in the western bays of Shed A and Shed C will be so for the full term of the lease. If any of this space becomes vacant, the tenant will dedicate that space to other fishing industry use.

The Project will also incorporate Musee Mecanique and the U.S.S. Pampanito in the eastern bays of Shed A in a space consistent with their current use.

Finally, all rents for these tenants will be at the lesser of their current rent under leases with the Port, or Port parameter rents (with percentage increases consistent with increases to Port parameter rents).

Flood Study Project Coordination:

The Project area includes areas that have been analyzed under the USACE Coastal Flood Study. As project designs and implementation strategies are refined, Port staff sees an opportunity to work closely with its partners at USACE and the Developer to ensure that the project improvements are tailored to not only satisfy seismic codes and protect the project investment from rising sea levels but also represent the implementation of the relevant flood protection features under the Flood Study as a potential means to bring in federal investment or credit under the Flood Study plan (if and when it is approved by Congress). Port staff will report on the outcome of this coordination effort as we bring the project back for further reviews and eventual approval after the completion of environmental and regulatory review and further transaction negotiations.

**NEXT STEPS**

If the Port Commission approves the term sheet, Port staff aim to introduce the term sheet to the Board of Supervisors (“Board”) for endorsement later this month, along with a request that the Board find the Project fiscally feasible. If the Board finds that the Project is fiscally feasible, the Developer may submit an environmental evaluation application for the

Project to the Planning Department. The Port will also begin additional next steps with the Developer, including negotiating an LDDA for the Project.

Prepared by: Carrie Morris  
Development Project Manager

Wyatt Donnelly-Landolt  
Development Project Manager

Through: Scott Landsittel, Deputy Director  
Real Estate & Development

For: Elaine Forbes, Executive Director

Attachments: Exhibit A – ENA Performance Schedule  
Exhibit B – Proposed Term Sheet

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

**RESOLUTION NO. 24-49**

- 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, On February 15, 2023, the Port received an unsolicited proposal (the “Proposal”) to lease and develop portions of Seawall Lot (SWL) 300/301 and Pier 45 Sheds A and C (the “Site”) from Fisherman’s Wharf Revitalized, LLC (“Developer”), whose members include Lou Giraud, Seth Hamalian, and Chris McGarry; and
- WHEREAS, In response to this unsolicited proposal, the Port Commission directed staff to pursue a stakeholder process to elicit public feedback, and staff conducted multiple community meetings and conducted an RFI; and
- WHEREAS, In consideration of the results of the stakeholder outreach, the Port Commission adopted Resolution 23-37, authorizing Port staff, in consultation with the City Attorney’s Office, to seek Board of Supervisors approval to waive any applicable requirements of the City’s policy regarding competitive solicitation for development opportunities with respect to the Proposal and commence negotiations of an Exclusive Negotiation Agreement (“ENA”) with Developer; and
- WHEREAS, On September 12, 2023, the Board of Supervisors adopted Resolution No. 425-23, waiving the competitive solicitation procedures and urging the Port to take all actions necessary to negotiate and enter into an ENA with Developer; and
- WHEREAS, On October 10, 2023, pursuant to Resolution No. 23-48, the Port Commission authorized Port staff enter into an ENA with the Developer for the lease and development of portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman’s Wharf (the “Project”); and
- WHEREAS, After entering into the ENA, the Developer further refined conceptual plans for the Project and conducted community outreach on each iteration of those plans; and
- WHEREAS, Based upon community feedback, the Developer redesigned the Project to provide space for the fishing industry consistent with current uses as part of a mixed-use development that celebrates, highlights, incorporates, and directly supports the fishing and seafood industry of Fisherman's Wharf and increasing public access to and enjoyment of the Bay. The proposed project includes: (1) Pier 45 Sheds A and C: fishing industry space in Shed A and C

for storage and other uses, a fresh seafood market, and an experiential museum with an events center and theater that celebrates the seafood industry; (2) Triangle East/Seawall Lot 300/301 Phase I: a public plaza and open space, a new beverage center retail, short-term rentals, and a visitor's center; and (3) Triangle West/Seawall Lot 300/301 Phase II: future development, to be informed by the first phase and evolving needs of the area; and

WHEREAS, The Developer and Port have negotiated a Term Sheet, as further described in the Memorandum accompanying this resolution and a form of which is attached to this resolution; now, therefore, be it

RESOLVED, That the Port Commission hereby endorses the Term Sheet and authorizes and directs the Executive Director of the Port, or her designee, to execute the Term Sheet following its presentation to and endorsement by the Board of Supervisors and a finding by the Board of Supervisors that the Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29 (the "Fiscal Feasibility Finding"), and if the Board of Supervisors fails to make a Fiscal Feasibility Finding for the Project or endorse the Term Sheet, to either terminate the ENA or negotiate revisions to the Term Sheet consistent with the Board of Supervisors resolution; and be it further

RESOLVED, That if the Board of Supervisors endorses the Term Sheet and makes a Fiscal Feasibility Finding for the Project, the Port Commission directs the Executive Director of the Port, or her designee, to work with the Planning Department and Developer to undertake review of the Project under CEQA and negotiate the terms and conditions of the final transaction documents including, but not limited to, a lease disposition and development agreement and lease (collectively, the "Transaction Documents"), with the understanding that the final terms and conditions of the Transaction Documents negotiated between Port staff and Developer during the exclusive negotiation period 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 reserves the right, if exclusive negotiations with Developer are unsuccessful and do not lead to approval of the Transaction Documents, to undertake any other efforts relating to the development or lease of the Site; 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 final Transaction Documents, implement the Project, or grant any entitlements to Developer, nor does the 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 an 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 Transaction Documents; 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 has reviewed and considered environmental documentation prepared in compliance with CEQA for the Project and the Port Commission, and as applicable, the Board of Supervisors and the Mayor, have approved final Transaction Documents for the Project.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 8, 2024.***

DocuSigned by:  
*Jenica Liu*  
Secretary  
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**EXHIBIT A**  
**ENA Performance Schedule**

<b>Performance Benchmarks</b>	<b>Target Date</b>	<b>Performance Date</b>
1. Developer Formation Documents: Developer must submit a copy of its Operating Agreement and a description of its affiliates (any person or entity controlling Developer, any entities controlled by Developer, or any entities under common control with Developer)	Before Oct. hearing (completed)	Before Oct. hearing
2. Submit Community Outreach Program	One month after Effective Date (completed)	One month after Effective Date
3. Submit Diversity, Equity & Inclusion Program	45 days after Effective Date (completed)	60 days after Effective Date
4. Submit Revised Development Concept for Term Sheet, based upon outreach and site due diligence.	Seven months after Effective Date (completed)	Seven months after Effective Date
5. Port Endorsement: Port Commission to adopt a resolution endorsing the Term Sheet	Ten months after Effective Date	Twelve months after Effective Date
6. Board Endorsements: Board to take the following actions: (a) endorsing the Term Sheet; and (b) making a fiscal feasibility determination, if necessary	Eleven months after Effective Date	Fourteen months after Effective Date
7. Final Transaction Documents: Developer and Port must reach final agreement on the form of LDDA, Lease and all related Transaction Documents	20.5 months after Effective Date	21.5 months after Effective Date
8. Final CEQA Determination: By Planning Department or Planning Commission, as required.	21.5 months after Effective Date	21.5 months after Effective Date
9. Port Commission Approval of Final Transaction Documents: Port Commission to make Public Trust Determination and approve final Transaction Documents and recommend Board approval.	22 months after Effective Date	23 months after Effective Date
10. Board of Supervisor Approvals: Board to approve the Lease and other Transaction Documents and City Regulatory Approvals that require Board approval.	23 months after Effective Date	24 months after Effective Date
11. Regulatory Approvals: Developer to obtain necessary Regulatory Approvals by outside agencies.		Within timeframe set forth in LDDA