



# *Central Embarcadero Preliminary Proposal Evaluation*

June 29, 2016

# Central Embarcadero Site

## Overview

- ~70 acres total
  - 40 acres land
  - 30 acres water
- ~22 acres of existing leaseholds (land and water)
- Current Seaport Village tenants occupy ~90,000 SF on ~13 acres
- ~15 acres public park/open space
- ~23 acres commercial fishing area (land and water)
- Development site excludes the fish market and the Headquarters



# Request for Proposals

## Overview and Current Status

- The District issued a Request for Proposals (“RFP”) for the Central Embarcadero site on February 22, 2016
- Eleven proposals were received by the May 2, 2016 RFP deadline with six proposals meeting threshold criteria
- The District engaged JLL May 31, 2016 to prepare a preliminary evaluation of the proposals
- Public open-house sessions were held June 13 and 14, 2016
- District staff will present proposals and qualitative analysis to the Board of Port Commissioners on July 13, 2016



# Proposal Summaries

	Gafcon	Great Western Pacific <sup>(1)</sup>	HKS	McWhinney	Oliver McMillan <sup>(2)</sup>	Ripley's
<b>Hotel</b>	646k SF \$362mm	NA	385k SF \$207mm	525k SF NP	1.4mm SF \$713mm	NA
<b>Office</b>	19k SF \$7mm	NA	10k SF \$3mm	250k SF NP	125k SF \$41mm	NA
<b>Retail</b>	389k SF \$145mm	110k SF \$51mm	200k SF \$71mm	280k SF NP	325k SF \$146mm	NA
<b>Parking</b>	809k SF \$148mm	55k SF \$0.6mm	650k SF \$105mm	NP NP	1.1mm SF \$140mm	NA
<b>Specialty<sup>(3)</sup></b>	262k SF \$335mm	17k SF \$5mm	73k SF \$267mm <sup>(4)</sup>	253k SF NP	715k SF \$443mm <sup>(4)</sup>	110k SF \$129mm
<b>Public Improvements<sup>(5)</sup></b>	923k SF \$154mm	NA	1.1mm SF NP	425k SF \$17mm	1.0mm SF NP	NA <sup>(6)</sup>
<b>Total Development</b>	3.0mm SF \$1.2bn	182k SF \$57mm	2.5mm SF \$653mm	1.7mm SF \$711mm	4.7mm SF \$1.5bn	110k SF \$129mm
<b>Revenues/Year<sup>(7)</sup></b>	\$287mm	\$8mm	\$203mm	\$138mm	\$324mm	\$30mm
<b>Stabilized Lease Payment<sup>(8)</sup></b>	\$22.5mm; Percent Rent	NP	NP	\$10.4mm; Percent Rent	NP	\$1.0mm Flat payment

(1) Great Western Pacific retail SF includes the entire Tuna Harbor Pavilion facility; cost includes entire facility development and additional \$500k estimate for interim restaurant; costs do not include tenant improvements

(2) SF and development costs shown as maximums proposed OliverMcMillan

(3) Includes marina uses (except where size is provided in linear feet), education and attraction/entertainment uses; Gafcon Spire square footage only includes restaurant and observation deck

(4) Marina included in total development cost; however square footage not provided in proposal

(5) Public improvements include parks, plazas, walks, open space and public infrastructure identified within proposals; in some cases square footage implied based on acreage provided in proposals

(6) Some retail and public improvements were included within the proposal; however costs and square footages were not separately detailed

(7) Based on assumed stabilization year, which varies across proposals and in some cases by uses proposed

(8) Reflects Gafcon year 9 (full build out); McWhinney reflects year 7; Ripley's proposed a flat guarantee of \$1mm per year



## Proposal Review Summary

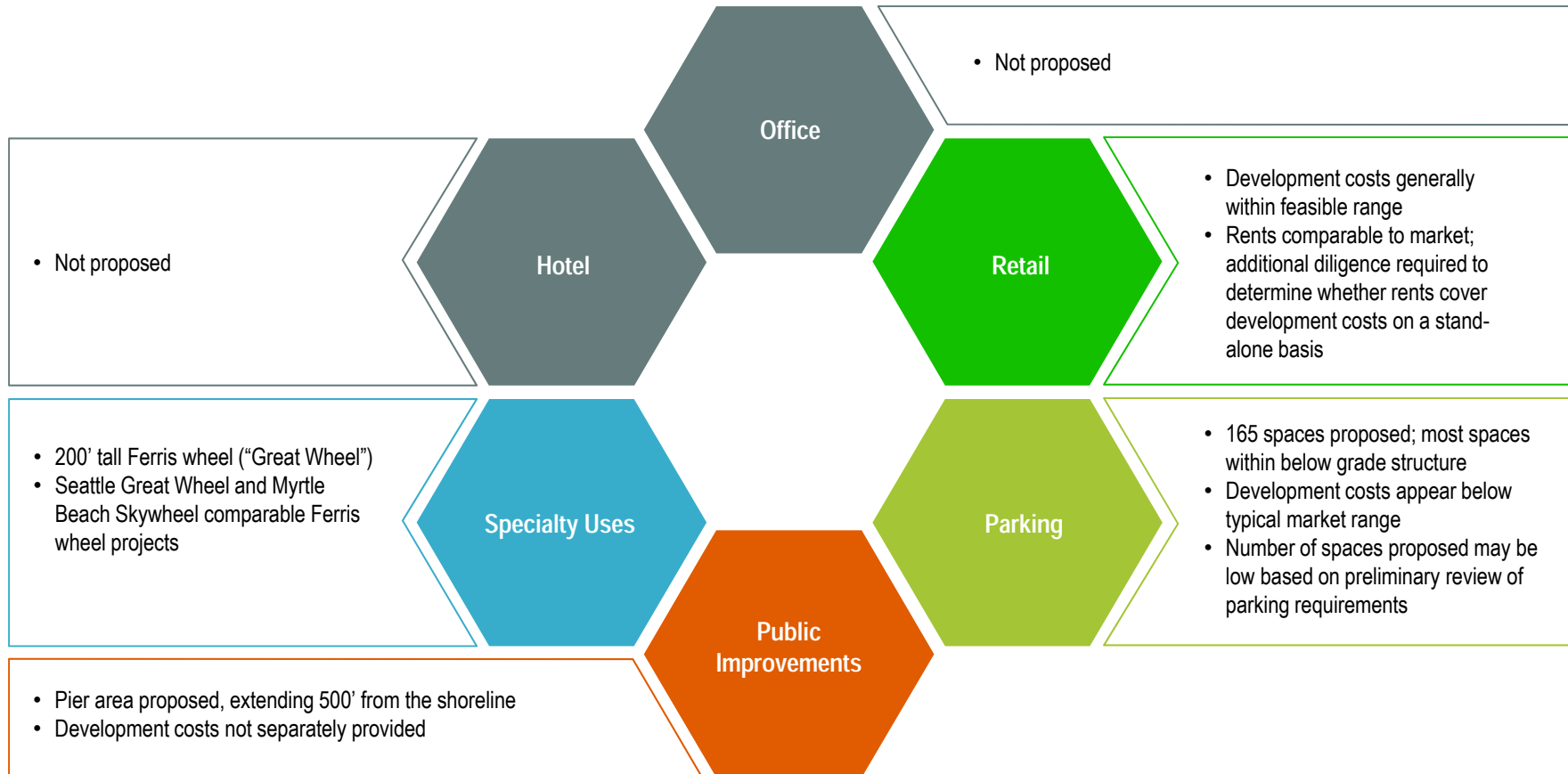




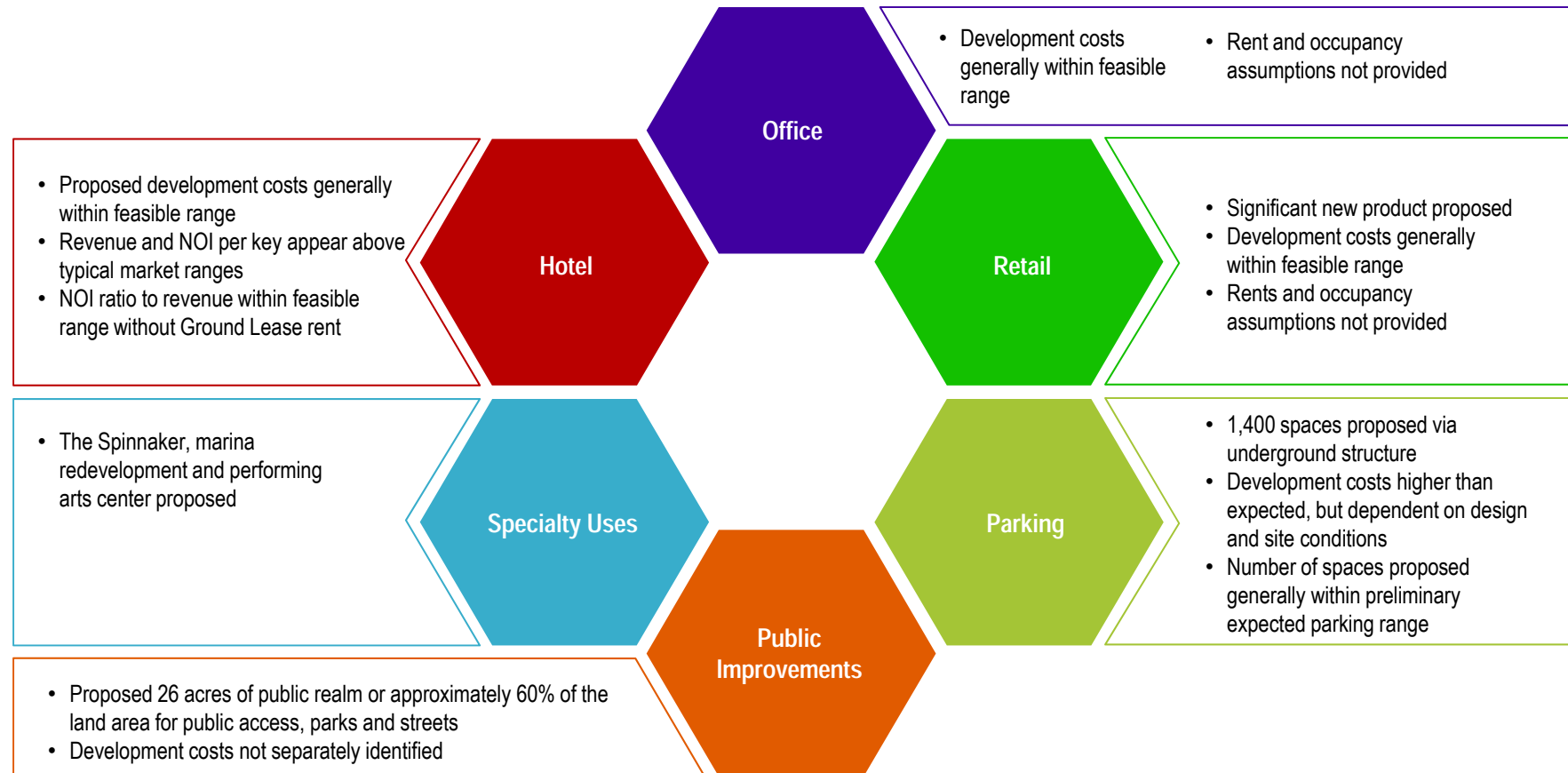
# Great Western Pacific

**Great Western  
Pacific**

## Proposal Review Summary



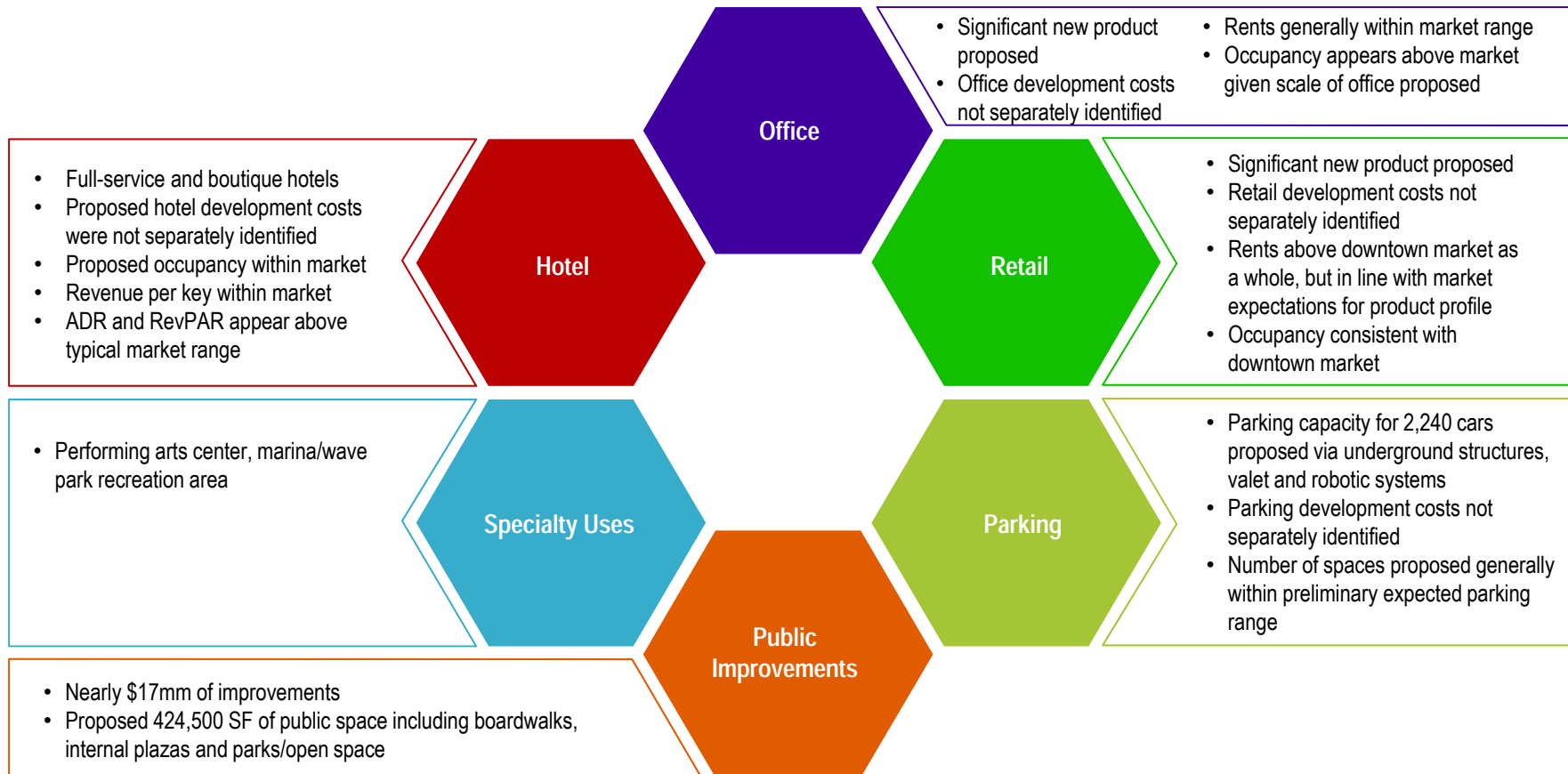
## Proposal Review Summary



# McWhinney



## Proposal Review Summary







# Ripley's

## Proposal Review Summary



# Key Takeaways & Conclusions

- The District was successful in reaching high-quality, experienced development teams
- Four proposals provided comprehensive development plans; two proposals provided focused development concepts on approximately 3-4 acres
- Concerns across the proposals relate to ambitious uses proposed by comprehensive plans and phasing of development
- Submitted proposals diverge materially in terms of design, development cost, operating assumptions, proforma details, proposed Ground Lease structures and payments
- Lack of consistent and/or complete information creates challenges in evaluating feasibility and making comparisons across proposals
- Obtaining standardized and more detailed information from respondents will help create consistency and comparability of both developer programs and potential benefits to the District
- The District selection process may benefit from a phased approach, with an initial narrowing of the field relative to primary objectives of the RFP, and further review and selection organized around specific District goals and enhanced feasibility review of proposals



**Robert Hunt**

Managing Director  
Public Institutions  
206-607-1754  
[Bob.Hunt@am.jll.com](mailto:Bob.Hunt@am.jll.com)

**Andrew Phillips**

Vice President  
Public Institutions  
858-410-6390  
[Andy.Phillips@am.jll.com](mailto:Andy.Phillips@am.jll.com)

**Matthew Do**

Senior Associate  
Public Institutions  
858-410-1219  
[Matt.Do@am.jll.com](mailto:Matt.Do@am.jll.com)

*Thank you*