



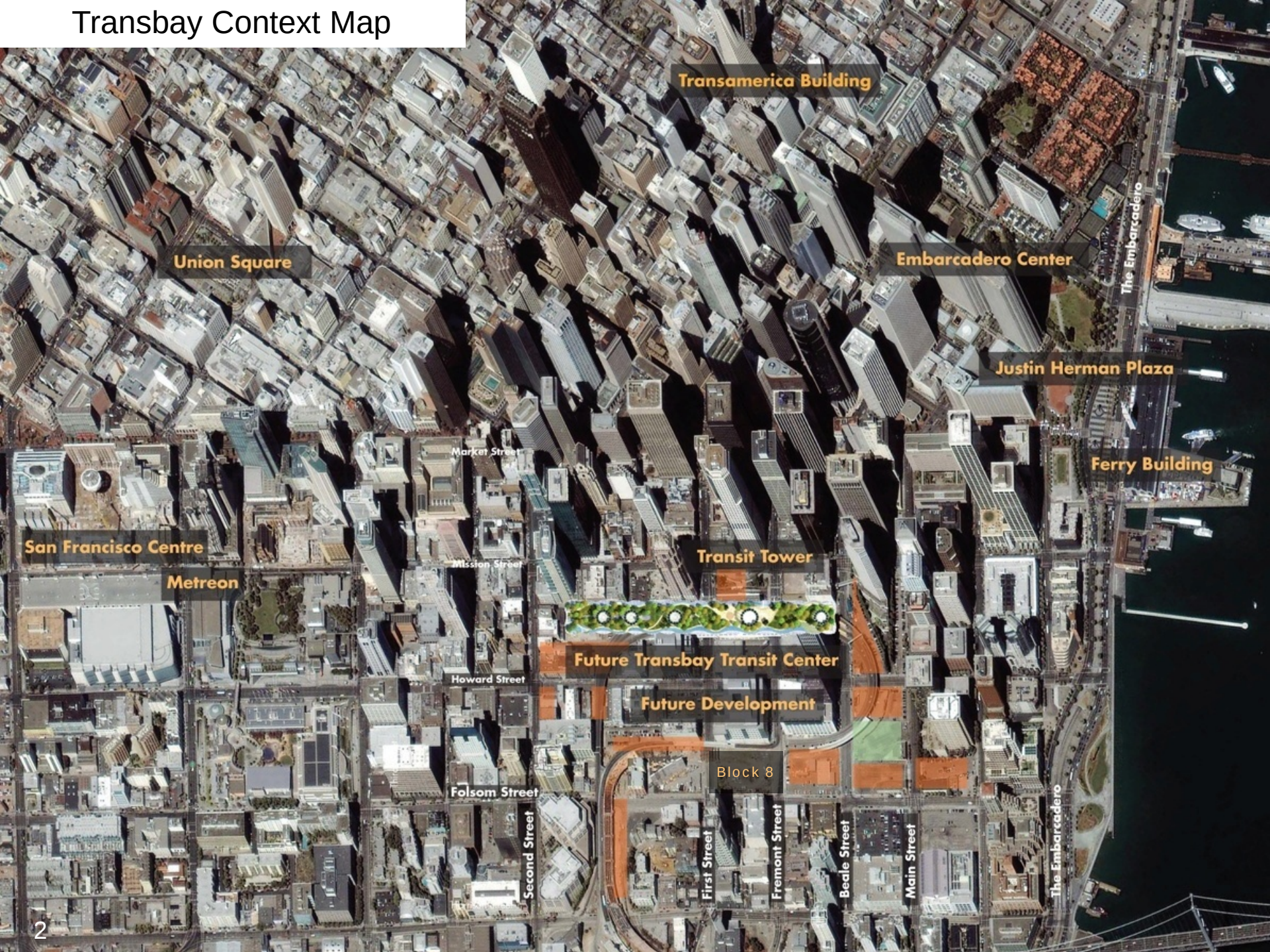
Transbay Block 8 Grocery Update 250 Fremont Street



Commission on Community Investment and Infrastructure

10/3/2017

Transbay Context Map



Transamerica Building

Union Square

Embarcadero Center

Justin Herman Plaza

Ferry Building

San Francisco Centre

Metreon

Market Street

Mission Street

Transit Tower

Future Transbay Transit Center

Howard Street

Future Development

Folsom Street

Block 8

Second Street

First Street

Fremont Street

Beale Street

Main Street

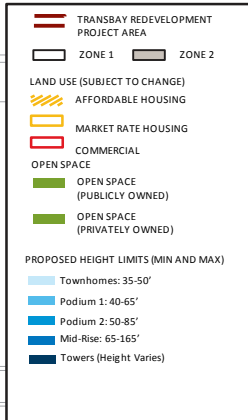
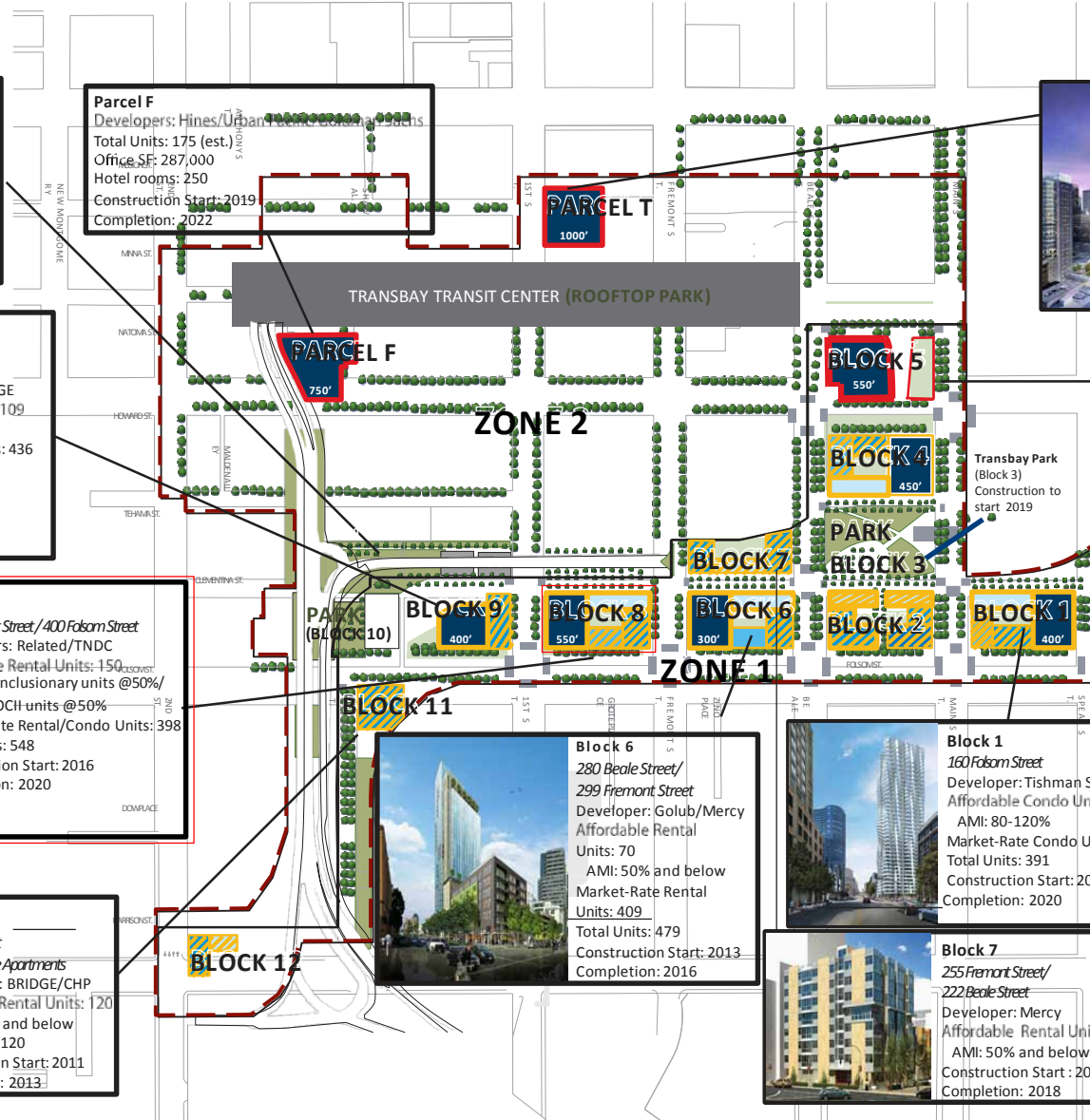
The Embarcadero

TRANSBAY REDEVELOPMENT PROJECT AREA



Parcel F
Developers: Hines/Urban Edge
Total Units: 175 (est.)
Office SF: 287,000
Hotel rooms: 250
Construction Start: 2019
Completion: 2022

PARCEL T
1000'



Development Program

- **548 total units in a 55-story tower**
 - 398 market rate units
 - 70 inclusionary rental units in tower
 - 80 OCII funded rental units in 2 podiums
- **18,000 SF of retail**
 - 12,385 SF Grocery
 - 2,254 SF on ground floor
 - 10,131 SF in basement level

DDA Grocery Requirements

- **April 2015:** Commission approval of TB Block 8 DDA and Schematic Design with Related and TNDC
- **DDA requirements for grocery store:**
 - Developer use good faith efforts to obtain a tenant
 - Hire a listing agent to market the grocery space
 - Provide adequate staffing to support efforts
 - Provide OCII with quarterly updates of progress
 - Market surveys
 - Outreach efforts
 - Obstacles

DDA Grocery Requirements

- **DDA requirements for grocery store continued:**
 - Commission approval required to terminate grocery obligation
 - Developer unable to lease grocery space
 - Developer may request termination 12 months prior to completion of retail
 - Scheduled retail completion date August 2019

THANK YOU



TRANSBAY BLOCK 8

420 Folsom St
San Francisco CA

Grocer Update for the Commission on
Community Investment & Infrastructure

October 3, 2017

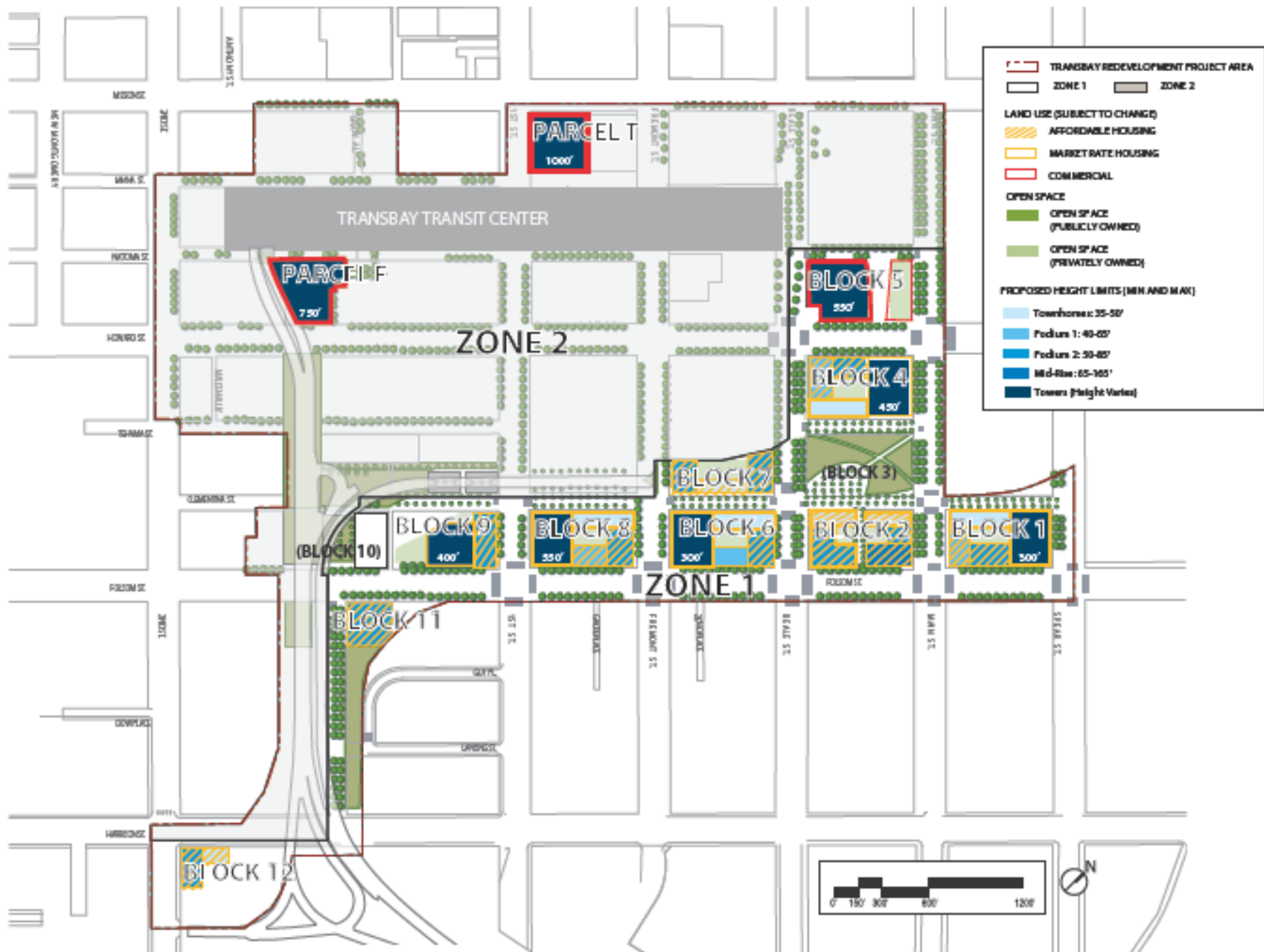
 **RELATED**





VIEW OF THE MID-BLOCK LIVING STREET

TRANSBAY PROJECT AREA



PROJECT OVERVIEW

TRANSBAY 8

- Selected developer team comprised of:
 - Related California (“Related”)
 - Tenderloin Neighborhood Development Corporation (“TNDC”)
- Disposition and Development Agreement (“DDA”) executed in **April 2015**
- Closed on land **December 2015**
- Construction commenced **October 2016**
- Completion expected in **2Q 2019**
- **Program: 55-story tower, 2 mid-rise buildings, 548 units total**
 - 118 for sale condos
 - 279 market rate rentals
 - 151 affordable units at 40% and 50% AMI (28% of total)



GROCER OPPORTUNITY

RETAIL OFFERING

- ±17,000 total sf of retail
- Grocer / Market Hall – 12,385 sf
 - Ground Level – 2,254 sf
 - Basement Level – 10,131 sf



2,254 SF



LOWER LEVEL

10,131 SF



TRANSBAY DISTRICT: SAN FRANCISCO'S NEW CBD



128 City Blocks

21,000 cars per day off the Fremont off-ramp



38 Commercial Buildings
±16,200,000sf

25 Residential Buildings
±8,100 units

Residential Population
±23,442

Daytime Population
±40,000

Median Income
\$178,406

NEIGHBORHOOD DEMOGRAPHICS

	.25 mile	.5 mile	.75 mile
Population Trend*			
2015 Total Population	4,994	15,734	28,726
2020 Total Population	6,470	19,528	34,092

	.25 mile	.5 mile	.75 mile
2015 Income*			
Per Capita Income	\$95,503	\$87,679	\$74,028
Household Income: Median	\$119,117	\$108,551	\$83,434
Household Income: Average	\$163,636	\$149,037	\$126,261

	32,971	162,279	262,995
Total Daytime Population*			
Total Employee Population	31,614	156,456	250,047
Total Daytime at Home Population	1,357	5,823	12,948
Total Employee Population (% of Daytime Population)	95.9%	96.4%	95.1%
Total Daytime at Home Population (% of Daytime Population)	4.1%	3.6%	4.9%

2015 Educational Attainment*			
No High School Diploma	6.9%	7.9%	12.1%
High school graduate, GED, or alternative	7.0%	7.8%	9.6%
College No Degree	11.4%	12.0%	12.6%
College Degree	42.9%	41.1%	38.3%
Advanced Degree	31.7%	31.1%	27.4%

*Source: magnifymaps.com

Major Employers		
Salesforce	Dropbox, Inc	Adobe
Charles Schwab	Dolby Labs	Autodesk
Wells Fargo	Zynga	Macys.com
UCSF	Fitbit	LinkedIn
Gap, Inc.	Square	Lending Club
Gymboree	Cisco	Google, Inc.
Twitter	Airbnb	Yelp, Inc.
Uber		

EXISTING GROCERS

TRADER JOE'S

10 Fourth Street
Fisherman's Wharf



SAFEWAY

Potrero Hill
Golden Gateway Commons
Mission Bay



**WHOLE
FOODS
MARKET**

5th & Harrison

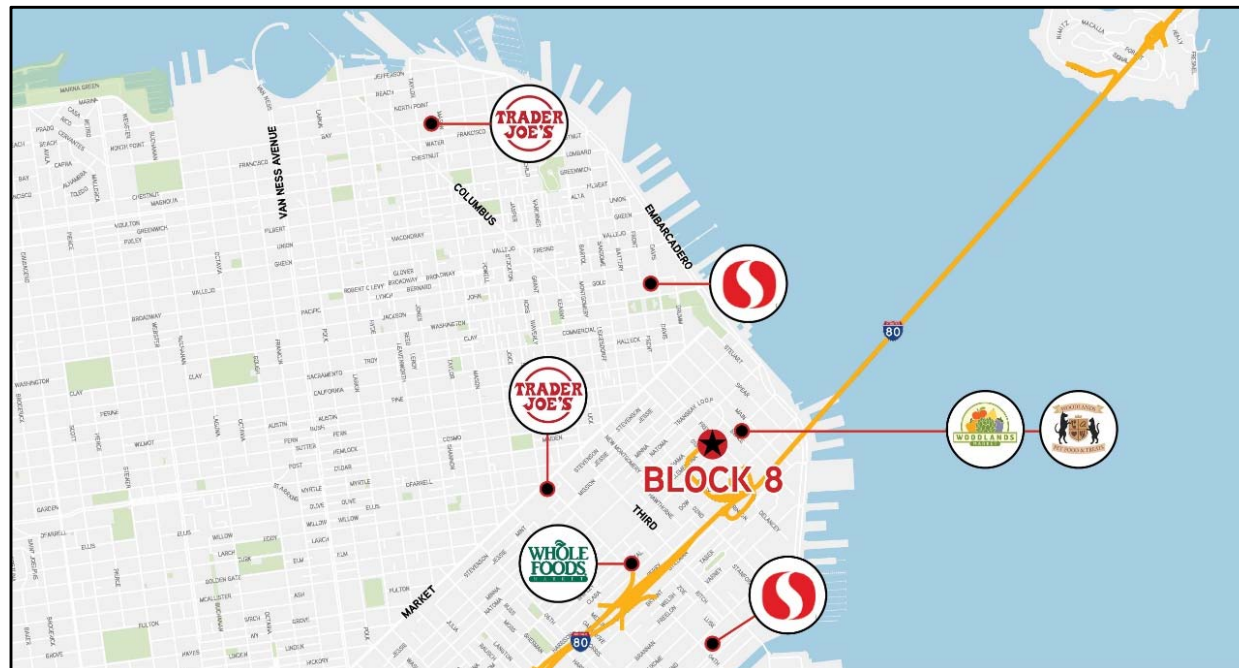


**WOODLANDS
MARKET**

Lumina – 201 Folsom St.



P = Parking



GROCER REVENUE POTENTIAL

TRADER JOE'S Sales Summary—12,500 GSF

	2019	(Gross \$PSF)	2020	(Gross \$PSF)	2021	(Gross \$PSF)
WEEKLY SALES:	\$364,900	(\$29.19)	\$429,700	(\$34.38)	\$472,900	(\$37.83)
ANNUAL SALES:	\$18,974,800		\$22,344,400		\$24,590,800	

HEALTH/ORGANIC (I.E. BI-RITE, WHOLE FOODS, ETC.) Sales Summary—12,500 GSF

	2019	(Gross \$PSF)	2020	(Gross \$PSF)	2021	(Gross \$PSF)
WEEKLY SALES:	\$263,500	(\$21.08)	\$310,400	(\$24.83)	\$341,600	(\$27.33)
ANNUAL SALES:	\$13,702,000		\$16,140,800		\$17,763,200	

UPSCALE (I.E. MOLLIE STONE'S, ANDRONICO'S, ETC.) Sales Summary—12,500 GSF

	2019	(Gross \$PSF)	2020	(Gross \$PSF)	2021	(Gross \$PSF)
WEEKLY SALES:	\$227,700	(\$18.22)	\$268,200	(\$21.46)	\$295,200	(\$23.62)
ANNUAL SALES:	\$11,840,400		\$13,946,400		\$15,350,400	

INDEPENDENT (I.E. HARVEST URBAN MARKET, ETC.) Sales Summary—12,500 GSF

	2019	(Gross \$PSF)	2020	(Gross \$PSF)	2021	(Gross \$PSF)
WEEKLY SALES:	\$189,200	(\$15.14)	\$222,800	(\$17.82)	\$245,200	(\$19.62)
ANNUAL SALES:	\$9,838,400		\$11,585,600		\$12,750,400	

*Source: INTALYTICS survey, May 2015

POSSIBLE GROCERIES

Interested

Not Interested or No Response
(Parking / Size / Expansion / Location)



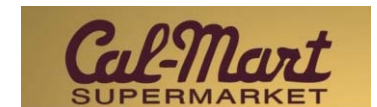
DEAN & DELUCA



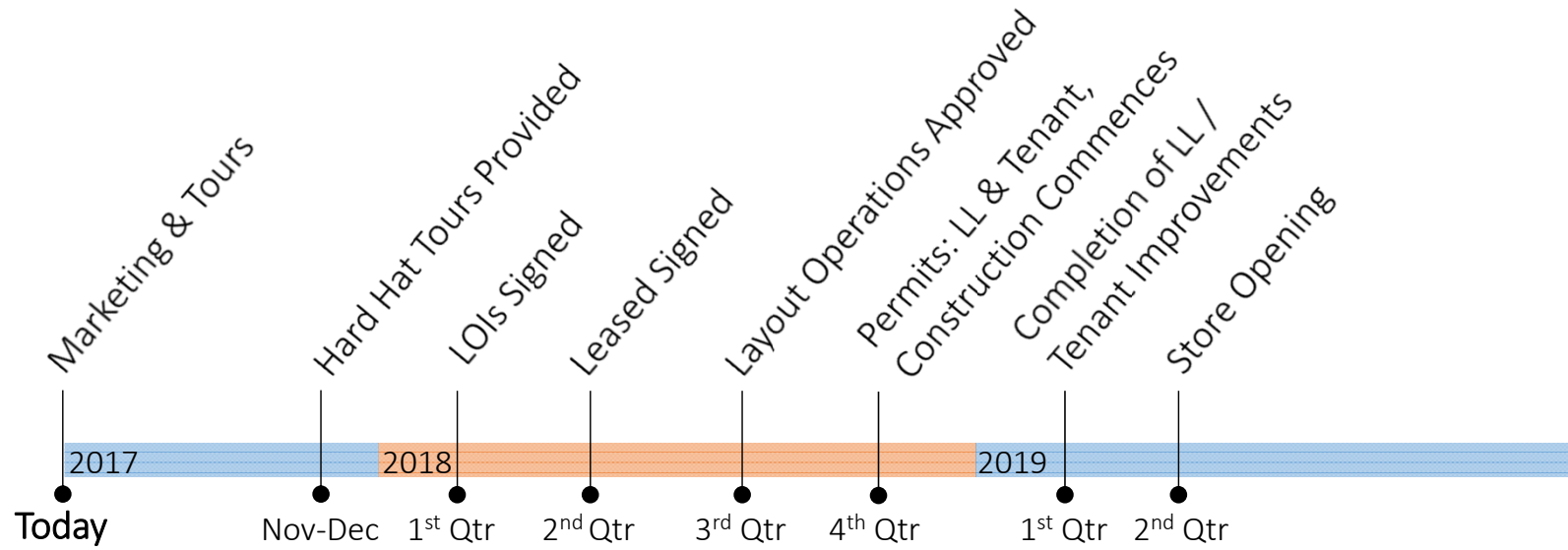
TRADER JOE'S



local mission market



TIMELINE



TASK LIST

COMPLETED TO DATE

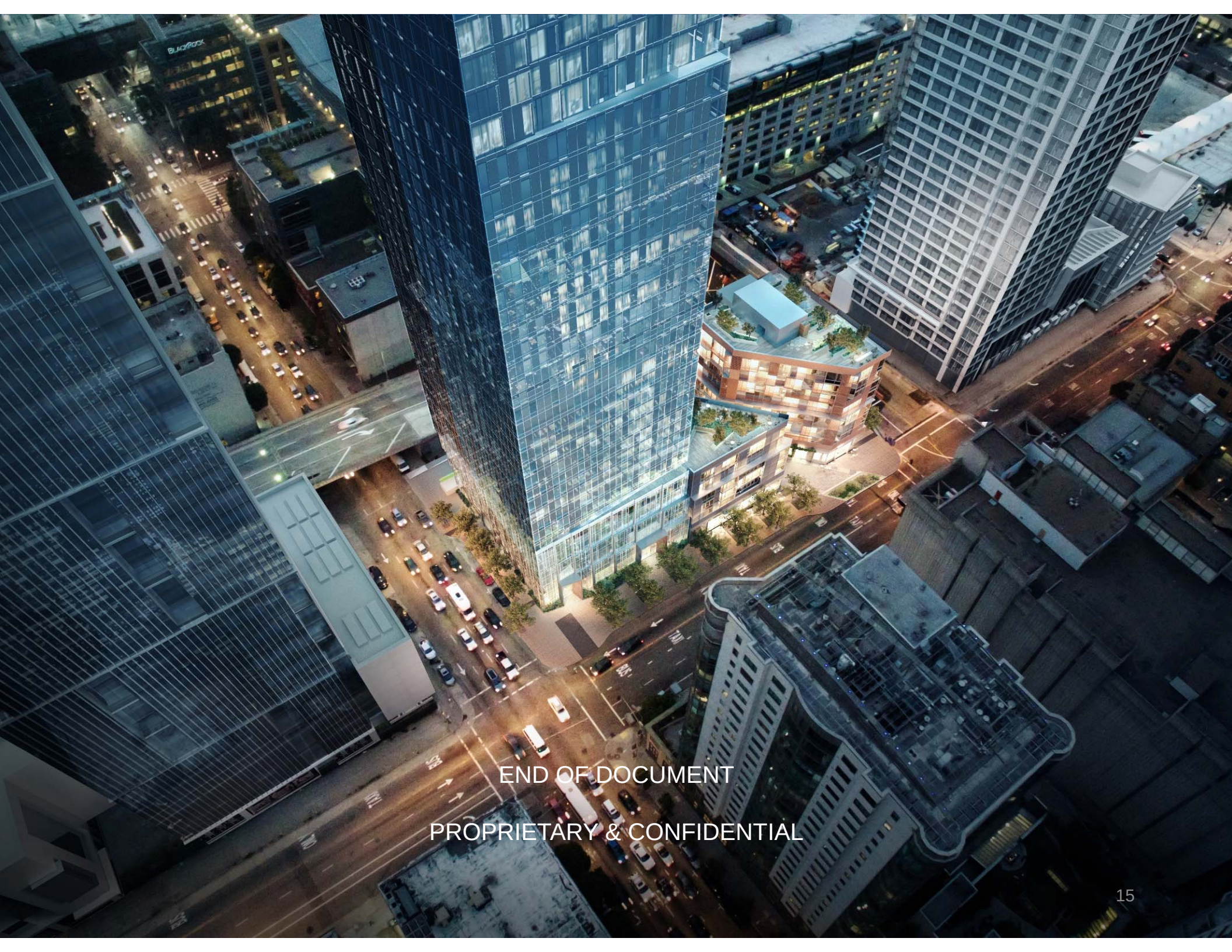
- Space Layout, Subdivision
- Initial Grocery Layout Concept Design
- Grocery List and Outreach
- Exclusive Leasing Agent Signed – Colliers
- ICSC – Marketing
- Conducted Retail Survey in June 2017 (included in July 2017 report to OCII)

NEXT STEPS

- Engaged market research firm to update grocery specific demographic and revenue study
- Conduct site tours with interested grocery tenants
- Finalize list of interested parties by end of 2017

INDUSTRY NEWS IMPACTING TRANSBAY 8

- Amazon.com Inc. acquired Whole Foods Market Inc. for \$13.7 billion on August 28, 2017
- Woodlands Market opened its store at 201 Folsom Street (Lumina)



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