INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: Intent to issue a Request for Qualifications for a relocation services consultant to develop and implement a relocation program for tenants requiring relocation at the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

On October 20, 2010, Agency staff plans to issue a Request for Qualifications ("RFQ") to solicit responses from qualified firms to assist the Agency in preparing a relocation program and providing relocation assistance to artists, as well as other commercial and or government tenants ("Tenants") requiring relocation at the Hunters Point Shipyard ("Shipyard").

In order to implement the Hunters Point Shipyard Redevelopment Plan ("Redevelopment Plan"), some Tenants will be required to relocate from several buildings on the Shipyard. Prior to doing so, the Agency is required to prepare a relocation program which meets the California Relocation Assistance Law as well as other applicable federal, state and local laws and provide relocation assistance to eligible Tenants.

The costs to perform the scope of services under this RFQ are reimbursable under the Shipyard’s Phase 2 agreement with HPS Development Co., LP and CP Development Co., LP, a joint venture between Lennar and Scala Real Estate Partners, Hillwood, and Estein and Associates, USA (collectively, “Lennar”).

BACKGROUND

Shipyard Artists Community
Since the mid 1980’s artists have occupied studios in various buildings on the Hunters Point Shipyard, creating the largest artist enclave on the western seaboard. Through decades of planning efforts related to the Shipyard, the need to maintain the role of the artists in the future of the Shipyard has become clear mandate from a variety of local, state and federal stakeholders including United States Speaker of the House, Nancy Pelosi.

In May 2007, the Mayor, the Board of Supervisors, the Commission, and the two community-based advisory organizations, the Hunters Point Shipyard Citizens Advisory Committee and the Bayview-Hunters Point Redevelopment Project Area Committee, endorsed a "Conceptual Framework" for the integrated redevelopment of Candlestick Point and the Hunters Point Shipyard, which called for the creation of permanent affordable space at the Shipyard appropriate for the existing artists. In June 2008, San Francisco voters overwhelmingly approved
Proposition G, the Bayview Jobs, Parks and Housing Initiative which set forth guiding principles and a development program and plan for the integrated development of the two sites, requiring the Project to provide permanent space for the artist enclave.

Through this process, the role of artists has expanded from simply accommodating artist studio space in the new development to integrating arts and artists as defining characteristic in an envisioned “Arts & Technology District” on the Shipyard.

The Arts District is envisioned to be the heart of the future Shipyard, with galleries and retail and other arts-related uses along the Fisher Street, the new neighborhoods mixed-use center, known as the Shipyard Village Center. Artists will be provided the opportunity to remain on the Shipyard either in upgraded buildings or new buildings to specifically designed to accommodate artists. Building 101, where the majority of artists currently work, will be retained and complimented by new studio space to be constructed adjacent to the building. The arts district will be connected by a series of plazas that will also provide opportunities for the display of art. The ultimate vision of the Shipyard Arts and Technology district includes:

- A performing arts, arts education, display and gallery space;
- 225,000 square feet of artists studios
- A 2.5 million square foot center for clean-tech research and development industry;
- A business incubator for early-stage, innovation driven industries with an emphasis on clean technology and green businesses.
- Offices for the United Nations Global Compact
- Arts-related retail and services

Shipyard Redevelopment Plan
In 1997, the Board of Supervisors adopted the Shipyard Redevelopment Plan which requires the Agency to provide relocation assistance to eligible displaced persons, see relevant excerpt below:

- “SFRA will provide relocation assistance and benefits in accordance with applicable Federal, State, and local regulations. SFRA will also assist those business concerns which may be displaced as a result of project activities. Eligible business concerns displaced by redevelopment shall likewise receive compensation and reimbursement for business displacement, for moving expenses, for direct losses of certain personal property otherwise uncompensated, for expenses incurred in-lieu of moving and related expenses. Such relocation payments presently required, as well as those which may be required in the future, shall be made pursuant to federal rules and regulations, as they now exist or may hereafter be amended; and such payments shall be made only to the extent eligible for payment from funds made available for those specific purposes by the federal government or other sources. SFRA is authorized to provide temporary relocation benefits for businesses displaced by the acquisition of property by SFRA, or during the course of SFRA assisted rehabilitation work pursuant to this Plan.”

The Redevelopment Plan contains the following additional provisions pertaining to the Artists and relocation: "Maintain the large community of artists and artisans on the Shipyard, providing for their need for flexible low-cost space, while accommodating the full diversity of arts and culture in the South Bayshore community." The Summary of Proposed Actions includes relocation of certain commercial and industrial occupants presently located in structures which
may be subject to acquisition or rehabilitation," and "Formulation and administration of rules governing reasonable preference to owners or tenants of business, or other types of real property who are displaced from the Project to reenter the Project Area.

**DISCUSSION**

In fulfillment of the Agency’s relocation obligations to the existing Shipyard artists, the Candlestick Point/Phase 2 of the Hunters Point Shipyard Disposition and Development Agreement (the “DDA”) between the Agency and Lennar includes requirements for approximately 225,000 gross square feet of permanent artist studio space (the “Shipyard Artist Studios”) integrated into the new development at the Shipyard. The plan is to fulfill this requirement through the retention of Building 101 (approximately 120,000 square feet) and the construction of approximately 105,000 square feet of new studio space located near Building 101.

**Building Occupancy**

Most structures at the Shipyard are vacant; however several buildings are currently leased and occupied. Current tenants at the Shipyard include approximately 300 artists located in studios on Parcels A and B, a San Francisco Police Department (SFPD) facility on Parcel D-1 in Building 606 and a moving and storage operation in Building 808 adjacent to Building 813. The artists on Parcel B are located in Buildings 104, 115, 116, 117, and 125, and the artists on Parcel A are located in Buildings 101 and 110. As was previously stated, Building 101, where the majority of artists currently work, will be retained and complimented by new studio space to be constructed adjacent to the building.

The DDA requires that construction be phased to ensure that all existing artists have the opportunity to move to the Shipyard Artist Studios without being displaced from the Shipyard. Further, relocated tenants may be eligible for relocation benefits under applicable federal, state and local laws. Accordingly, the Agency’s relocation program must include:

- Interviews with each Artist to identify such things as the current operation of the Artist, the relocation needs of the Artist, the availability of replacement sites, and the cost of providing assistance.
- Preparation and publication of a relocation plan that meets specific criteria provided by law.
- Approval of the relocation plan by the Commission after a 30-day public comment period and a public hearing.
- Individualized advisory assistance to artists.
- Compensation to artists for actual, reasonable, and necessary moving and reestablishment expenses.

The Mayor’s Hunters Point Shipyard Citizens’ Advisory Committee (“CAC”) is the lead community organization advising the Mayor and the Agency on matters related to the reuse of the Shipyard. The CAC is comprised of residents of the 94124 zip code, tenants or business operating on the Shipyard and experts who have professional expertise in a variety of sectors. As
directed by the Agency, the selected consultant will be required to consult with the CAC, in addition to the existing tenants.

**Procurement Schedule:**
- Release of RFQ: October 20, 2010
- Responses due to Agency: November 22, 2010
- Commission review of Contract: December 21, 2010

*Originated by Thor Kaslofsky, Project Manager*

Fred Blackwell
Executive Director

Attachment 1: Draft Request for Qualifications for a Tenant Relocation Services Consultant