



Transit Center Retail Opportunities

December 9, 2014

Transbay Transit Center

TJPA





Agenda

- Retail Opportunities & Design Concepts
- Merchandising and Programming
- Why Retail at the Transit Center
- Master Lessor/Facility Management Approach & Process



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RETAIL OPPORTUNITIES & DESIGN CONCEPTS



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Total Retail Area

- **Over 110,000 SF in Phase 1**
- **Up to 60,000 SF Additional Area in Phase 2**



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Retail Area



Retail Area Breakdown

Park: 10,000 SF

Ground & Second: 100,000 SF

- Second: 60,000 SF
- Ground: 40,000 SF



Lower Concourse: 60,000 SF
(Phase 2)





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Retail at Natoma & Minna



Natoma Pedestrian Street View



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Retail at Natoma & Minna



Western Pedestrian Passage from Natoma



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Retail at Natoma & Minna



Natoma Pedestrian Way at West End



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Retail at Natoma & Minna



Shaw Alley Pedestrian Passage from Minna



Retail at Grand Hall



West Side of
Grand Hall



Grand Hall from First Street Entry



Central Court on Lower Concourse



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Retail at Rooftop Park



Restaurant
Aerial View



Retail at Rooftop Park



Northeast View of Restaurant



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Retail at Rooftop Park



Main Plaza Aerial View



Retail at Rooftop Park



View from Cafe



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MERCHANDISING AND PROGRAMMING CONCEPTS



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Full-Service Restaurants & Cafes

THE
SLANTED
DOOR





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Food Hall Premium Prepared Foods







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Apparel



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Convenience



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Cosmetics



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Electronics





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Flowers, Cards, Newsstands

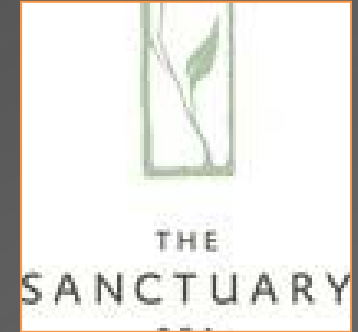


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Wellness, Dental, Optical



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Park Restaurant & Cafe



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Programming of Grand Hall and Park



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WHY RETAIL AT TRANSIT CENTER



Goals and Objectives of the Retail Space and Operations

- Maximize revenue through a successful retail program that has the right mix of tenants to adapt to market conditions
- Activate the facility with destination amenities that make the TTC accessible to users of the center as well as residents in the neighborhood
- Provide programming of open spaces such as the Grand Hall and Park (including Amphitheater & Main Plaza)
- Create a vibrant, safe, clean and welcoming environment for residents and commuters



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Case Precedent

Ferry Building, San Francisco

Grand Central Station, NYC



SFO International Airport, San Francisco

South Station, Boston



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The San Francisco Market





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The Transit Center is redefining the Center of the City



Block 9



Block 5



181 Fremont Street



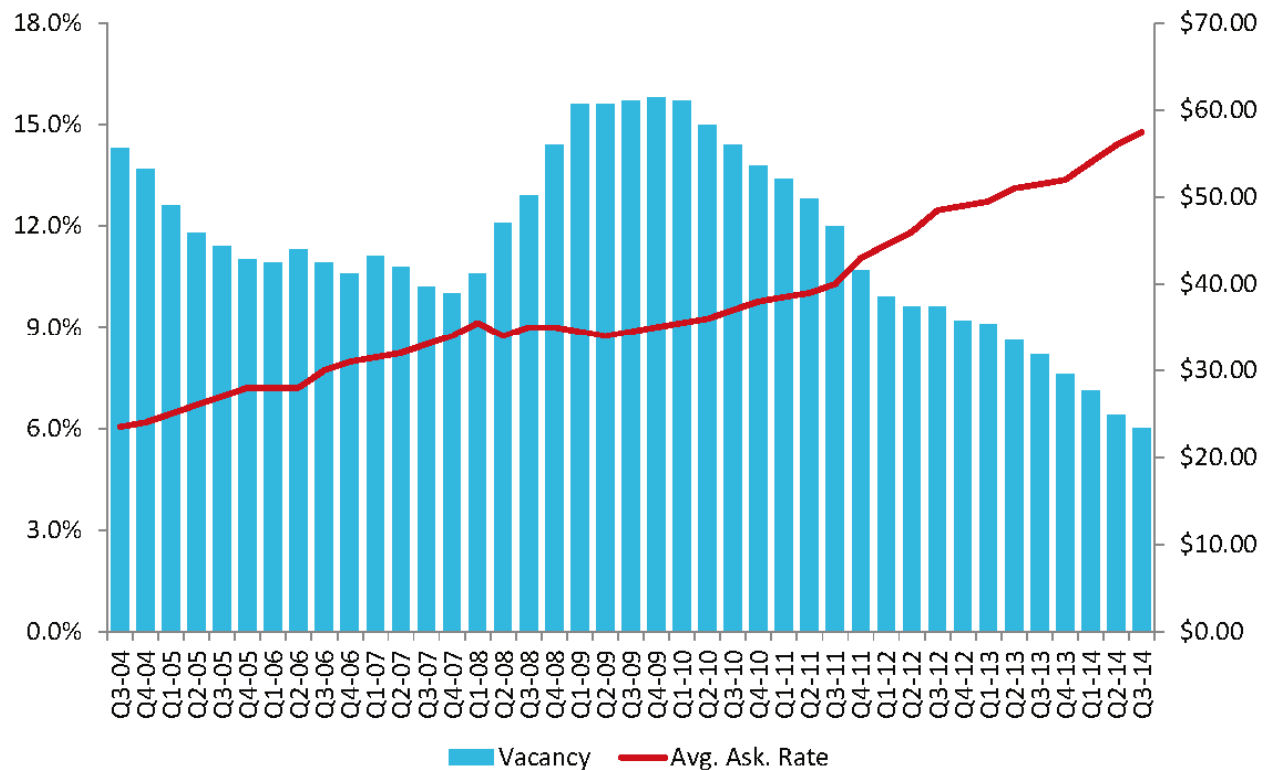
Salesforce Tower



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San Francisco CBD Office/Retail Rents Reach 10-Year High

Asking Rate & Vacancy Trend



Source: Avison Young

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Tech Sector is Driving Demand



1.5 Million SF of New Office Demand.

50% of San Francisco's Absorption is in the Transbay Neighborhood.



- Workforce Population
 - 6 million square feet of new office space occupied by over 35,000 workers
- Housing / Residential Population
 - 4,500 new homes and over 7,000 residents
- Tourism
 - 16.5 million visitors annually
- Projected Transit Center Daily Visitors
 - Approximately 100,000 visitors



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MASTER LESSOR/FACILITY MANAGEMENT APPROACH & PROCESS



Objective of the RFQ/RFP Process

- The TJPA seeks to contract an experienced owner, developer or manager of real estate spaces such as the Transit Center
- Requisite skills required include:
 - experience and vision to attract, retain, and manage a highly visible public venue and profitable retail asset with a large volume of pedestrian traffic
- The TJPA will be responsible for the cost of operations and shall receive a share of retail revenues through a long term lease
- Transit operators maintain responsibilities for operating their transit lines



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Best Practices

South Station, Boston



Grand Central Station, NYC



Union Station, Denver, Colorado





Master Lessor/Facility Management Approach

Benefit of the Master Lessor/Facility Management Approach

- Outsources leasing/management to real estate experts
- Reduces capital investment requirements by TJPA
- Allows TJPA to retain control of base building
- Limits risk/financial exposure to TJPA



Master Lessor/Facility Management Responsibilities

Master Retail Leasing

- Develop a successful economically viable retail program
- Create a marketing and leasing strategy
- Manage and book events, media displays
- Program events - schedule, rates and strategy

Facility Management

- Procurement, oversight, and management of contracted services
- Cleaning/routine maintenance
- Management of public spaces
- Security



In order for Retail to open in late 2017 coincident with Transit Center & Rooftop Park, these key dates must be met.

Key Dates

- | | |
|----------------------------|----------------|
| • Issue RFQ | December 2014 |
| • Issue RFP | March 2015 |
| • Select Finalist | June 2015 |
| • Execute Master Agreement | September 2015 |
| • Open Retail | Late 2017 |



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Questions?