



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

Date: September 4, 2014
To: Recreation and Park Commission
Through: Philip A. Ginsburg, General Manager
Dana Ketcham, Acting Director of Property Management
From: Cassandra Costello, Property Manager
Re: Palace of Fine Arts

Agenda Item Wording

Discussion and possible action to approve the Request for Concept Proposals for the long term tenancy of Palace of Fine Arts building. (Action Item)

Proposed Competitive Bidding Process and Public Participation

The Department proposes a two phase competitive bidding process to select a long term tenant to invest in and occupy the Palace of Fine Arts. The Department first proposes to solicit a Request for Concept Proposals (RFCP), followed by a full Request for Proposals (RFP) for select invited respondents based on selection panel recommendation, and Commission approval.

The RFCP is designed to be an open low barrier of entry process for groups to respond with their high level concept proposals. Only the highest ranking Concept Proposals will be invited to advance in the process and participate in the full, more detailed RFP.

Key RFCP Terms for Long Term Tenancy of the Palace

The Department's primary objectives for this long term tenancy are the following:

- Providing the required investment in the Palace of Fine Arts
- Obtaining a financially viable tenant to enter into a long term lease agreement to provide valuable services and amenities
- Obtaining a tenant that will compliment and connect existing amenities in the surrounding area
- Enhance visitors' experience to the Palace of Fine Arts and surrounding park
- Provide significant public access to the Palace
- Provide a use that will continually engage the public over the duration of the term
- Provide for a public central entryway concept

Proposals that include restoring, retaining and operating the historic Palace of Fine Arts Theater by a nonprofit theater group are encouraged.

Mandatory Requirements for Future Use of the Palace of Fine Arts Building

- Building usage must fulfill a recreational purpose (per City of San Francisco Charter)
- New tenant must have the ability to fund the necessary structural improvements to the Building

Marketing the RFCP

The Department proposes the following methods to strategically market the opportunity with the goal of as much exposure as possible and a healthy, robust competitive process:

- Send the RFCP all parties that have shown interest in the opportunity
- Send the RFCP to the types organizations and entities that have been identified as possible uses for the site by our consultant, the public and the Advisory Committee (as described below)
- Coordinating with the Advisory Committee to request that they provide the RFCP to their contacts and colleagues
- Post the RFCP on the Recreation and Park Department website
- Send the RFCP to the entities and organizations that have bid on other large public projects in San Francisco
- Post the RFCP on the Controller's Contracting website
- Post the RFCP on the Office of Small Business's website
- Send RFCP to commercial real estate companies
- Work with the Department's public affairs team on proactive coverage about the opportunity

Pre-Bidder Conference Dates

The Department will host a number of Pre-Bid Conference meetings to give prospective bidders a tour of the property and provide them with information about the opportunity. These meetings are open to anyone and will include a question and answer session. All questions posed and answers given as part of these meetings will be posted publically on the Department's website. The scheduled Pre-Bid meetings (subject to change) are the following:

- November 3, 2014, 2pm
- November 4, 2014, 10am
- December 1, 2014, 2pm
- December 15, 2014, 2pm

The proposals are due by 5pm, January 9, 2015.

Public Participation in Process

The Department has already commenced a robust public process prior to the issuance of the RFCP and will continue with the public process once the RFCP has been released. Additionally, prior to the approval of the iHangar lease agreement, for temporary occupancy of the Palace, in June of 2014 the Department held a public community meeting to present the terms and conditions of the agreement and provide information about the PPIE centennial events scheduled to be held in the Palace. At this meeting, the Department also announced that the long term competitive bidding process would commence in September of 2014.

The timeline below is approximate and subject to change.

August 2014

- Advisory Committee reviewed and commented on draft RFCP
- The Department held a community meeting to discuss terms of the RFCP and explain the public input process

September 2014

- Recreation and Park Commission Operations Committee to consider approval of the RFCP
- Full Recreation and Park Commission to consider approval of the RFCP
- Upon approval by the Commission, public release of the RFCP

Spring 2015

- All responses to the RFCP will be posted on the City's website
- Department will host a community meeting to present RFCP proposals
- Recreation and Park Commission Operations Committee hearing to consider selecting the highest ranking respondents based on recommendations from a selection panel and the public to continue on in the process and respond to the RFP
- Recreation and Park Operations Committee and Full Commission to consider the approval of the RFP
- Posting of the full RFP on the Department's website and the City's website
- Full Recreation and Park Commission hearing to consider selecting the highest ranking respondents based on recommendations from a selection panel and the public to continue on in the process and respond to the RFP.

Summer 2015 -

- The responsive RFP responses received will be posted on the City's website -The Department will host a series of public meetings to solicit public input on the proposals and have the respondents present their proposals.
- The Department will present the top proposals to the Recreation and Park Commission Operations Committee as an informational item.
- The Department will present the top proposals to the Full Recreation and Park Commission as an informational item.
- The Department will present the recommended selected respondent based on the Selection Panel's recommendation to the Recreation and Park Commission Operations Committee for their consideration.
- The Department will present the recommended selected respondent based on the Selection Panel's recommendation to the Full Recreation and Park Commission for their consideration.

Winter 2015

- The Department will hold a public community meeting to present the details of a negotiated lease agreement to the public.
- Recreation and Park Commission Operations Committee hearing to consider the negotiated lease agreement.
- Full Recreation and Park Commission hearing to consider the negotiated lease agreement.

Winter/Spring 2016

- Board of Supervisors committee hearing to consider the Commission's recommended lease agreement.
- Full Board of Supervisors to consider the committee's recommended lease agreement.
- Other regulatory agencies, as necessary, to consider appropriate aspects of the lease agreement.

Advisory Committee

In November of 2012, the Department along with Supervisor Farrell and Mayor Lee convened a diverse Palace of Fine Arts Advisory Committee (the "Advisory Committee") with a breadth of citywide and neighborhood perspectives to help determine the best uses for the Palace of Fine Arts. The Advisory Committee consisted of the following individuals representing a variety of organizations and institutions:

- Supervisor Mark Farrell
- Commissioner Allan Low, Recreation and Park Commission
- Jan Berckefeldt, Maybeck Foundation
- Scott Maybeck Nittler, Maybeck Foundation
- Richard Pettler, Maybeck Foundation
- Hans Baldauf, Maybeck Foundation
- Commissioner Denise Bradley Tyson, Film Commission, formally with the Museum of the African Diaspora
- Ariel Kelley, Marina Community Association
- Ferris Ferdon, Marina Merchants
- Lori Brooke, Cow Hollow Association
- Doug Overman, Golden Gate National Park Conservancy
- Mike Martin, America's Cup 34
- Jon Ballesteros, SF Travel
- John Lum, San Francisco Museum and Historical Society
- Jim Lazarus, San Francisco Chamber of Commerce
- Don Young, D.R. Young Associates
- Lisa Pagan, Mayor's Office of Economic and Workforce Development
- Gary Strang, Principal of GLS Landscape Architecture
- Ike Kwon, ED Academy of Sciences and Parks Alliance
- Deirdre Araujo, Exploratorium
- Tula Mouroufas, Palace Neighbor
- Lynn Sedway, Sedway Consulting
- Kelly Ishida Sloan, Senior Associate, EHDD
- Marc L'Italien, Principle, EHDD

The Advisory Committee was created to provide the Department with expertise, perspective and advice on potential uses for the Palace of Fine Arts. The Advisory Committee was given information on the condition and historical uses of the building and surroundings before participating in facilitated discussions to help determine goals and priority uses for the Palace of Fine Arts.

The Advisory Committee offered the following as potential ideal uses for the space:

- Museum (museum-type use)
- Educational use
- Sports facility
- Performing arts
- Exhibition space
- Event venue
- Merchant use/retail space

The Advisory Committee also determined a number of priority uses for the site including the following:

- Offers public access to at least a portion of the building (e.g., public atrium, public “pathway”, educational/interpretive center)
- Includes strategies to mitigate parking and traffic impacts to the local neighborhood
- Retains theater and/or comparable performing arts space
- Preserves architectural significance
- Utilizes green building practices
- Is compatible and synergistic with adjacent outdoor space
- Embodies world class ethics (in keeping with the caliber of Bernard Maybeck’s work)
- Reflects and is cohesive with other uses in the area: “synergy with independence”
- Is family-friendly
- Celebrates the history of the building and the work of Bernard Maybeck (e.g., interpretative exhibits, tributes, etc.)
- Offers options for food and dining

These priorities have been incorporated, to the extent possible, into the competitive bidding process for use of the space. The Department will continue to work with the Advisory Committee throughout the competitive bidding process and has asked them to help to market the opportunity to interested bidders.

Community Participation

In December of 2012, the Department convened two community meetings to solicit input from the public on priority uses for the Palace of Fine Arts. The meetings were attended by over 100 members of the public who were given information on the condition of the building, the history of the site, the Advisory Committee recommendations and general uses that have been expressed by interested parties thus far.

The public was given the opportunity to provide their input on the recommendations of the Advisory Committee as well as provide their ideas for uses of the site. The comments from the public resulted in the following suggested uses for the Palace of Fine Arts:

- Art center
- Affordable community theater
- Affordable community space
- Use targeted to children and families (similar to Exploratorium use)
- Museum for the City of San Francisco (Guardians of the City)
- Museum for the wine industry
- Museum for the history of pinball
- Exposition space for historic pipe organ
- Performing arts school
- Studio space for artists
- General educational use
- Use of roof as tenant space (“living roof” concept)
- Urban farming/food education
- Cultural use
- Inclusion of artifacts and interpretation pertaining to Bernard Maybeck and the 1915 Panama-Pacific International Exposition

Community Outreach for Public Meetings

- Supervisor Mark Farrell
- Palace of Fine Arts Advisory Committee
- Marina Community Association
- Marina Merchants Association
- Golden Gate National Recreation Area
- Golden Gate National Parks Conservancy
- Presidio Trust
- St. Francis Yacht Club
- Golden Gate Yacht Club
- National Park Service
- Marina/Cow Hollow Merchants’ Association
- City Yachts
- Micro Soccer League
- Marina Civic Improvement and Property Owners Association
- San Francisco Marina Harbor Association
- Supervisor Farrell’s E-Newsletter
- Donors of the 2010 Palace restoration project
- Posting on RPD website

Status of Current Tenants

In July of this year, the Commission approved a temporary lease agreement with iHanger to provide programming in conjunction with the California Historical Society and the Maybeck Foundation around the centennial of the Panama Pacific International Exposition. Also in July, the Commission approved a lease amendment with the Palace of Fine Arts Theater League to continue to operate the theater through March of 2016 with two six month options to extend beyond the expiration date.

Finding a Replacement Tenant

The Department has been diligently working to find a quality tenant who will protect and preserve the Palace of Fine Arts for generations to come and provide an amenity to the public in one of the most iconic and beloved buildings in San Francisco. To that end, the Department has compiled a diverse team of professionals, with the generous help of the Maybeck Foundation, to aid in the City's efforts, to provide guidance and assistance and professional recommendations on the capital infrastructure needs of the Palace and potential interested parties to occupy the space. The team of professionals the Department has been working with consists of the following:

- Jan Berckfeldt, Executive Director of the Maybeck Foundation
- Marc L'Italien, Principal of EHDD Architecture
- Lynn Sedway, Sedway Consulting

These individuals are committed to the Palace, its past, present and future legacy. They are dedicated and committed to working with the Department and the public to secure the best and most appropriate use and tenant for the site.

Next Steps

Should the Commission approve the RFCP, Department staff will release the opportunity to the public and commence the complete bidding and public input process.

Supported by

Maybeck Foundation

Opposed by

None known

Exhibits

Draft RFCP