

Retail Leasing

September 2018



Leasing Report By Stage

Industries										
Stage:	Prospects	Inquiries	Preview	Touring	LOI	Legal	Lease Out	Idle	Dead	Total
Restaurant: Quick-Service	2	3	2	2	5	4	2	57	20	
Restaurant: Fast Casual	2			3	4			34	16	
Restaurant: Full-Service	4		1		1		2	28	14	
Bar					2	2		18	6	
Sporting Goods									2	
Fitness							1	9	4	
Grocery					1			6	8	
Coffee					2		2	7	5	
Toy/Gift/Craft								4		
Health/Beauty								3	2	
Salon/Spa					1			7	5	
Electronics			1		1	1		7	2	
Services				2			1	10	14	
Specialty Retail			2			1		5	5	
Bookstore					1					
Apparel/Accessories					1			4	5	
Total	8	3	6	7	19	8	8	199	108	365
	23	1	7	19	20	9	0	167	97	343
										September
										July

Dead Because:	Chain	Opted Out	Proximity	Merch Plan	Not Qualified	Pop-Up	Competing Tenant	Total	
	1	72	8	10	11	5	1	108	September
	1	66	7	9	11	2	1	97	July

DEFINITION OF STAGE

<u>Prospects:</u>	Tenants Colliers has targeted and is reaching out to
<u>Inquiry:</u>	Comes through the website (registrants) + anyone who inquired prior to launch
<u>Preview:</u>	These people have been contacted through our Gmail and directed to a location in the center/invited to submit a proposal.
<u>Touring:</u>	Self-explanatory
<u>LOI:</u>	Trading paper
<u>Legal:</u>	Lease being drafted
<u>Lease Out:</u>	Lease negotiations
<u>Dead Deal:</u>	Tenant has been rejected, opted out, or deal died
<u>Idle:</u>	No communication after several attempts to reach to them, or TJPA not ready to reject tenant.

Progress Report By Stage

Deal Pipeline		ACTUAL/TARGET					
Stage	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	NOW
LOI	25/13	20/13	19/8	0/1			19/35
Negotiate		9/13	8/13	0/8	0/1		8/35
Sign			8/13	0/13	0/8	0/1	8/35

Quarterly actuals will fluctuate as deals are vetted

Store Opening Targets		Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Ground Floor	Pop Ups	7	9	8		
2nd Floor		6	2		1	
Rooftop	Pop Ups		2			
		13	13			
Total		Spaces	Spaces	8 Spaces	1 Space	
% Open (35)		39%	74%	97%	100%	

Assumes about 16 weeks of construction time on average

Update

- Actively touring 7 interested parties
- 19 active LOI's and 8 lease negotiations in process and 8 signed
- Many spaces have 2 back up deals. Negotiating to get the best deal with the right tenant mix
- Working with Tenants to prepare for Roof-Top activation
- Daily meetings with Lincoln & Turner to plan for construction of retail shell and TI work



Financial Summary

Proposed Tenant	Sq. Ft.	Suite #	Lease / Proforma Term In Years	Lease / Proforma Rent Over Term	Lease / Proforma TJPA Costs (T.I. + Shell)	Lease / Proforma Net Proceeds in Excess of Proforma
Per Diem	3,050 s.f.	131	15/10	\$2,978,151 / \$1,835,654	\$2,347,388 / \$1,133,240	\$630,763 / \$702,414
Previously Approved						
Sub-Total:	44,172 s.f.	9* spaces		\$35,575,474 / \$25,587,734	\$3,694,365 / \$5,632,269	\$26,626,540 / \$13,478,559
Total to Date						
Total:	47,222 s.f.	10** spaces		\$38,553,425 \$27,423,388	\$6,041,753 \$6,765,509	\$27,257,303 \$14,180,953

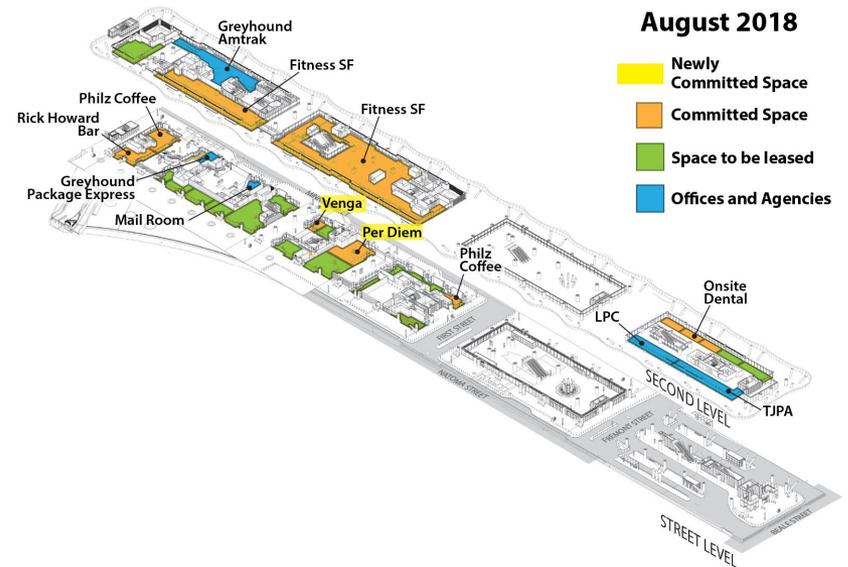
*6 leases **7 leases

Lease Up Status

	Total	Approving Today	Approved To Date	% Committed to Date / Total
Square Feet	100,000 sf	3,050 sf	47,222 sf	47%
# Retail Spaces	35	1	10	29%
Annual Retail Rent	\$5.5M	\$198,543	\$2.8	51%

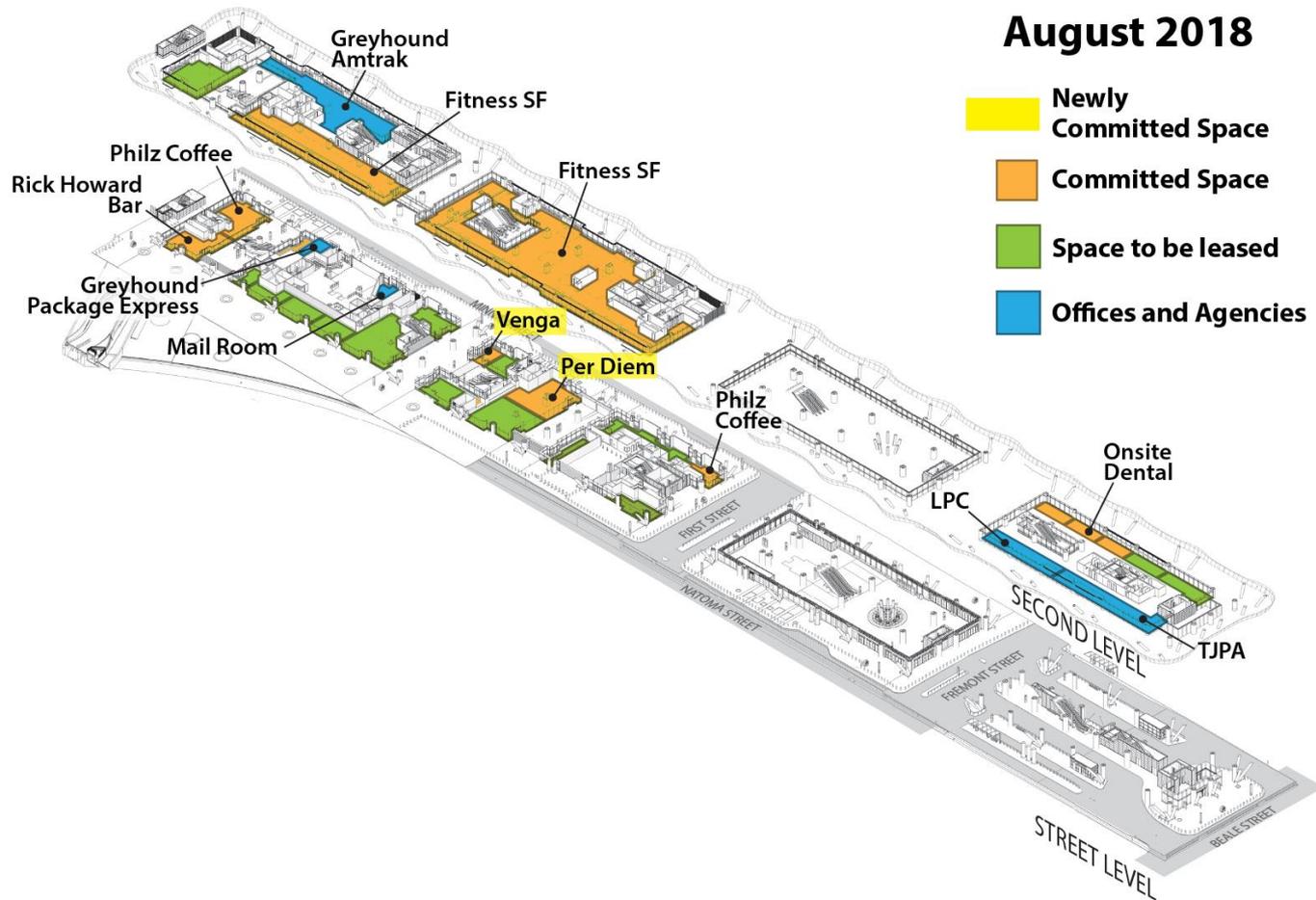
Highlights Summary

- Material terms are growing above proforma after opening due to increased interest and multiple offers per space
- 51% of the spaces are leased
- 99% of spaces have multiple offers
- Since opening:
 - 3 more LOI's submitted
 - 6 more tours
 - 3 more inquiries



Recommendation

- Authorize the Executive Director to complete negotiations and execute the Per Diem lease



Facility Operations Update

September 2018

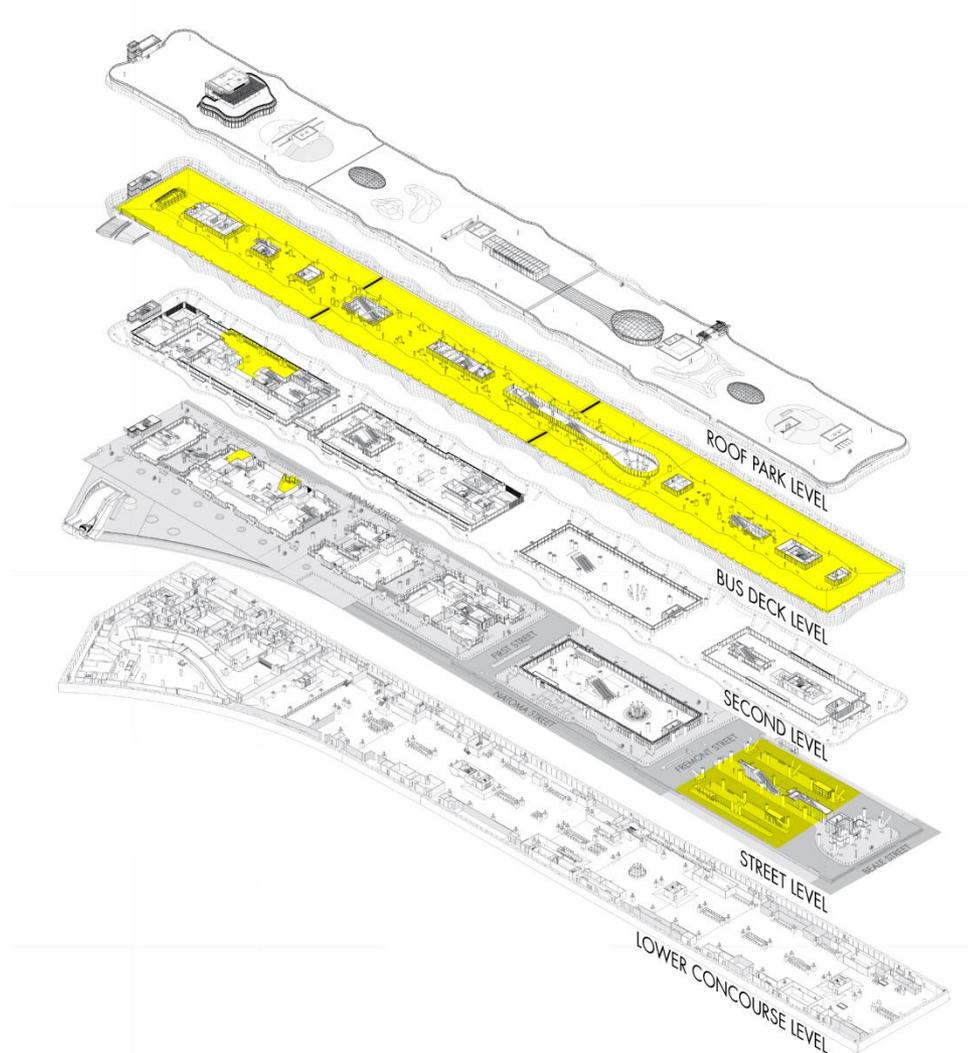


Facility Operations Update Agenda

- Transit
- LPC - Facility Management
- Tenant Improvements
- Blocks 2, 3, 4 (temporary terminal)
- Park update by BRV
- Pop Up Retail update by PRI
- Digital Media update by Pearl
- Security

Facility Operations – Transit

- AC Transit ridership increased 7% from week prior to opening which was a 15% increase from the prior year
- AC Transit license agreement negotiations with Amtrak continue impacting Amtrak lease with TJPA for 2nd floor
- Amtrak continues to occupy temporary terminal
- AC Transit bus plaza vending approval letter with AC Transit
- SFMTA agreements bus deck and plaza complete
- Greyhound commenced operations August 15
- Golden Gate Transit commenced operations September 9



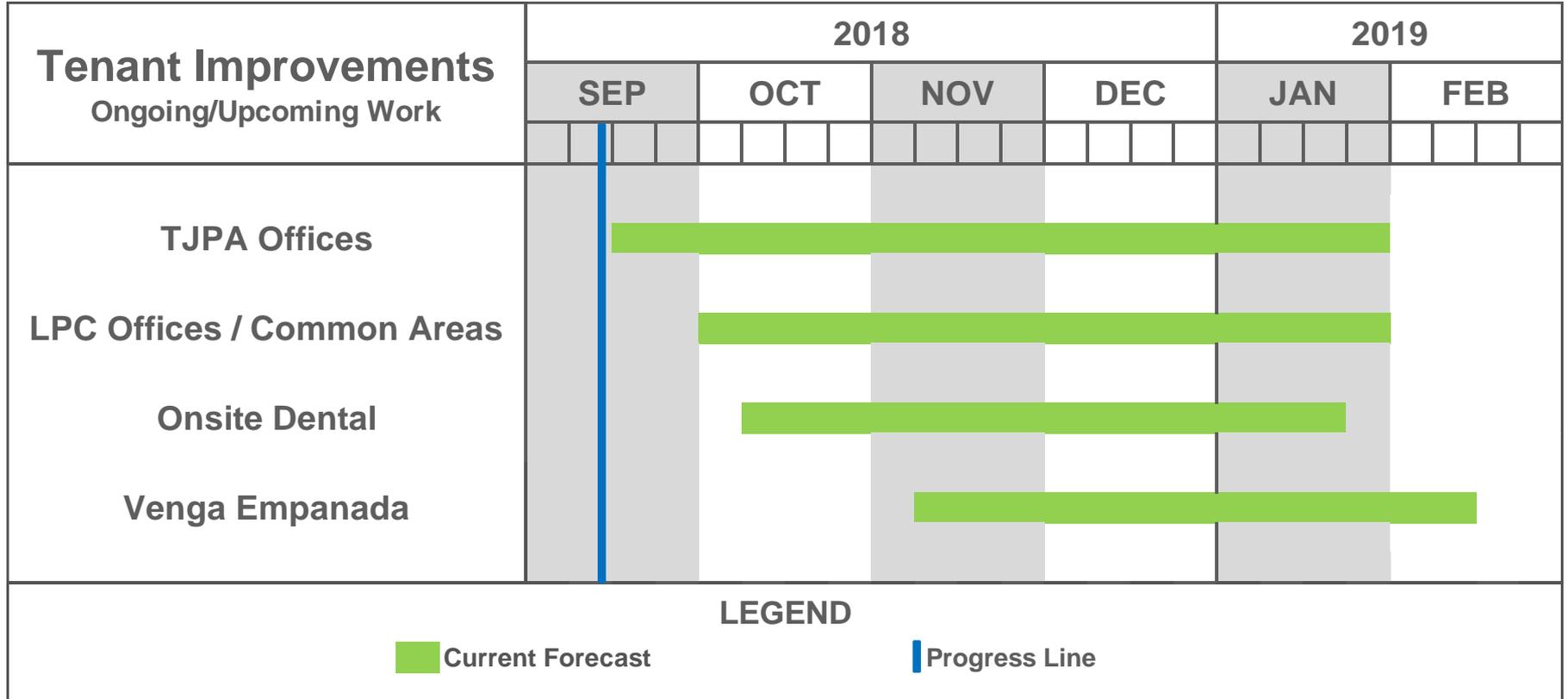
Facility Operations - LPC Facility Management



Facility Operations - LPC Facility Management

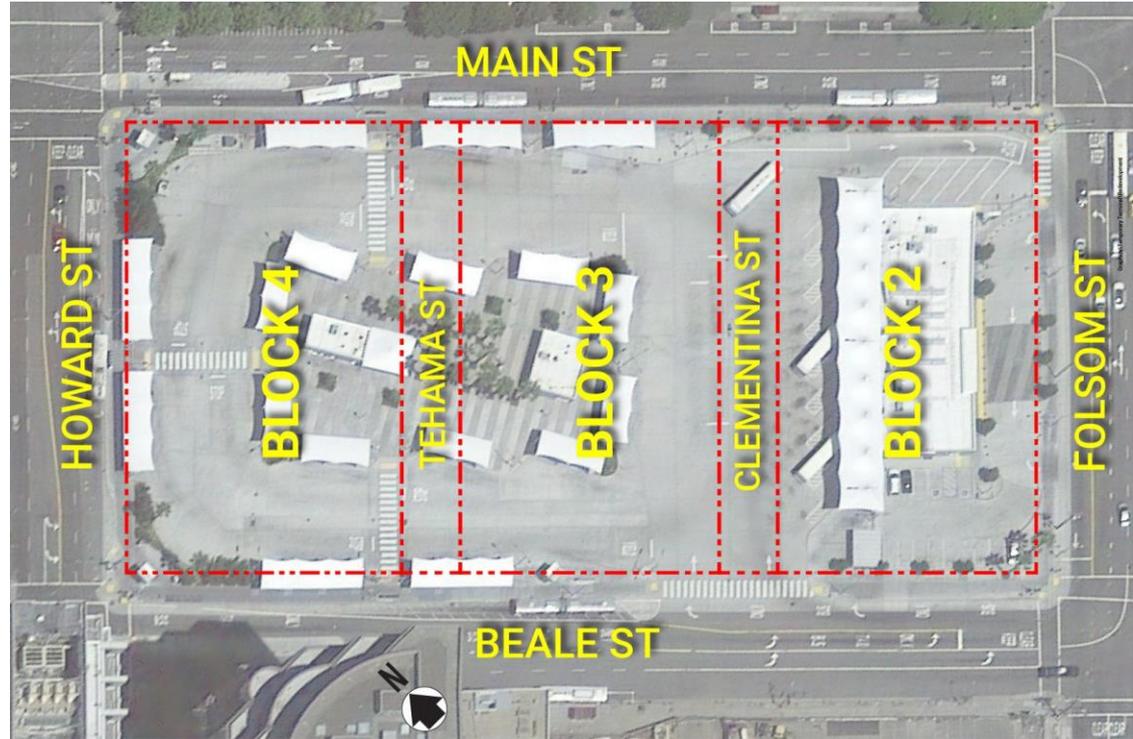
- LPC has processed and executed nearly 60 service contracts
- CMMS Tracking & Reporting
 - Work-orders, vendor compliance, & other metrics
- Monthly Accounting & Reporting is rolling out
- Janitorial crew fully staffed with zero RR complaints
 - 3-shifts/day, 7days/week
- Engineering-Maintenance crew fully staffed
 - 3-shifts/day, 7days/week
- Net Experts was awarded Tier 1-3 Services

Facility Operations - Tenant Improvements



Facility Operations – Blocks 2, 3, 4

East Cut CBD Partner



Park update by BRV

September 2018



Facility Operations – Park update by BRV

1. Fitness & Wellness

2. Arts & Culture
3. Children & Families
4. Music, Theater, & Dance

9 free fitness classes weekly:
yoga, meditation, boot camp, tai
chi, cardio dance, urban kick,
family fitness

All provided for free by Fitness SF

Typical attendance: 40-60 ppl



Facility Operations – Park update by BRV

1. Fitness & Wellness
2. **Arts & Culture**
3. Children & Families
4. Music, Theater, & Dance

Variety of programs: Writing Workshops (Wed), Lit quake Lunchbreak (3rd Mon), Monday Night Makers (Mon), Beginner Knitting (Wed)

Partners: Writers Studio, Lit quake Literary Festival, Museum of Craft and Design, SCRAP, GoGo Crafts, ImagiKnit

Typical attendance: 15-30 ppl



Facility Operations – Park update by BRV

1. Fitness & Wellness
2. Arts & Culture
- 3. Children & Families**
4. Music, Theater, & Dance

Variety of programs: Toddler Tuesdays, Kids' Improv & Movement (Thurs), UrbanPlay Family Fitness (Sat), STEAM Saturdays

Partners: Epiphany Dance Theater, Music in Schools Today, Children's Creativity Museum, Bricks 4 Kidz

Typical attendance: 10-30 ppl



Facility Operations – Park update by BRV

1. Fitness & Wellness
2. Arts & Culture
3. Children & Families
4. **Music, Theater, & Dance**

Variety of programs: After work music (Wed), DJs (Thurs), lunch music (Fri), Swing Dancing, Shakespeare, Silent Disco

Partners: People in Plazas, Cold Cutz, Shimmytown, African American Shakespeare Company, HUSHconcerts

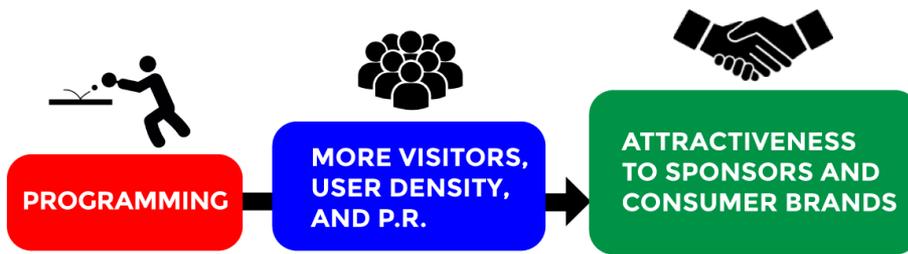
Typical attendance: 150-300 ppl



Facility Operations – Park update by BRV

Successful and highly attended programming + clean and safe park leads to success of the entire center in:

- Increased traffic for the pop-up and permanent retail business
- Increased sponsorship opportunities
- Increased advertising sales for digital media center wide



Pop Up Retail update by PRI

September 2018



Facility Operations – Pop Up Retail update by PRI



Kafae Koffee

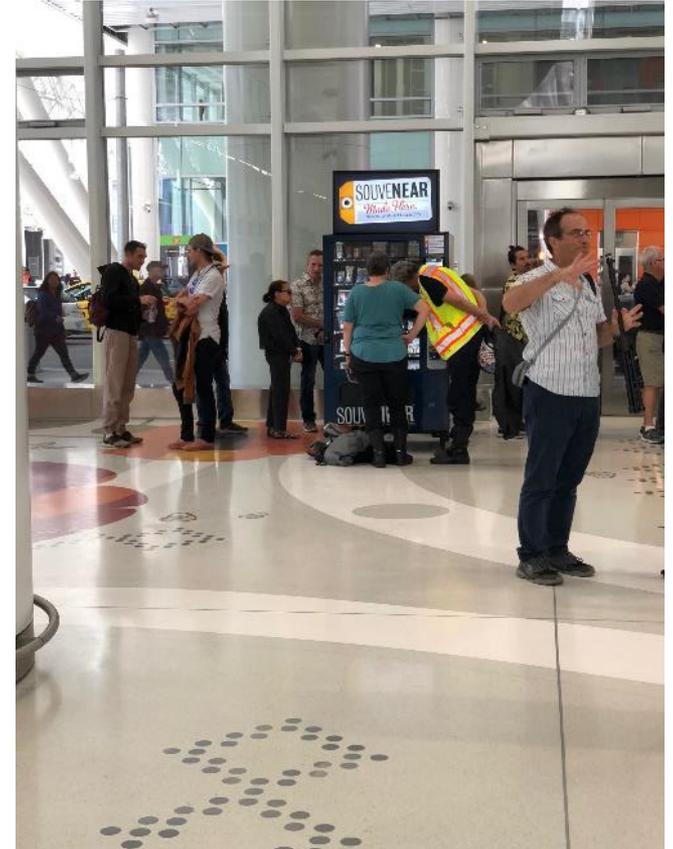
GRAND HALL



Shoe Shine Guild



Rossi & Rovetti Flowers
coming soon



SOUVENEAR

Facility Operations – Pop Up Retail update by PRI

GROUND LEVEL



FOOD TRUCKS
Daily; busiest at lunch



POP UP MARKET
weekly on Wednesdays

Facility Operations – Pop Up Retail update by PRI

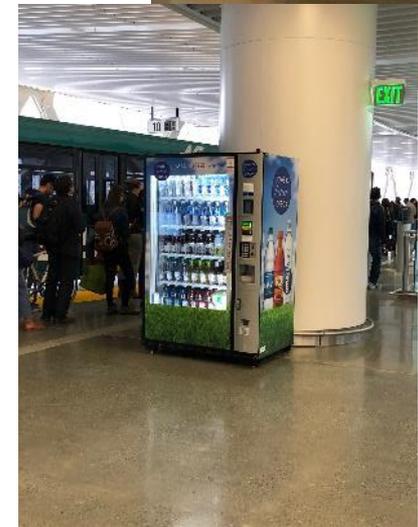
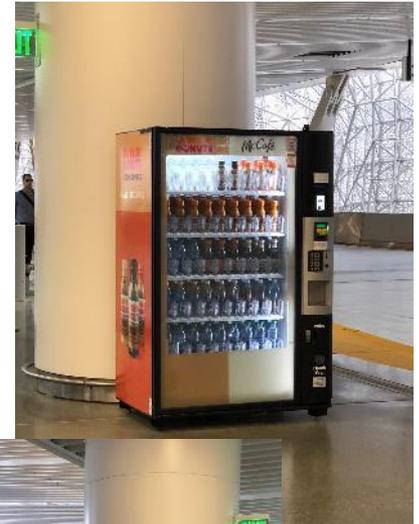


First to Market CVS;
2 Best Buy; 2 CVS

BUS DECK



3 Fuel Rod



Reyes

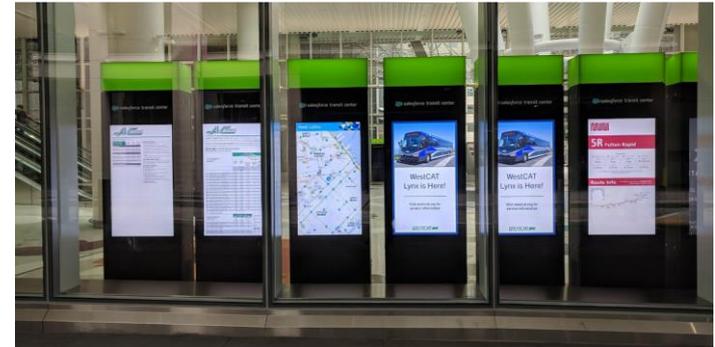
Digital Media update by Pearl

September 2018



Facility Operations – Digital Media update by Pearl

- All media players onsite and awaiting install by Webcor/WPCS
- Media player reconfiguration and partner integration ongoing
- Transit content operating and optimizing on average 67% complete
- Grand Hall video wall upgrade complete

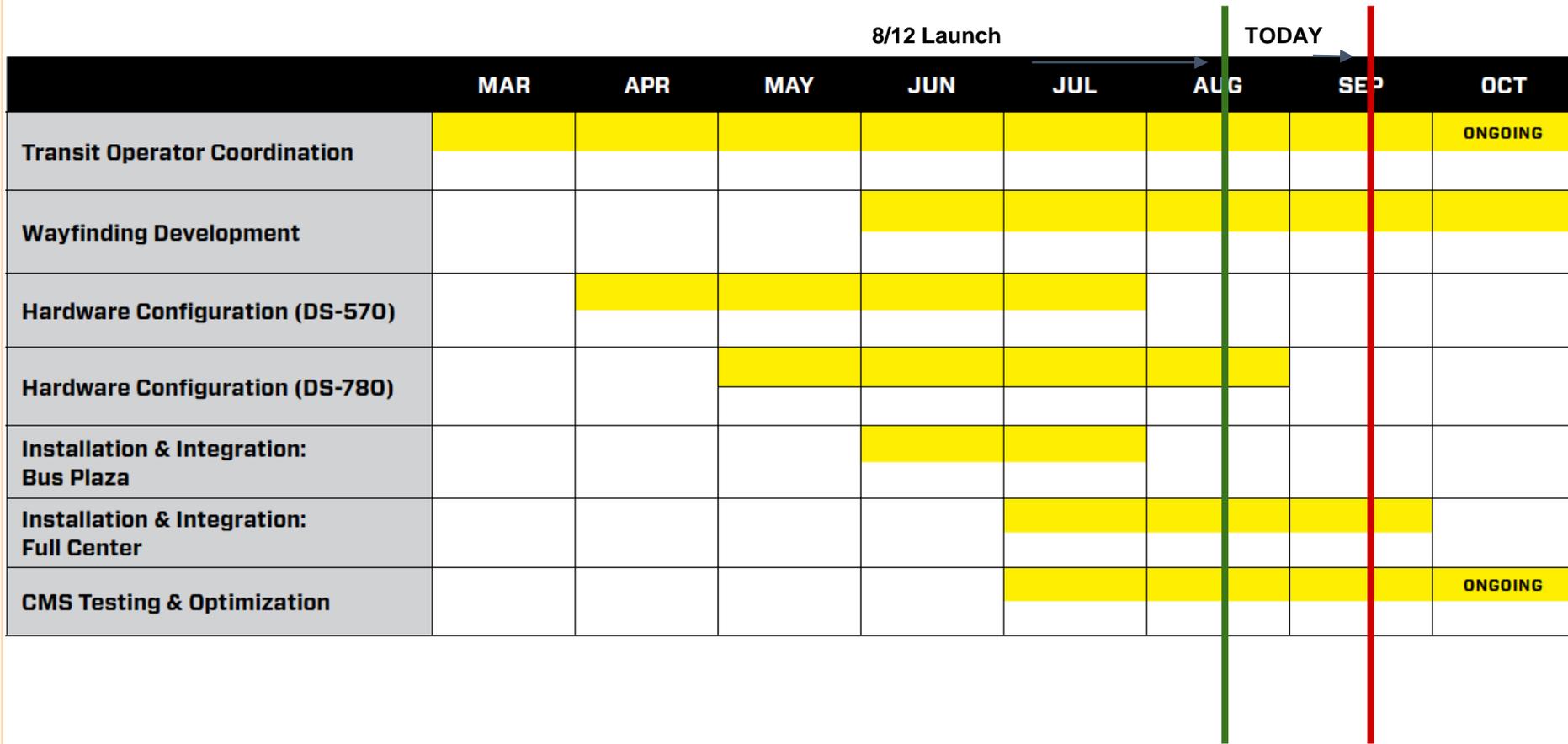


Facility Operations – Digital Media update by Pearl

- Unit activation 68% complete
- Digital wayfinding development in progress
- Major sponsorship commitments continued, “Wait and See”
- **PLANNED ADVERTISING START DATE 9/24; \$500K booked for Q4**



Facility Operations – Digital Media update by Pearl



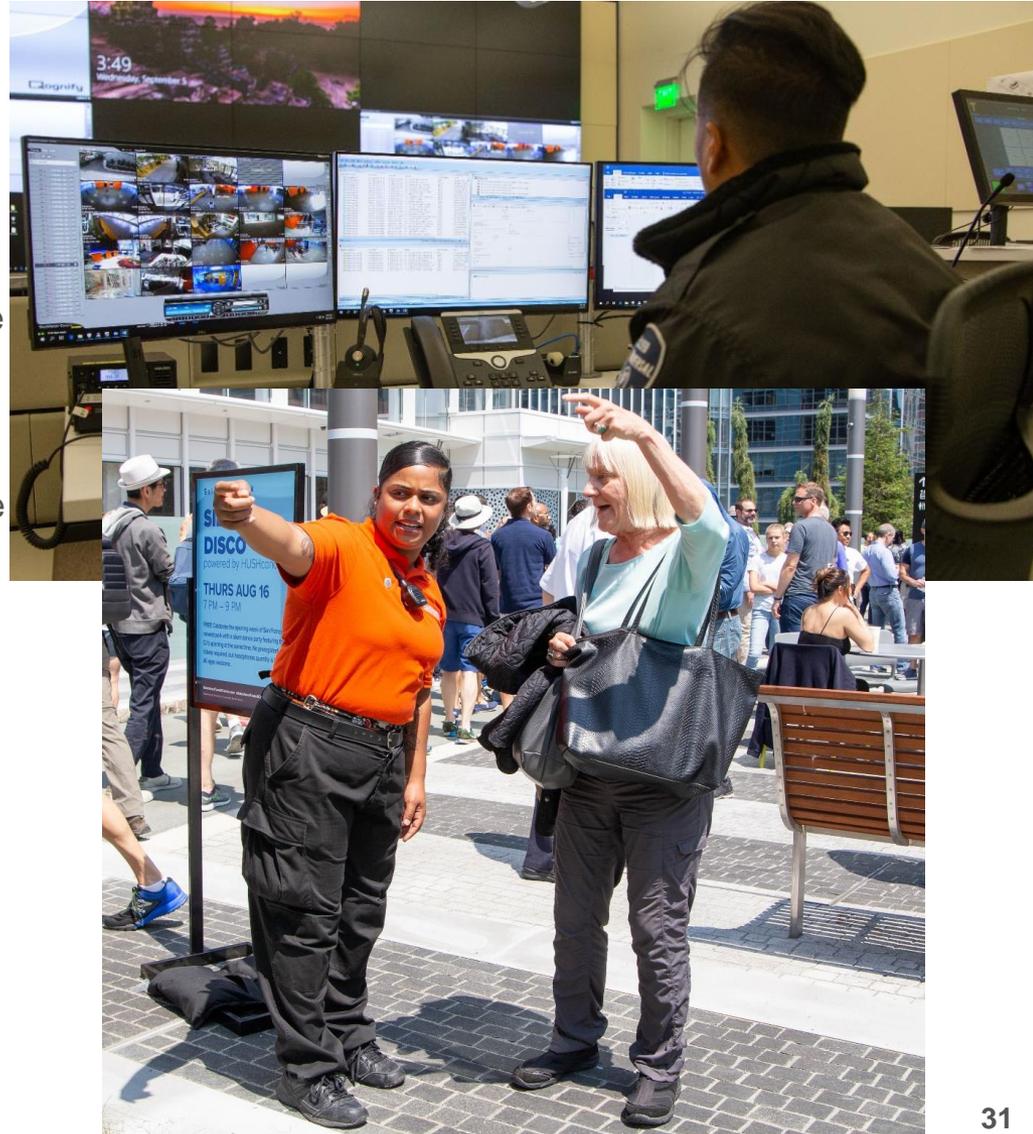
Security

September 2018



Facility Operations - Security

- The SOC is operational and providing 24/7 communications & coordination throughout the transit center.
- TJPA's consultants continue integrating security systems into the PSIM.
- SFPD, security officers and Ambassadors are working seamlessly together to secure the transit center.
- Fake service animals have been the most pervasive problem for security staff. TJPA is working with their partners to reduce the impact of fake service dogs on the Park. The community has been supportive of the Park rules and is taking an ownership attitude toward the Park.
- Since opening, the Quality of Life Committee has been meeting weekly in the transit center. We have seen no impacts from homeless and street behaviors at the transit center and on the Park since opening. Going forward the committee is resuming its' standard monthly meetings.





Questions?

TJPA
TRANSBAY JOINT POWERS AUTHORITY

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