



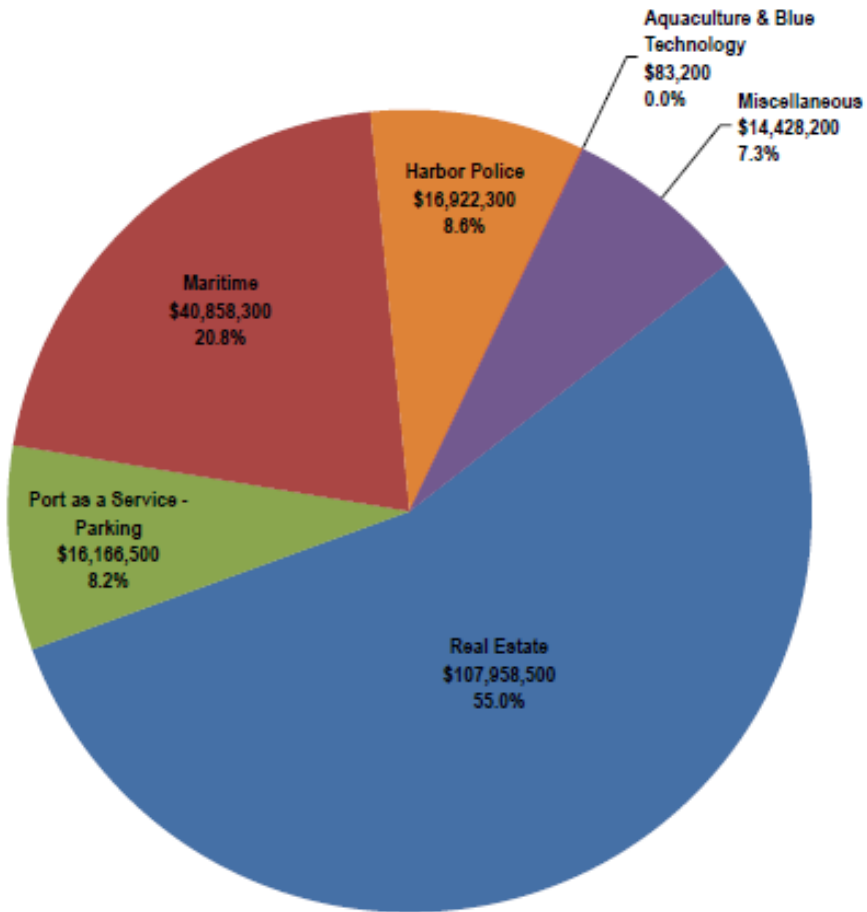
**PORT of
SAN DIEGO**
Waterfront of Opportunity

Port of San Diego

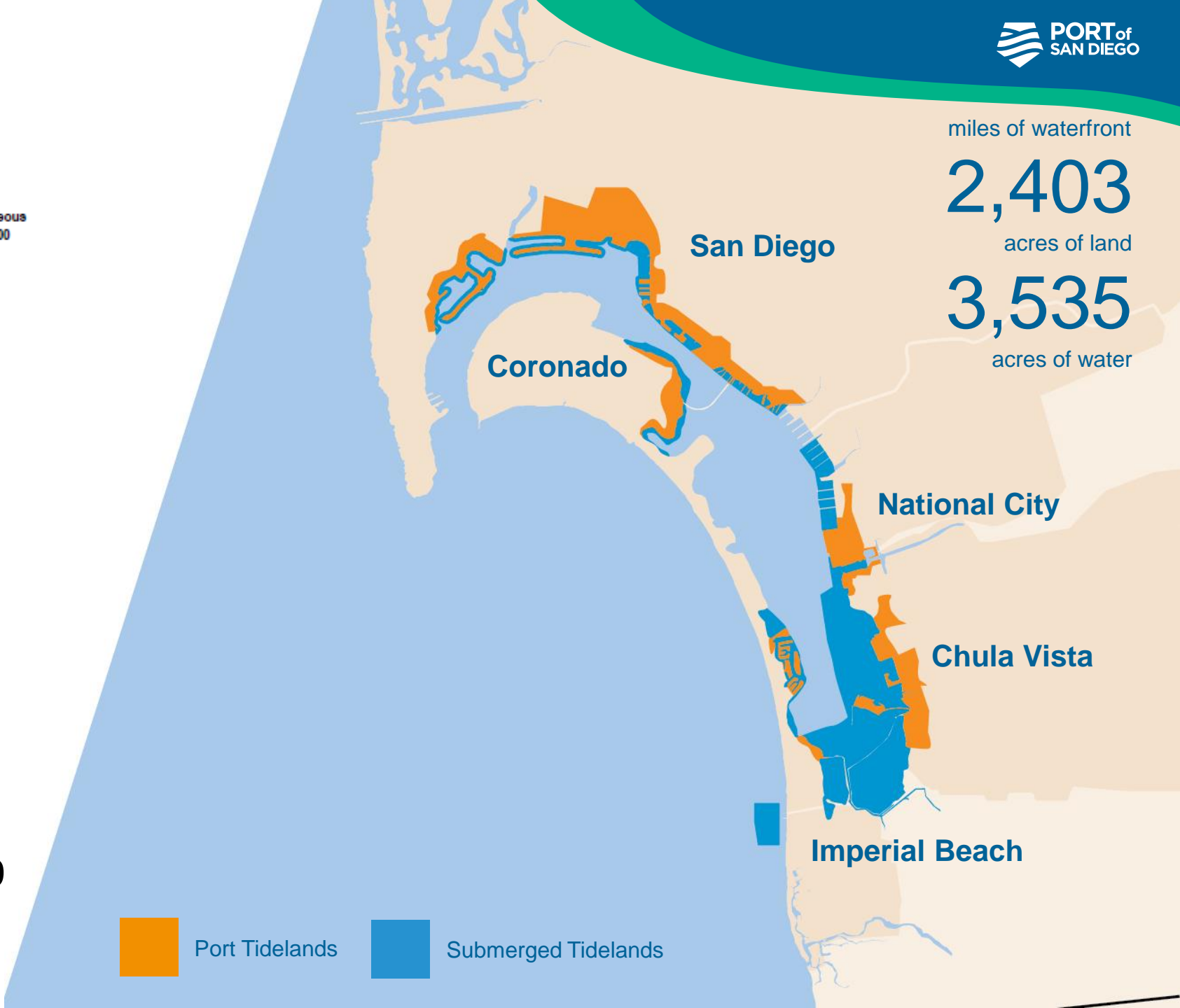
AAPA Port Real Estate Issues Workshop

Seattle, Washington | September 18, 2018 | Presented by Shaun D. Sumner

Port of San Diego



Total Revenue: \$196,417,000



Real Estate Policy Considerations

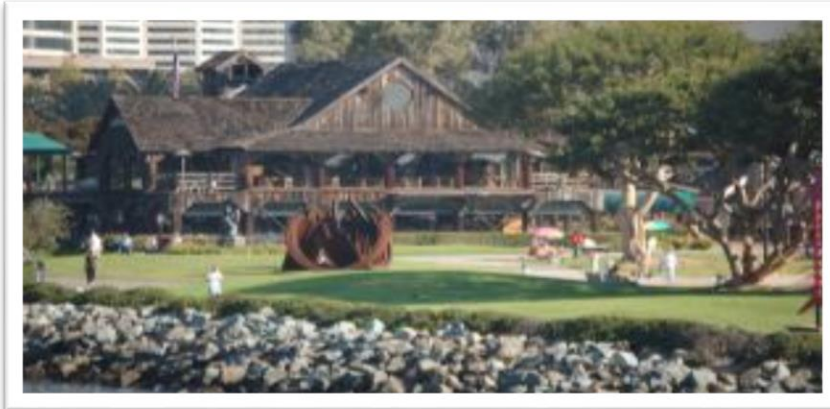
BPC 355 encourages existing tenants to reinvest, but the Port should:

- Obtain market rent as negotiated
- Negotiate new lease provisions to update to standard
- Receive compensation for deferral of its reversionary interest

And any new development plan:

- Should be consistent with the Port's vision
- Should be consistent with the Port Master Plan (sometimes requires an amendment)
- Must be acceptable to the Port

Seaport Village

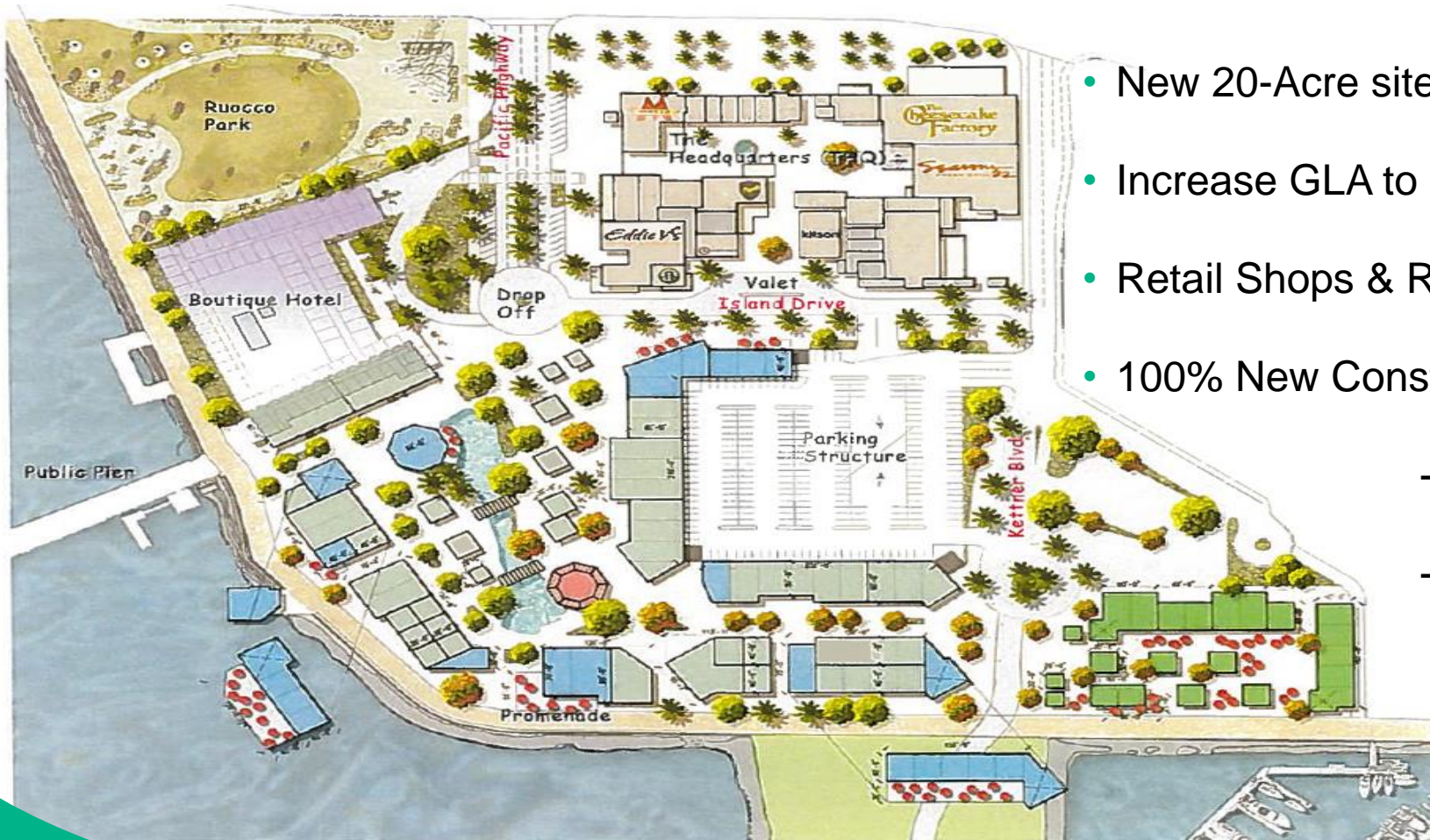


Existing Lease and Operations

- Term: 1978 – 2018 (40 Yrs)
- Use: Specialty Retail Center
- Premises: ~14 acres
- Completed: 1980
- ~ 90,000 SF Shops and Restaurants

Seaport Village – 2015 Redevelopment Proposal

Proposal not accepted by the Port. Staff directed to issue an RFP to include Seaport and adjacent area.



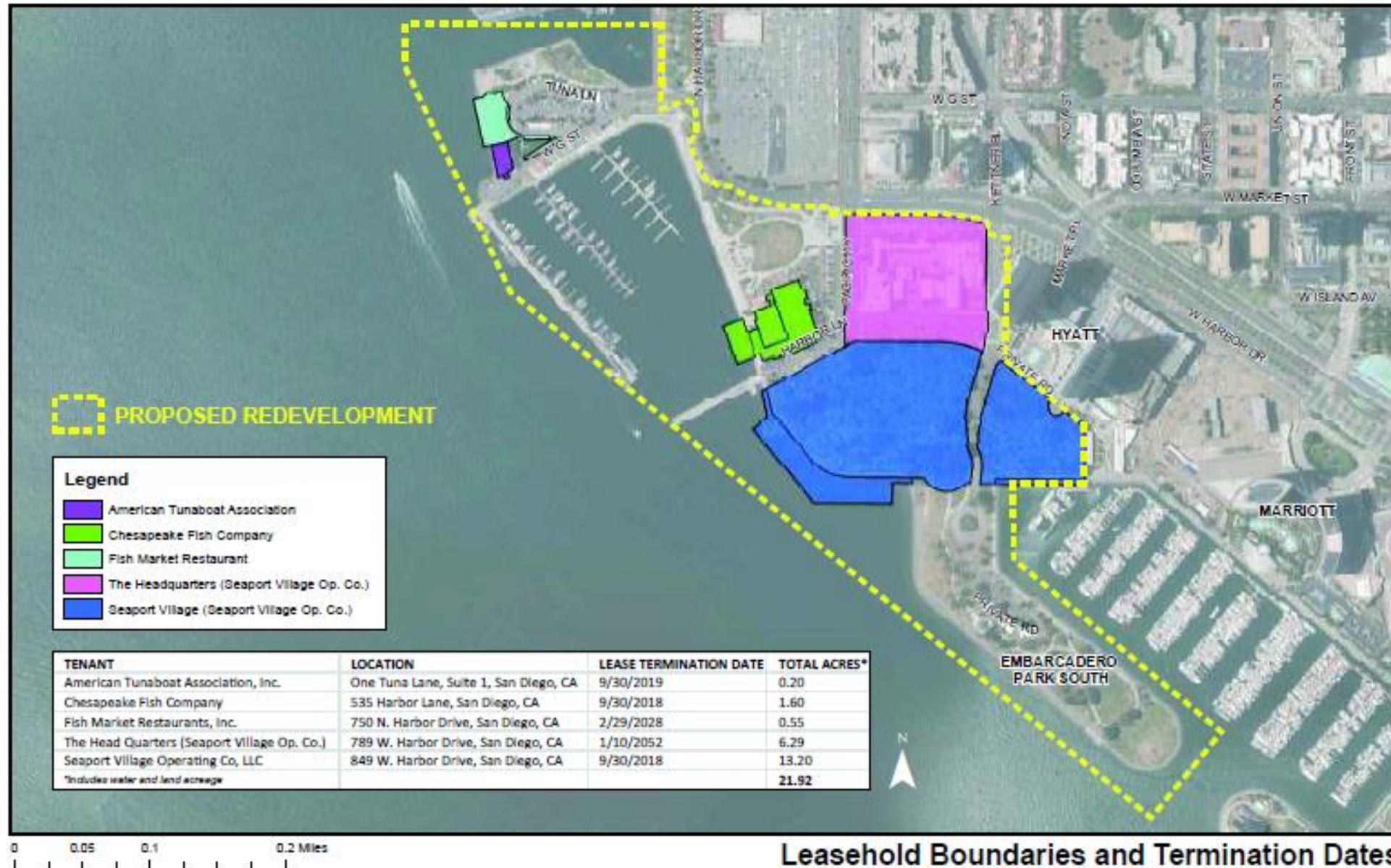
- New 20-Acre site: The Seaport District
- Increase GLA to ~160,000 sf
- Retail Shops & Restaurants, Fresh Seafood Market
- 100% New Construction, \$81 Million Capital
 - New Parking Structure
 - Potential Future 300 room hotel

NOTE

Proposal as of January 2015

A New Vision – World Class Waterfront RFP

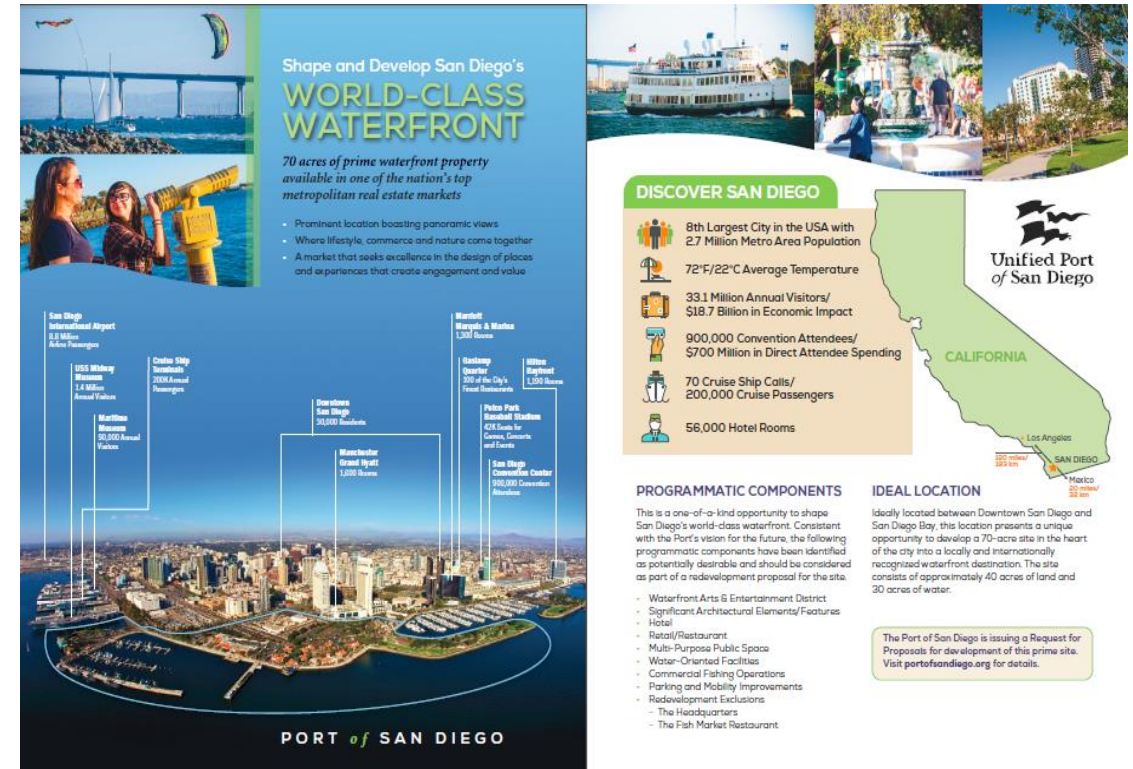




Marketing & Targeted Developer Outreach

Real Estate Development – Request for Proposals

- **268** Personal Contacts
- **4** Conference Promotions
- **18** Print and Digital Ad Forums
- **35** Earned media spots
- **10** Presentations and Outreach Meetings



We reached over two million people in 90 countries!

Seaport San Diego by 1HWY1



Seaport San Diego Preliminary Site Plan

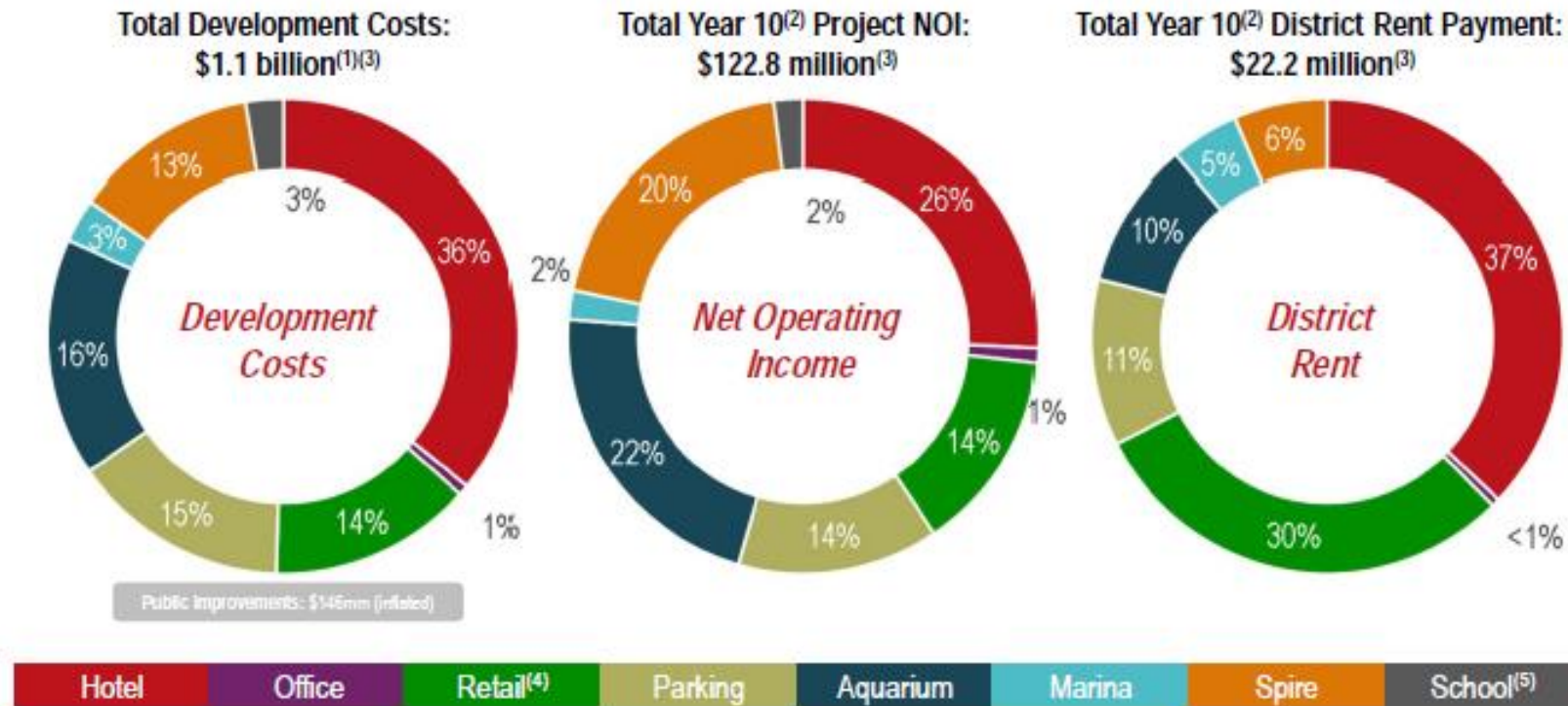


Seaport San Diego Preliminary Program

<u>PROGRAM</u>	
RETAIL	277,712
AQUARIUM	192,050 SF
EDUCATION (LEARNING CENTER)	84,600 SF
SPIRE	88,331 SF
OFFICE (MARINE ORIENTED)	144,987 SF
HOSTEL	237 ROOMS
MICRO HOTEL	350 ROOMS
FULL SERVICE HOTEL	239 ROOMS
EVENT CENTER	20,000 SF
PARKING	2,328 stalls
PUBLIC REALM	75% (parks, plazas, promenades, urban spaces)
DOCKS	13,200 LF
SLIPS	200

Seaport Financial Overview

1HWY1 Projected Costs, Revenues and Lease Payments



(1) Public improvement costs (\$146mm, with inflation) not included in total development costs or percentages shown

(2) Year 10 of the project represents the first full year of stabilized operations for all project components

(3) Based on 1HWY1's proforma, which uses an estimate of \$9mm for prodevelopment costs (\$15mm estimated in 1HWY1 supplemental information)

(4) District ground rent for the retail component of the project is calculated based on sales per square foot and not as a percentage of project revenue for leasing retail spaces, as such a variance exists between retail NOI and retail District rent percentages

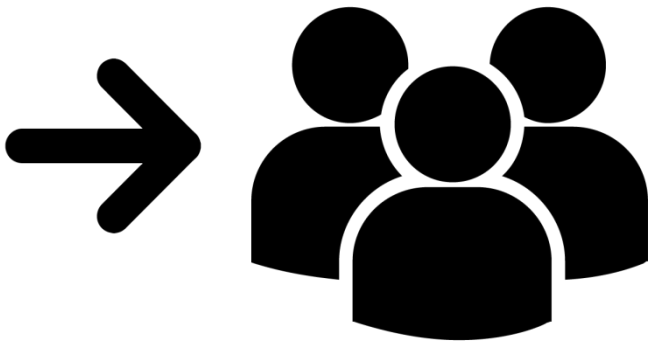
(5) 1HWY1 proposes no District rent payment associated with operations of the school





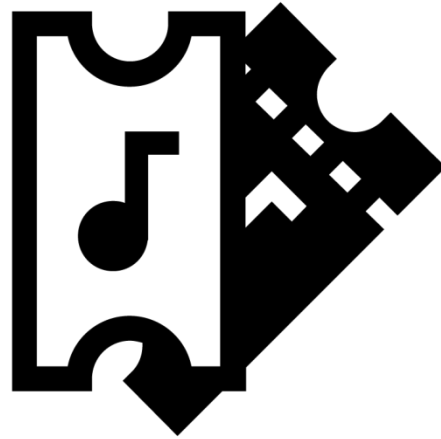


Seaport – Next Steps



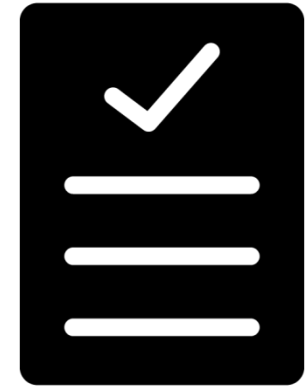
Transition Management to
District and Protea (1HWY1 team)

Timeline: In Process Now



Commence Activation Program
and Interim Seaport Operations

Timeline: Short to Mid Term



Finalize Project Description and
Commence Environmental Review

Timeline: Short to Mid Term

And that concludes the presentation ... Thank you.