Port of San Diego

Total Revenue: $196,417,000

- Real Estate: $197,958,500 (55.5%)
- Port as a Service - Parking: $16,166,500 (8.2%)
- Maritime: $40,836,300 (20.8%)
- Harbor Police: $19,032,500 (8.6%)
- Aquaculture & Blue Technology: $63,200 (0.0%)
- Miscellaneous: $14,428,200 (7.3%)

Miles of Waterfront: 34

Acres of Land: 2,403

Acres of Water: 3,535
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
<table>
<thead>
<tr>
<th>PROGRAM</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>RETAIL</td>
<td>277,712</td>
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<tr>
<td>AQUARIUM</td>
<td>192,050 SF</td>
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<tr>
<td>EDUCATION (LEARNING CENTER)</td>
<td>84,600 SF</td>
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<tr>
<td>SPIRE</td>
<td>88,331 SF</td>
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<tr>
<td>OFFICE (MARINE ORIENTED)</td>
<td>144,987 SF</td>
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<tr>
<td>HOSTEL</td>
<td>237 ROOMS</td>
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<tr>
<td>MICRO HOTEL</td>
<td>350 ROOMS</td>
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<tr>
<td>FULL SERVICE HOTEL</td>
<td>239 ROOMS</td>
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<tr>
<td>EVENT CENTER</td>
<td>20,000 SF</td>
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<tr>
<td>PARKING</td>
<td>2,328 stalls</td>
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<tr>
<td>PUBLIC REALM</td>
<td>75% (parks, plazas, promenades, urban spaces)</td>
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<tr>
<td>DOCKS</td>
<td>13,200 LF</td>
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<tr>
<td>SLIPS</td>
<td>200</td>
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</tbody>
</table>
Seaport Financial Overview
1HWY1 Projected Costs, Revenues and Lease Payments

Total Development Costs: $1.1 billion
Total Year 10^{2} Project NOI: $122.8 million
Total Year 10^{2} District Rent Payment: $22.2 million

Development Costs: 13% 3% 36% 15% 14% 1%
Net Operating Income: 20% 2% 26% 15% 14% 1%
District Rent: 6% 10% 5% 11% 14% 37% <1%

Hotel Office Retail Parking Aquarium Marina Spire School

(1) Public Improvement costs ($746mm, with inflation) not included in total development costs or percentages shown.
(2) Year 10 of the project represents the first full year of initial operating revenues for a project component.
(3) Based on NWPY's premises, which uses an estimate of 5 years for predevelopment costs ($150mm estimated in NWPY supplemental information).
(4) District general rent for the retail component of the project is calculated based on annual square footage and not as a percentage of project revenue for leasing retail space, as such a variance exists between retail NOI and cost District rent percentages.
(5) NWPY proposes no District rent payment associated with operation of the school.

NOTES
Figures depicted as of Fall 2016 (Additional analysis is ongoing). Figures represent due diligence by the District and JLL.
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.