

Commercial Real Estate

FivePoint issues new timeline for Hunters Point, says Candlestick talks progressing



An aerial view of the San Francisco Hunters Point Shipyard.



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FivePoint Holdings CEO Emile Haddad gave updates on its two huge San Francisco projects Wednesday, saying the company has a new timeline for resuming work at Hunters Point Shipyard and is having good discussions with the city about proposed changes to Candlestick Point.

Haddad said the U.S. Navy – which is responsible for the contaminated shipyard's remediation – said it expects to be able to transfer Parcel G to the city in 2023. The Navy started radiological retesting on that site in September to ensure that a previous toxic cleanup was conducted properly.

The remaining nine other parcels would be transferred in 2026, he said. He made the comments on an earnings call with analysts.

The former naval base is poised to become 3,500 homes, 4.2 million square feet of commercial and 656,000 square feet of retail and entertainment space, but work was halted after the Navy agreed to retest contaminated areas where Tetra Tech – the company involved in the shipyard’s remediation – conducted work following reports of fraud in the cleanup. Take a look at the plans as presented in 2017 in the gallery below.



“If you recall for the last two years, we (have been) dealing with issues in San Francisco,” Haddad said in response to a question about the environmental concerns at the shipyard.

“Unfortunately the political environment that existed before November and the friction between the federal government and California was not helping. We found ourselves stuck in that friction.”

But the change at the White House and “now the amount of influence that California has in Washington, D.C.,” has resulted in FivePoint “seeing more movement,” Haddad said in response to the site’s cleanup.

“I am feeling much much better about where we are in San Francisco and that things are going to move forward,” he said.

FivePoint (NYSE: FPH) has been contemplating increasing density in other communities it is developing in California, and an analyst asked whether that is an option for Hunters Point.

Haddad told the analyst that there is an “opportunity for optimization,” but did not give details. He later told me in a separate interview there are no ongoing discussions on that matter with the city right now.

Haddad also gave an update about its development plans at the adjacent Candlestick Point – which once housed Candlestick Park, the former home of the San Francisco Giants and 49ers. FivePoint’s approved plans there include 7,218 homes; a 130,000-square-foot, 220-room hotel; 750,000 square feet of research, development and office space; and about 300,000 square feet of lifestyle retail. Take a look at the plans from 2019 in the slideshow below.



In October 2019, FivePoint received green light from the city to start construction on Phase I, which includes the first 1,600 homes. But Haddad told me on Wednesday that construction has not yet begun, as FivePoint and the city are working out changes to the approved plans at Candlestick to “enhance some of the space that is available for somebody who wants a campus.”

The company wants to convert the 750,000 square feet of office and research space to a health care campus, and that could also include transferring some of the uses approved for Hunters Point to Candlestick.

“We are going to need more office over there,” he said. “The discussions we are having are how much flexibility can we have to move some more office space to Candlestick to allow somebody who wants more than a million square feet to be able to get that.”

He called the discussions “extremely productive,” saying that the city is very anxious to get the project going and noting that Candlestick is not restrained by any of issues at Hunters Point and could get moving as soon as a user commits.

“I can’t tell (you that) that will translate to construction going on in the next few months, but we are definitely on the right track,” he said.