

MEMORANDUM

March 6, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Mel Murphy
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of Lease No. L-15901 between Port and FC Pier 70, LLC for approximately 43,040 square feet of paved industrial land near Illinois and 20th Street for (1) retail activities (such as a beer garden, food trucks, and food carts); and (2) a variety of cultural, educational and recreational activities, including special events which benefit the public for a term of up to four years (Resolution 15-10)

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff is seeking approval of Lease No. L-15901 between Port and FC Pier 70, LLC ("Forest City") for approximately 43,040 square feet of paved industrial land near Illinois and 20th Street, as shown on Exhibit A. The Lease allows the following Permitted Uses: (1) retail activities, including the on-site assembly, production and/or sale of food, beverages and goods, the operation of restaurants or other retail food service operations in temporary structures with outdoor seating (such as a beer garden as shown on Exhibit B, Parcel A), food trucks, and food carts; and (2) a variety of cultural, educational and recreational activities, including special events, outdoor movie nights, temporary art installations, play and climbing structures, and after-school day camp.

The proposed lease and the Building 12 Special Event License previously approved by the Port Commission are the two principal strategies Forest City proposes to activate the Pier 70 Waterfront Site. The goal of this early activation is to introduce the general public to the site and generate early market interest in the proposed new neighborhood

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planned for the 28 acre Pier 70 Waterfront Site. During this period, Forest City and City staff work to entitle the new Pier 70 neighborhood for which voters approved a 90' height increase on the November 2014 ballot (Proposition F; approved 73-27%).

Background

On April 12, 2011, by Resolution 11-21, the Port Commission awarded Forest City Development California, Inc., an affiliate of Forest City Enterprises, Inc., the opportunity to negotiate for the development of a 28-acre Waterfront Site, located at the southeast corner of Pier 70. The proposed premises for this Lease will be rezoned as part of Forest City's planned Special Use District for the Waterfront Site. Port and Tenant entered into an Exclusive Negotiating Agreement, dated as of July 12, 2011 as amended ("**ENA**") which sets forth the process, terms, and conditions upon which the Port and Forest City Development California, Inc. will negotiate terms for the lease, construction, and operation of an approved project for the Waterfront Site. The ENA expires on June 12, 2016 (subject to extension under the terms of the ENA and by reason of Force Majeure as defined in the ENA).

Forest City Enterprises, Inc. owns another affiliate, FC Pier 70, LLC, a Delaware limited liability company, which it proposes to utilize as the Tenant for Lease No. L-15901. Port Real Estate and Finance staff has reviewed the incorporation documentation, ownership structure, officers and by-laws of FC Pier 70, LLC. Kevin Ratner is President and Alexa Arena is Vice President, respectively, of FC Pier 70, LLC.

Proposed Early Activation Lease

Forest City's proposed early activation lease will include temporary retail activities, including quick serve food and locally-made products, art installations, a children's play area, and community events anchored by a beer garden with public seating. The site will include space for food trucks and other temporary uses to complement the beer garden, bicycle parking, and restrooms. The following elements are proposed:

- Approximately 15,000 square feet for the proposed beer garden.
- Approximately 28,040 square feet of primarily non-revenue generating space for uses designed to attract people to the waterfront, for which Port staff proposes a reduced rent in order to facilitate the public benefits envisioned by the Lease.

Occasional small-scale entertainment events, such as neighborhood movie nights or live music, may also occur within the premises (subject to regulatory permitting). Public restroom facilities, including ADA accessible facilities, will be provided. The premises will be secured by a perimeter fence, and necessary back-of-house areas will be provided for waste stream sorting, storage, and other operational needs. Parking generated by uses on site will be directed to the adjacent ImPark parking lot.

Forest City and Port staff expect that Forest City will subsidize the proposed operation during the term of the lease. Since Forest City is willing to pay for site improvements and operating costs at an expected loss and Forest City is the Port's development

partner for the Waterfront Site, Forest City is uniquely qualified to fund, build and operate these improvements.

Given the unique relationship of this proposed lease to future development of the Pier 70 Waterfront Site, Port staff requests a waiver from the competitive bidding requirements of the Port Commission's Retail Leasing Policy.

California Environmental Quality Act and Chapter 31 Appeal Rights

On May 8, 2014, the San Francisco Planning Department issued categorical exemption 2014-001272ENV-2 from environmental analysis pursuant to the California Environmental Quality Act ("CEQA") for the Lease. If the Port Commission approves the proposed Lease by adopting the attached resolution based on this categorical exemption, its action constitutes the "Approval Action" (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13). As such, the CEQA decision prepared in support of this Approval Action will be subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action (for information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call 415-554-5184).

With respect to the Lease, the Planning Department's Environmental Review Officer has deemed the proposed activities to be exempt from further environmental review and an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org/index.aspx?page=3447>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.

Proposed Rent Structure

Port staff has structured the agreement such that the Port will realize three revenue streams: base rent, percentage rent (after initial costs are amortized) and increased parking revenue from the adjacent ImPark parking lot.

Base Rent

Table 1: Illinois & 20th Street Base Rent

Mo/Year	Month	Parcel	SF	Rate	Mo. Rent	Prorated Annual Rent	Notes
Apr-15	1-9	A	15,000	\$0.17	\$2,550.00	\$22,950.00	Up to 9 month construction period
		B	28,040	\$0.03	<u>\$701.00</u>	<u>\$6,309.00</u>	
					\$3,251.00	\$29,259.00	
Jan-16	9-12	A	15,000	\$0.35	\$5,250.00	\$15,750.00	End construction rent
		B	28,040	\$0.05	<u>\$1,402.00</u>	<u>\$4,206.00</u>	
					\$6,652.00	\$19,956.00	
Apr-16	13-24	A	15,000	\$0.36	\$5,407.50	\$64,890.00	3% escalation
		B	28,040	\$0.05	<u>\$1,444.06</u>	<u>\$17,328.72</u>	
					\$6,851.56	\$82,218.72	
Apr-17	25-36	A	15,000	\$0.37	\$5,569.73	\$66,836.70	3% escalation Escalate Parcel B
		B	28,040	\$0.11	<u>\$3,084.40</u>	<u>\$37,012.80</u>	
					\$8,654.13	\$103,849.50	
Apr-18	35-48	A	15,000	\$0.38	\$5,736.82	\$68,841.80	3% escalation
		B	28,040	\$0.11	<u>\$3,176.93</u>	<u>\$38,123.18</u>	
Mar-19					\$8,913.75	\$106,964.99	
Total						\$342,248.21	

The Port Commission's adopted FY2014-15 parameter rental rates for open paved land are \$0.30-0.35/sf. Recent leasing history in this area suggests that market rent is \$0.35/sf. The proposed lease will charge \$0.35/sf for Parcel A, which is open paved land, as shown on Exhibit A, comprising 15,000 sf.

Port staff and Forest City request that the rent for Parcel B, which is open, paved land, comprising 28,050 sf be leased at a rate below market as this area will provide a non-commercial benefit to the Public Trust based on the following:

- 1) given the timelines for development of this site, which could be developed in 30 months, there are limited economic uses of this site;
- 2) no existing uses would be displaced;
- 3) Forest City will make the space open to the general public for a children's play area, movie nights, food trucks and community events, and will earn only nominal rent (which will be captured instead by the participation rent structure discussed below);
- 4) the Port will not be expending any Harbor Fund resources or revenues to support this use; and

- 5) there is direct benefit to the Public Trust in that the proposed uses will enliven the area, enhance the neighborhood area by attracting people to the waterfront, and provide public access and raise awareness of the waterfront and its public benefits and amenities.

Under the proposed structure, the initial operating rent for this 28,050 sf area will be \$0.05/sf, but will increase to \$0.11 after two years.

Percentage Rent

In addition, Forest City will pay percentage rent in an amount equal to twenty-five percent (25%) of Tenant's gross sublease revenues for the month, except that Tenant shall have no obligation to pay percentage rent until Tenant's cumulative gross revenues exceed the lower of:

- the actual costs expended by Tenant (and/or the subtenant that will operate the beer garden) to complete Tenant Improvements and other site preparation work or
- One million (\$1,000,000).

Based on projected annual sublease revenues (defined as "gross revenues under the Lease) of \$200,000 and site improvement costs of \$1,000,000, Port staff expects that it will take 5 years for the Port to realize a percentage rent. The Port could realize percentage rent sooner if Forest City realizes higher sublease revenues or spends less to improve the site for the intended uses.

Parking Revenue

The terms of the proposed agreement prohibit parking at the Premises, in order to encourage site visitors to park at the adjacent ImPark parking lot (see Exhibit B). The Premises and the parking lot share an entrance along Illinois Street.

Forest City projects that the uses at the site will generate 200 visits (or 60 cars) on a weekday and up to 850 visits (255 cars) on weekends. Under a lease with the Port, ImPark has just opened a new parking lot on the adjacent lot at Illinois & 20th Street (which has a shared entrance with the proposed Lease premises). ImPark is currently charging a flat fee for parking at the site of \$8/day, with parking available from 6AM to 9PM. Port staff plans to initiate discussions with ImPark about pricing for visitor-serving uses at the Forest City Premises.

Assuming that 1) 50% of the projected 44,460 vehicles generated by the uses at the premises use the ImPark parking lot, and 2) ImPark charges \$4 on average per vehicle, the Port would realize 66% of the projected ImPark gross parking revenues (pursuant to the terms of the ImPark lease with the Port), or approximately \$59,000 annually.

Table 2 below projects total revenue for the 48 month term of the Lease:

Table 2: Base Rent and Projected Parking Rent by Calendar Year

Calendar Year	Base Rent	Projected Parking Revenue	Total
2015 (construction)	\$29,259.00		\$29,259.00
2016	\$81,620.04	\$58,000.00	\$139,620.04
2017	\$98,441.81	\$59,740.00	\$158,181.81
2018	\$106,186.11	\$61,532.20	\$167,718.31
2019 (3 months)	\$26,741.25	\$15,383.05	\$42,124.30
Total			\$536,903.46

Note: 25% participation rent in gross sublease revenues is not projected to generate additional rent to the Port within the 4 year term, unless Forest City's costs are substantially less than projected or sublease revenues outpace projections.

In addition to responding to community feedback concerning desired outcomes for the Pier 70 area, the other potential benefit of this early activation effort for the Port will be to generate increased market interest for the proposed sale of the Illinois and 20th Street site ("Site K", as shown on Exhibit B) after Forest City Development California, Inc. entitles this site for the Port.

The current proposed use of Site K – subject to CEQA clearance, public review and final Port Commission approval – is residential. The amenities planned for L-15901 are likely to move into the Waterfront Site after Forest City Development California, Inc. completes predevelopment planning and approvals for the area. These amenities are the types of amenities in close proximity to Site K that are likely to increase the value of the Port's public offering

BASIC LEASE INFORMATION

<i>Lease Number:</i>	L-15901
<i>Premises:</i>	Approximately 43,040 square feet of paved industrial land located near Illinois Street and 20 th Street consisting of Parcel A of approximately 15,000 square feet and Parcel B consisting of approximately 28,040 square feet as shown on Exhibit A .
<i>Site Planning and Development:</i>	The “ Development Map ” attached as Exhibit B shows the entire Illinois and 20 th Street site (“Site K”), including the proposed lease premises and the current ImPark premises. Exhibit B1 shows Site K North, Site K South, and the location of the future 21 st Street as currently planned for the Waterfront Site Special Use District.
<i>Commencement Date:</i>	The later of (i) the thirty-first (31 st) day from the date of the Port Commission hearing at which this Lease was approved; or (ii) the date of Port’s execution, in either case, assuming that there is no appeal of Categorical Exemption 2014-001272ENV-2 for this Lease.
<i>Expiration Date:</i>	The earlier of: (i) the date that is forty-eight (48) months from the Commencement Date; or (ii) the date that is ninety (90) days after the date Port or its Agent provides Tenant with written notice of the Final Planning Approval for the area known as “Site K North” as shown on Exhibit B . The Port’s termination right triggered by a Final Planning Approval for Site K North is in lieu of the Port’s standard Section 4.2 termination right for a Port project. The outside date for any hold over period is ten (10) years.
<i>Permitted Uses:</i>	<p>Subject to Regulatory Approvals:</p> <p>(1) retail activities, which may include the on-site assembly, production and/or sale of food, beverages and goods, the operation of restaurants or other retail food service operations in temporary structures with outdoor seating (such as a beer garden in Parcel A), food trucks, and food carts;</p> <p>(2) temporary art installations, exhibits and sales;</p> <p>(3) recreational activities for children and adults (including play and climbing structures and outdoor fitness classes);</p>

	<p>(4) special events, subject to permitting and noticing requirements established in the Lease;</p> <p>(5) bicycle parking;</p> <p>(6) on-site assembly and production of goods in enclosed or outside temporary structures, involving use of hand tools and fabrication machinery (such as laser cutters and 3D printers);</p> <p>(7) educational activities, including after-school day camp and activities; and</p> <p>(8) site management service, administrative functions and customer amenities.</p> <p>All Permitted Uses must comply with the Port's Good Neighbor Policy and the Port's Zero Waste Events and Activities Policy.</p>
<p><i>Tenant Improvements:</i></p>	<p>If Tenant does not complete the following improvements by December 31, 2015, construction period rent will end and Tenant will pay Base Rent:</p> <p>(i) children's play structure and area,</p> <p>(ii) grading and paving improvements,</p> <p>(iii) fencing,</p> <p>(iv) electric utilities (unless otherwise mutually agreed by the Parties), and</p> <p>(v) installation of temporary restrooms and other amenities for Invitees (unless otherwise mutually agreed by the Parties).</p> <p>Tenant may install water, sewer and gas utilities.</p>
<p><i>Rent:</i></p>	<p>Rent will consist of monthly Base Rent of \$0.35/square foot for Parcel A in the amount shown in the table below PLUS Percentage Rent in an amount equal to twenty-five percent (25%) of Tenant's Gross Revenues for the month, except that Tenant shall have no obligation to pay Percentage Rent until Tenant's cumulative Gross Revenues exceed the lower of:</p> <p>(i) the actual costs expended by Tenant (and/or the Subtenant that will operate the beer garden) to complete</p>

	<p>Tenant Improvements and other site preparation work or</p> <p>(ii) One Million Dollars (\$1,000,000).</p> <p>Tenant will report and Port will verify gross revenues and expenditures.</p>			
<i>Monthly Base Rent:</i>	<i>Months</i>	<i>Square Feet</i>	<i>Monthly Base Rent</i>	<i>Total Monthly Base Rent</i>
Parcel A: Parcel B:	1-12	15,000 28,040	\$.35 \$0.05	\$6,652.00
Parcel A: Parcel B:	13-24	15,000 28,040	\$0.36 \$0.05	\$6,802.00
Parcel A: Parcel B:	25-36	15,000 28,040	\$0.37 \$0.11	\$8,654.00
Parcel A: Parcel B:	37-48	15,000 28,040	\$0.38 \$0.11	\$8,914.00
<i>Security Deposit:</i>	Fifteen Thousand Five Hundred Seventy Five and 75/100 (\$15,575.75)			
<i>Transfer, Assignment and Subleasing:</i>	This Lease is personal to Tenant and all Transfers or Assignments are prohibited, except to a Forest City affiliate. Subleasing is permitted as specified.			
<i>Additional Prohibited Uses:</i>	<p>(a) Construction of any permanent buildings, structures or facilities;</p> <p>(b) Automobile parking;</p> <p>(c) Off site sale of alcoholic beverages, provided, however, that “off-site” sale shall not mean the duly licensed sale of alcoholic beverages in connection with a Special Event that includes both the Premises and adjacent rights of way legally controlled by Tenant for the duration of the Special Event;</p> <p>(d) Disposal of fats, oils and grease into drains;</p> <p>(e) Storage or stockpiling of soil; and</p> <p>(f) Washing, maintenance and fueling of vehicles or equipment.</p>			
<i>Holding Over:</i>	Tenant may hold over with Port’s consent for one year with a 3% escalation. After one year, holdover rent would be 150% of the prior year’s rent.			

<p><i>Permitting:</i></p>	<p>Tenant shall obtain required Regulatory Approvals at its cost, including without limitation, any necessary Port building and encroachment permits necessary for the Permitted Uses. Tenant or the Event Manager are solely responsible for submitting sufficient and timely documentation and plans to obtain any required Regulatory Approvals and Tenant and Event Manager agree to work directly with responsible code officials to obtain such approvals.</p>
<p><i>Procedures for Special Events:</i></p>	<p>Tenant shall designate a single event manager (“Event Manager”) to act as its Agent with respect to Special Events under this Lease.</p> <p>Notice:</p> <p>Tiers of Events:</p> <ul style="list-style-type: none"> • A Tier 1 Event means a Special Event having a duration of two weeks or more, or an anticipated cumulative attendance of 2,000 or more visitors; • A Tier 2 Event means a Special Event having a duration of less than two weeks and an anticipated cumulative attendance of less than 2,000 visitors; and • A Tier 3 Event means a small-scale, short-term and community-oriented event that requires minimal set-up and permitting. <p>Notice Requirements:</p> <p>The Event Manager shall meet with Port:</p> <ul style="list-style-type: none"> • Tier 1: at least forty five (45) days prior to the proposed start date; • Tier 2: at least thirty (30) days prior to the start date; • Tier 3: at least fifteen (15) days prior to the start date. <p>Permit Applications:</p> <p>The Event Manager shall certify that it has paid applicable permit fees and submitted complete permit applications:</p> <ul style="list-style-type: none"> • Tier 1: at least thirty (30) days prior to the proposed start date; • Tier 2: at least twenty-two (22) days prior to the start date; • Tier 3: at least ten (10) days prior to the start date. <p>Tenant or the Event Manager shall obtain a final approval from the Port’s property manager for each Special Event at least seven (7) days prior to the start date of the Special</p>

	<p>Event upon showing that it has obtained all Regulatory Approvals required for the Special Event. Failure to meet these deadlines is a material default.</p> <p>In order to accommodate special circumstances that may arise, Tenant may seek the Executive Director’s waiver of the deadlines for any Special Event no more than six (6) times in any twelve (12) month period.</p>
<p><i>Operations Plan:</i></p>	<p>All Permitted Uses must be performed in compliance with Tenant’s Operations Plan, as approved by the Port.</p>
<p><i>Insurance:</i></p>	<p>In addition to other standard insurance coverage that is part of the Port’s form lease, the City’s Risk Manager has recommended the following coverage which is included in the Lease:</p> <p><u>General Liability Insurance.</u> Comprehensive or commercial general liability insurance, with limits not less than Two Million Dollars (\$2,000,000) each occurrence and Four Million Dollars (\$4,000,000) general aggregate for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; policy must include Host Liquor Liability coverage and Abuse and Molestation coverage, and fire damage and legal liability with limits not less than Two Hundred Fifty Thousand Dollars (\$250,000), and explosion, collapse and underground (XCU) coverage during any period in which Tenant is conducting any activity on or Alteration or Improvement to the Premises with risk of explosion, collapse, or underground hazards. This policy must also cover non-owned and for-hire vehicles and all mobile equipment or unlicensed vehicles, such as forklifts.</p> <p><u>Special Events/Participants.</u> Tenant, at its sole cost and expense, shall procure and maintain Special Events/Participants Liability (GL) coverage insurance acceptable to Port, with limits not less than One Million Dollars (\$1,000,000).</p>
<p><i>Southern Waterfront Community Benefits and Beautification Policy:</i></p>	<p>Tenant will provide economic benefits by utilizing local businesses from the Bayview and supporting women and minority-owned food vendors. Tenant will undertake significant site beautification measures including cleaning the site, improving the artistic look of the fencing, landscaping and improving the area outside the fence adjacent to the sidewalk, and establishing a programmed family play area</p>

	and/or structure within the area that serves as a community benefit for the surrounding neighborhoods.
<i>Signs:</i>	Subject to compliance with the City's general advertising ban, and obtaining all necessary Regulatory Approvals and the Port's sign guidelines, as revised by Port from time to time, Tenant shall have the right to post temporary signage within the Premises and at the entrance to the Premises to promote and provide directional guidance to the Permitted Uses.
<i>Security:</i>	Tenant shall be solely responsible for security services for the Premises at all times. Port shall have no obligation to provide security. Tenant agrees that any loss, damage or theft from the Premises is not Port's responsibility.
<i>Access:</i>	Tenant will have shared access to the Premises using the gate located on Illinois Street.

L-15901 contains other standard Port Commission-approved lease provisions including indemnity, insurance and hazardous materials.

Recommendation

Port staff recommends that the Port Commission approve the attached resolution approving Lease L-15901 with FC Pier 70, LLC on such terms and conditions as described in this staff report.

By: Brad Benson, Director of Special Projects
Elsa Lamb, Property Manager

For: Susan Reynolds, Deputy Director of Real Estate

Exhibits

- A Premises
- B Site K Development Plan
- B1 Site K North and Site K South

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-10

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, On April 12, 2011, by Resolution 11-21, the Port Commission awarded Forest City Development California, Inc., the opportunity to negotiate for the development of a 28-acre Waterfront Site, located at the southeast corner of Pier 70;
- WHEREAS, Both Forest City Development California, Inc. and FC Pier 70, LLC (“Forest City” or “Tenant”) are wholly-owned subsidiaries of Forest City Enterprises, Inc. and
- WHEREAS, Forest City proposes a variety of temporary retail, cultural, recreational and educational programming opportunities for neighborhood residents and visitors for a 43,040 square foot site near Illinois and 20th Street, as further described in the Memorandum dated March 5, 2015 regarding this item; and
- WHEREAS, The purpose of these placemaking uses is to introduce the general public to Pier 70 in advance of development of the site to gain public support for Forest City and Port Pier 70 development objectives and to procure potential tenants for the future development; and
- WHEREAS, The site is expected to require significant financial subsidy by Forest City; and
- WHEREAS, Since Forest City is willing to pay for site improvements and operating costs at an expected loss and is the Port’s development partner for the Waterfront Site, Forest City is uniquely qualified to fund, build and operate these improvements, thus warranting a waiver from the Port’s Retail Leasing Policy; and
- WHEREAS, Forest City and Port staff propose a base rent structure starting at \$0.35 per square foot for Parcel A, as shown on Exhibit A, and \$0.05 per square foot for Parcel B, for a variety of commercial and non-revenue generating uses that will attract people to the waterfront;
- WHEREAS, Port staff and Forest City request a reduced rent for Parcel B of the Premises as this area will provide a benefit to the Public Trust based on the following: 1) given the timelines for development of this site, which could be developed in 30 months, there are limited economic

uses of this site; 2) no existing uses would be displaced; 3) Forest City will make the space open to the general public for a children's play area, movie nights, food trucks and community events; 4) the Port will not be expending any harbor fund resources or revenues to support this use; and 5) there is direct benefit to the Public Trust in that the proposed uses will enliven the area, enhance the neighborhood area by attracting people to the waterfront, and provide public access and raise awareness of the waterfront and its public benefits and amenities; and

WHEREAS, Upon Forest City's recovery of installation costs or its expenditure of \$1,000,000, Port will receive 25% of gross revenues from the Lease on the terms described in the memorandum accompanying this Resolution; and

WHEREAS, The S.F. Planning Department issued Categorical Exemption 2014-001272ENV-2 for the Lease on January 21, 2015 in compliance with the California Environmental Quality Act (CEQA) and the proposed action is the Approval Action as defined by S.F. Administrative Code Chapter 31; now, therefore be it

RESOLVED, That the Port Commission approves the Lease on the terms described in the attached Memorandum dated March 5, 2015 accompanying this Resolution and authorizes the Executive Director to take such actions (including the execution of the Lease on terms consistent with those described in the attached Memorandum) as she deems necessary and advisable, in consultation with the City Attorney, to effectuate this approval and the purpose and intent of this Resolution; and, be it further

RESOLVED, That the Port Commission authorizes the Executive Director or her designee to enter into any additions, amendments or other modifications to the Amendment that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the City or Port or materially decrease the benefits to the City or Port, and are necessary or advisable to complete the transactions which the Amendment contemplates and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director or her designee of the Amendment, and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 10, 2015.

Secretary