



MEMORANDUM

July 8, 2022

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. John Burton
Hon. Gail Gilman

FROM: Elaine Forbes 
Executive Director

SUBJECT: Request Endorsement of the Proposed Term Sheet with Pacific Waterfront Partners III, LLC for the proposed Piers 38 & 40 project located along The Embarcadero

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 22-36

Executive Summary

On February 23, 2021 the Port Commission adopted Resolution 21-10 which authorized the Port to enter into an Exclusive Negotiating Agreement (“ENA”) with San Francisco Waterfront Partners III, LLC (“SFWP”)¹ for the Piers 38/40 project (“Project”). The SFWP proposed program includes a mix of visitor serving restaurant and retail space, maritime uses, including an expansion of South Beach Harbor, youth sailing, retention of Pier 40 tenants that support the marina uses, public access and open space, resilient improvements and revenue-generating office uses. The Request for Proposals (“RFP”) that the Port released resulted in the selection of SFWP. The RFP sought development partners to invest in redeveloping the two historic piers to: realize the goals and objectives of the Draft Waterfront Plan (“Waterfront Plan”), make safety improvements to the facilities to withstand earthquake and flood risks, and implement the values expressed by the community through the Port's citizens' advisory committees.

The ENA sets forth the process, terms, and conditions upon which the Port and Developer will negotiate for the disposition of the sites and the development and

¹ See staff report and resolution here: [Item 11A 38-40 ENA Approval_final.pdf \(sfport.com\)](https://www.sfport.com/Item%2011A%2038-40%20ENA%20Approval%20final.pdf)

operation of the proposed Project. Upon the successful completion of a multi-year process to complete negotiations and environmental review and to secure other project approvals, the ENA will be replaced by a lease disposition and development agreement, a long-term ground lease, and other related agreements and documents required to implement and operate the proposed Project. Throughout the ENA negotiations, the Port and SFWP will work with both community stakeholders and the Port's regulatory partners to shape the Project so that it aligns with policies and is an amenity to the Port, City, and region.

Since the February 23, 2021 Port Commission authorization, the Port and SFWP have focused on the following:

1. Drafting a Community Outreach Plan and kicking off public and stakeholder outreach, including initial meetings with the Port's Northern Advisory Committee, South Beach Harbor Stakeholders group, existing tenants, and other neighborhood groups;
2. Outreaching to sister City-agency partners;
3. Preparing and refining goals of the Diversity Equity and Inclusion Plan developed for the Project and presented to the Port Commission July 13, 2021;²
4. Refining the development concept based upon outreach conducted to date; and
5. Negotiating a draft term sheet ("Term Sheet") for the Project.

SFWP estimates its total cost for the proposed Project is \$528 million to be funded with \$336 million in private equity and debt, \$65 million in Historic Tax Credits, \$19 million in Tax Increment Financing and Community Facilities District funds, and \$58 million in grants, stimulus or infrastructure funding for the resilience aspects of the Project and \$50 million in grants/loans or Project revenues to pay for cost associated with the maritime benefits. SFWP is not requesting any Project funding by the Port.

About 20% of total Project costs depend on achieving outside funding; these are grants outside of the control of SFWP and the City. While it is unusual to have this level of "contingent" Project funding as part of a Project's Term Sheet, Port staff believe it is prudent to continue our partnership with SFWP as the Project:

- Significantly decreases earthquake risk and provides sea level rise resilience both for the historic piers and for private properties west of the piers.
- Provides new water recreation and food and beverage amenities to waterfront visitors and economic benefits to a variety of industries including BIPOC-owned and operated nonprofits and businesses.
- Leverages private-partner capital and expertise in delivering key infrastructure and historic preservation.

In addition, no public funds are at risk while SFWP and the Port work towards entitlements and design.

² See staff report here: https://sfport.com/files/2022-06/07132021_item_9c_38-40_informational-dei_final.pdf

Key items of the proposed Term Sheet include the lease disposition and development agreement (“LDDA”) with an initial term of 18 months plus two, six-month options (up to 30 months total), a lease (“Lease”) with an initial term of 50 years plus an option to extend for another 16 years (up to 66 years total), and ongoing rental payments to the Port starting on the date the Project receives its temporary certificate of occupancy (currently estimated to occur on or around January 1, 2026). The LDDA and Lease will both contain legal and administrative procedures and requirements, including applicable diversity, equity, and inclusionary (“DEI”) objectives plus local business enterprise (“LBE”) goals, and other benefits. The rent structure includes paying the higher of Port base rent of \$120,000 per year, escalating at 15% every five years, or a percentage of modified net revenues. The Port will also participate in sale and refinancing events. A more detailed review of the Term Sheet is provided in the analysis sections of this staff report.

Staff recommends endorsement of the Term Sheet to achieve the following multiple Port objectives:

- Meet the *productivity, stability, resiliency, engagement, and equity* objectives of the Port’s Strategic Plan, as elaborated upon in the next section of this staff report.
- Develop the Project for its *Highest and Best Use*, while retaining the significant historical aspects of the existing buildings, that is expected to generate much higher revenues than currently achieved.
- The Project will provide significant additional benefits to the Port, the community, and the City, which benefits include, among other things, maritime activities and facilities, privately subsidized retail space, activation of the Site, and contribution to the integrity of Northeast Waterfront Historic District.

Although the resiliency aspects of the project will require an estimated \$58 million of additional funding, and the remaining maritime benefits outside the base project are anticipated to cost up to \$50 million, the base project itself will be fully funded through a combination of developer’s equity, private financing, and special tax, tax increment, and public bond financing. The Port is committed to work alongside SFWP to seek funding for the resiliency components, to the extent they are available at the federal, state, and local level. However, and despite the benefits to the seawall, waterfront, and line of defense for the entire City, neither the Port nor City will be obligated to contribute any such funds. This will be further clarified in the fiscal feasibility analysis to be provided to the Board of Supervisors.

If the Port Commission endorses the Term Sheet, the Term Sheet will be presented to the Board of Supervisors for endorsement. The Exclusive Negotiating Agreement contains milestones for Port Commission endorsement of the Term Sheet (July 12, 2022) and Board endorsement (September 13, 2022). Obtaining the endorsement of the proposed Term Sheet from both the Port Commission and Board of Supervisors is a key ENA requirement for continuing to move the Development forward.

This staff report includes the following sections:

1. Alignment with the Port's Strategic Plan
2. Background information on the Project and process
3. A summary of the Terms agreed to in the Draft Term Sheet; and
4. Next steps

1. Strategic Plan Alignment

The proposed Piers 38 & 40 project once constructed will provide a range of publicly-oriented uses, maritime uses, revenue-generating uses, and resilience improvements necessary for the facilities to withstand earthquake and flood risks, within a financially feasible project that meets both the Port's and the Developer's financial objectives.

The Project's success will be defined by its redevelopment of assets, implementation of resilience and adaptation strategies, curation of a mix of uses that enliven the South Beach waterfront area, and advancement of the Port's goals and objectives of its Strategic Plan, Waterfront Plan and Resilience Program.

If approved and implemented, this Project will achieve five of the Port's Strategic Plan objectives:

Productivity: Completed pier rehabilitation projects will make progress on the Productivity objective to restore Embarcadero Historic District piers with developer-funded improvements.

Stability: Maintain the Port's financial strength by addressing deferred maintenance at the subject piers using private capital and project-generated revenues, leaving the Port with more capital funds to address deficiencies at other facilities; and increasing revenues to the Port for lease of the piers.

Resiliency: A completed Piers 38 & 40 Project will prepare the Port and City for natural and human-made risks and hazards through the seismic strengthening of the adjacent seawall and providing flood protection to the facilities and surrounding public property.

Engagement: Through the course of the Project, we will increase the public's awareness of the purpose and benefits of Port functions and activities.

Equity: A completed Piers 38 & 40 project will be accessible, attractive, and beneficial to a diverse group of people who live, work and/or use the recreational assets along the Waterfront. Further, the effort will deploy best practices in equity through Local Hire, LBE, and other efforts aimed to ensure the Project includes diverse businesses and workers.

2. Background

The Waterfront Plan recommendations developed through a 30-member stakeholder working group and public meetings between 2017 and 2019 produced Port-wide and

Subarea Goals, Policies, Objectives, and Acceptable Uses for the Port's 7.5 miles of waterfront property. These provisions of the Waterfront Plan helped guide the Port's discussions with Port Advisory Groups and stakeholders in 2019 regarding the RFP for the redevelopment of Piers 38 & 40. These community discussions resulted in a consensus of site-specific "Community Values" that emphasize maritime, urban design, quality-of-life, sustainability, public access, and equity benefits that Port staff incorporated in the Project RFP.

On August 11, 2020, the Port Commission authorized Port staff to negotiate an ENA with SFWP and on February 23, 2021 the Port Commission authorized staff to enter the ENA negotiated with SFWP.

On July 13, 2021 SFWP presented to the Port Commission a Project update, including the Diversity Equity and Inclusion Plan for the planning, design, entitlement, construction and operations of the proposed Project.

Since July 2021, SFWP and Port staff have continued to engage with the community, have outreached to other regulatory partner agencies, completed additional analysis to support the resiliency aspects of the Project. In addition, Port and SFWP have developed a proposed phasing program that allows the Project to move forward recognizing some of the Project funding shortfalls and have negotiated a draft Term Sheet.

Note that SFWP is also a Port office tenant. Earlier this year like many tenants, the entity fell behind on rental payments. Port Real Estate staff and SFWP have come to an agreement on the business terms of a repayment plan. Port staff and SFWP will execute such agreement prior to full endorsement of the Term Sheet.

SFWP Project Concept

The SFWP proposal meets the goals, objectives, and values described in the Port's RFP. SFWP recognizes that ongoing discussions with the Port, regulatory partners and stakeholders will enable further refinements to the Project concept while still achieving the goals and objectives established in the Port's RFP. It is essential to recognize that the proposal received is at the conceptual level and the proposal will evolve through community dialogue, additional site due diligence, policy direction, and lease negotiations. Ultimately, a successful project will have an appropriate balance of uses and improvements that meet the Port's objectives for the rehabilitation of these historic facilities.

Land Use Program and Community Benefits

The Piers 38 and 40 site is approximately 5.2 acres of pile supported pier structure and includes adjacent water areas to support the maritime activities and resilience program. Within the 5.2 acres and water areas include the following proposed Land Use Program:

Table 1. Land Use Program

Use	Square Feet
Public Access & Open Space	136,000
Maritime Docks	*2,500
Retail/Restaurant	20,300
Incubator Retail (Pier 40)	20,000
Maritime PDR/Support	7,500
Office	215,000

*Maritime docks are calculated in leasable linear feet

The Project's proposed community benefits are to provide:

- Affordable rents, for public-serving uses such as restaurants, cafés, and food markets that strive to reduce menu pricing;
- Construction assistance by investing more in base building improvements to minimize tenant construction costs and enable emerging chefs to get a start toward ownership;
- New areas of indoor and outdoor public access and opportunities to appreciate the historic resources;
- Free facilities for children and boaters; and
- Free training space and support for disadvantaged youth seeking training.

Proposed Investment in Port's Assets

The Project, once completed, will include seismically upgraded facilities, a perimeter flood barrier to address sea level rise for the facility, and an enhanced sea wall to provide a line of defense against sea level rise for this section of the waterfront. The Project proposes necessary upgrades as required to address the seismic needs of the seawall.

SFWP is committed to diversity, equity and inclusion and to supporting local small business. SFWP is committed to meet, and aims to exceed, LBE goals to be set by the City's Contract Monitoring Division. SFWP will partner in the project management with Cornerstone Facilities Consulting, an LBE.

The estimated development cost of the proposed development is \$528 million, including all costs associated with the marina and new breakwater. SFWP will work with the Port to explore funding mechanisms, such as Community Facilities Districts, Infrastructure Financing Districts, historic tax credits, and boating grants or loans for specific capital improvements. The Project commits to a minimum rent and a participation rent, ensuring the Port has a steady revenue stream and participation in project upside.

3. Term Sheet

The Term Sheet is attached as Exhibit 1. Its key terms and conditions include:

1. **Premises / Site:** An approximately 252,000 sq. ft. (5.7-acre) pile-supported structure along the Embarcadero roadway, along with adjacent open water areas, and substructures, commonly known as historical Piers 38-40.
2. **Development Program:** Described in previous section.
3. **Project Cost:** As of May 2022, the proposed Project is estimated to cost approximately \$528 million, subject to escalations over time. The parties agree in the Term Sheet to work cooperatively to pursue \$58 million in resiliency funds (for seawall and piers earthquake risk reduction and sea level rise adaptation). These are required for Project feasibility assuming current Project costs.
4. **Sources of Funding:** The Project will primarily be paid from developer equity and debt (\$336 Million+). The Port and SFWP intend that the Project will utilize Historic Tax Credits, CFD Mello-Roos bonds, or equivalent source of financing ("CFD Financing"), backed by a dual pledge of special taxes and Infrastructure Financing District ("IFD") tax increment ("IFD Financing") to pay for eligible public improvements, including substructure costs.
5. **LDDA Effective Date:** The date after approval by the Port Commission and Board of Supervisors. Tenant must close escrow within eighteen (18) months of LDDA Effective Date, subject to two, six-month extension options so long as Tenant is not then in default under the LDDA (up to 30 months total). Each option requires a payment to Port of \$50,000.
6. **Fiscal Feasibility:** Tenant's development budgets must support the feasibility of the constituent elements of the proposed development, and the feasibility must be mutually agreed upon by the Port and Tenant, which agreement shall not be unreasonably withheld, conditioned or delayed. The Board of Supervisors will need to approve a resolution confirming fiscal feasibility prior to the commencement of environmental review.
7. **LDDA Termination:** If the LDDA terminates before the Close of Escrow, Port shall be entitled to retain any Payment Advances previously paid to Port, and upon request, Developer shall assign to the Port its Project Materials and Structural Materials, and any Project entitlements received.
8. **Construction Period:** Estimated at 30 months after start of construction.
9. **Port Staff Costs:** Developer will reimburse Port for all of Port's reasonable direct transaction costs, including, but not limited to, Port and City Attorney staff time incurred during the term of the LDDA.
10. **Lease Term:** 66 years (inclusive of options; initial term expected at 50 years).
11. **Lease Commencement:** Close of Escrow under the LDDA.

12. **Base Rent (minimum):** \$120,000 per annum to be paid in monthly installments of \$10,000. The annual Base Rent amount will be increased every five years by 15.0% with the initial rate based upon January 1, 2025. Base Rent to begin once the Project receives its first temporary certificate of occupancy.
13. **Participation Rent:** As participation rent, Port will receive a percentage (%) of modified net revenues (net revenues less qualified expenses) when Participation Rent exceeds Base Rent. The Port's percentage share will be at a fixed rate that marginally increases as Project revenues increase, expected to fall within a range of between 0.5% to 4% based on tiers of net Project revenues to be negotiated by the Parties. There are not intended to be any offsetting rent credits.
14. **Sale & Refinancing:** The Port shall receive profit participation that allows the Port to benefit in the upside potential of the Project. On a total project basis, the Port shall receive between 5% and 10% of net sales and refinancing proceeds.
15. **Taxes & Fees:** Tenant shall pay when due all impositions, such as real and personal property tax, possessory tax, licensee fees, or periodic permits, as applicable. Tenant will be required to pay possessory interest taxes on the assessed value of its leasehold interest in the site as of the earlier date of LDDA or Lease. Tenant also will be required to pay other applicable city taxes, including parking, sales, and payroll taxes, and special assessments imposed under applicable CFDs.
16. **Uses:** Tenant may use the Premises for uses consistent with the Development Concept (collectively, the "**Permitted Uses**"), and for no other uses without the prior written consent of the Port, not to be unreasonably withheld, conditioned or delayed, and further subject to Public Trust consistency.
17. **As-Is Condition:** Premises will be delivered in its as-is condition.
18. **Leasehold Financing:** Tenant has the right to obtain construction financing, mezzanine financing, other interim financings, and permanent take-out financing from bona fide institutional lenders for the development of the Project that will be secured by Tenant's leasehold interest.
19. **Maintenance and Repair:** Sole responsibility of Tenant. Port will have no maintenance obligations with respect to the Site.
20. **Insurance Requirements:** Throughout the term of the Lease, Tenant must maintain insurance in amounts and with limits determined appropriate by the Port and with carriers acceptable to the Port in consultation with the City's Risk Manager.

21. **Trust Consistency:** Tenant agrees to cooperate if Port determines it requires Tenant to submit its Trust Consistency plan to the Port for review and comments. Tenant’s use of the site shall be consistent with the public trust for commerce, navigation and fisheries, and the Burton Act, as may be determined in consultation with the Port and the State Lands Commission.
22. **Regulatory Approval:** Tenant is responsible for obtaining all regulatory approvals, at its sole cost and expense. Port shall reasonably cooperate in such efforts, including applying as a co-permittee where required so long as Tenant assumes all obligations under the permit at its sole cost and expense.
23. **Standard Lease Terms:** The Lease will include other lease terms generally consistent with other Port leases on projects of this scale and complexity. Applicable Administrative Code, City Charter, and Port Code provisions will also be included.
24. **Public Benefits:** The Lease will require quantitative characterization of the public benefits including the DEI Plan and other expected public benefits of the Development (as described in Term Sheet).

4. Financial Analysis

Port staff, Port staff’s economics consultant, and SFPW’s financial consultants have reviewed the real estate model for the Project. The analysis contains a number of important estimates based upon the best information available at this point in the Project’s planning:

Revenues

- Low or zero rent for maritime support, PDR, and nonprofit job training space. (~\$30 NNN rent ranges)
- Strong office rents and occupancy (\$90) NNN rent ranges
 - *NNN = Tenant to pay typical operating expenses*

Costs

SFPW’s engineering and general contractor team members have worked with Port’s engineering and resiliency team on conceptual approaches to earthquake and sea level rises responses. For the pier restoration and public amenities, the project team has drawn upon experience with prior pier restoration projects. **Table 2** summarizes Project costs.

Table 2. Summary of Costs by Category

Item	Est. Cost
Piers 38 & 40 Substructure and Superstructure. Repair or replace piles, Renovate entire shed and bulkhead buildings	\$420 m

Item	Est. Cost
Resiliency Improvements. Raise bulkhead, Seawall improvements, breakwater	\$58 m
Maritime & water recreation docks & amenities	\$50 m
Total	\$528 m

Returns & Required Outside Funding

The revenues generated by the Project at stabilization total more than \$25 million per year. The parties agree that an equity investor will likely require returns in the range of 18% to 20% at this stage of the project. To achieve the multiple goals and benefits and to attract private investment to the project requires outside funding levels of: \$58 million in resiliency funding and, to maintain the desirable water recreation improvements, \$50 million in marine-improvements funding.

Despite the need for outside money for project feasibility, the parties have negotiated a fair market base and participation rent for Port. **Table 3** summarizes the financial benefits for the Port.

Table 3. Proposed Term Sheet Financial Terms

Item	Description	Estimated Revenues to Port
Base Rent	\$120,000 per year, increasing by 15% every 5 years	\$120K/yr
Participation Rent	Tenant to pay the higher of percent of modified gross revenues or Base Rent. The Term Sheet contains these ranges for participation rent: 0.5% to 4.0%.	Estimated: \$350K/yr by year 5 (2031) \$450K/yr by year 10
Participation on Sale or Refinance	5-10% of the net sale or refinance proceeds.	Assuming sale in year 10 of \$500M with net sale or refinance proceeds of \$100M, Port's participation is between \$5M to \$10M.
Other Financial Benefits	Assumption of existing loan serviced by Pier 40 and South Beach Harbor revenue.	Debt service of approximately \$450K per year or loan retirement t(about \$5.0M balance remains) to be taken over by Tenant.
Public Financing	Port and PWP will seek the following funding and financing opportunities: 1. Establish an Infrastructure Financing District 2. Form a Community Facilities District 3. Seek historic tax credits	All revenues to be invested in Project.

Item	Description	Estimated Revenues to Port
	4. Seek \$58M in Resilience funding 5. Seek \$50M in maritime, water recreation, and water transit funding	

5. Next Steps

If the Port Commission approves the endorsement of the Term Sheet, SFWP and Port staff would then seek the San Francisco Board of Supervisors endorsement of the Term Sheet in the Fall. Once the Board of Supervisors approves the Term Sheet and the Fiscal Feasibility analysis, the Project then can initiate the Environmental Review for the Project consistent with the California Environmental Quality Act. Port Staff and SFWP will continue the negotiations as defined in the Performance Benchmark Schedule. Port staff and SFWP will continue coordination with its regulatory partners and continue community and stakeholder outreach. Lastly, Port staff will track performance of the SFWP DEI Plan and engage with CMD on establishing Project LBE goals.

Staff will return to the Port Commission with regular updates on the Project progress or as required to seek input during negotiations on key deal points.

Prepared by: Joshua Keene
 Assistant Deputy Director, Development
 Real Estate and Development

For: Rebecca Benassini
 Deputy Director
 Real Estate and Development

Exhibit: 1. Term Sheet

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

RESOLUTION NO. 22-36

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Piers 38 & 40 is an approximately 252,600 square foot pier site located along the Embarcadero; and

WHEREAS, Piers 38 & 40 (collectively, the “Site”) are within the Port’s South Beach - China Basin sub-areas area under the Port’s Waterfront Land Use Plan; and

WHEREAS, On February 3, 2021, pursuant to Resolution No. 21-10, the Port Commission authorized Port to enter into an Exclusive Negotiating Agreement with Pacific Waterfront Partners, LLC (“PWP”); and

WHEREAS, PWP has formed San Francisco Waterfront Partners III, LLC (“Developer” or “SFWP”) as the development entity for the Project with PWP as its managing member; and

WHEREAS, SFWP is proposing to develop a project at Piers 38 & 40, that includes (i) adaptive reuse of the historic pier sheds and bulkhead buildings consistent with Secretary Standards for commercial, retail, maritime support, public access, and public serving uses, and (ii) maritime recreation, excursion, berthing, and transportation uses within the water areas, all as further described in the Memorandum accompanying this resolution; and

WHEREAS, SFWP and Port have negotiated a Term Sheet, as further described in the Memorandum accompanying this resolution; now therefore be it

RESOLVED, That the Port Commission hereby endorses the Term Sheet and authorizes and directs the Executive Director of the Port, or her designee, to execute the Term Sheet following its presentation to and endorsement by the Board of Supervisors and a finding by the Board of Supervisors that the Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29 (the “Fiscal Feasibility Finding”), and if the Board of Supervisors fails to make a Fiscal Feasibility Finding for the Project or endorse the Term Sheet, to either terminate the ENA or negotiate revisions to the Term Sheet consistent with the Board of Supervisors resolution; and be it further

RESOLVED, That if the Board of Supervisors endorses the Term Sheet and makes a Fiscal Feasibility Finding for the Project, the Port Commission directs the Executive Director of the Port, or her designee, to work with the Planning Department and Developer to undertake review of the Project under CEQA and negotiate the terms and conditions of the final transaction documents including, but not limited to, a lease disposition and development agreement and lease (collectively, the “Transaction Documents”), with the understanding that the final terms and conditions of the Transaction Documents negotiated between Port staff and Developer during the exclusive negotiation period will be subject to the approval of the Port Commission and as applicable, the Board of Supervisors and the Mayor; and be it further

RESOLVED, That the Port Commission reserves the right, if exclusive negotiations with Developer are unsuccessful and do not lead to approval of the Transaction Documents, to undertake any other efforts relating to the development or lease of the Site, including, but no limited to, issuing a request for qualifications or proposals, at the Port Commission’s sole discretion; and be it further

RESOLVED, That the Port Commission’s endorsement of the Term Sheet and direction to Port staff does not commit the Port Commission or the City to approve final Transaction Documents, implement the Project, or grant any entitlements to Developer, nor does endorsement of the Term Sheet foreclose the possibility of considering alternatives to the proposal, imposing mitigation measures, or deciding not to grant entitlement or approve or implement the Project, after conducting and completing appropriate environmental review under CEQA, and while the Term Sheet identifies certain essential terms of a proposed transaction with the Port, it does not set forth all of the material terms and conditions of any final Transaction Documents; and be it further

RESOLVED, That the Port Commission will not take any discretionary actions committing the Port to implement the Project, and the provisions of the Term Sheet are not intended and will not become contractually binding on the Port unless and until the Port Commission has reviewed and considered environmental documentation prepared in compliance with CEQA for the Project and the Port Commission, and as applicable, the Board of Supervisors and the Mayor, have approved final Transaction Documents for the Project.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 12, 2022.

Secretary

Exhibit 1
Term Sheet