

Meeting of the Port Fisherman's Wharf Advisory Committee (FWAC) January 10, 2024 (9:00 to 11:00 AM) Virtual Public Meeting via Teams

Meeting Notes

FWAC Attendees

John Barnett (Crab Boat Owners)
Sarah Bates (Fishers)
Jenn Brokaw (Swimmers)
Joe Burgard (Excursion Operations)
Mariann Costello (Restaurants)
Taryn Hoppe (Retail)
Mike LaRocca (Fish Processing)
Darlene Plumbtree (Museums)
Mike Rescino (Charter Fishing)
Dante Serafini (Restaurants)
Sina von Reitzenstein (Pier 39)

FWAC Members Absent

None

Presenters (Port)

Mike Martin, Assistant Port Director Kyle Thomas, Security and Emergency Preparedness Manager Don Kavanagh, Senior Property Manager - Fisherman's Wharf Wyatt Donnelly-Landolt, Development Projects Christine Maher, Development Project Manager Amy Cohen, Business Generation Manager

Port Staff

David Beaupre, Deputy Director, Planning and Environment
Eric Young, Director of Communications
Meghan Wallace, Economic Recovery Manager
Ming Yeung, Assistant Deputy Director, Planning and Environment
Dominic Moreno, Assistant Deputy Director, Maritime
Kimberley Beal, Assistant Deputy Director, Real Estate
Harold George, Property Manager – Fisherman's Wharf
Tedman Eng, Port IT
Wendy McArthur, Maritime
Gabe Mikulich, Maritime
Kelley McCoy, Digital Media Manager

Announcements, Introductions and Presentations

1. FWAC Ground Rules for Meetings

2. Approval of Draft Meeting Notes

3. SkyStar Ferris Wheel Extension of Lease Term

Mike Martin, Assistant Port Director Todd Schneider, SkyStar Principal

4. Quick Project Updates

- a. Restaurant Re-leasing, Don Kavanagh, Port Real Estate
- b. Fisherman's Wharf Revitalized, Wyatt Donnelly-Landolt and Christine Maher
- c. Fisherman's Wharf CBD Activities, Amy Cohen, Port Real Estate

5. Unpermitted Vending

Kyle Thomas, Security and Emergency Preparedness Manager

6. Agenda Setting for Future Meetings

Item #1 - FWAC Ground Rules for Meetings

Ming Yeung of the Port provided ground rules and other information to start the meeting.

Item #2 - Approval of Draft Meeting Notes

One of the Co-Chairs asked if the meeting notes need approval through a motion/voting process. Port advised that since this is an advisory committee a formal acceptance process is not needed. The Port distributes meeting notes for comments and questions and if anyone has corrections, we can make changes to the notes.

Item #3 - SkyStar Ferris Wheel Extension of Lease Term

Mike Martin, Assistant Port Director and Todd Schneider, SkyStar Principal presented information about the extension of the term for SkyStar Observation wheel ("Wheel") for an additional 18-months.

The Port was approached in mid-2023 by representatives of SkyStar and other Fisherman's Wharf tenants and stakeholders to consider a move of the SkyStar Observation wheel from Golden Gate Park to the main parking lot at Fisherman's Wharf in time for the APEC conference in November 2023. The SkyStar Wheel was put in place under a six-month special event license that expires April 30, 2024.

Since the Port is in an exclusive negotiating agreement ("ENA") with Fisherman's Wharf Revitalized LLC for a potential development project on the triangle lot and Pier 45 Sheds A and C, the Port made it clear that the Wheel would be an interim activation only during the time that it will take them to negotiate, do environmental review and everything involved with that longer term development project. This process is expected to take about two years.

The operator reported that it's been a great experience so far and opening the Wheel has been well received and that they are working closely with Fisherman's Wharf merchants and the community.

The operator has given out 1,000 complimentary tickets so far; 500 to the Chinatown Community Development Center and 500 complimentary tickets to the Boys and Girls Club of San Francisco. They've reached out to the various school districts and their plan is to focus on providing these complimentary tickets into the hands of school children in San Francisco and perhaps other schools in the Bay Area.

There have been more than 50,000 riders so far and the businesses around the Wheel are reporting an uptick in sales and traffic. There has been favorable press both nationally and internationally.

Question: Is the two-year term the maximum? Why are we not looking at a longer term?

Answer: Two years is our maximum. We'll have that as the expiration date without any holdover provisions. This is because we have a larger development proposal for the area, from Fisherman's Wharf Revitalized, LLC, and we need to consider that in the context of the SkyStar term.

Since we have an ENA with Fisherman's Wharf Revitalized, LLC, and the proposal doesn't include SkyStar, we are not ruling out that there may be some partnership later, but that's not what we're negotiating now. Therefore, a two-year limit is the length of term we're willing to propose.

There is more detail on this later in the notes.

Question: Are the riders mostly locals or others?

Answer: It is a little too early to tell based on to-date operating history. The operator expects more school groups over the summer which he believes will skew the numbers to other than locals.

In the meeting many participants expressed strong support to extend the term of the Wheel.

The participants were asked if there have been any issues with the parking lot since the Wheel was relocated. Only Hotel Zephyr and a nearby restauranter responded. Zephyr is in favor of a large parking lot and the Restaurateur stated that there are occasional capacity issues with the lot particularly during holiday season (at night) and for larger events at the restaurant.

Item #4 - Quick Project Updates

a. Fisherman's Wharf Restaurant Re-leasing

The Port had three restaurants come back to the Port: Lou's, Pompei's Grotto and Alioto's. The Port hired Maven Commercial as a broker to manage the leasing process for these three restaurant properties.

Maven's marketing efforts have just started. There's been quite a bit of interest and Maven is winnowing down the list to take the interested parties on tours to determine which ones are most interested and work out letter of interests.

Question: Is it a new initiative for the Port to hire a leasing broker such as Maven? Was there a decision-making process? Why was Maven chosen?

Answer: This is relatively new to the Port, but we started this with the ex-Butterfly restaurant at Pier 33.5 and the building behind the Ferry Building. We think this is more efficient than going through a formal RFP process because we have had limited success selecting successful operators.

Question: Does the Port have a policy against chain restaurants?

Answer: The Port does not have a policy prohibiting chain restaurants. The Port discourages "formula retail" which is different. Note that no one that has come forward is what would be considered a chain restaurant.

Question: What is the process for choosing a prospect for the spaces?

Answer: Maven will hopefully obtain multiple offers for each space. We internally vet them by a panel using objective and subjective criteria and then recommend a finalist.

Question: What is the length of the leases being offered? Would the Taylor Street leases be the same a term as the Jefferson Street leases?

Answer: The proposals that we receive from the interested parties will establish lease terms. The type of improvements that they're proposing largely factor into the requested term. We understand that a short term may not be long enough to recover the associated investment.

b. Fisherman's Wharf Revitalization LLC

Fisherman's Wharf Revitalized, LLC has previously presented a proposal for redevelopment, including portions of SWL 300 and 301 and Pier 45 Sheds A and C. Fisherman's Wharf Revitalized, LLC is led by a team including Lou Giraudo, Seth Hamalian, and Chris McGarry.

Their proposal includes improvements to the parking lot at SWL 301 with a proposed winery, brewery, distillery concept including short term rentals, and a public Plaza.

Also included is a plan for improvements to Pier 45 Shed A and Shed C. Plans for these areas include a museum built around fish processing and the fishing industry with a potential restaurant food hall market-style retail in Shed A and an Event Center in Shed C.

This is an initial proposal, and the final proposal could look very different. The proposal has progressed to the point that an exclusive negotiating agreement (ENA) was approved by the Port Commission, which has been executed. This ENA allows the Port to negotiate with the developer.

The Fisherman's Wharf Revitalized team will be refining their development plan by taking that initial proposal, studying the site, the economics, and the physical and engineering requirements to determine what's feasible and update the initial plan.

Question: Will the people that are currently using that area such as the commercial fishing fleet, be involved in all the steps? Input from those people will be needed for the negotiation.

Answer: Port is committed to that process.

Question: If everything goes well and the transaction is approved in two years how long after that will it take for the development to be operational?

Answer: Timing of the development will be negotiated but the Port has interest in moving as fast as possible – could be several years.

c. Fisherman's Wharf CBD Activities

The Port provided funding in the form of a grant to the Fisherman's Wharf CBD ("FWCBD") for activation/beautification. Funds so far have gone to Summer 2023 Pier Parties at the Crab Wheel Plaza and bringing on a Community ambassador team for multiple purposes. Beautification projects include:

- A mural on the concrete barriers at the Crab Wheel Plaza facing Jefferson and Taylor Streets
- Installation of hanging silk flower baskets on Taylor and Little Embarcadero, which do not require much maintenance and are weather resistant.
- Placement of holiday lights on the Crab Wheel sign and a QR code decal in front of the sign that is interesting to younger visitors.

The FWCBD is working on additional murals, more hanging flower baskets, covering the big belly trash cans with branded wrapping and a couple of other projects, including decorative lighting projects at the Crab Wheel Plaza and possibly the inner lagoon.

Lastly, the Port and the FWCBD will be working together on a large-scale temporary activation for Little Embarcadero, and we'll be coming back together later after plans are further along.

Question: If a new restaurant takes over Alioto's or Tarantino's for example, has the Port addressed keeping that signage?

Answer: We can't use the Alioto's, Lou's, or Pompei's name, per the terms of each Mutual Termination Agreement so eventually that signage will be coming down and hopefully replaced with new signage and branding for those restaurants. The Tarantino's and Fisherman's Grotto signage and names can remain if a prospect/tenant wants them.

Question: Is there anything planned west of Taylor St because that end of the wharf is very dark.

Answer: Port maintenance has been asked to turn on the overhead lights at night for the patio overhangs using a photocell for Alioto's and Grotto #9.

Item #5 – Unpermitted Vending

Kyle Thomas, the security manager for the Port of San Francisco provided a lengthy presentation that is summarized below.

The Port had numerous vendors, many of them unpermitted, including unlicensed alcohol sales, open cannabis displays, and three-card monte gambling teams.

Once a vendor-control plan was created and approved by the Port, it was vetted with Board of Supervisor's President Peskin and acting Chief Lazar of the San Francisco Police Department.

Then a vendor Enforcement Task Force was established and promptly concluded that the vending and other issues were too big for just the Port to handle. Effective enforcement depended on the cooperation from the San Francisco Police Department ("SFPD), the San Francisco Fire Department ("SFFD"), the Department of Public Health ("DPH"), the Department of Public Works ("DPW"), and the SFMTA. We also reached out to the California Department of Alcoholic Beverage Control ("ABC"), the state agency that deals with alcohol.

The plan included a different role for each agency. For example, the SFPD officers enforce the laws, the SFFD is enforcing the fire code, DPH responsible for food vendors and the DPW responsible for vendor permitting. SFMTA has a role managing traffic and parking.

As with any plan, there were operational issues that needed to be resolved. For example, a DPW worker was filmed allegedly tipping over a hot-dog cart which resulted in the DPW suspending all enforcement actions for a period of time.

The ABC schedules enforcement typically two times per year but cannot do more due to lack of resources and manpower.

We will also adapt our strategies as needs warrant. For example, there are two night operations planned in the next coming days because vendors realize enforcement generally stops about 5:00 PM.

Question: The plan described is not close to what a commitment by the City and Port would be to stop illegal vending. Even with all the efforts, it's getting worse. What will it take to enhance enforcement?

Answer: This is a resource issue as neither the City nor Port has funds to allocate to 24/7 vendor enforcement. We can only ask, not require, other agencies to participate.

Question: Many of the hot-dog carts are almost certainly centrally organized. Has there been any any efforts to go after the organizers, either from the Port, City, or law enforcement?

Answer: The City has investigated this issue. Many think that the organization has ties to "cartels" and the City decided this was too big a problem for local resolution. The purported transnational criminal organization is better handled by state or federal authorities. Federal investigators began work, but the Port does not have any insight into where these cases stand.

Question: Is the City making progress with the state to amend or change SB-946 so this activity is recriminalized?

Answer: The Port can't answer for the City and County of San Francisco, but you can Google the issue. There are many other cities that are experiencing the same problem and are talking about amending this ordinance.

Question: Has there been any larger effort to address the notion that consumer demand drives the unpermitted vendors to locate at Fisherman's Wharf?

Answer: Reducing consumer demand is very challenging and hard to manage and measure. The Port views this activity as an attractive nuisance. Our efforts revolve around abating the attractive nuisance and discourage people from viewing the Port as a place for illegal activities. We encourage visitors to patronize the places that are legal and are abiding by the rules.

Comment: At Fisherman's Wharf a good customer experience is critical. Customers make their feelings known directly and through social media and illegal vending wraps into the perception that people have about Fisherman's Wharf. Illegal vending is a huge problem for Fisherman's Wharf and if we want to improve our business and the health of Fisherman's Wharf, we need to work harder on it.

The participants acknowledged the difficulty of the unpermitted vending problem and that the problem is not just isolated to Fisherman's Wharf. They expressed appreciation for the work that Kyle Thomas and the Port have been doing to address the issue. The Port agreed to return for

another update to the FWAC in the future and to also provide an update on activation efforts along the Little Embarcadero.

Item #6 - Agenda Setting for Future Meetings

The next FWAC meeting will be on March 6th. One confirmed agenda item is an update on the Waterfront Resilience program and the draft plan with the Army Corps of Engineers. There are a couple of other trailing items to come, but if there are other agenda items for upcoming meetings or the next meeting, please reach out to Ming Yeung.

Some folks stated that they were not able to get the agenda or did not get the invite to this meeting. The best way to get on the mailing list is to go on the FWAC website [link provided in chat] and sign up for the mailing list, which will automatically get you on the mailings for upcoming meetings.

The meeting was adjourned at 11:03 AM.