

SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING JULY 11, 2017

1. CALL TO ORDER / ROLL CALL

Port Commission President Willie Adams called the meeting to order at 2:00 p.m. The following Commissioners were present: Willie Adams, Kimberly Brandon, and Doreen Woo Ho. Commissioner Katz arrived at 2:05 p.m.

2. APPROVAL OF MINUTES – June 13, 2017

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold a closed session and invoke the attorney-client privilege.

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER AND POSSIBLE PARTIAL SETTLEMENT (DISCUSSION AND POSSIBLE ACTION):

a. Discuss existing litigation pursuant to Section 54956.9(d)(1) of the California Government Code and Section 67.10(d)(1) of the San Francisco Administrative Code.

Puglia Engineering, Inc. v. BAE Systems Ship Repair Inc., BAE Systems San Francisco Ship Repair Inc., BAE Systems, Inc., City and County of San Francisco, and Does 1-20; San Francisco Superior Court (Case No. CGC-17-557087 filed February 15, 2017)

b. Possible approval of a settlement of the Port's potential claims against BAE Systems Ship Repair Inc. and certain affiliated BAE entities ("BAE") for alleged breach of lease. The material terms of the proposed settlement include: (i) BAE's payment to the Port of cash in the amount of \$4,900,000; (ii) neither the Port's nor BAE's admission of any liability or indication that any of the claims or allegations made by them have any merit or lack of merit; (iii) the Port reconfirming its consent to the sale of BAE Systems San Francisco Ship Repair Inc.; (iv) the Port's assignment to BAE of certain claims against Puglia Engineering, Inc. and/or BAE Systems San Francisco Ship Repair Inc.; (v) the mutual release of claims between the Port and BAE; and (vi) BAE's limited release of a new shipyard operator from claims BAE might have on account of BAE being found liable for any pension obligation that accrued while BAE owned BAE Systems San Francisco Ship Repair Inc.

(2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Item)

a. Property: Boudin Properties located at Seawall Lot 301 at Fisherman’s Wharf

Person Negotiating: Port: Michael Martin, Deputy Director, Real Estate and Development

*Negotiating Parties: Boudin: Lou Giraud

b. Property: AB 8719, Lot 002, also known as Seawall Lot 337, AB 9900, Lot 62, also known as China Basin Park, and AB 9900, Lot 048 and AB 9900, Lot 048H, also known as Pier 48 (all bounded generally by China Basin, the San Francisco Bay, Mission Rock Street, and Third Street)

Person Negotiating: Port: Byron Rhett, Senior Deputy Director, Chief Operating Officer

*Negotiating Parties: SWL 337 Associates, LLC: Jack Bair

5. RECONVENE IN OPEN SESSION

At 3:15 p.m., the Commission withdrew from closed session and reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn closed session and reconvene in open session; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to disclose that in Closed Session the Commission voted unanimously to approve the settlement with BAE Systems Ship Repair Inc., and certain affiliated BAE entities as described in agenda item 4A, 1B. Commissioner Katz seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS – The Port Commission Affairs Manager announced the following:

A. Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

B. Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Wendy Proctor - I'm the Port's ADA Coordinator and the Port has received a request from the public for reading of a comment in public for the record for someone who was unable to read it themselves, so this is a reasonable accommodation.

“Port Commissioners, please direct the Port Real Estate staff to utilize the required Board of Equalization Usage Report, Form 502-P as provided in attachment number two dated May 26, 2011 that clearly identifies the required reporting information and the government agency required certification statement verifying all usages are reported completely.

“I certify or declare that I have examined this report including accompanying schedules, statements and other attachments and to the best of my knowledge and belief it is true, correct and complete and covers any property required to be reported by the agency named in the statement. If prepared by a duly authorized person other than the agency official, the Certification Declaration is based on all the information of which the preparer has knowledge.”

The Port has a mandated duty to report all usages at AT&T Park including third party subtenants and non-baseball events, including occupants granted by Giants' Enterprises to the assessor. Currently and for the past 17 years, the Port has reported zero third subtenant's usages to the assessor as required. It appears this reporting negligence started 17 years ago and just keeps repeating.

The Port's Real Estate employees are negligent in reporting all the required information in Revenue and Taxation Code Section 480.6 and San Francisco Administration Code Section 23.38 and 23.39. The Port's negligence is caused by blatant fraud as erroneous annual Certification Statements filed by China Basin Ballpark Company General Counsel Jack Bair has repeatedly certified to the Port under penalty of perjury that China Basin Ballpark Company is the only occupant and not any subtenants occupy the premises.

China Basin Ballpark Company ground lease on page 27, items 4.1 clearly states that subtenants' interests are separate taxable interest. The Port's revised 2017 Certification Statement now for the first time closes a loop hope at item 4B which now requires China Basin Ballpark Company to report all third party uses including uses that don't need the Port's consent.

The problem now is China Basin Ballpark Company compliance as they have not filed their 2016 or 2017 Certification Statements. China Basin Ballpark Company noncompliance is causing the Port's noncompliance in its required reporting duties. Signed, Shawn Karl Mooney.”

9. EXECUTIVE

A. Executive Director's Report

- Commendation for Mabal Bhat, Port Electrical Engineer, on his retirement

Elaine Forbes Port's Executive Director - We will be making a commendation for a long-term Port employee, Mabal Bhat, the Port's Electrical Engineer to congratulate him on the occasion of his retirement. Mabal has worked for the Port for 30 years. Before joining us, he worked at the PUC for about four years. For many years, he was our only Electrical Engineer. Eventually the Port allocated staff to this very important infrastructure area, and Mabal became the Manager of the Utilities Group.

He managed key staffers over many years addressing utility issues and coordinating with the PUC and PG&E. He was instrumental in the restoration of power at Pier 29, a project many Port staffers worked on after there was a fire in that location and to prepare for the America's Cup. He coordinated the implementation of shoreside power at our James R. Herman Cruise Terminal and at the Shipyard at Pier 68. He coordinated many other projects.

He's certainly a very hard act to follow. We miss him, and commend him for his years of public service and wish him very well in his retirement. Congratulations to you Mabal.

Mabal Bhat - Executive Director Elaine Forbes and Commissioners, thank you very much for providing me the opportunity to work for the Port. Actually, work at the Port is not really work. It is a joy. I really enjoyed working at the Port. Operationally it has been challenging because there are so many multiple priorities at the Port, a lot of things to take care of, but I enjoyed every minute of it. Thank you very much for providing the opportunity.

Commissioner Adams - Mabal, I have a plaque to read to you. Mabal Bhat, Senior Engineer. In appreciation of your 31 years of outstanding dedication and service, Port of San Francisco, June, 1986, June, 2017.

- San Francisco Symphony Free Concert on the Waterfront – Sunday, July 23, 2017 from 12 noon to 2 p.m. at the Pier 27 Cruise Plaza

Elaine Forbes - The next item is a reminder to please mark your calendar. The symphony is coming again to our Cruise Terminal Park at Pier 27. This will be our Third Annual Free Symphony. It will be held on Sunday, July 23, 2017 from noon to 2:00. Bring your picnic blankets and plan to enjoy an afternoon of fun. The San Francisco Symphony Director of Summer Concerts Edwin Outwater will be presiding over the concert. Last year we had about 5,000 people that enjoyed the Free Symphony, so please come enjoy the symphony this year.

We are very thankful to PG&E, Bike Valet, Charles Schwab, the San Francisco Arts Commission and to our Port staff for collaborating to bring this event to the Cruise Ship Terminal. The event is free. No ticket is required.

We will have Bike Valet. We highly encouraged to ride your bikes, ride Muni. There will be food trucks, booths including an instrument petting zoo and a Port booth.

B. Port Commissioners' Report:

Commissioner Brandon - I would like to thank my fellow Commissioners, Director Forbes, and Renee Martin Dunn for showing up yesterday for my swearing in ceremony. I'm here for another four years. I want to thank Mayor Lee again for reappointing me for another term on the Commission and I look forward to working with everybody on all these important issues that the Port has before them.

Commissioner Katz - I want to congratulate Commissioner Brandon on her reappointment. It was wonderful to be there for her swearing in for the, I think it's her sixth term. At the end of this term she will have served on the Port Commission for 24 years and we'll have another Mayor before your term ends. You'll have served with four different Mayors. She's been here to guide the Port through so many different changes and have seen the tremendous expertise, guidance, insight that she's brought to all the matters here. We need look no further than out the windows to see what's happened during the time of her tenure.

Not only do I respect the work that she's done while serving on this Commission and bringing the Port into such a healthy position, but I enjoy serving with you and it's a delight to be one of your fellow Commissioners. Glad you're back.

Commissioner Brandon - Thank you.

Commissioner Woo Ho - Commissioner Katz has said it all, but I want to echo her comments and say, Congratulations. We were a happy group yesterday at the Mayor's Office and I know that we have many more productive years to work together. Thank you.

Commissioner Adams - Congratulations Vice President Brandon. It's a pleasure working with you and I look forward to working with you for another four years. Special shout out to SFGovTV, thank you for covering us and thank you to the public. I've never seen in my five or six years on the Commission this many people out, and we just want you to know, this Commission, the Port staff, the Executive Director, we work for you the public.

It energizes us for you to come out, speak, hit the mic, talk for or against. This is really a true democracy. Thank you all for being here today.

10. CONSENT

- A. Request authorization to award Construction Contract No. 2783, Pier 31 Utility & Restroom Project, to KCK Builders, Inc. in the amount of \$2,494,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$249,400) for unanticipated contingencies, for a total authorization not to exceed \$2,743,400. (Resolution No. 17-29)
- B. Request adoption of amendments to the 2016 Port of San Francisco Green Building Standards Code with an effective date of July 15, 2017. (Resolution No. 17-30)

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 17-29 and 17-30 were adopted.

11. MARITIME

- A. Informational presentation on proposed policy to allow retail fish sales from commercial fishing boats at Fisherman's Wharf Harbor.

Michael Nerney, Marketing Manager in the Maritime Division - This is an informational presentation on a proposal to renew a policy that would allow retail fish sales from commercial fishing boats at Fisherman's Wharf Harbor.

In July 1999, the Port Commission approved a policy allowing commercial fishing boats at Fisherman's Wharf to conduct retail fish sales from their berths directly to consumers. This was in response to a request at that time from the fishing industry, primarily commercial fishing boat operators.

In October 2000, the policy expired and was not renewed. This was primarily due to limited public awareness and participation. This was back in the days before widespread social media. In January 2017, fishers asked the Port to renew the fish sales policy which had expired 16 years earlier. The practice of retail fish sales is permitted at many other California harbors.

From February through May, the Port took action by consulting with these harbors, state and local regulators and other interested parties to understand best practices and formulate guidelines that would allow this activity in support of the fishing industry, while at the same time, protect the health and safety of the public and address tenant concerns. On June 2, 2017 the Port hosted a public meeting to discuss the possible renewal of the retail fish sales policy. More than 50 stakeholders and interested parties attended this meeting.

The proposed guidelines, based on the 1999 version which the Port Commission approved and current policies at other harbors include the following key points. The program is for retail sales only i.e. selling fish directly to the consumer.

Wholesaling or sales to restaurants or distributors is not permitted. Sales would be limited to salmon, tuna, rockfish, halibut and bycatch. Crab is excluded from the sales permit. Only whole fish sales are allowed. Only Fisherman's Wharf permanent berth holders can participate in the program. No transient boats can participate.

The sales area is limited to Fisherman's Wharf Harbor. This excludes the sport boats on Jefferson Street and Hyde Street Harbor. Sellers must comply with all state and local regulations or the permit will be revoked.

Here is a map of Fisherman's Wharf Harbor. The areas highlighted in yellow are the wharves where retail fish sales would be allowed. Here are views of Fisherman's Wharf Harbor facing north, west and east.

The Bayside conference room at Pier One was full to capacity on June 2nd for the public meeting with more than 50 people attending. The invited speakers including commercial fishing boat operators, Port tenants who are fish processors, California Harbors where retail fish sales are allowed, state and local regulators.

The feedback from the commercial fishers was that the retail fish sales program would be helpful for their businesses and they encouraged the Port to go forward with this program. The boat operators stated that their industry is heavily regulated in terms of vessel safety and navigation, fishing quotas and fish handling. They said that retail sales would supplement income and help the fishing industry.

The Port's fish processing tenants based at Pier 45 and Fisherman's Wharf voiced concern. Their major concern appears to be having the boats selling wholesale to restaurants and third party non-Port tenant fish companies over the Port of San Francisco docks. Fishers selling retail directly to the consumer did not seem to be a serious concern.

The tenant processors have leased and invested heavily in Port facilities and are required to follow strict environmental health, safety and insurance regulations on the federal, state and local, including Port, level. They are concerned that if fishing boat operators are allowed to sell wholesale to third parties and bypass the established process, it would create an unfair business climate whereby wholesales would have significant overhead costs which fishers could avoid. The fish processors felt such an unlevel playing field could potentially cause harm to the overall San Francisco fishing industry.

Representatives from the fishing harbors at Half Moon Bay and Bodega Bay attended the meeting. They have managed retail fish sale programs for many years in conjunction with supervision from Fish and Wildlife, Agriculture and Health officials. These harbors reported no major incidents and see the program as a benefit to the fishers, marinas and consumers.

Regulators explained various requirements including licensing, tally reports, weighing procedures, scale accuracy verification, sanitary inspections, packaging recycling and composting. The boat operators must comply in all these areas to qualify for permits to participate in retail fish sales.

The Principal Environmental Health Inspector at the San Francisco Health Department said that no Health Permit would be required from them as long as the seafood is sold whole, directly from the boats and that the boat operators have all the required California Fish and Wildlife licenses.

To obtain a retail fish sales permit, the commercial fishing boat operators must be a permanent berth holder in Fisherman's Wharf Harbor, a tenant in good standing and pay their bills on time. They must provide the Port with the required documentation from the State of California and the City and County of San Francisco. They must fill out the application form and pay the permit fee of \$225 which covers Port administrative costs. This fee is in line with what other fishing harbors charge. Finally, they must comply with all state and local regulations.

The proposed retail fish sales policy supports two key goals of the Port's Strategic Plan, namely Engagement and Economic Vitality. Port staff recommends reinstating the retail fish sales policy in support of the commercial fishing industry. In the event that any unforeseen problems may arise, the policy includes a provision that the Port of San Francisco can discontinue the retail fish sales policy at its sole discretion.

Dan Strazzullo, All Shores Seafood - I have a business on Pier 45. I'm a distributor. My family's been fishing in San Francisco since 1870. We had a crab stand. We've had a retail store. You call me a distributor.

I'm not against anybody in business. Everybody has the right to make a living. I used to sell my fish off the street on a truck and I was forced to get a facility on Pier 45. \$250,000 later, I'm there. I'm also required to have 10 licenses. Everybody has licenses and licenses don't come cheap. If they want to sell, I have no problem but put them on the same playing field with the rest of us. It costs me a lot of money to run my business. The Fish and Game license now is \$1,000. It used to be \$70. But every license comes with fees and costs and it eats into us. I don't mind that they sell. I buy some fish from some of these guys. It's not a big deal. But if we're going to have everybody do things, let's do it all right. If not, let me put a fishing boat at the end of my pier and sell my fish off that boat and not have any of the license requirements we do. That's all we're asking that we all be the same thing. I have a letter from Angela Alioto. She wanted you guys to have.

Commissioner Adams - We already have it.

Elaine Forbes - We have it sir. We passed it out.

Commissioner Woo Ho - Angela Alioto is a different letter.

Commissioner Katz - Point of clarification, was the letter from Angela Alioto or Angela Cincotta?

Dan Strazzullo - Angela Cincotta from Alioto-Lazio Fish Company.

Guiseppe Pennisi - Sorry, I was a little late because I was unloading my boat to a bunch of wholesalers. I have the fishing vessel Pioneer. I'm the one that started all this. I noticed that some of the guys were making comments about trying to sell retail only, but that won't work and I'll tell you why. Because nobody has an overhead as high as the fishing boat. The fishing boats have the highest overhead, more than any processing plant. Every time I go fishing, it's \$7-8,000. Every time I untie the ropes, \$7-8,000. Plus, I've got to go out and risk my life. Three weeks ago I was in 30 foot swells. Just the night before last, I was in 15 foot sea, trying to make a living for family. None of these people have to do that that have a wholesale business. The risk, the chances, the permits, everything. When fish come into your guys' doors, it comes off our boat first. And if it's rejected due to these other rules, that's where the buck starts, right?

I understand there's a lot of opposition to this. But if you guys want to keep the fishing industry alive, there's only one way of doing it. There's no more young people. This industry is dying. If they're allowed to sell wholesale and retail, then this can exist. Then it can actually flourish a little bit here in San Francisco. Our overhead is so high that you cannot come to dock and expect to make enough money selling to the public in order to pay your bills.

Because we have federal observers, that's \$530 a day. I've got to give 8% off the top to the federal government. I've got to pay \$75 an hour for the unloading. My permits alone that I have for my fishing boat, it's probably over \$1 million permit just for the boat. Then there's quota. I've got to get online. I've got to bid against other fishermen for quota. The feds and the state come and visit me and go through all my paperwork.

The federal observer called today. The Pacific State's down there. The federal government was down here with the federal observer going through all my stuff. Plus the lady was on the boat. These markets don't have that. Everybody goes home at night and guess what? The fishermen go out in the middle of the ocean and they've got to try to make a living. When you're risking your life to do something, when you come to dock, I think it deserves a little bit more than, "Hey, you can sell a few fish to the public."

I'm giving fish to Glide Church. I'm donating. We're over there cutting fish and we're feeding homeless people. I've been giving away fish to a lot of poor people there in Chinatown. A fishing boat can do a lot more than bring a few fish to the dock and have a few guys who work downtown, swing by and pick up a fish or two. When you can have flexibility, you can do a lot with a fishing boat.

I want to make it very clear, nobody has the overhead, nor do they have the responsibility or the danger involved as a Captain of a fishing boat and somebody who owns their boat.

Mike Fonce - I have a fishing boat at Fisherman's Wharf. In the past, I've unloaded salmon, crabs, black cod here. When I first got my boat, I was pretty broke and I went down to Half Moon Bay and sold crabs off the boat. In one weekend, I made enough money to pay for my first haul out. I think that the opportunity should be given to every fisherman at the wharf to sell his product if he can to the ultimate consumer.

If I'm lucky and I have a big season, there's no way I can retail all my product off my boat. I have to go to a wholesaler. It's a symbiotic relationship between the wholesaler and the fisherman. But at certain times when you're not catching very much fish, you still have to pay your slip rent and all your other expenses and sometimes we don't get that price out of the wholesalers. I'd like to thank you for your time. If we can't sell crabs off the boat and not list the species of crabs that we can't sell is doing everybody a disfavor.

Brian McWilliams - I stand before you as a Port tenant and the owner of a commercial fishing vessel at Fisherman's Wharf. Just a short story about selling fish off the boat. It wasn't ever available in San Francisco while I've been fishing but it has been in Bodega and Half Moon Bay. So a number of boats go there, mine included where my crew was able to sell off the boat. Families come down on the weekend and they get to buy a fish off the boat and take it home.

It's a minimal amount of fish but it's a great service to the Port. It gets people excited about the Port and involved in Port activities and I think that's really important. But one thing you should also take note of, other fisherman that can't sell off the boat at wherever their particular harbor is go to these places and sell what they can, and turn around and sell the majority of their load to the wholesale processor right there at the dock.

That's what I did at Half Moon Bay and I believe that's what other people potentially could do eventually at San Francisco. It could attract cargoes that are not here now. Although this particular resolution says that you have to have a berth agreement. What that means is boats that have berth agreements in San Francisco won't go to other ports to sell their fish off of their decks and then turn the rest over to wholesalers at those other ports. They'll stay here. Eventually if this does take off, if it works, it'll be quite an asset to the Port and it won't have a big impact on the wholesale markets at all. That's my experience.

Commissioner Adams - Thank you Brian McWilliams. Brian was a former Port Commissioner and President of the International Longshoreman's Union.

Sarah Bates, fishing vessel Bounty out of San Francisco - I want to point out that there's currently not very many places in San Francisco for residents or tourists,

visitors to buy whole fresh fish. People ask me all the time where they can buy my fish and the best I can do is send them to a fish market where they might have my fish and it's going to be cut up. But if they want whole, fresh fish, there's almost no place in San Francisco where you can get a reliable supply of salmon for Fourth of July barbecue or anything like that. This is going to be just one small part of the larger market of Pier 45. If the wholesalers think that selling individual fish off the boats is breaking into their business plan, then I think, without being offensive, they're doing business wrong.

This is not going to cut into their market which is large amounts of whole fish, large amounts of cut up fish, large amounts of processed fish. This is a completely different market. This all comes down to value added directly to the fishing boats. Sorry Joe, but our industry is not dying. Our industry is changing. The things about ocean conditions and limited fisheries, they're putting the pressure on us for sure, but that doesn't mean that the industry is dying. It means that we have to adapt to what the market can use, can buy and consume and what we're able to provide. What we're able to provide is a consistent supply of fresh, whole fish directly to the consumer.

Tom Creedon, Scoma's restaurant – Thank you for hearing me. I have been living with the Pioneer for months and have experienced something that I just don't see at Fisherman's Wharf and that's fish being unloaded and handled and examined and loaded, hauled out.

San Francisco is probably one of the only seaports up and down the coast that doesn't have a public market, some exposure that people, if the tourists are there, they're not going to take a rock cod home in their bag. I think that they should see that this is truly a Fishing Port and that people have to look a little bit deeper into it.

Mr. Pennisi has put a lot of his own money into developing a different system of fishing which is more friendly to the bottom. It doesn't damage anything. The fish that comes in off of his boat is usually one day old and the history of some of these boats, they've been out for a week.

This is an opportunity for the public to see the fishing industry. If people work together to accept him, I think that they would benefit from the product that he brings in. He's in my yard, right out our front door. I don't want anything in our pier. I've been there for probably 35 years. I've experienced lots and I see very little in any real display of fishing at all.

Commissioner Woo Ho - Obviously it is a topic that there's a lot of interest from the public. Even though not all of you are here speaking, there's a lot of interest. We are eating more fish ourselves recently. When I saw this topic, it just happened that my husband and I were talking about it and the ability to get fresh fish, even whole, is something that is of value to the consumer and to the citizens of San Francisco.

I do hear the concerns being expressed by our fish processors. We want this to be additive, not to be negative and that we're sort of splitting up the pie and somebody is going to lose. I hope that when we come up to a solution, and today we're not going to vote on anything, that we would be able to do that. I think it would add to Fisherman's Wharf for the reasons that have already been discussed in terms of it would be more interesting for tourists to see that we have an actual live fishing industry. There is a trend in the public, obviously for health reasons, to want to eat more fish and to be able to have access to fish. Somebody mentioned about fish markets and I find that to be an issue myself, I can't find as much fresh fish.

I do go to Chinatown. I buy live fish, etc. but I do think it'd be interesting to be able to have that. I'm in support of finding a way to make this work. I'm not sure we've got all the solutions in the current policy maybe to the extent that they need to be. I do have a couple of comments related that.

Number one, I'd like to know how many boats are we talking about that are permanently berthed at the wharf that if we followed the policy as it states now. How many boats are we talking about?

Michael Nerney - I believe that there are more than 100 active commercial fishing boats but I could verify the exact number.

Commissioner Woo Ho - I read in the staff report that this was going to be from 7:00 AM to 8:00 PM. It seemed a little bit long in terms of hours, and I was wondering when are they going to fish? Is this going to be rotational? Some boats will be in and some will be selling and the others will be out fishing? I don't understand how this is going to work. Because they're not meant to be retail stands. As we know, they're going to sell right off the boat. How is this going to work?

Michael Nerney - Those hours were in the policy that the Port of San Francisco had in 1999. We looked at the current policy that Half Moon Bay has and that's the window of operations.

Commissioner Woo Ho - I'm not sure we need such a long period but that's my own practical consideration. I'm also wondering when they're going to go fish. Maybe they're going to be on certain days, certain boats are in and the others are not.

Michael Nerney - Right. When they're not fishing.

Commissioner Woo Ho - I think that's something to consider. I can't imagine in the winter months that somebody's going to go out and buy fish at 8 o'clock at night when it's dark at 4 o'clock in the afternoon.

The other question is, since they are going to be selling to wholesalers, how can we know we're going to follow all the safety regulations and the health concerns? How are we going to balance that the fish that the public gets is as good as the fish that goes to the wholesaler?

What's the quality of fish so we don't find that either side is getting a disadvantage in terms of you're getting three-day-old fish and somebody else is getting one-day-old fish. Those are things that we want to make sure that the quality that will be sold is going to be at a standard that we all feel comfortable with.

Michael Nerney - The regulators that were at our meeting, they spoke to all the requirements that are required and the policy states what temperature the fish needs to be stored at.

Commissioner Woo Ho - I understand all that. I'm talking about making sure that the boats that sell fish that there is a sense of how they're going to manage it themselves. I understand they're going to follow all the policies but I would be concerned as a consumer. I don't want to buy the leftover fish that was the reject from the wholesalers. I would like to know that I'm getting as good a quality of fish that the wholesalers would be getting.

Michael Nerney - Understood.

Commissioner Woo Ho - Is the type of fish that we list here, is that all that is only fished out of these boats? Or is this a selection of the fish that they actually catch?

Michael Nerney - This is the fish that they catch with the exclusion of crab.

Commissioner Woo Ho - This is the full inventory.

Michael Nerney - Yes.

Commissioner Woo Ho - The issue of retail versus wholesale, I think there's some more thought to be had. In order to not feel like there's somebody who's dominating to be a wholesaler, is there going to be a limit? If you're a consumer you can only buy X number or pounds or whatever, so there's a balance so someone isn't masquerading as a wholesaler, if we stick with the retail policy. Is that something under consideration?

Michael Nerney - The policy we had in mind was that the consumer buying the fish off the boat would basically take the fish and bring it home.

Commissioner Woo Ho - What if a consumer says I want 25 pounds of fish? That may not seem like as much as retail versus wholesale but is there a guideline that we would put in place?

Michael Nerney – The policy is quiet on the limits on how much fish a consumer could buy but we can look at that.

Commissioner Woo Ho - If we stick with the whole thing that we're going to be retail only, I don't want to hog the time but I'm quite interested in this topic as you can see. Lastly, maybe this is a little bit too much in terms of, we said that social media would help the promotion but would consumers be able to place orders online or by phone with the boat and say I want to buy something tomorrow. Can I come by? Can I put in an order if you have that fish? Today we operate in a different world. We're all used to getting things when we want it.

These are questions that I would like answers to. We are used to the traditional model of walking down to the pier. If we're trying to help them, if it is going to be supplemental income, then trying to help the distribution of knowledge of ordering it through other means and picking it up.

Michael Nerney - This is something that we can check with the other harbors that have been doing this for many years.

Commissioner Woo Ho - We're San Francisco. We're the leader of technology and innovation, so I would say let's think for ourselves. We can be a leader. We don't have to be a follower here.

Michael Nerney - Right. I meant if social media is part of the thing and people are ordering online in advance.

Commissioner Woo Ho - Of course, the fishing boats themselves have to be willing to adopt something like that because they'd have to make an investment. Today, none of just do everything physical. We are in a digital age.

Commissioner Katz - Commissioner Woo Ho asked several of the questions I was interested in. This is something that I view as a way to enliven our wharf. I think it's exciting. We've gotten requests from the fishermen themselves. It's certainly worth exploring.

We keep referring to this being based on the 1998-99 policy. As Commissioner Woo Ho pointed out, technology has changed so we'll definitely want to see relevant updates as that comes back. What is the \$225 fee based on? Was that the old charge? Is that sufficient?

Michael Nerney - No, that is a charge comparable to what the permit fee is in other fishing harbors. I believe in Half Moon Bay it's \$250. That's basically an administrative fee to cover the Port management of this process.

Commissioner Katz - Have we determined if that is sufficient? Or is that just a number that we pulled because that's what everyone else does.

Michael Nerney - We thought that would be sufficient based on the expected number of hours by the Port staff administering the permit procedures.

Commissioner Katz - It's fairly clear there's requirements in terms of storage other than post-gilling and gutting that it will be maintained at temperatures. Will some of our administrative fees go into monitoring to ensure that that is being handled properly and correctly? What kind of enforcement of any of our guidelines will be in place?

Michael Nerney - The regulators are in charge of making sure the scales are accurate and that the packaging is safe and sanitary. That is something that the regulators would be in charge of.

Commissioner Katz - The temperature?

Michael Nerney - Yes.

Commissioner Katz - I was getting at storage, not the packaging. Will they be responsible for going in and ensuring that the temperature is what it says it is in the storage?

Michael Nerney – Yes.

Commissioner Katz – In terms of existing berth holders that would be included other than this policy, do we have any that are outside of the area that we've designated that are involved in the commercial fishing enterprise that are being excluded from this just because of geography?

Michael Nerney - Not that we know of.

Commissioner Katz – Regarding Commissioner Woo Ho's inquiry about somebody buying a large volume of fish and recognizing the processing and the other wholesale efforts, is there a way of determining that restaurants aren't coming in and representing that they're consumers and circumventing the other processes? How do we account for that?

Michael Nerney - We will incorporate something like that into the policy. When the boat operators are required to issue a detailed receipt with a lot of information, including the number of fish, the weight, who it was sold to, the boat operator's name, the license numbers and all that, that needs to be on the seller's permit which comes back to the Port.

Commissioner Woo Ho - Normally we know there's a difference between retail and wholesale price. In favor of the wholesalers, I assume that there will be a differential in the price that they are getting when they buy directly from the boat, versus the retail.

Michael Nerney - Yes.

Commissioner Woo Ho - So that is a deterrent for people to go direct unless a restaurant wanted some fish immediately and they had no choice but to go directly to the boat. We should think about, that would be normal, right? Retail and wholesale pricing is not the same.

Michael Nerney - Yes.

Commissioner Katz - I guess one of the things that come to my mind as somebody who appreciates sushi, a lot of the sushi restaurants for example would want a single fish or something like that on occasion. Would that be allowed if they were to send a staff person down to get one fish? Or would that be considered a restaurant now partaking on this?

There may be a price differential, but there is still a desire to have something that might seem fresher than otherwise. I'm not sure I care one way or the other as a consumer, I'd probably want to make sure that the sushi is as fresh as possible, but it just seems that there are some complications that we'd want to make sure that we've addressed and work with the processors.

Michael Nerney - Right.

Commissioner Katz - I think having been to other harbors where people are able to buy the fish, I think it's sort of self-selecting. As was pointed out, tourists aren't going to be grabbing a fish off the boat necessarily. Although, maybe with Airbnb they might.

But it's enlivened wharves and it shows it's really a working operation. I think it does lend an element of excitement and I don't know if there's a happy medium, certainly for the fish processors, but just even looking up in Seattle in Pike's Market, they have a direct way coming right off the boats.

From a safety standpoint, having people walking along the piers, I'd want to see if there might be something that would allow some operations to occur adjacent or near their boats that might keep a lot of people from walking up and down the planks and can only go to the boat.

Michael Nerney - The way the policy is written is you have to just hand it up from the boat and they're not allowed to have a table or anything on the pier.

Commissioner Katz - I know that's what the policy says but I could envision somebody either bending over too far or all sorts of safety issues. I want to make sure that we use common sense in the guidelines so that if it would make more sense to create something that would create a safer environment for both those reaching up and those reaching down to at least take a look at that and see if that would make some sense.

Commissioner Brandon - Thank you Mike. This is a great report. Can you tell me how this new proposed policy is different from the 1999-2000 policy?

Michael Nerney - It's similar to the 1999 policy. There's a lot of items that are the same but it's also similar to the current policy that was issued in 2017 at Half Moon Bay although it's not exactly the same. They have a few different issues than we do. It has elements of the 20-year-old policy but when we did our due diligence for several months, we were talking to other fishing harbors about what they're doing now. We talked to the regulators. We made sure that the regulations hadn't changed from the last time we were involved in this program.

Commissioner Brandon - Why do we think it's going to be successful this time?

Michael Nerney - This is something that the fishing community came to the Port and asked about reviving the policy. The fishermen have a tough job and they're trying to make ends meet. This is a way for them to generate some extra income.

We see it as a different business than what the fish processors are doing at Pier 45 and Fisherman's Wharf and it's something that we would like to support if it helps the fishing industry. We're not here to try to hurt fish processors or anybody like that. The Port's goal is to support this industry. It has different aspects to it. Fishing boat operators are some of them.

We don't want to implement this policy and foul up the operation of the fish processors who have been our tenants for generations because we appreciate the heavy investment that they have made and all the regulations that they have to follow. We respect that and we're not trying to interfere with that.

We're trying acknowledge the request that came to us from the fishermen. We've talked to other harbors who have the same operation and we felt that it was worthwhile pursuing and trying to implement it and see if it is a winner for the fishing boat people.

Commissioner Brandon - If we were to implement this policy, is it on a trial basis or would it permanent?

Michael Nerney - In 1999 we had a sunset policy. It was in place for 15 months. Because it didn't get any traction, it expired and the sunset went down. We have not put a sunset clause on this policy as we've written it. If for some reason there's any problems that come up, it can be cancelled at the Port's discretion.

We're hoping that it gets traction. As Commissioner Woo Ho said, San Francisco is a technology leader. With that added layer of service, it may be a way for the fisherman to let people know that on Saturday between 8:00 and noon, they're going to be at their berth at Fisherman's Wharf harbor. People see it on their

phone and they might want to come down and it might catch on. That's something that wasn't in place in the past, here in San Francisco.

Commissioner Brandon - How are the permits going to be enforced?

Michael Nerney - There are three permits that the fishing boat operators have to bring to the Port when they apply for the permit, when they pay the fee they have to be a tenant in good standing, etc. If they have all the paperwork in line and they're complying with all the regulations, the permit would be renewed on an annual basis.

Commissioner Brandon - Who is going to enforce those permits?

Michael Nerney - The Maritime staff at Fisherman's Wharf would ensure that the people that had this permit were living up to the rules.

Commissioner Brandon - And that the people who don't have a permit are not selling fish from their boat.

Michael Nerney - Correct. If they don't have a permit, they can't do it. It's a commitment on the part of the fishing boat operators because before they even come into the Port, they have to get several additional licenses to what they already have to fish. Now, to deliver fish to Pier 45, they have a license for that. They have to jump through a few more hoops to get the necessary licenses that we're asking for, plus our own. It's an investment of hundreds of more dollars on their part, but hopefully it would make economic sense and help their incomes.

Commissioner Brandon - I'm more concerned with fishermen selling it off their boats without all of those permits. I want to make sure that there is some type of enforcement to so that those who are selling fish are permitted to do that.

Michael Nerney - Maritime staff will supervise that.

Commissioner Brandon - I support this because there does seem to be so much interest in it but I'm not quite sure I would just make it a permanent policy. I would feel more comfortable making sure it is working and that everybody is okay with it prior to just making it an outright, permanent policy.

Commissioner Adams - Director Forbes, I'd like to hear your comments please.

Elaine Forbes - Mike really summarized what we're trying to accomplish here. This was a request of the fishing community. It didn't work before because there was not a lot of folks using the policy frankly. There just weren't many selling off their boat. Here we talked about a hundred vessels or so, but that's not really what we're looking at in terms of users of the policy. You've asked several interesting policy questions today and that was the intent of this item, that we would bring it to you, we'd hear from you, we'd hear from the public, and then we

would come with a perfected policy. Commissioner Brandon's recommendation to think of a trial so we can look at how its working is a very good comment.

In terms of cost recovery with all the enforcement we're talking about, we really do need to look and see if that fee provides us enough to do that enforcement work and that may be something we can assess through the trial as well. We had a lot of good comments today and now we get to go back to the drawing board and see how to perfect the policy from what we presented today and come, and research answers to some of the questions.

Commissioner Adams - Clearly, that was my thought that a lot more work needs to be done here. It's not a polished project right now. I really appreciate all the hard work that the fishermen do. I appreciate the passion of the brother back there in the blue shirt. We know the fishermen put their lives on line every day and they're trying to get a stake and they work really hard. I think there's a lot more work that needs to be done.

You've heard the Commission's comments so come back with something we can look at and talk about and get a lot of our questions answered.

Commissioner Woo Ho was right with the technology. San Francisco, we lead the world. Silicon Valley and technology and how can we make things better? I wish we have a Pike's Place Market like they do in Seattle but we don't have that here so we've just got to make the best of what we have and in some kind of way we can make it a win-win situation. I would love for this to be a pilot project and to make it successful. Bring it back and let's get behind it.

Commissioner Woo Ho - The fishing boats that come in today, are they the only suppliers to the fish processors?

Michael Nerney - No.

Commissioner Woo Ho - Where do the other fish come from?

Michael Nerney - By truck from other ports and sometimes by airplane via the airport.

Commissioner Woo Ho - So they're not the only supplier.

Michael Nerney - Some of the fish is directly from Fisherman's Wharf boats or boats that are fishing in San Francisco Bay but it also comes from other harbors and from the airport.

Commissioner Woo Ho - Today, do we allow transient boats to unload fish to the fish processors?

Michael Nerney - Yes.

Commissioner Woo Ho - That's something to factor into all of this. I understand the policy is to not allow transient boats, but I'm just trying to think through how we handle all the details of the issues that needs to be considered. The boats here also are not the only supplier to the fish processors.

Michael Nerney - Correct.

Commissioner Woo Ho - I think everybody has said it but we need to find a happy medium here. We want everybody to thrive and it would be a service to San Francisco to be able to have our version of whatever a live fish market would be.

Michael Nerney - Right.

Commissioner Adams - Mike, thank you. I appreciate it. I appreciate the live energy and the debate and the feedback on this.

B. Request authorization to issue a Request for Proposals (“RFP”) for the Lease and Operation of the Shipyard located at Piers 68 and 70 and Seawall Lot 349 near 20th Street and Illinois Street, including Dry Dock Eureka and Dry Dock #2 (the “Shipyard”). (Resolution No. 17-31)

Mike Martin, Real Estate and Development – I’m here today to lead off the item as a team effort for the Pier 70 Shipyard Request for Proposals. I'll be leading off the presentation and my colleagues Peter Dailey and Jeff Bauer will follow up and that's pretty appropriate for this item in particular because in my fairly short time here at the Port, the work on bringing the Shipyard back has been a real team effort from basically every department of the Port.

It was one of the first meetings I went to here and it's really been really gratifying to see the progress that's been made in a short time. This item will show some of that progress in terms of moving away from the settlement that was reported out earlier and towards the next incarnation of the Shipyard here at the Port of San Francisco.

I see this item and this RFP as a microcosm of where the Port is right now and this ever evolving “what is the Port now” when it used to be the heart of a thriving Maritime City. But now as the City grows up around us, what can we do to hold on to that past but also look towards the future? I see this Request for Proposals, which in many ways is a dry technical document, but it is in a lot of ways a mission statement for what the Port is.

I think there's a way to look at this where I've been in a lot of negotiations that I would say intuitively you would think the best deals come out of where you're smarter than the other guy and that's actually not true. The best deals come out of situations where both sides have a really good expertise of what they know and they know what they're trying to get out of it.

We're trying to form a Request for Proposals that invite smart Business Plans from operators that know the business, that know what they need to do and the strategic advantages of a location like San Francisco, and we at the same time have to step up to that plate and know what we want out of this as well.

What we're trying to do is take a really good, deep look at what the Shipyard is now, where the equipment is in its useful life, what is needed to revitalize that, what is needed to create an industrial operation that can be efficient, that can create a successful business, that can compete in the very competitive ship repair market. We want to take advantage of the track record that this Shipyard has had in repairing government and passenger vessels of a large size but also realize that track record doesn't matter until you get to the next contract. We have to set up a lease agreement that will give a business an opportunity to use these advantages that San Francisco has and create a successful ongoing business that puts people back to work. I think that's the bottom line that I've learned in the short time I've been here, and that's really what this document is meant to do.

We're doing our part of the strategic thinking to get to that point, and we think this Request for Proposals will be structured in such a way that someone can come in with a Business Plan, take a thoughtful look at the premises we have to offer, and make something that was even better than what was there before.

That's the introduction I wanted to give to this. I'll hand it over to Peter Dailey to look at the work we're doing to make the Shipyard ready for the next operator and then Jeff Bauer will talk in more detail about the Request for Proposals itself.

Peter Dailey, Deputy Director Maritime - The last six months have not been fun in terms of the ship repair industry in San Francisco. A number of workers have lost their livelihoods. An industry that has been ongoing for over 150 years has temporarily ceased. But as Mike eloquently said, this is an opportunity to kind of reboot, control alt delete and start again with Ship Repair 2.0 for a new age.

We are optimistic that we will have a new operator come into the yard. There are some in the audience that are here looking at kicking tires as we speak. But in the meantime, we wanted to get some work done. We didn't want to sit and wait for the operator to come in. We've had an Action Plan in place. With the settlement now that you approved, that's going to help fund further activities going forward. We are blessed to have an agreement with the Orton Development Group that are doing the historic renovation adjacent to the Shipyard.

In our Development Agreement with ODI, there is a provision for them to assist the Port on Port required tasks for the segmentation of the development from the Shipyard and for the harmonization of the two uses. Through this mechanism,

ODI has come on board and has been a lifesaver. I want to thank them for their effort here. It's been a godsend to us.

The first thing we did with ODI were to hire "the Fab Five." We've got five former Shipyard workers back in the yard, maintaining the premises in a safe and operable manner. Both management and union employees. They have been on staff now for two or three weeks I believe. They are manning the yard and looking for ways to do interim improvements through ODI's involvement.

One of the main jobs we're going to do is a capital item that has been approved by the Port Commission. We will work through ODI to get a \$3 million electrical system upgrade. The electrical systems at the Shipyard are 75 years old and there are several old PCB transformers which need to be removed and disposed of. The separation between the development of Orton and Forest Cities and the Shipyard needed to be taken advantage of.

This \$3 million investment of Port monies will commence relatively shortly. We anticipated that this work will be done through 3,000 labor hours using good union employees, electricians at the yard. That work should start in the next month. There are two old buildings that are condemned that we want to demolish that will free up another half-acre of space inside the yard. That can be done through the ODI agreement.

Most importantly, and the biggest investment now that we have this settlement agreement is Dry Dock #2 which is the big Dry Dock that can handle just about every commercial ship afloat, that needs ongoing maintenance and recertification of the Dry Dock.

With the monies that we have now received from the settlement, ODI and five employees have put together a Work Plan and ODI is going to contract with Bay Cities Metal Trades to get the 10 different unions that have been traditionally working at the Dry Dock back in the Dry Dock in the next four to six weeks to repair \$1.5 million worth of additional repair to Dry Dock #2 so when a new operator comes to the dock, they can start doing work right away.

That'll mean 55 full-time employees working for two months. Welders, pipefitters, you name it, they'll be working on the docks. We're thrilled about that activity. That will commence this summer and be done before the new operator comes in.

Lastly, we're continuing to coordinate our agreement with the Army Corps of Engineers to dredge the driveway, the Central Basin to the Dry Dock. That will be a project that has been funded through help of our legislative friends in D.C. and the Army Corps. That will maintain water depth necessary to handle big ships and on the government's dime going forward.

There's a lot of stuff that's been happening. Jeff Bauer now is going to talk technically about what the next steps are in terms of the RFP. We're moving quickly on this but we're excited that this will be a new opportunity going forward.

Jeffrey Bauer - Congratulations Commissioner Brandon on your reappointment.

Commissioner Brandon - Thank you.

Jeffrey Bauer - We were thinking about the RFP strategically. We believe that the successful respondent will be the one that will be able to implement a strategy to retain, modernize and operate this important Port asset through the term and the life of the lease.

The Port will structure the RFP to identify the most qualified respondent who presents the greatest opportunity to achieve the following goals and contribute, in a sustainable way, to meeting the Port's Strategic Plan of Renewal, Resilience, Economic Vitality, Engagement, Sustainability and Livability.

The Shipyard is about 15 acres of land. There is about 18 acres of submerged land including Port-owned assets. Floating Dry Dock #2 has post-Panamax lifting capacity, Dry Dock Eureka and also Shoreside Power which the Port in 2008 spent about \$6 million to install. As Peter discussed, we are engaging in a Project Partner Agreement with the U.S. Army Corps of Engineers to continue the dredging of the Central Basin.

The Shipyard is located at Pier 68-70, Seawall Lot 349 adjacent to 20th Street. The RFP will disclose all the current conditions, both environmental and general facility conditions of the Dry Docks. We've hired GHD Engineering and Colliers Engineering to perform a thorough engineering assessment of the Dry Docks. In addition, we've hired Moffat & Nichols Engineering to complete a facility condition to inspect all the buildings, the electrical systems, equipment of the Shipyard.

At minimum, the respondent would be required to have 10 years' experience of continuous operation of a shipyard in similar size to that of Pier 70. They also must demonstrate the operational expertise and financial capacity to ensure continuous operations and employment in San Francisco. A theme that you'll see throughout the RFP is continual employment, continual operation.

The Selection Process. The respondents will have to meet the minimum qualifications. There's a scoring system. The most points would be scored on restoring the Dry Dock certification, continuous operation, employment, Business Plan and also a plan for capital investment. Second score would be experience and financial strength. We want to make sure that the respondent has the financial wherewithal and capacity to operate and again, continuous operation.

Workforce Plan and Training Strategies. What's important to the Port is to train the next generation of Shipyard workers, to institute a training program. Also to employ local business, LBEs in professional services, design, permitting, construction, etc.

Finally, the proposed minimum rent would be the base rent, the respondent's may propose a participation rent. The Port will work in conjunction with our expert consultants, community constituents to serve as an evaluation panel for the submittals of each respondent based on the minimum qualifications. Port staff will independently investigate these qualifications and the respondents. The top respondents will be required to make a public presentation before this Port Commission.

Jeffrey Bauer – Today, we seek Port Commission's approval to issue the RFP which will go out in July. The evaluation proposal in late August. Respondent presentation to the Port Commission in September and Port Commission approval on October 10th.

This is a very aggressive schedule so it will be subject to change. The Port is very good at responding to emergencies and we believe this is an emergency so we have all hands on deck.

Jeff Carter - I started working in that Shipyard in 1977 with Bethlehem Steel. I've been around there for quite a long time and I probably know more about that Shipyard than anybody. I appreciate all the hard work that the Port staff and everybody's done to keep the Shipyard going. Thank you to Peter Dailey and his team for getting us hired. I'm one of the Fab Five. We're trying to work hard with Port staff and ODI to do what's needed to make the Shipyard operable and have a bright future. I really want to thank the Port again and staff and I hope that the Commission will approve the Resolution.

Juan Garcia - I'm a representative for the Boilermakers, the Shipyard's workers. I myself had 28 years on the business. I'm here to speak on behalf of our workers. I want to thank the Port, Commissioners and everybody else and the team that is behind driving the thing forward to make sure that that Shipyard gets reopen again. For us, it's been a setback, meaning our members that work in the facility as everybody said before, we have 10 unions and we had people working there for all these years. All of a sudden we lost them and we have now a few number of people unemployed.

Thank you so much and I just want to say that, from our perspective, it's not only saving a piece of history when we talk about Shipyard repairs in San Francisco. We've been doing it a lot of years and that facility has been vital not only to the City of San Francisco, but also to the working force that work on that type of work and also to the shipping industry in San Francisco, that comes to the Bay Area in San Francisco.

The site is vital to the shipping industry from my perspective and our perspective from the Metal Trades. Around 2007 we had the Busan that spilled that oil. That was an emergency job that was done in San Francisco. I'm not expecting anything like that again, but if any emergency were to happen with the cruise liners, tankers, containers, we had the facility right there and ready to do any necessary repairs. We can continue. I hope people behind this force can give us all they've been doing and all the power you can to restore this Shipyard to the operable facility. Now again, we do have concerns when it comes to the facility itself. We all know and everybody's been talking about the repairs that needs to be done. We are concerned about the dredging of the Dry Dock #2. Everybody that've been working here knows that it needs a lot of work. Thank you for the time, but I should really wish that somebody do the necessary inspections on that Dry Dock so we can have it back.

Tony Urbino, Bay Cities Metal Trades, one of the unions at the shipyard – 200+ shipyard workers are out on the streets. Some have jobs; some are looking for jobs. It would be good to get this thing back rolling again. The settlement that they're supposed to get to get the work done, is that enough to get the new ship repair operator in? If not, where would the money be coming from? That's a big concern.

Commissioner Adams – Staff will talk to you offline.

Brian Harnett - I'm with the Labor's Local 886. Like it's been said by a few of my partners here today, we had a lot of workers out there, both men and women. Some of them are residents of the City of San Francisco and to have them out of work for about a six month period puts a definite strain on their livelihood.

We're here today to make sure that the Commission knows that we have residents here in San Francisco that are out of work, and we need to get them back to work so we need to get the Shipyard repaired and operable the way it needs to be. I know that there are some issues with the prior tenant coming in. We're here today so that we can possibly eliminate those and just let people know that it's a concern for us having these folks out of work.

Like Anthony said, some of them have to go out and find new jobs, and what that does is it puts a hurting on the Shipyard itself because if a guy doesn't, knows how to do Shipyard work, and we have to put him in a downtown job, he's not going to want to go back to the Shipyard and do that work. He's already gone on to something else. It's important that we get this work done as fast as we can, so we can get another qualified business in there to get the ship repair done here in San Francisco.

Tony Tofini - The question has already been asked.

Katie Dunmire - I'm with Orton Development. I'm here representing Eddie Orton. He couldn't be here today. A dear friend of his passed away yesterday and he's at his funeral. Eddie asked me to say the following,

"The Dry Dock ship repair offers San Franciscans excellent high paying jobs. It keeps important skills and services alive in the city. It provides important work for trades, services and workers. The dry docks are key to marine safety and operations and even to our national security. In historic Pier 70's, in my opinion, the Shipyard is an integral part of a diversified Port job base and economy and every effort should be made to keep it operational. "We value our relationship with the Port and stand by to continue to help prepare for reuse as dry docks and Shipyard."

Christopher Christiansen – I'm one of the officers for the ILWU Local 10 and also one of the officers for the Bay Area Longshoreman's Memorial Association. I wanted to make a quick comment saying that we support this project to revitalize Pier 70. It's a hugely important project to put good, hardworking union brothers and sisters from different unions and different trade unions back to work at this facility. We support putting Pier 70 back to work.

Commissioner Woo Ho - Thank you for the report. The Port Commission is very much supportive of what staff is trying to do to get the shipyard back in operation and that we view this RFP as a very critical step as Mike Martin has introduced in his comments.

We're extremely supportive, we understand the urgency. We've heard from you in terms of the job loss which we were also very unhappy and surprised by in terms of what happened in the past. But the past is the past and we've got to move forward. We want to move forward as quickly as we can to get this Shipyard back in operation and bring those jobs back to San Francisco and to make our Port as lively and as diverse as possible.

In terms of the scoring, 40/25/20/15, would that be typical weights that we've done in the past on our RFPs or a little bit of a contrast of what we've done in the past?

Jeffrey Bauer - Actually we are weighing restoring shipyard operations dry dock certification, continuous operation and employment higher. Typically there maybe a 25/25/25. It may be very even, but we think that someone who shows the Capital Investment Plan, the business, the continuous operation, if they can show us that and demonstrate that that they should receive a higher score for that.

Commissioner Woo Ho - I appreciate that because we obviously have learned a lot of lessons in the last six months to a year and we hope to leverage those lessons going forward. The other question which is not detailed in the staff report, and I'd like a little more color and understanding of who's going to be on

the evaluation panel for the RFP. As much as we've put the emphasis in terms of understanding on the experience and etc. Is the panel actually named yet or not chosen?

Jeffrey Bauer - We've talked about potential members. We've talked about Michael Carr for example from the Mayor's Office of Economic Development. We've talked about some Port staff. We've talked about a Port or a representative from the community but there are no specific names.

Commissioner Woo Ho - We wouldn't want to hold off the RFP but we would be very interested to understand who the evaluation panel will be. It's critical that we have a very strong panel for all the scoring points as we want to get it right this time. We don't want to have any problems.

Jeffrey Bauer - Yes, we agree.

Commissioner Brandon - Mike, Peter and Jeff, thank you so much for this presentation. I want to thank Director Forbes and all the staff that jumped in in this emergency situation. It's unfortunate that we found ourselves in this position, but I want to thank the staff for jumping in and getting on top of this because the loss of jobs is something that means something to all of us.

I'm so happy that we have this fast track timeline to be able to get an operator in that can hopefully assume the responsibilities of running the ship repair and to even make it better. I just want to thank everyone. I support the RFP and I look forward to the submissions and the presentations to the Port Commission so that we can get this open and operating.

Commissioner Katz - I concur with those comments. I want to thank all of you. This really was a fast tracked item. I want to thank the staff for doing it. I think it shows our deep commitment and concern to making sure that we get something done and that we get it done right. As was pointed out, it's important that people don't move on to other jobs and can't come back to do the work that they're highly specialized in performing.

It's also important that we don't keep this dry dock out of operation for too long. It's also important that we find the right operator who has the vision, the capability and the insight to make it work. As you've heard from my colleagues, we're all very much in support of the RFP and support of moving this forward. I want to thank all of you for going so above and beyond to do something that's so critical right now. It underscores all of our commitment to making this work for all of San Francisco, making, hopefully lemonade out of lemons from a bad situation.

I do want to thank Orton Development as well for stepping in. They've really filled a gap that allowed us to have the flexibility to try to make this work. I appreciate their being responsible partners with the Port as well.

Commissioner Adams - I personally want to thank Port staff, Mayor Lee, and Orton Development. This was tough. But something like this, I guess it speaks to our good angels. The shipyard is part of our culture, our heritage here in the Port. I want to be clear about one thing is, as we see the renaissance in the Southern Waterfront, this will be part of it. We're starting from scratch but this is that we have, we're going to have to build this up.

I ask people to be patient. We're going to have to be patient. I don't want to give anybody any false illusions that when we get a new tenant, that they're going to hire everybody back right away. It's going to take time to get new contracts, to build the business, and we have to be patient. I believe we're taking the necessary steps. We lost half of our work to another tenant that was in another state.

We have a chance. I think Mike said it best, we have a chance to recreate ourselves and be competitive and be a better shipyard than what was there before. I ask you to be patient with the Port. We are all committed. I want to tell the union brothers and sisters out there, I am a union person. I'm the Secretary Treasurer of the International Longshoremen so I understand how important these jobs, our pension, our health and welfare and the benefits to our family.

Port staff and everyone is doing everything possible. We have to get a tenant. But please be patient because we want a tenant that wants to be here. I want someone that wants to be here and not leave and that's what happened to the last people that were here. We want someone that's committed to San Francisco, to our communities and to us that really wants to be, in my opinion, in the best city in America.

Please be patient. I'm hoping in the fall and as the numbers grow and as we market ourselves to get more business, and we hope that we have so much business that one day we can get back up to the amount of men and women that we hired and speak to the essence of our Maritime and to this beloved community that we have. However, it's going to take time. It could take four, five or six years to build up the business. I wish it could happen overnight but we are 100% committed. We're here for you. We appreciate you coming out. Jeff, Mike Peter, Elaine and everyone.

ACTION: Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution 17-31 was adopted.

12. REAL ESTATE & DEVELOPMENT

A. Informational update on the Fireboat Station 35 Expansion at Pier 22½.

Jamie Hurley with Real Estate and Development - This item is an informational update on the expansion of Fire Station 35 located on Port property at Pier 22½.

We were last before you with an informational presentation on this project approximately one year ago. In the year that has elapsed since then, the project team has worked to refine the project concept and author the technical criteria documentation that fed into a procurement process for a design-build team.

That procurement process was initiated in early 2017 and recently concluded with the selection of the design-build team. Gabriella Judd Cirelli is the Project Manager for San Francisco Public Works working on behalf of the San Francisco Fire Department and in partnership with the SFFD as well as the Port and she will now run through a brief slide presentation. I will be back to wrap up at the conclusion of her remarks.

Gabriella Judd Cirelli - I'd like to introduce in our audience today from the San Francisco Fire Department, Assistant Deputy Chief Anthony Rivera.

This project is part of the Earthquake Safety Emergency Response Bond. It is funded by General Obligation Bond funds and has the support of the Fire Commission, Public Works Director Nuru, the Fire Chief, Joanne Hayes-White and the Port has been wonderful partners. I want to thank Jamie Hurley for his excellent work with us as well.

This project is operationally critical to San Francisco Fire Department. It's a highly specialized facility as a water response. We have a very high risk profile here in San Francisco Bay with oil refineries nearby, boating and recreational water activities, the airport, etc.

Pier 22½ is a vital part of the Embarcadero. There are multiple view corridors that lead onto this site. It's very proximate to the Bay Bridge. It's very proximate to a historic structure. All those considerations need to be taken into account in this very interesting project.

We've been holding regular working sessions with the Port staff, the Fire Department and some expert consultants to address the myriad of issues that this project will face including Sea Level Rise.

As reported in my last update to you, the concept for this new facility is for a floating pier which makes it technically a barge. This minimizes the numbers of piles that we need to drive, minimizes the environmental impact, and also allows it to be resilient to Sea Level Rise.

The project as envisioned would not be reliant on the Seawall. The barge will be self-supporting on its own structure. And for San Francisco Fire Department members, it will be constructed to some very specific and defined comfort criteria. The design and construction will also include some significant elements to ensure the longevity of the facility, sacrificial steel, etc. to make sure that it can last, at least at minimum, the 50 year life of the facility.

Pier 24 is so completely deteriorated as to render it unusable at this point. It is in the water. Pier 22½ is the remaining pier structure there, is also in very poor condition and deteriorated. The existing building will remain. That functions as the station for Engine Company, Fire Station 13, will remain and that engine will continue to respond landside.

This new project that we're talking about is for the Fireboat Station to replace the Piers 22½ and 24 with a new pier and to provide for the boat operation.

With this plan view, we can see in dotted areas there, those areas that will be demolished. Pier 24 is already in the water and the Pier 22½ also deteriorated. This is the plan view of concept sketch of the new facility. The facility definitely requires additional square footage to adequately support the boat operations. It's a very highly specialized Fire Department function.

We're very sensitive to minimizing the shadow of this new structure and the footprint over the Bay. As it is envisioned right now, the two piers that are existing are smaller than the single new pier that we are building. We've carefully studied the operational impacts and the drivers behind what the station size need to be.

Due to the complexity of this project and the many factors that I've mentioned, Public Works recommended and the Fire Department accepted the recommendation for delivering this project as a design-build project. Accordingly, we have proceeded with an RFQ and RFP process which did Local Business Enterprise goals for both design and construction.

This slide addresses the process for that RFQ/RFP process. As a first step, Public Works engaged some expert consultants. We used Public Works architects. We used GHD and Mott MacDonald for engineering and Mary McGrath Architects for Fireboat specific Station expertise to help us author some very detailed design criteria that the teams would be responding to. The supporting documentation was over 3,000 pages that we authored for this project.

In the first step for the RFQ, the panel had four members which included one representative from San Francisco Fire Department. It also included Port staff. We had five very strong contenders responding to that step one of the RFQ. Panel one's evaluation short-listed three firms. At that point we engaged a group of design experts for panel two to adjudicate the design competition. In that group, we did include a representative from San Francisco Fire Department as well as a participant from the Port's Central Waterfront Advisory Group.

The result of that design competition resulted in short-listing of two firms. Their final step included a price proposal and authorship of a schedule and a defined project approach. The successful team that won the RFP was Swinerton Power, a Joint Venture. Our total project budget is \$39.9 million. Our advertised budget

for the design-build contract was \$29.9 and our successful proposer came in at \$29.82 million.

Public Works is anticipating a Notice to Proceed approximately on August 1st. We will embark on a pretty ambitious four-month concept phase during which we're going to meet with any number of community groups, interested authorities, regulatory bodies. Those outreach activities will ultimately inform the final size, scale, relationship to historic structure, urban considerations, etc.

We're envisioning that the barge and the new building will align directly behind the historic structure for best relationship to that historic structure. Continuing with the exhibits from the successful design-builders submission, this is a concept first floor plan. These are basically outlining the myriad workspaces that need to support the sufficient water rescue on the Bay. It centralizes a lot of the San Francisco Fire Department resources that are currently not centralized here to facilitate their response. This is where they should be in order to ensure the most prompt water response. Having the adequately sized facility will allow all of those resources to be collocated here and assist the Fire Department in proper response.

This is Swinerton Power's concept second floor plan. This is essentially the living spaces that support the Fire Department operation. We recall that Fire Stations are a 24/7 operation so they live, cook, eat there as well as respond to the calls.

One caveat about these computer renderings. They just look so complete and we haven't even started design. Our first step is to embark on a four-month concept phase. This is a view of their concept interior. Their concept for the interior included very durable and functional spaces as is appropriate for a Fire Department but also taking advantage of the fact that we have this amazing site on the Bay, we want to create a pleasant space for the firefighters there, maximize the glazing, etc., where appropriate.

We will be designing and building the structure to LEED Gold standards, however we are not able to certify the structure as LEED Gold because U.S. Green Building Council cannot certify buildings over water. They can only certify buildings over land. However, we will be very rigorous about defining and building to the LEED Gold standards and that was part of our design criteria.

This is a simplified concept elevation looking at it from the South. This respects this submission's respectful scale relationship to the historic structure. You can see the very limited number of guide piles that hold the floating barge in place and the façade large openings to support the boat operations.

In this next view here, we see the relationship of the historic Fire Station 35. As I mentioned before, that Engine Company will remain housed in the historic structure. You can see in this rendering too the fire engine, almost exiting the

building or parked with its nose outside of the building. That is its current operation and its current orientation. It does respond landside from there.

The new building would need to be a design of our time. But the intent of the design-build team is to be as respectful and appropriate as possible to that adjacent historic structure and you can see that there in some of the massing and material suggestions, color suggestions.

One interesting element of this project is that there's multiple façades. There's the façade as shown in this rendering here, facing the Bay and the boats. There's the façade facing the historic structure and then there's the long sides facing the Embarcadero and pedestrians and users of the Embarcadero. It's a very interesting design project with multiple aspects to be considered, very sensitive site.

This is a summary of the proposer's schedule that was included in their design-build RFP response. In terms of their project approach, one interesting element is they do plan to fabricate the barge remotely as we do not have barge fabrication of this scale available in San Francisco. But from there they plan to barge the building in, barge the barge in. It will be dry barged. Similar to a large truck carrying your car, it will be dry barged in over to Treasure Island.

The building will be constructed atop the barge while berthed at Pier One at Treasure Island and that will allow many things. It will allow the local hire to proceed because it's technically San Francisco construction at that point. It also allows Pier 22½ to remain operational with the Fire Department as long as possible before it needs to be demolished in time for the new barge to be floated in and have final connections, etc. at Pier 22½.

Jamie Hurley - In terms of immediate next steps, as Gabriella noted that the design-build contract is expected to be in place or executed in early August which will then kick off about a four-month concept phase in which Port staff and stakeholders as well as the various permitting and regulatory agencies involved will be consulted with regard to the design and refinements to the design will be made accordingly.

At the conclusion of that process, towards the end of December or early January, we anticipate another informational presentation to the Port Commission before the team moves into the actual design phase.

Commissioner Adams - Gabrielle and Jamie, thank you.

Commissioner Brandon - Jamie and Gabriella, thank you so much for the presentation. This is very exciting and I love the pictures of the concept. Will there be any update to the existing building?

Jamie Hurley - The short answer to that is as part of this project, there will not be. As Gabriella mentioned, the building will continue and will be able to continue to function in its current capacity as housing the Engine Company. Any deficiencies to the existing building is something that we'll need to look at and identify a funding source for, but it's not included as part of the scope and budget of this project.

Commissioner Brandon - But most of the company will be in the new building. So, the building will just be vacant.

Gabriella Judd Cirelli - There's actually two buildings currently. There's the historic structure, which does house the Engine Company and that will continue. The Boat Company is tightly squeezed into the historic structure. It's completely inappropriate. There's no female restrooms. It's the only station in San Francisco which doesn't have separate restrooms for men and women.

The boat facility is operating out of that shed building which is atop Pier 22½ and just square footage wise, just woefully inadequate. That's why the boat response, many of those equipment is not located here as it should be and that's why the new building is so much bigger. In short, the new building will fully support the boat and marine operation completely. The Engine Company will now be able to exist on its own and breathe in the historic structure and focus as it should. But we have no program or budget for the Engine Company in the historic station.

Commissioner Brandon - The existing building does not need upgrades?

Gabriella Judd Cirelli – To be honest with you, every building needs upgrade. The Earthquake Safety and Emergency Response Bond, we're focusing on earthquake resiliency, and so in terms of the number of stations that we need to address, and we're addressing them in seismic priority, there are definitely things to do at Fire Station 35, but there are other stations that are definitely ahead of it on the list. It's not envisioned to receive any additional attention with this bond funding.

Commissioner Brandon - Can you tell me a little bit about the Joint Venture with Swinerton and Power?

Gabriella Judd Cirelli - The teams per the terms of the RFQ are self-identified; however, they wanted to organize themselves at the prime level. This particular team organized themselves with the general contractor being Swinerton and Power being the marine or the barge element. They formed a very strong joint venture, as adjudicated by the panelists. I was not on the panel but they were the successful responders.

They definitely have a lot of experience with both San Francisco construction and also on their waterfront which stood them in good stead with the panelists.

They also have some very well qualified subcontractors, a major one being Liftech who's done a lot of marine construction and barges specifically. They have a good history, a good track record of successfully executing this type of project via design-build method which is a little bit different.

Commissioner Brandon - Was there an LBE goal on this?

Gabriella Judd Cirelli - The LBE goal for the design side was 10% which the team exceeded. I believe they're at 15%. For the construction side, the LBE goal is 15% and they have signed a Letter of Commitment with the Contract Monitoring Division that they will meet that goal. They actually don't bring their subcontractors, other than the major team players like barge builders, etc. on until later. When they go through that bid process at the completion of design, we'll know by how much they are going to exceed that goal.

Commissioner Katz - It's very exciting. I would hazard a guess, this may be one of the more popular stations after it's completed.

Gabriella Judd Cirelli - I hope to be invited.

Commissioner Katz - A couple questions on the barge floating structure, could you explain a little bit more about how that works and what kind of cost comparisons you might have done to other options?

Gabriella Judd Cirelli - We did a pretty thorough analysis having to do with steel barge, concrete barge and traditional pier construction, a concrete pier construction. The steel barge was actually the least expensive and it was the most resilient to the Sea Level Rise. Our concern with building yet another fixed pier would be that we would be facing the same issues as is projected for all the other fixed pier construction. We believed and ultimately recommended that the floating pier was the best option and it just coincidentally was the least expensive. It was a win-win.

Commissioner Katz - It was a leading question on my part. I've been talking about how we need to look at more floating piers. I'm pleased to hear that it was also the least expensive.

Gabriella Judd Cirelli - It was indeed. That technology is used in many parts of the world. This is not leading edge technology. It's something that is proven and will be very successful.

Commissioner Katz - In terms of the timeline, what's the schedule look like?

Gabriella Judd Cirelli - Public Works is anticipating a Notice to Proceed to Swinerton Power on August 1st. That's our target. We're working well towards that date. Directly afterwards is a four-month concept period. That concept period is absolutely key. It's when we take this basis of design that was a result

of the RFP and the design competition and enlist the input from any number of community groups, regulatory agencies and other stakeholders, key stakeholders. That four-month period for us to do that proper outreach is going to be absolutely key. The resulting tweaks to the design, or what comes next, will be as a result of that.

Then we go into design. Once we go into design, it should be with all stakeholders in agreement and we've got a basis of design and we're just proceeding then with presumably no major changes into completion of design with construction to follow. We also do plan to release the barge fabrication as soon as is feasible because that's a long lead item which will be fabricated remotely to coincide. That's what this schedule represents so that when the barge is actually dry barged in, then we can start the construction of the building atop the building immediately thereafter. We really want to lower the downtime to the San Francisco Fire Department and we also want to make this as efficient as possible, minimize construction on the Embarcadero.

Commissioner Katz - Very exciting, very impressive. I hope you'll be back when we get the design ready to go and can present on that when the time comes.

Gabriella Judd Cirelli - With pleasure, I'd be happy to come back.

Commissioner Woo Ho - Thank you for the report. It was very interesting and intrigued with two aspects: (1) the floating barge and (2) the design. Is there limitations in terms of the size and the weight that one can do for the floating barge?

Gabriella Judd Cirelli - That's a very good question, Commissioner. Internationally, floating barges are used on very large projects, specifically in Hong Kong, Shanghai, and other places. They have enormous sports stadiums with very heavy loading and very large, almost mini cities atop barges. It's fantastic what this technology can do. We're not stretching the limits of what a floating barge can support with, to be honest, very small building by comparison, by any means. As I mentioned, it is a proven technology and it's going to suit this sized building well.

Commissioner Woo Ho – You have piqued our interest, not just for this project but obviously we have a lot of other piers that are dilapidated. It might be less expensive just to put in another floating barge instead of trying to fix the infrastructure which is huge cost with some of our piers. That's something for Director Forbes to take note and see whether that's something that we should consider. Because that has been a deterrent to some of our piers. Now that you've mentioned it, it's a really good concept for us to explore further as a solution for some of the other piers. I also had a curiosity question. The fire personnel that are assigned to the boat, they must be trained differently than on land. So this is a specialized crew?

Gabriella Judd Cirelli - It is a very highly specialized crew. There are crew members which are engineers to operate the boat. Firefighters to help participate with the water rescues and other water marine rescue function. Obviously they have water certifications and other types of specialty. This is a very highly specialized unit and very unique.

Commissioner Woo Ho - I guess they have divers.

Gabriella Judd Cirelli - Absolutely.

Commissioner Woo Ho - It must be one of the more elite units within the Fire Department.

Gabriella Judd Cirelli - They're just the nicest folks. They're so capable and they're just so wonderful, just down to earth. By the way, they've been a very strong participant in this, in all the planning process. We brought our entire consultant team for very long planning meetings with them to make sure that we covered all their needs. This is very highly specialized. We've been working on fire stations within this bond for six years now but that's regular fire stations.

Commissioner Woo Ho - But that million dollar view that you showed us, I'm sure you're going to have no problem recruiting more people to come to this unit because they're going to see it's a wonderful place. It's a beautiful view. Thank you, that was a great presentation.

Commissioner Adams - Thank you again. My fellow Commissioners have hit everything. Great presentation. We're looking forward to seeing you back soon.

Gabriella Judd Cirelli - Thank you. With pleasure. I hope you'll have me back again.

- B. Informational presentation on a recent study of parking trends around Seawall Lots 322-1, 323, 324 and 321 and parking and transportation options after three of the lots' parking stalls are removed to develop the lots to meet the goals/objectives of the Waterfront Land Use Plan.

Ricky Tijani, Development Project Manager with the Real Estate and Development Division - First of all, I'm going to provide an overview of this presentation which is going to be very short and I'm going to be turning it over to the representative of the consultant who will be providing more details on the study that they've conducted.

I'm going to provide a short background to let you know where we've been and why we're here. I'll turn you back to the consultant and then we'll wrap up and come back to next steps. In March 2014, the Port and Mayor's Office of Housing and Community Development entered into an MOU providing for the Housing

Office to solicit a developer to lease and develop affordable housing on Sewall Lot 322-1. Seawall 322-4 is closer to the Embarcadero.

The MOU includes among other things, the exploration of including a public parking garage in the proposed development to replace some of the parking spaces to be removed. The point is to fund the garage if it is financially feasible. Last year, through an RFP process, the Housing Office elected BRIDGE Housing and the John Stewart Company for the development. The City added the nearby parking lot to increase affordable unit count in the development.

The development team's proposal include residential rental units, affordable to families and seniors, and ground level retail commercial spaces with an option for a below grade parking garage. In 2016, you approved the Term Sheet for Seawall Lot 323 and slash 324 for the proposed Teatro ZinZanni Dinner Theatre and hotel development. Parking spaces on this lot are to be removed as well.

Late last year, we apprised you that including a parking garage in the affordable housing, mixed-use development is financially infeasible due to high cost and insufficient revenue to justify the cost. In stopping the pursuit of that garage, you directed us to study parking trends around the lots that are being developed and to also study parking and transportation options after the removal of the lot's parking spaces. Thereafter we hired a consultant team that includes Siefel Consulting and Nelson\Nygaard to help us conduct the study.

Pete Costa, Nelson\Nygaard Principal Planner – I'll provide a quick presentation to talk about the redevelopment of Sewall Lots 322-1 and 323 and 324. Essentially the loss of the surface parking that exists today and how are we going to help manage that tradition.

As you are aware, this is the location of the two surface lots that are slated for redevelopment with the affordable housing and ground floor retail as well as a hotel with up to 200 rooms and retail restaurants at the bottom and construction in the next one to two years. This is actually something that's in the very near term.

What prompted the analysis and approach is, "How should the Port who owns the lots now, and the parking operators right now, manage this transition with the existing patrons of those lots?" As well as, "How can the Port ensure that they can have continued strong access to those Port tenants, visitors and enable to maintain that experience that we all love and enjoy today along the waterfront and with respect to access as well?"

Right now we're in the assessment phase. How are these lots currently being used by their patrons? What are the nearby parking resources that can potentially accommodate and absorb current demand and future demand? What other ways to get to the waterfront? We want to talk about other transportation and mobility options for a lot of patrons.

Right now we looked at usage dynamics which is a technical, fancy term for, "How are these lots actually being patronized?" We received data from the parking operators which is the best data that we had available and looked at what was the parking utilization on a typical Saturday, a Friday and a Tuesday, looking at different data points?

Right now we noticed that Sewall 323/324 which hugs the Embarcadero which is a very attractive surface lot for many visitors and tourists, in fact does generate a lot of visitors to that lot. The dark blue and the graphs are actual kiosks, so those that pay at the kiosk at the surface lot. It's reasonable to assume that these are visitors and tourists to the lot. The small thin, light green are online purchases. Then the orange margin on the bar is the actual permit holders. Long-term parkers, likely employees of the nearby environs.

The same with 322-1, we see that there's a high percentage of users that are also spread amongst visitors and long-term employees. The key takeaway is in both of these graphs the parking facilities right now are well utilized. They are almost near max capacity. They're well above 90%, so they're very well managed.

Looking at temporal demand for all the different users on a Saturday, and Friday and a Tuesday by hour. Seawall Lot 323/324 is very attractive to visitors and tourists and it generates a lot at the kiosk. Whereas 322-1 is actually more of the permit holders and the online purchasers, but does not get as much patronage as the other lot.

Key takeaways. That the lots right now are priced and managed at capacity, so they're well effective in that manner. They're very commuter orientated, so there's a lot of employees in the area that patronize these lots. We need to start thinking about the changing concept of the area, with transportation network companies, Ubers, Lyfts, E Embarcadero line along the Embarcadero. Mobility options have increased over the past few years. People are thinking differently about how they want to get to and from San Francisco as well as this highly sought after and attractive area along the waterfront.

We wanted to zoom out a little bit and see what else is available. If these lots are to go and we lose around 400 spaces, are there other areas that could potentially absorb this demand so we're not actually losing out on the visitors and employees that work in the nearby area? Within a five minute radius, so which is a suitable walk in this area in particular given the flat terrain, we looked at other parking supply and we realized that there's almost 1,400 spaces in the vicinity.

A fair amount of parking is still within a five minute walk to the parking lots in question. This is a breakdown and dynamic of where does that supply live. 22% are actually off street facilities controlled by the Port. A large, vast majority are private operators or other entities that own that, and on-street parking.

Within that, we also looked at pricing. Right now, these parking lots in question are very attractive and the parking lots in the area are actually priced below other highly sought after areas like in SoMa. There's about a \$7.00 difference on average and same with the monthly price. These lots are actually not priced optimal to actual market demands at this point. But given parking and how it could change, the pricing of parking could change to help manage that.

What are the takeaways? There's a significant parking supply within a short walk, over 1,000 publically accessible parking spaces. And certain ways, potential to increase prices to manage demand. Those nearby spaces can actually increase their pricing to not only create more of an effective demand, but also to be more on the level of SoMa and pretty much that gap between area prices and those areas with high demands.

The potential for increased management efficiency. These other lots and spaces and even Port-owned parking facilities can actually increase their efficiency by valet stacked parking which have been shown to increase parking supply from anywhere from 20-40%. You can really maximize your utility per space.

Also, the area right now is transit rich. There are a lot of opportunities if a visitor or employee want to take transit by means to get to and from this area. Local transit, five to six minute frequencies, that's very effective and very transit rich that has very high frequencies. There's more coming. In terms of regional transit, there's planned expansion on the ferry service and BART's new rail cars and signal systems to expand peak capacity.

There's other regional efforts and local transportation efforts going to increase and maximize the transportation ecosystem and that capacity. We're all familiar that there's a lot of bus transit lines that do serve the project environs. Also the ped bike network, very robust and there's a lot of bike share in the area. There's a lot of increased mobility in and around the area that could actually offset the parking demand at the current surface lots.

Key takeaways, the close proximity to range of transit options, mere steps away from Muni and BART and the ferries. Major bike facilities nearby. A robust bicycle network. Growing number of shared vehicle options. As we know, Carshare, Ubers, Lyfts, micro transit like Chariot, all new choices that are coming into the ecosystem in San Francisco and that all of this combined, it's reasonable to assume result in a potential decline in parking demand. The impacts are to be determined, but changes are likely coming.

Now do we manage this transition? How do we maintain this experience for those that do patronize the surface lots right now? First step recommendation is to communicate early and often with those that use the parking facilities right now, letting them know that these parking spaces are going to go away, and where they can find additional parking.

We can promote transit mobility choices, online resources to broadcast there are other options for them to consider. When I talked about efficient parking management, the parking stackers and valet, these are actually great technological controls to optimize current parking supply and other spaces so you're not exactly losing supply in the parking, or in our study area.

Last but not least, we want to prepare for a multimodal future. The mobility trends are showing a lot of mode share splits among Bikeshare, Carshare, Ubers, Lyfts and also with an enhanced transit network in the City, all of which can actually start to influence how parking demand is tomorrow and in the future.

Ricky Tijani - This study only focuses on this very limited area within this lot, approximately two to three blocks around those area. The Port is undertaking a large study in terms of transportation and transportation demand management policy to be considered later. Our focus here was to address the question that you posed to us, "When these lots are developed, what would be the option for the current people that are using them?" It's very limited, indeed.

Commissioner Adams: Thank you. Public comment on 12B. I have one card at this moment, Corinne Woods. And anyone that would like to speak after Corinne, please speak on 12B.

Corinne Woods - I'm currently engaged in the Waterfront Land Use Plan Update Task Force. We spent a lot of time on this and one of the issues that keeps coming up is parking. The Transportation Subcommittee, which I didn't serve on, has finished its work and has created a draft report about what it's going to take to look at transportation options around the Port and how the Land Use Plan can play into that.

They have a lot of good recommendations which need to be incorporated into the planning for the seawall lots in the Northern Waterfront. To me, this report is fairy dust. It talks about Ubers and Lyfts and shared everything. You've got to reduce single occupancy vehicles and you've got to reduce the use of commuter vehicles. One of the major ways to do that is to do a comprehensive plan, a Port-wide Transportation Management Plan, even though the Port can't control this, to push for better transit service. Transit service to the Northern Waterfront totally, it's ridiculous. The F-line is massively crowded. The E-line which I love is hardly functioning. We need to push MTA to do a much better job of waterfront transportation, because you can't expect workers, especially relatively low wage workers to take an Uber or a Lyft or to spend the extra hour it might take to get from BART or whatever to the Wharf area where they work.

I know this is the beginning of a longer-term study. I don't want to add cars. I don't want to add garages. We have to take into consideration the fact that even if we can get Muni to look at better transit, better options, it's going to take five years. It always takes five years to get anything like that moving.

We are and have been for a year now, working with MTA to improve waterfront transportation options and we really want the Port's help to make sure that happens.

Commissioner Adams - Thanks Corinne. Appreciate your honest comments.

Commissioner Woo Ho - This is an interesting report. There was obviously a limited radius done. What Corinne mentioned in terms of not being able to look at the larger area is something that we do need to take into consideration. Trying to find the policy of Transit First is great, but the execution, implementation is always very difficult and as she said, takes time.

There are some recommendations in here that we could certainly take a look at. I don't know how much of the 1,400 spaces that are mentioned in the area actually could absorb, because the statistics of the usage of those parking lots hasn't been analyzed. I don't think it was part of this report. We don't know whether they're at capacity already. Changing behavior is not easy, so it's not like you just all of a sudden take it away and people will start changing.

In some cases if people have to go a greater distance, they may not have the ability to use transit because it is just too complicated and you're going to end up having an hour and a half commute when something could've taken 35 minutes by car. Those are all the choices that people have. There are people that can't do the 35 minute commute and park the car, etc.

It's a very complex issue. This is just a start, and we can't eliminate all parking and think that just by eliminating parking, that nobody's going to drive. That's not unrealistic. You're going to have to address different people's needs at different levels. We do have to address the people that cannot afford to drive and cannot afford to take Uber and Lyft. We also have to address the people that can, and are willing to pay and we have to have a solution for them too, because it's a lifestyle choice.

Having the stacking parking is maybe a solution. I'd like to understand whether we're going to consider that in some of the parking lots that the Port has. Somehow we need to get a balance here. For me personally, I could not take all public transportation to get here. It just wouldn't work. For myself, I couldn't choose that.

We have to figure out how we can find different solutions for different people. It's not one size fits all. We have to continue to be conscious of that, whether we're addressing this issue or looking at the Waterfront Land Use Plan Transportation Committee. It has to be different solutions for different people and find a way that doesn't make the situation worse. Hopefully we could make the situation better. There will be people who take the bicycles and everything else. But there are other people that won't and you can't force that on people. This is a city of choice and we have to continue to be a city of choice.

Commissioner Brandon - Thank you for this very detailed report. Of the nearby parking operators, did we study to see what their capacity is?

Commissioner Woo Ho - No, they didn't.

Ricky Tijani - The report didn't go into it in detail, but they did indicate that the existing parking facilities that are there, even though they are near capacity, they have room for additional capacity through valet operation and other management efficiencies that they could bring in to the operation. They did not also cover all the other private parking facilities like those that are reserved for the offices or other uses that are made public.

It's an issue that needs to be addressed. We don't have control over those private parking facilities, but there should be some study or additional work to do an outreach to those facilities to see what could be done. In terms of facilities that are available to the Port, there might be opportunity to expand some of the existing operations that we have but that requires another review and community outreach to make sure there's a consensus to allow for that type of increased capacity.

Commissioner Brandon - It's something we're going to have to do.

Commissioner Adams - I appreciate the presentation. This is a work in progress. I understand it and you're just starting out and I appreciate what Corinne said and it's true but we've got to continue to work on this. We work in the third most congested city in the world, Los Angeles, Moscow and San Francisco. This is a long-term, working out different things and seeing how we're going to resolve.

I don't think one size fits all, but we have to continue to work on it. Director Forbes, I think you heard the Commission. I think you heard Corinne. We've got to keep talking about this, what we're doing. Because we're experimenting on this and we want to get this right. We've got a problem in this city and it's a good problem to have. But we have it and I think we've got to work through it. I appreciate you guys' work and I hope you don't take it as criticism, but we've got to talk about it, get it out there, have that open discussion and do what we can do in the city to see what we can do for parking and stuff like that.

I appreciate you guys' presentation. I look forward to you coming back. I'm sure you'll take some of the comments and we'll just keep working on this and just get back to us. I appreciate it.

- C. Informational presentation regarding the Transportation Plan, Infrastructure Plan and Sustainability Strategy for the Mission Rock Development Project at Seawall Lot 337 and Pier 48, bounded by China Basin Channel, Third Street, Mission Rock Street and San Francisco Bay (AB 8719/Lot 002; AB 9900/Lots 048, 048H, & 62).

Phil Williamson, Project Manager for the Mission Rock Project at Seawall Lot 337 and Pier 48 - We were before you last month with an update on the project's design controls. We are back before you today with an update on three other transaction components, the Transportation Plan, the Infrastructure Plan, and the Sustainability Strategy for the project.

These plans that you're going to hear about in a moment from representatives of the Giants were a work that involved many other agencies, not just Port staff, but the Port and the Office of Economic and Workforce Development worked closely with SFPUC, SFMTA, SFDPW and the Fire Department as well. I'm probably leaving out somebody here, but long story short, what you're going to hear was the result of much outreach, much coordination and is one step closer to a project that we hope to be built as you'll see in these slides coming up.

Jack Bair - The project team is running on all cylinders right now as you can imagine. Our goal is to secure local entitlements by year end on the project. The environmental impact report has been published and the comment period has been closed and I'm happy to report that there were not that many comments and so I think we're on schedule.

We are well down the path of negotiating the business transaction with the Port and we've had a very strong collaborative working relationship with staff and I'd like to commend the Port staff, Phil, Project Manager Mike Martin, Rebecca Benassini and especially the City Attorney's Office at the Port, Joanne Sakai that's been at her computer day and night keeping up with all of our work.

As Phil indicated, we're doing informational presentations each month. This is a big massive project and we're trying to put it in little pieces each month so when we're back before you, you've heard about every aspect of the project in a more digestible format. Today, we're going to focus on three items, our Sustainability Strategy, our Infrastructure Plan and our Transportation Plan. Next month we'll be back with an informational presentation about project financing and economics. I'm going to introduce you to our newest member of our Mission Rock team, Julian Pancoast who comes to us from the Shipyard Project and Treasure Island.

Julian Pancoast - I will start with a plan that represents one of the most important tenets of the project which is our Sustainability Strategy. This plan is a plan that calls together all of the sustainability components of other project documents, like the Infrastructure Plan, the Design Controls, and creates a multifaceted approach to sustainability.

The sustainability for the project is implemented at three scales. The first is the horizontal development which is the construction of all the infrastructure, the utilities, the streets, parks. It's also implemented through the vertical development, what we call the core and the shell of the buildings and then also

through those occupied spaces in the buildings, its offices or retail outlets, and the residences themselves.

It's a multifaceted Sustainability Strategy. This represents some of the key components of it. One really important component of Sustainability Strategy is our approach to reducing water waste and while this diagram looks complicated, it represents three main approaches to reducing our water waste to virtually zero.

The first is recycling water. Greywater from buildings gets treated within the project and then is used for non-potable uses in the buildings and in the landscape. All of the irrigation in the parks and Open Spaces will be with recycled, reclaimed water, and then within the buildings you can use the reclaimed water for toilet flushing and other non-potable uses.

The other big contributor to reducing water waste is our district heating and cooling. It's a closed loop system so typically in the HVAC systems for buildings, there's a lot of water waste. We are proposing for this project a closed loop system so all of the water that serves those building systems is recycled and it doesn't leave, so that saves us, we're expecting up to 6 million gallons of water per year.

Finally and most importantly, reducing the demand for water will reduce the use and waste of water and we do that through drought tolerant planting in the landscapes, efficient irrigation, efficient fixtures in the buildings and other strategies.

This is a real quick diagram to show how the reclaimed water system works. We basically capture wastewater, greywater, from three buildings on the site, A, K and F. That's enough to serve all of our non-potable needs and then it gets circulated through pipes throughout the project in a couple of streets to all the other buildings and the parks.

This is another graph that looks pretty busy really represents something pretty, a simple goal. EUI is Energy Use Intensity. And what these bars represent is the state, reducing the amount of energy that buildings consume over time. They're working towards a goal in 2030 that new buildings will be net zero energy. What these circles represent is our targets for Mission Rock for Energy Use Intensity. What you see is that as the state is working towards its goal of net zero, we are ahead of the curve and trying to provide a model for other projects to demonstrate that those goals can not only be met but be exceeded.

Another important goal in the Sustainability Strategy is the reduction of greenhouse gas emissions. Another complicated slide, but what's really important is to show how we relate to San Francisco and to the United States. Even San Francisco, we're a city of leaders in the reduction of greenhouse gas emissions. This project aims to beat the city by 50%. We can achieve that by

tackling greenhouse gas emissions on all fronts. Not only in some of the big greenhouse gas emitters that we all know like transportation and energy but even in our reduction of water waste and water use, there's energy components that are associated with that. We're hitting the greenhouse emissions on all fronts.

Another big important document is our 300-page Infrastructure Plan. Probably the least sexy of all of our documents but critically important. It lays out all of the infrastructure proposed for the project at a concept level so that's the streets, utilities, parks and Open Space. It talks about our geotechnical improvements, our adaptive strategies for Sea Level Rise.

It's all encompassing, all of the infrastructure that we're going to be building, which we're going to be building in phases. With each phase of development, we'll be providing all of the utilities, streets, parks that are necessary for that phase of vertical development over four phases total.

This is a Composite Plan that shows how we've laid out all the utilities, wet and dry utilities for the project. Each of these individual utilities is laid out in detail in individual chapters in this document. This demonstrates the level of detail that we've planned for at this stage.

Another component of our infrastructure design is our pile-supported streets. As I'm sure you're all aware, this site, as with many sites in the area is built on fill and then below that is bay mud, both of which are subject to settlement, either just static settlement under its own weight or through earthquakes.

We feel that pile-supported streets and pile-supported buildings are the best way to ensure that we have no settlement for the infrastructure and the buildings which will prevent the differential settlement that you've seen in other adjacent projects where you have building sinking or street sinking in different levels which causes a lot of problems. Not only for people on the surface for people tripping and falling but all the utility connections and a lot of underground issues that are caused by that. For our project, what these pile-supported streets allow us to do is to have special street conditions like our shared public way where this is a totally flush condition and any differential settlement was detrimental to the design of these streets.

As I mentioned, another component that's covered in the Infrastructure Plan is our adaptive strategies for Sea Level Rise. Our initial improvements raise the grades at the core of the project up about four feet which will accommodate 66 inches of Sea Level Rise which is a projection for 2100. It then slopes down around the edges to meet the existing conditions.

This is a section that shows what we anticipate, how this will work on the perimeter. The buildings will be elevated to accommodate Sea Level Rise that's anticipated up to 2100. In the north end towards China Basin Park, the site

slopes down which will mean that occasionally, at king tides, there'll be occasional overtopping as sea level rises. But we're designing the parks to accommodate that. We'll use saline tolerant plants, so if the Bay laps over into these, the plantings on the shore will be able to accommodate that.

On the east side of the site along Terry Francois Boulevard, our strategy is that building elevations are elevated above the street with these platforms that become an elevated walkway along the buildings.

Jack Bair - This is a very transit rich location. Throughout the city, the state and the country, there's an emphasis on building office and housing on transit lines to reduce the commute times between home and work to build Smart Cities. This feeds right into that state, local and national goal.

The ballpark itself adds a layer of complication to this plan because we also need to park for ballpark events in this lot so we spend a lot of time thinking about how that will work. This is a photograph of a current use of the ballpark and it's a surface parking lot. It accommodates now about 2,200 cars on Lot A. With Pier 48 and Terry Francois Boulevard, we park about 2,900 cars per event day there. That's our capacity.

That constitutes about 19% of our total attendance can come by car and park in this facility. The current plans for the development is to have a parking structure with 2,800 spaces that will accommodate ballpark uses and uses generated on site which is a slight decrease from the current inventory that we have. Although we're adding, many users on the site.

What we're doing is reducing the ballpark parking capacity to about 2,000 per event day which is about 13% of our attendees so that means 87% of our attendees will either park elsewhere or arrive by non-auto modes which equate to about 50% now. We're an industry leader in our transit-oriented approach to our facility as we are. We'll continue along that path as we have more and more people coming by non-auto modes with this development project.

The garage itself will be operated by pricing and other strategies to make the 2,000 spaces available. Because the development itself will generally create demand equal to the size of the entire garage. We will evaluate the size of the parking structure closer in time when we're building it to make sure that we're optimizing the size. But we're evaluating in the Environmental Review document the size that I've outlined so it's possible that it could get smaller as we approach the time when we build.

Parking's just one aspect of the transportation but it's one that most questions are asked first. Beyond the parking utilization, this site is well served by public transit and other modes. The stars are the Muni stations, and we have Caltrain. We have ferry at the ballpark and we'll have ferry at 16th Street as well. Eventually when this project is done, the Central Subway project is supposed to

be done in 2019 which will be before our first phase is completed and so we'll have the benefit of all that work that's being done.

We also have robust pedestrian and bicycle circulation points throughout the project to fit within the Blue Greenway and the network and to fit within the City's goals in terms of pedestrian-safe Vision Zero goals and accessing the site and making it simple for bicycles. In terms of promoting the use of non-auto modes, every tenant that comes to the site would have a membership in Bikeshare, in Carshare and would have a Clipper card with some money loaded onto the card to encourage people to use that.

We'll have unbundled parking which means if you have a residential unit, you have a separate transaction if you want to have parking. It's not lumped in together. There's only one space for every two units, so it's 0.5 spaces per unit. We're going to encourage people to live here and work here and not necessarily have a car here but access all the public transportation resources.

We also have no real parking in each building. We have some loading in each building because we saw the lessons of Berry Street and Corinne and others pointed out to us that unless we provide for loading properly then that happens on the street and it creates problems. We're providing for loading in each of the buildings, but not necessarily parking per se. The parking is in the structure, which allows us to have much more pedestrian oriented streets where we don't have large entrances and exits for parking that are interrupting the retail flow from the whole project.

We also are going to be generating a considerable amount of money towards transportation improvements off the site. It's estimated about \$40 million that will go to traffic lights and crosswalks and the 16th Street Ferry Terminal and other improvements in the area that the Mayor's Office made a presentation to you recently about cobbling together the funds that are created by Pier 70, the Warriors, the SF Giants, and other sources to concentrate and improve the transportation resources in this fastest growing area of San Francisco.

The slide shows the bike network and how it feeds around our site. The street network is with different street topologies. Some are non-vehicular streets and passageways. This slide shows the bike circulation around the site. A lot of thinking has been done with this from the Bike Coalition to MTA and others to make sure that we have broad signoff on this plan.

In conclusion, we're very excited about moving forward. As Phil said, this has been a collaborative process with multiple City agencies on each of these plans.

Veronica Sanchez - I wanted to take this opportunity to thank the Mission Rock Development Team, the Giants, Phil Williamson for the efforts that they have made to preserve a Maritime tenant which is the neighbor right across the street at Westar Marine. It's a tenant of the Port of San Francisco that has been here

for 40 years. It's a rare woman-owned business in the Maritime business. They have met with us often in the process of their designs and preparation of the EIR because we were concerned. Our business is like in the middle of an island and we're surrounded by residential and commercial uses and we're concerned about being squeezed off of Pier 50 which is now our home after being relocated from the ballpark site many years ago. We are very pleased with the language and the designs but I do want to put on the record at this hearing the point that I've made at many Advisory Committee meetings that we still need the northern apron at Pier 48 for storage of equipment, materials that our vessels transport to construction sites around the bay. In the designs for this plan, there's a lot of green on the perimeter. It's slated for public access, and that is of concern to Westar Marine because of potential conflicts. You can't have public access and the public walking right next to industrial equipment. Obviously there are safety issues. We are comfortable that there's language in the EIR that will address those issues should they come up if in fact it is slated for public access after this project goes through the review process. But we do need that northern apron for our continued operations and I wanted to put that on the record.

Commissioner Katz - I want to thank you for the presentation. You hit pretty much the areas I'm particularly interested in. I love what you're doing with sustainability. Given where we're located, there's really a lot of opportunities to be creative and looking at cutting edge efforts to create more sustainable built environments. I'm excited about that and looking forward to hearing more about that. With respect to the piles for the streets, how deep are those going to go down?

Julian Pancoast - They're all planned to go to bedrock which varies across the site.

Commissioner Katz - Not wanting to comment on any other projects that are ongoing in the city elsewhere, but nice to hear. Will that cause any delay in the timing of your efforts?

Julian Pancoast - No, that particular construction has been factored into the project schedule already.

Commissioner Katz - We've said it here first, and it's caught up to us, or others have figured it out but we said that we didn't think that the early projections on Sea Level Rise were aggressive enough. Sure enough those numbers are changing, unfortunately not for the better. With that in mind, I would want to take a look not just engineering for the conditions that seem to be in play right now or anticipated now but expect them to be a little bit worse than the numbers we're seeing. Sea Level Rise, when we first start discussing it a few years back and taking that into account on our projects, the projections have gone up since then. I would want to look at creative ways of being prepared for that.

Phil Williamson – Certainly, the project team is well aware of the changing intelligence or changing information on this topic. In an earlier stage in the project, we were raising the site to withstand 55 inches, and then as new material and information became available, the project did adjust to a higher, 66 inch projected rise to try and address that.

Commissioner Katz - As I'm sure you've probably seen elsewhere, other cities have faced frequent rising waters and have interesting drainage systems built in that have actually become aesthetic devices as well. But they're very functional in terms of allowing the water to drain and even for example in Lyons, they have a parking garage that's below grade that they have four floors in the summer and only two floors in the winter or something along those lines.

I appreciate your coming forward. Exciting project. This is something that is being done right, taking into account the needs of San Francisco and doing it in a phased way that we're all very pleased and excited to see it happen. I want to thank you for the periodic updates and look forward to keeping that up.

Commissioner Brandon - Phil, Julian and Jack, thank you so much for this presentation. This is great and your sustainability efforts are commendable. I think this is really great. I'm also happy that your Infrastructure Plan takes into consideration Sea Level Rise and landfill issues. Regarding parking, what phase is the parking structure going to be built in?

Jack Bair - The plan is for the parking structure to be built at the beginning of the second phase. What will happen is the first phase will essentially take the northern part of Lot A, the park and the buildings along the park and then one building down Third Street which will displace about 40% of the surface parking lot and then we'll use Pier 48 and the area around Terry Francois Boulevard to augment the parking during that first phase.

The garage will be built in the second phase and will carry the capacity to allow us to finish the project and operate the ballpark effectively altogether. There's a lot of balls in the air but we've done some thinking and we think that this will work in combination with other parking resources in different locations so that we can operate seamlessly and effectively for the neighborhood.

Commissioner Brandon – Is the structure's going to be about 2,000 cars?

Jack Bair - It's currently planned to be 2,800 spaces. It'll be a large structure. We spent a lot of time thinking about the size of that structure and how we can have it gently work in the neighborhood. As you might recall, on one side of the structure, on Third Street, we're building a residential tower so that as you're coming down Third Street either direction, you'll see the garage not as a garage, but as a residential building.

We also have retail in the ground floor environments and we have the opportunity to create some art on the garage as well so that it can fit gracefully in the space but it is a large structure. The advantage of doing it this way is efficiency and cost and also frees up the ground floor spaces for most of the other buildings so they can be a vibrant environment for retail and place making purposes which is one of our main objectives in the project.

Commissioner Brandon – Is this structure going to take care of parking for the whole site for all residents?

Jack Bair – Correct. If you're an office user, you won't be able to drive and park right in your building and take the elevator right up. This is a different type of development, this is urban. If you drive, you'll park and you'll make your way to your building but there's transit right at the doorstep as well. We think this is an ideal place for jobs and an ideal place for housing.

Commissioner Woo Ho - I appreciate the approach to show us different aspects of Mission Rock so I appreciate the team doing that and that's very helpful so we don't have to digest everything at once. I commend you for your sustainability infrastructure. My questions also relate to transportation. You were here earlier in terms of the other projects and the Waterfront Land Use Plan which Corinne referenced.

I want to make sure that we're all taking all these various pieces and putting the pieces in the puzzle and everybody's thinking the same so we don't have disparate pieces. Hopefully that is the approach that we're taking along with partners like yourself as well as on the staff side, that we're looking at this on a holistic, integrated level, that you're not all analyzing your own information separately and coming to different conclusions or analysis or assuming that the capacity will be absorbed by something else when that capacity is going to disappear.

I hope that's the approach. That's something that hopefully you are confirming, and I'm looking at Mike and also Elaine. At some point we probably want to hear about the whole transportation plan, from the Waterfront Land Use Transportation Plan and see how all these pieces are integrated. I did have a question as it relates to parking. Since you have the opportunity and you mentioned all the new things that you want to do, are you going to have a Smart Parking Garage? Meaning that a lot of time our congestion, particularly with Giants' games, are people circling around, looking for parking. Are you going to assign parking and people know online since everybody goes online these days, where to park and they can just go straight to that space? Is this garage going to have lots of entrances and exits? Because a 2,000 parking car garage, hopefully, you have to have lots of ins and outs. Because if you don't have enough, I can imagine, everybody's just waiting to get out or get in at the same time.

Jack Bair - Good questions. The garage itself, if it's not efficiently designed and operated, can be an impediment in that many people have probably been on the top of Sutter Stockton during Christmastime and waited a long time to get out of the garage when there's not that many places to get in and out. Obviously, we operate the baseball team as well and we need our fans to have a good experience.

We don't want the garage to be the gating, we want the streets to be the gating. We can get people out as quickly as possible. The garage has been designed with several entrances and exits for that very reason. It's also envisioned that the garage will employ the latest technologies where you actually have a lot of garages now that have a green light for all the spaces that are open and a red light for the spaces that are closed. You can see where you can go and that you've already seen in the technology at Fifth and Mission that shows you how many spaces are open on each level.

In terms of communicating to fans at a Giants game for example, we have the ability to communicate very effectively through social media, through email and through text messages, issues in terms of traffic, issues in terms of for example there's an event at Pier 30/32 at the same time there's a Giants game in terms of advising people when to go and so forth. We'll employ all those technologies. We'll have handheld technologies.

When you enter the site it will likely be able to pop up on your phone, giving you notice of there'll be a discount at such and such a store. There's a table open at such and such restaurant. We envision using all these technologies to have the site operate effectively.

Commissioner Woo Ho - Because there are apps now that tell you, "You want to park in San Francisco? Use this app." I don't know how they hold the space, but I haven't used it myself, but imagine if somebody tries to say, "I'm going to park. I want to drive to the game." Then all of a sudden they check online and see that there is no parking. They'll have to find other ways to get there or they'll have to park further away at a different garage and that would also relieve congestion instead of coming and then finding out they can't get a parking space.

Jack Bair - I think our concern and the neighborhood's biggest concern is having people on an event day circle around and around looking for that phantom space that might not exist. We want to manage the events well and then part of managing the events is also being mindful of our neighbors. You see also the Warriors who on event days at the basketball arena will want to avail themselves of available spaces at our garage as well.

We're going to be working very closely, and we have been working very closely with MTA, the Mayor's Office and all the stakeholders in the neighborhood to make sure that we operate as effectively as possible. Because in this congested, constrained environment, we have to be on the top of our game.

Commissioner Woo Ho - Even today, when there's a Giants game, we see it on the bridge. We see it coming in on 280 or 101. Everything backs up several miles away from the stadium. Hopefully as we go through this, we can figure out even smarter ways to manage it. I'm talking about days when there are parades in the city and there was no notice to the public about the event or warning them of using another city street. There's lots of ways to manage congestion and parking better in the city.

Jack Bair - Communication is a very effective way of doing that. One of our strategies will be also for a game day, for example, if you're coming from Marin County or the East Bay, you may not want a Parking Lot A. Because that means you have to drive and cross the bridge in these constrained conditions. If you're coming from the eastern part of the city or the peninsula or the south bay which is the lion's share of Giants fans, then the lot would be a logical place to go.

We want to educate people and have them make good choices. One of the things with the Giants, and I don't want to dwell too much on the Giants, is that we have 31,000 season ticket holders and they're our fans, most of our fans know what to do and where to go. Our biggest problems tend to be on our, non-baseball event days where the people going are not the regular customers and sometimes we experience more problems then. But through the use of technology, we've been pretty effective in communicating with our fans and that's only going to get better.

Commissioner Woo Ho - You mentioned that 19% right now are using Lot A and then you want to reduce that to 13%. Because the new garage, you obviously have to accommodate some of the residents and office space. What are the techniques you're going to use to get that 19% down to 13%?

Jack Bair - Communication on available resources in other locations in the City and also encouraging people to use non-auto modes. Because with the Caltrain electrification, with the new Central Subway coming inline, the ballpark will become much more accessible than it is now, and it's already quite accessible. We think that we can move people into public transportation and non-auto modes effectively and we've seen some decrease just from a frame of reference point.

When we opened the ballpark, we had 5,400 dedicated spaces to the ballpark and now we have 2,800 so we have almost cut it in half in our operations. We've assumed some further decrease which we think, with a line of how parking and car utilization are going are responsible targets. But we will have to continue to work to have people not use cars to attend events and also to go to Mission Rock as you're living and working there.

Commissioner Woo Ho – My last question is about increased ferry service.

Jack Bair - Yes, we have obviously ferry terminal at the ballpark. The Port is working on the Ferry Terminal which we're very supportive of at 16th Street. In fact, part of our proceeds from the transportation fees that we pay is slated to go towards the 16th Street Ferry Terminal which will be an additive not only for the Warriors' project and UCSF but also ours.

Commissioner Adams - Phil, Julian and Jack, great job. I'm not going to beat this up anymore. I think we beat it to death. Great job and very comprehensive. Thank you very much.

13. FINANCE AND ADMINISTRATION

- A. Request for authorization to award contracts to (1) Bonner Communications, (2) D&A Communications, and (3) Next Steps Marketing Inc., for as-needed public relations, communications, and media services, each contract in an amount not to exceed \$300,000. (Resolution No. 17-32)

Boris Delepine, Port's Contract Administrator - The item before you is an action item to authorize Port staff to award contracts for as-needed public relations, communications and media services to Bonner Communications, D&A Communications and Next Steps Marketing in an amount of \$300,000 per contract. Each contract will have a four-year term with the option to extend for one additional year.

This project complies with a number of our Port-wide Strategic Goals including regularly engaging in meaningful public participation and incorporating community feedback into Port initiatives and by maximizing the funds spent by the Port with LBEs and Micro-LBEs.

Each contract awarded through this RFQ functions as a Master Agreement under which the Port will issue Contract Service Orders or smaller contracts for specific projects and different work scopes. As with other as-needed or on-call contracts, we don't know the exact scope of the work over the next four years, however, based on past experience, we expect these services to include strategic communications and public relations services, marketing and advertising, public outreach and engagement, photography, video, recording services and graphic design.

This RFQ was unique in that we requested and received special authorization to award at least one of the contracts under the RFQ as a Micro-LBE Set-Aside. Typically Micro-LBE Set-Asides are limited to under \$110,000 unless a special dispensation is granted by the Office of Contract Administration. Our request was granted and on March 8th, 2017, we issued the RFQ.

The RFQ was issued with two separate competitions. One for a formal contract and one for Micro-LBE consultants. We had an excellent turnout at the pre-proposal meeting. Over 70 people attended the March 15th meeting at Pier 1. In

addition, five new LBE firms became certified by the Contract Monitoring Division in response to this RFQ. We convened an evaluation panel that was made up of Tiara Earls from our communications division, Maryann Thompson, Communications Project Manager from the Mayor's Office of Economic and Workforce Development and Shihui Lui, Public Information Officer from the San Francisco Department of Public Works.

The panel make-up was approved by the Contract Monitoring Division. The Contract Monitoring Division oversaw, sat in and supervised all of the panel meetings to ensure compliance with the City's Contracting Rules and Regulations. On April 14, 2017 the submittal deadline, we received 18 proposals. That's a record in terms of responses to any RFP that we've had here. Twelve proposals were submitted in response to the formal contract award and six proposals were submitted in response to the Micro-LBE Set-Aside.

The first step of the evaluation process is to review each proposal for compliance with the RFQ's minimum qualifications. Two firms were deemed nonresponsive to the minimum qualifications and one firm failed to meet the CMD LBE requirements. On May 3rd the panel met to score the 15 remaining written proposals. The RFQ was divided into two phases. The written proposal phase was worth 100 points. This slide shows the breakdown of the proposal points by section. Seven respondents advanced to the oral interview phase. On May 16th we held the oral interviews at Pier One. Interviews were also worth 100 points.

This slide shows the scores for the formal contract. D&A Communication was the highest ranked proposal for the formal contract award. We're recommending award to one formal consultant and two Micro-LBE firms.

These are the scores for the Micro-LBE competition. Bonner Communications and Next Steps Marketing were the two highest ranked proposers for award of the Micro-LBE Set-Aside contract. Again, D&A Communications was selected for the formal contract award. They are a full service communications, marketing, advertising and public engagement LBE firm based in San Francisco. They've worked with a number of City agencies, including the City Administrator's Office, the Public Utilities Commission where they led and developed the marketing program for the sewer system improvement program.

They currently hold a contract with the Port as one of our as-needed public relations consultants. That contract is about to expire. D&A is going to subcontract 21% of their contract to LBE firms. Overall 97% of this contract will go to local businesses headquartered in San Francisco. Cherilyn Tran and Matt Malby are here from D&A Communications and representing their team.

Next, Port staff recommends award of the Micro-LBE contracts to Bonner Communications and Next Steps Marketing. This will be the Port's first contract with Bonner Communications. Bonner specializes in strategic communications,

social media management, Web site development and digital marketing. They have previously worked with the Lennar International, the SF Shipyard Project and the Recreation and Parks Department.

Bonner will be self-performing 50% of the work and subcontracting the remaining 50% to local San Francisco businesses. Noelle Bonner is here from Bonner Communications as well as Lisa Abboud from InterEthnica, one of their subcontractors.

We're also recommending the final contract award to Next Steps Marketing, a full service LBE public relations consultant firm also headquartered in San Francisco. Next Steps currently produces the Port's digital magazine at SF Port. They'll be self-performing 50% of the contract work and subcontracting an additional 25% to LBEs. Thea Selby and Mike Popalardo are here from Next Steps Marketing.

Over 90% of the \$900,000 awarded through these three contracts will stay with local San Francisco businesses. That's a significant number that we're very proud of, 90% going to LBEs.

If you authorize this to go forward today, we'll aim to issue the Notice to Proceed by August 1st. These contracts will have a four-year term and will expire in July, 2021 unless we decide to extend them for an additional year.

In conclusion we respectfully request that you authorize Port staff to award the as-needed public relations, communications, and media service contracts to Bonner Communications, D&A Communications and Next Steps Marketing. Each contract will be, will have a four-year term and a not-to-exceed amount of \$300,000.

Renee Dunn Martin and her staff and I met with seven different consulting teams at the conclusion of the process to debrief with them, to review the score sheets and competing proposals. All the teams that we met with thought it was a fair and transparent process and we hope that the post-solicitation debrief will make them stronger proposers next time and we encourage everybody to bid in the future.

There is a typo in your Resolution. In the first Resolve clause, the Resolve clause at the bottom of page 11 should read that, "The San Francisco Port Commission hereby authorizes Port staff to award and enter into Master Contracts for as-needed public relations, communications and media services as outlined in the accompanying staff report in such form as approved by the City Attorney's Office with each of the three highest ranked respondents in the RFQ." The Resolution in your report currently states, "Four highest ranked respondents in the RFQ." It should say, "Three highest ranked respondents."

Commissioner Brandon - Boris, thank you so much for this report. It's great to see the interest in this RFP and the fact that 70 people showed up. It means that we're doing something right with our outreach. Thank you so much for that. Thank you for getting five new LBE firms certified. That's huge. That's very commendable. I really thank you.

I'm happy that we were able to do some Micro-LBEs to get new faces here at the Port and really looking forward to working with these new teams along with D&A Communications. I know they have worked with us before and have done excellent work. Overall I'm just extremely happy with this Request for Proposals. Thank you so much for all you did to make this happen.

Boris Delepine - Thank you.

Commissioner Woo Ho - I do have some questions and I appreciate the report and we have spread our wings quite a bit which is great as Commissioner Brandon said. I'm trying to understand the LBE versus the Micro-LBE. What was the difference again?

Boris Delepine - There are LBE solicitations where an LBE firm receives a 10% bid discount and then they have to meet an LBE subcontracting goal. There are also Micro-LBE set-asides which are contracts that are set-aside solely for Micro-LBE firms. Micro-LBEs are the smallest type of LBEs and they do not have a subcontracting goal. Their only requirement is that they self-perform 25% of the contract work. Through this solicitation, we received authorization to award at least one of the contracts as a Micro-LBE. After review of the process, we went with two Micro-LBE firms and one small LBE firm.

Commissioner Woo Ho - We have a lot of different people now working on various aspects of our marketing communications. I understand the specialties. I've come from managing Enterprise Marketing at Wells Fargo so I do understand marketing. My concern is who is going to manage and pull this all together. Technically it's Renee but you have so many different consultants now and subcontractors and we have a Strategic Plan, we have all these pieces. How do we keep everybody informed, aligned and on track and not everybody going off in different parts? I'm a little bit concerned about the management of all these different consultants, how the consultants are going to work with each other to fit in with the overall Strategic Plan. We've done a great job now of getting everybody involved but keeping everybody involved is not easy because you have everybody and does the left hand know what the right hand is doing.? How is that process of management and governance going to work?

Boris Delepine - I can begin to answer that question and then turn it over to Renee if she'd like. We have a number of as-needed pools at the Port through contracting. We have as-needed engineering where we have three firms. We have as-needed real estate where there are three firms and multiple subcontractors. As-needed HazMat. We have as-needed Environmental

Services coming up next. Each of those contracts has a prime contractor and subs.

At each stage when Renee or her team need a certain service, they will either award that service through a CSO and it could be a \$10,000 contract to put together a video production or it could be more than that to help with a press conference or something of that nature. Those are all separate contracts that are let under this Master Agreement. It is the responsibility of the Project Manager to manage all that but we've done it successfully with a number of our other divisions and relatively speaking to the other as-needed contracts, this is fairly small at \$300,000.

Commissioner Woo Ho - Yes, but the total of \$900,000 over four years. The other question I have is on usage. As you said, as each as-needed comes up -- so how do we track this? If the usage is not up to \$300,000 at the end of the four years, or if we exceed it, how is this tracked? How do we manage and monitor all of this?

Boris Delepine - We track it in our quarterly reports when I come before you. We typically exhaust the funds. If they're not exhausted, we may add an additional year but this is all monitored through the quarterly reports or the biannual reports that I bring to you twice a year. The previous as-needed contract, we had five different consultants. The amount was smaller but we were able to manage those. All of those contracts were exhausted.

Commissioner Woo Ho - Okay. Renee, do you have any comments to make on how you intend to keep this all integrated and managed? You're the mastermind here.

Renee Dunn Martin, Communications Director for the Port - As Boris mentioned previously, we did have as-needed contracts with five consulting firms. In terms of our day-to-day management for the as-needed is as work becomes available, they will help us in the short-term if it's a short-term needed project. They will also help us in the long-term just in terms of planning going forward for Special Events and we'd like to revamp the Port's Web site, increase our social media communications, our viewership. We have a lot of projects coming down the pike that I will be responsible for managing all of these.

Commissioner Woo Ho - Do you have your own strategic blueprint of how you think about all these different aspects of marketing and you then decide to work with them since they are outside resources and you're the one that keeps it glued together.

Renee Dunn Martin - Yes. We have a General Strategic Marketing Plan that we are implementing. We have over the last several years and this would be a continuation of that. In addition, just developing a more comprehensive Media

Plan going forward and working with each of these consultants in their specialized areas.

Commissioner Woo Ho - How do you evaluate the consultants in terms of satisfaction, quality, etc. How do we get that feedback?

Renee Dunn Martin - Generally we work closely with them hand in hand on a project in terms of identifying the scope of work. Our department would have to approve everything going forward. Again, just working closely with each one of them in their specialized areas to get the job done.

Commissioner Woo Ho - If we were not happy with the quality of the work, do we have within the contract the ability to terminate early?

Boris Delepine - Yes. All our contracts have the ability to terminate for cause or without cause, so we could do that. Again, these are Contract Service Orders, so they're individual contracts for a specific small scope of work that are issued one at a time. A project gets completed and then the next one would come forward. If there was an issue with a contractor, then we would no longer issue new Contract Service Orders.

Commissioner Woo Ho - I'm glad we've been successful in other areas and I want to make sure that we work very closely to keep this integrated and managed because marketing has to be holistic, the messaging and everything from one to the next, social media to other aspects of what messaging you have and the online magazine all have to fit together. It really takes a lot of management and thinking to keep it together.

Commissioner Katz - Boris and Renee, I really want to thank you. you did an amazing job not only selecting some outstanding firms, and I know some that we've already worked with, but increasing the participation of those that have applied as well amongst LBEs. that really speaks loudly to what you've been doing in terms of the outreach and getting more companies certified.

thank you for your efforts, thank all the participants. Excited about this project and often it's probably a little bit like herding cats when you're dealing with this area. Renee I've watched how you so deftly manage all the different consultants in the area of expertise that they offer. You've figured out a nice balance of relying on each of the different types of firms to do what they do best and work with the Port.

Boris, again as always, you've gone, I can't say above and beyond because there's always room for improvement, but I hope that other City departments take a look at what you've done and all that you've accomplished here because it's really an impressive set of results. I really appreciate all that you've done to encourage such broad participation.

Commissioner Adams - Great job Boris. Very thorough. I speak in support of Resolution 17-32. It's good to see us broadening the base and Renee I appreciate your comments and all your hard work. I know you and Boris, all your hard work will pay off. I want to congratulate the new firms that they have an opportunity to work as we expand our pool here at the Port.

ACTION: Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-32 was approved.

- B. Request for authorization to award contracts to (1) AEW Engineering, Inc., (2) Northgate/AGS Joint Venture, and (3) SCA Environmental, Inc., for as-needed environmental and related professional services, each contract in an amount not to exceed \$1,000,000. (Resolution No. 17-33)

Boris Delepine - This item is again an action item. We're awarding three contracts for our as-needed environmental and related professional services to A&E Engineering, Northgate/AGS which is a Joint Venture and SCA Environmental. Each of these contracts has a \$1,000,000 not to exceed amount, four-year term and the ability for us to extend the contracts for one additional year at the conclusion of the term.

Carol Bach and Richard Berman are also here to answer questions related to the scope of services that are typically performed under these contracts. This project complies with a number of our Port-wide goals. They include enabling Port staff to employ strong environmental stewardship principles and implement best environmental practices in Port operations, assessing all new projects for the effects of rising sea level and ensuring appropriate adaptation measures and by maximizing the funds spent by the Port on LBEs and Micro-LBEs.

Similar to the previous presentation, each of these contracts serves as a Master Agreement with small Contract Service Orders issued underneath. Each of them has a specific scope of work. There are times when we will issue a mini-RFP for a scope of work or we'll assign it to one of the three contractors.

We don't know again, the exact scope of work but we do know that we'll need environmental engineering in the next four years, site investigation and remediation, construction monitoring and compliance, stormwater management and dredging support services.

On March 24th we issued the RFQ. It had a 22% LBE subcontracting goal. We held again, a pre-submittal meeting at Pier 1 on the March 24th, 35 individuals attended. We convened a three member evaluation panel. That panel consisted of Anna Wallace who is a Regulatory Specialist with the Port. We had George Bivens who is an Industrial Hygienist with the Public Utilities Commission and Stanley DeSouza from the Department of Public Works. Stanley is responsible for managing all of the Department of Public Works environmental service

contracts. He's the City's subject matter expert and we were very fortunate to have him on the panel.

The Contract Monitoring Division again reviewed and approved the composition of the panel and they sat in on all the meetings that we had related to the evaluation process. We received nine proposals in response to this RFQ. All nine of the firms met the minimum qualifications. This slide shows the breakdown for the written proposal and the oral interview phases.

Firms scoring over 75 points in the first round were then invited to the second round of oral interviews. We held six interviews on May 25th. This slide shows the final scores for the firms that qualified for the second round of the competition. Pursuant to the RFQ, we're recommending award to the three highest ranked firms. They are Northgate/AGS Joint Venture, AEW Engineering and SCA Environmental.

Northgate/AGS is a Joint Venture between Northgate Environmental Management and AGS Inc. which is a local LBE firm. The Northgate/AGS team has experience working on projects with the Ports of Oakland and San Francisco. They manage the as-needed environmental service and water quality contract for the City of Oakland. AGS is familiar with the Port as they drafted the Stormwater Management Plan for Pier 70. They'll be contracting 22% of their work to LBE firms. Nancy Hendrickson is here representing Northgate, the Northgate/AGS team.

AEW Engineering is a certified LBE firm with 15 years' experience working on environmental engineering projects with numerous City agencies including DPW, the PUC and the MTA. They'll be subcontracting 23% of their project to local businesses. Kenneth Leung is here from AEW.

Finally we have SCA Environmental. They currently serve as one of the Port's as-needed environmental service firms. The two other teams are new. They too are an LBE firm with experience managing these types of contracts on both sides of the Bay. They will be self-performing 54% of the work and subcontracting 23%. Christina Codemo is here from SCA Environmental.

At the conclusion of this process, we also met with three of the firms that were not selected, went over the panel comments. We went over their proposals. We shared the competing proposals with them and talked them through the process. In terms of this project, 67% of the awards is going to San Francisco local businesses at the prime and subcontractor level.

If you approve this resolution today, we intend on issuing the Notice to Proceed by August 1st and these contracts will expire in July 2021. We request that you authorize Port staff to award the as-needed environmental service and related professional contracts to Northgate/AGS Joint Venture, AEW Engineering and SCA Environmental. Each contract will have a not to exceed amount of

\$1,000,000. The contracts will have a four-year term with the option to be extended for one additional year at the Port's sole discretion.

Commissioner Woo Ho - Thank you for the report. All these contracts are all coming up for review at the same time. I'm trying to recall, Director Forbes, we said especially since all of the ones that we're looking at have already done work with the Port of San Francisco or with other San Francisco agencies, was there not a change in the Contract Monitoring Division to say that we could also always do reference checking? Was that part of the routine here?

Boris Delepine - We did score references as part of this proposal.

Commissioner Woo Ho - You did. That was part of the scoring mechanism. In the past, you mentioned in the previous discussion that we always did utilize the amount, even on an as-needed basis, and in some cases we may have gone over, what has been our past experience in terms of the usage of these consultants, the need for?

Boris Delepine - This specific as-needed pool is one where we have not exhausted all the funds. In the last series, we also issued not-to-exceed contracts for \$1,000,000. Of the three, one was at \$750,000. Another at about \$600,000 and another at \$700,000. So they didn't climb up to the million dollar level. They ended at about \$700,000 averages.

However, in meeting with the project managers and Carol and Richard can talk about this, there is a lot of work coming forward on some of these development projects, especially the construction mitigation work and other environmental services. We probably expect to go a little higher this time.

Commissioner Woo Ho - Can you describe a little bit about how each of the firms that are going to be awarded here, is there a particular area of focus? You mentioned a whole bunch of things in the presentation of what we need them for but is each firm going to be specialized or more focused on a particular environmental area?

Boris Delepine - Each firm has subcontractors. What I've seen in the past with other as-needed contracts is you do start to find niches. Sometimes that niche is a specific area of the waterfront. Sometimes it is a specific service, or there are other times when they're all qualified and you issue a mini-RFP and let them compete and see who has the best budget, the best strategy to, and the best project approach to complete a specific assignment.

Commissioner Woo Ho - We didn't award this by saying we have one that does X, and the other does Y.

Boris Delepine - No.

Commissioner Woo Ho - And then we wanted to sort of cover the whole universe.

Boris Delepine - It is the criteria that was in the slide that I showed you and the points scored. Whoever scored over 75 points in that first round made it to the second round. Whoever has got the three highest ranked proposers are those that we select and recommend to you for contract award.

Commissioner Katz - Thank you for being very clear in how this was arrived at. A question I have, in terms of some of the subs or Joint Venture partners, this is something we've talked about in the past, when we get a prime in a very specialized area, we wanted to look at ways that they might be able to work with some of their subs and do some more outreach too, impart some of that skills training to others. Was that in any way included in any of the RFP?

Boris Delepine - We did talk about that and we can't score that. But we did emphasize that's something that we want to encourage. We want to see diverse teams, we want diverse participation, and we encourage new teams to come forward and to come together as a unit but we can't specifically score that.

Commissioner Katz - And did you see that benefit?

Boris Delepine - Somewhat. There is a 22% LBE subcontracting requirement on this. This is specialized work, there aren't that many LBEs that are available to do this work. We always encourage new LBEs to become certified so you do see some of the same subcontractors on each of the teams but there is a diverse pool as well.

Commissioner Katz - In terms of going forward, we did talk about how we come up with the right language of giving some points for the education component or training another firm. Not in this contract, but in terms of going forward, is that something we could try to figure out, a way of including that as a component?

Boris Delepine - We look at their approach to a specific project. We'll ask them for their qualifications, who their assigned staff is, who their sub-consultant team is, how do they organize that team, how do they manage that team. Those are the types of things that we score. I have not seen that done by other City departments but it's something that I could definitely look into.

Commissioner Katz- It'd be great. I think we did that with the parking contract is the one I'm thinking of. Given that there are some skills that could be passed on from the expertise of the consultants for these projects, it might be nice to explore as we go forward, if there's other opportunities of incorporating that kind of training component.

Boris Delepine - Sure. The parking project was a lease and we had a little bit more leeway with that than we do with contracts which are governed by the Administrative Code.

Commissioner Katz - I appreciate you raising that issue with them so thank you.

Commissioner Brandon - Boris, thank you for this report. I'm really happy to see the outreach and the interest in this contract also. It's great to see so many women in this pool, which is another good thing. In the staff report it has a list of respondents. I don't see Baseline, and yet they're in the scores. Who is Baseline?

Boris Delepine - Baseline is not on there and they should be on page four. They are one of the existing firms. They're not an LBE. They're from the East Bay. They currently serve on the as-needed environmental service team, they came in fifth place and were not selected for contract award in this solicitation.

Commissioner Brandon - So there were 10?

Boris Delepine - That is correct.

Commissioner Adams - Boris, I think my fellow Commissioners have hit on everything. Excellent job.

ACTION: Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-33 was approved.

C. Informational presentation regarding the Request for Proposals (RFP) for Planning, Engineering, and Environmental Services for the Seawall Resiliency Project.

Carlos Colon - I am the new Project Administrator for the Seawall Resiliency Project. The Seawall which stretches approximately three miles from Pier 45 to the north bank of Mission Creek is vulnerable to damage in the next major earthquake and susceptible to flood risk due to future Sea Level Rise. The Seawall Resiliency Project will develop a program to replace or repair the Seawall with a projected budget of \$500 million over the next 10 years. We estimate a full replacement to be in the range of \$5 billion. This project complies with a number of our Port-wide Strategic Goals including Resiliency, Livability, Engagement and Stability.

On March 14, 2017 the Commission authorized the Port to advertise a Request for Proposals to include the displayed primary scope for a not to exceed amount of \$40 million and a duration of 10 years. We spent the following month drafting the RFP which included three phases including planning, preliminary design and support services during final design and construction.

The Port advertised the RFP on April 24th. We held a pre-submittal meeting on May 3rd which had over 100 attendees. You can see from the picture it was standing room only. We were really excited about that. The selection panel consisted of City employees with diverse and relevant experience necessary to evaluate the proposals. It included Diane Oshima from the Port, Winnie Lee from the Port, Steven Ritchie from the SFPUC and Raymond Lui from the Public Works. As you can see we had a diverse group, two men and two women, great experience.

On June 2nd, we received five proposals from the following firms, AECOM, CH2M HILL, Parsons, Seawall Innovations which was a Tetra Tech and GHD Joint Venture and Stantec.

The written proposals were evaluated for project approach, staff experience and firm experience and capability. After review and scoring, all five teams moved forward to oral interviews which were held on June 22nd.

The oral interviews consisted of 15 minute presentation and responses to six questions. Both the written proposal and the oral interviews were both scored at 105 points.

At the conclusion of the oral interviews, the scores were combined from the written proposals and the oral interviews, and CH2M HILL was the top ranked firm. There was a five day protest period following our notification of intent to award and no protests were received.

CH2M HILL was the selected and top-ranked firm. They had 24 subcontractors, half of which were LBEs. Contract Monitoring Division set an LBE goal of 15%, but CH2M HILL came in with a proposal with 21% which is if we reach the full \$40 million will be almost \$4.5 million to LBEs.

Stacey Jones - I'd be serving as the Project Manager for CH2M HILL. On behalf of CH2M HILL and our team here, we're very excited about this, to be working in partnership with the Port on this very important project. We've been asked to give a brief overview on our experience, some of the projects we've worked on and our team.

I have over 34 years of experience in Port and Maritime. Twenty-five years of that was with the Port of Los Angeles where I rose to the ranks of the Chief Harbor Engineer and then the Deputy Director for Development.

CH2M HILL is a top ranked, global leader in complex Maritime program management, transportation and resiliency. We have 20,000 employees and we were founded in 1949. We have a wide global reach and working in over 50 countries worldwide. In recent acquisitions we have over 150 years in experience in Maritime projects globally.

We have a strong local presence. We've been here since 1972 and we've been working on a multitude of projects over those years, most recently projects that have been identified in your Board report. With the Water Emergency Transportation Authority, we were on the design-build team with power for the South San Francisco Ferry. We're currently working on the San Francisco Ferry Facility doing construction management.

We worked with the SFPUC for the whole time we've been here, strong in our water group both on the biosolids and the Water System Improvement Program. We're also working on the Third and King Street Railyard planning and we're also working on the Planning Department's Citywide Sea Level Rise Vulnerability Assessment.

We're working here for over 45 years, we're making a strong commitment here. We would like to continue working with City agencies and this would be our first opportunity to be able to work for the Port of San Francisco. We appreciate that opportunity and want to work with you as partners in the successful completion of this project.

I'm going to go over a few of your projects now that are relevant and larger projects that we're currently working on. The first is the Port of Anchorage Modernization Program. This is a resiliency project but also a critical life safety project. Eighty percent of all goods come into the Port OF anchorage. We're doing a complete redevelopment of their entire waterfront which is four key terminals for seismic design as well as Sea Level Rise.

We have phased this work to accomplish two things. One is to maintain operations at all times for these terminals because of the critical nature of the goods coming in and also phased it to meet the funding requirements coming in over the project over the long-term. We are the Program Managers and we also do 35% design-build packages.

The next one is the Seattle Waterfront Development Project. On this one we're the Program Managers overseeing all of the design elements of a one and a half mile promenade that includes pedestrian, bicycle and vehicular access.

The next one is one of our global projects. It's the Thames Estuary Asset Management. This is the largest ever undertaken by the Environment Agency for a flood risk project. It's over 205 miles of the Thames Estuary. We are doing the Program Management as well as the detailed design and the replacement of nine barrier gates as well as redevelopment for Sea Level Rise to 2100. This is assets of over \$70 billion that are impacted in this flood zone as well as 1.3 million people that could be impacted by this.

We have developed a team of strong leaders in areas that are important to this project. We have Arcadis that would be leading our coastal and flood protection as a part of the multi-hazard. We'll also have someone overseeing that from

Arcadis for the multi-hazard risk assessment. We also have Fugro that will be doing all of the geotechnical work and site investigation work supported by CH2M HILL and some others of our subs.

We also have CMG doing the urban planning and we have ICF joining us doing the environmental document. We have made a 21% commitment on this job for LBEs. We have selected LBEs based upon the expertise and experience they have to bring to bear on this project and very discrete elements of work where they have that expertise.

We also selected them because this is ingrained in CH's culture. This is what our clients like us to see. We want to make a commitment to the community to make sure that we're bringing in LBEs that we feel comfortable with because of their experience and that we can support. We've developed mentor-protégée programs in the past that we'd like to utilize on this project as well to see these LBEs grow. Carlos said, up to \$4 million so we're committed to that and we're committed to this program and we look forward to working with our LBEs.

This slide here represents CH2M HILL. Arcadis' footprint in resiliency projects globally. We have a strong presence in doing work like this globally. This next project is the East Side Resiliency Project that we're working together on a team with. The East Side Resiliency Project, we selected this one because CH2M HILL is doing all of the Marine Asset Management. We did all of the Condition Assessments and all of the design for all of the marine work. Arcadis did all of the coastal engineer for flooding hazards on this project.

For the last decade, CH2M HILL and Arcadis have worked on 25 projects together. We're currently active on 12 projects. We think that they're an excellent team for us to work with. We have very similar cultures and very good alignment.

The next project is one of our other key subs, Fugro, has done more near shore large projects in the South Bay than any other firm. Some of the projects that we've highlighted is the San Francisco Airfield Development, the BART Offshore Transbay Tunnel Seismic Retrofit and the BART Transition Structure as well as the San Francisco Oakland Bay Bridge. We're very happy to have them as part of our team.

In summary, I'd like to just have those members of our team that are here to please stand up. I really appreciate you being here and supporting us during this time. You've done an excellent job and I look forward to working with you and with the Port in partnership to really creating a vibrant and resilient waterfront.

Carlos Colon - Our next steps, over the next week we're going to negotiate scope and fee with CH2M HILL. We are going to introduce the item to the Board of Supervisors on July 25th and will seek their approval in September pending approval by the Port Commission on August 8th. I will be returning with an item on August 8th to this Commission.

Commissioner Katz - Congratulations not only to CH2M HILL but all of the other consultants that are affiliated with the project. It's no secret this is one of the more exciting efforts and opportunities around. It's a game changer for so many of us in the Bay Area, San Francisco broadly and certainly for the Port. We are on the leading edge of what's going to be happening as we address resiliency and Sea Level Rise. The Seawall Project here is right on the front lines.

This is really an exciting opportunity. It is something that's going to have such a profound impact on the city. It's a really vibrant, dynamic team. I know a lot of members of the team and many of the consultants as well and have worked with some of them also. I'm very excited to see what will be coming forward and the next steps as we move on.

The \$40 million that's being awarded, what is anticipated in terms of other efforts after this project or that will be going in parallel with this project? What would be the potential overlap or nexus between anything else that we may be doing? I know that may be beyond the scope of what we're supposed to be covering here perhaps.

Steven Reel - The Seawall Resiliency Project's concerned with the three mile stretch of the Seawall on the Northern Waterfront. This contract, which may be up to \$40 million, we're negotiating. We'll be back in August with the amount. It will take us through multi-hazard risk assessment and developing a Master Plan for this part of the waterfront to move forward with the threats of seismic and Sea Level Rise and flooding. Then peeling off the initial projects for development of 35% design, essentially preliminary engineering and environmental approvals. We've got that budgeted at \$500 million total project cost. That's the initial improvements which includes that up to \$40 million in design work.

Commissioner Katz - In terms of those selected to do the design work, if they have a construction component or subsequent work that would be involved, they wouldn't be precluded from participating in that?

Steven Reel - They're likely precluded. This contract is for 10 years. We want this team together to assist us through final design and construction, final design being done by other firms. It could be design-build. It could be CMGC. It could be traditional delivery method. We want to keep this team together to assist us as oversight. If there are some smaller subs for example whose roles are done, they could certainly compete for further work.

Commissioner Katz - Congratulations to everyone. Excited to see what comes forward.

Commissioner Brandon – Carlos, thank you for your wonderful first presentation. I'm wondering if there's any update on that \$5 billion price tag.

Elaine Forbes - The finance team that you heard from Brian Strong at the last Port Commission or the Commission before where he presented the preliminary work of the group looking at various options to fund the Seawall, not just the first \$500 million or so that we need for emergency repairs, but the rebuild of the entire harbor. That group is moving forward now with six key recommendations. The work that they showed to you the day Brian came, we're continuing to work on a work program for each of those six key recommendations and we are seeing now the various key sources that will total \$5 billion over several decades to see our harbor rebuilt.

Commissioner Brandon - That's great. It's also wonderful that there were over 100 attendees. It really shows how our outreach is really increasing and improving, so I want to thank the team for that. It's great to hear about all the experience that CH2M has with resilience. I appreciate your community involvement and mentorship and going beyond in your LBE participation goals. Thank you very much and this is exciting and we look forward to working with you.

Commissioner Woo Ho - I don't have much more to add. Thank you for the presentation. I appreciate the team, everybody's that's worked on it and to you as far as your presentation as well as the whole team from CH2M HILL. We look forward to getting progress reports.

Commissioner Adams - Thank you for patiently waiting. You're last but you've been here the whole time. I know a little bit about your work up in Anchorage. I was in Washington D.C. lobbying a couple weeks ago and I talked to Senator Sullivan and Senator Murkowski from Alaska and Congressman Don Young.

I know how important that Port of Anchorage is to the Tacoma, Washington, the Port I originally come from because four ships a week go there. Anchorage has to be, because it's an island like Hawaii. They were really talking about the work that happened. Great work that you guys did. Thank you very much.

14. NEW BUSINESS

Elaine Forbes - On the New Business roll, I have to have the Project Manager for Piers 22½ to come back when the design is ready so you can take a look at the design of that project. Port staff will evaluate the barge option for the rehabilitation of historic piers and will report back.

Commissioner Katz - On that, we had requested some of that work to be done a while back.

Elaine Forbes - The barge?

Commissioner Katz - Well, to look at floating barge efforts. You may want to expand on that as opposed to reinventing.

Elaine Forbes - We'll take a look at what we've done to date. I know we've been closely involved with the Fire Department and encouraging them to explore it for the project but we will come back to you and report on what we've found.

Finally we will come back to describe an integrated approach to transportation, planning for development and Port-wide that builds much further upon the more isolated report that Ricky presented this evening. We will come back with more detail and more context to the overall look at transportation planning.

Commissioner Woo Ho - On the floating barge concept, Pier 30-32 has been sort of the thorn in our side. Not just looking at it very generically but looking very specifically

Commissioner Katz - I requested that probably about a year plus, maybe more. I guess it predated you. That's what I was alluding to is they ran some numbers, feasibility so you may want to pull that out and resurrect it in light of perhaps some new numbers on making it more cost effective.

Elaine Forbes - Right. We'll start there. Thank you so much.

15. ADJOURNMENT

ACTION: Commissioner Brandon moved approval to adjourn the meeting;
Commissioner Katz seconded the motion. All of the Commissioners were in favor.

Port Commission President Willie Adams adjourned the meeting at 7:10 p.m.