

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING NOVEMBER 14, 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, Leslie Katz and Doreen Woo Ho.

### 2. APPROVAL OF MINUTES – October 24, 2017

ACTION: Commissioner Katz moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. The minutes of the October 24, 2017 were adopted.

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

### 4. EXECUTIVE SESSION

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

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

At 2:02 p.m. the Commission withdrew to closed session to discuss the following:

#### (1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Discussion Item)

Elaine Forbes, Port Executive Director. Discussion of Performance Evaluation pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

#### (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: 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: Michael Martin, Deputy Director of Real

**5. RECONVENE 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 not disclose any information discussed in closed session; 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 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**

**9. EXECUTIVE**

A. Executive Director's Report

- Resiliency by Design

Elaine Forbes - In May 2017, the Resiliency by Design Challenge, known as RBD Challenge, was kicked off with a call for innovative approaches to climate change. This was modeled after what happened in New York in the wake of Hurricane Sandy. The Rockefeller Foundation contributed a large amount of money, \$4.6 million to this design challenge.

The design challenge was a call for innovative solutions from multi-disciplinary teams. RBD received 50 submissions. On September 10, 2017, ten teams were selected. Those teams are composed of local, national and international experts. For two months, the teams have studied climate change issues.

This is a nine county Bay Area challenge. These teams have been looking in the North Bay, South Bay and East Bay. On November 1<sup>st</sup> they toured the City's recommended options for sites which were Islais Creek, Mission Creek and Fisherman's Wharf. The tours included City staff, city residents and stakeholders from the Bayview Hunters Point.

There is additional outreach. There will be five to three implementable community-based solutions presented on November 15th. If you're interested, check out their website, [Resilientbayarea.org](http://Resilientbayarea.org). These designs will also be shown at the Contemporary Jewish Museum in San Francisco. The ideas will be available for the public to comment for a few weeks.

On December 8, RBD staff will then team up design teams with site selection. The more detailed design will begin and we will keep you posted. This design challenge offers an opportunity for us to learn about Sea Level Rise. All three sites are on Port property.

- Opening of Crab Season

I am happy to announce that crab season is open. We will have crab for Thanksgiving this year. We heard from Mr. Collins of the Community Fishing Association that there is an agreed upon price. The California Public Health Department has said that the commercial Dungeness crab season can begin and is expected to begin today in San Francisco and the region south of the Mendocino County line.

As we know, in recent years, there have been concern because of the domoic acid that has been occurring and we have seen some of that near Fort Bragg this year. But the good winds prevailed, and commercial crab season will begin. Also, our own fish sales have begun in Fisherman's Wharf. There should be a steady supply of good seafood this year in San Francisco.

- Cruise the West Conference – November 7 & 8, 2017 in Seattle, Washington

Elaine Forbes - I would like to turn it over now to Peter Dailey or Mike Nerney. They attended, along with COO Byron Rhett and our own President Willie Adams, the Cruise in the West Conference in Seattle on November 7th and 8th.

Michael Nerney, Marketing Manager in the Maritime Division - Last week, along with Byron Rhett and Peter Dailey, I went to Seattle Washington to attend the annual fall meeting of Cruise the West, a marketing association of 10 West Coast Cruise Ports from California, Oregon, Washington, British Columbia and Hawaii. The President of Cruise the West is Chris Chase from the Port of Los Angeles and I am the Secretary Treasurer.

The Association works together to promote our region to cruise lines every year in March at the Sea Trade Cruise Global Conference in Florida. The

main purpose of last week's meeting was to plan for Sea Trade in 2018 -- items such as the budget and member dues, booth arrangement at the convention hall and details for a customer reception.

Also taking place in Seattle last week was a post-season meeting of all the cruise lines doing business in Alaska during the summer months and it was organized by Cruise Lines International Association (CLIA). Cruise the West cosponsored an evening reception together with CLIA for the cruise line executives and stakeholders which included Port Commission President Willie Adams and Stefano Borzone, President of Metro Cruise Services.

While in Seattle, Byron, Peter and I met with Stein Kruse, CEO of Holland America Group and toured the company's newly renovated headquarters. We also met with Holland America Vice President Bill Sharp to discuss Port and shore operations and growing the business in San Francisco and we also toured the newly renovated Pier 66, the Bell Street Cruise Terminal which in 2018 will host Norwegian Bliss, the largest vessel ever to sail in Alaska, carrying 4,000 passengers and 2,100 cruise members. Norwegian Bliss will visit San Francisco on her maiden call in October, 2018.

- Proposed Impacts to the Port of the Proposed Federal Tax Cuts

Elaine Forbes - I would like to speak about the impacts of the proposed tax bill that is being considered by the House of Representatives and the Senate. There is a very nice handout the staff prepared about Historic Tax Credits that's available to the Commission and the public.

As you know, there are two tax bills under consideration and both have major consequences to the Port for two reasons. In the House bill, Federal Historic Tax Credits would be eliminated as would Private Activity Bonds. Federal Historic Tax Credits are a major tool for historic rehabilitation of our finger piers. This would be devastating to the future of our finger piers and to other historic buildings on Port property.

Per our staff's estimate, we would have a direct loss of between \$230-350 million and up to \$1.7 billion in public and private investment. The loss of Private Activity Bonds would also be detrimental to us. It would increase our cost of borrowing for Port projects like the James R. Herman Cruise Terminal and seriously undermine the City's Affordable Housing efforts.

We sold Private Activity Bonds at 3.7% interest for our James R. Herman Cruise Terminal. If this had gone into effect, we would have needed to sell taxable bonds which would have increased our rate substantially, at least 100 basis points.

The Senate bill is a little less bad. It reduces Historic Tax Credits by 10% of rehabilitation cost and would eliminate Historic Tax Credits for buildings constructed after 1936. We have buildings like that. We project the impact to

be between \$130-175 million and an unknown loss of private investment. This would impact the World War II era historic buildings at Pier 70. They would no longer be eligible for Historic Tax Credit under the Senate bill.

The Senate bill does not eliminate Private Activity Bonds which is a good fact for us. Port staff is working very closely with the Mayor's Office and our City federal lobbyist to educate members of Congress about how these tax bills would harm the Port of San Francisco.

- Schedule of Port Commission Meetings for 2018

Elaine Forbes - The schedule of Port Commission meetings for 2018 is available and it was included in the Commission packets. Please note that we will be doing an audio/visual upgrade to this Port Commission hearing room. As a result, the Port Commission meetings of February 27, March 13, March 27, will be held in Pier One while we get the Port Commission and the public a new system.

B. Port Commissioners' Report:

Commissioner Woo Ho - I just returned from a private personal cruise in Europe where we stopped with my family at Barcelona, Valencia, Mallorca, Monte Carlo, Portofino, La Spezia, Livorno and Rome. Obviously I had a chance to experience all these other Cruise Ship Terminals.

While I've cruised before, I was absolutely reminded how beautiful and how nice our Cruise Ship Terminal is relative to some of these other major cities in Europe, even Barcelona which is one of the busiest cruise ports along with Piraeus, Greece in terms of the number of cruise ships that they can host.

Many of the other cruise ships are obviously docking where the commercial port is in Valencia. Even in Monte Carlo which is nicer than other places. The ports of Livorno and La Spezia are located in ugly neighborhoods and it was not a pleasant experience to get off the boat. Even the terminal itself, in some places, even in Monte Carlo, they try to have at least a nice terminal.

We have to remind ourselves and appreciate that we have a world-class, beautiful facility. When you walk out of our Cruise Ship Terminal, you're in the best neighborhood of San Francisco for a tourist experience. I was just so appreciative realizing how ugly these other terminals were.

Commissioner Brandon - Our cruise terminal used to be like that but now we have a nice, new cruise terminal and the freeway's gone and we're very lucky.

Commissioner Adams - Before we start, I'd like to have a moment of silence for the victims that were recently killed in a church in Texas. May they rest in peace.

[Moment of silence]

Commissioner Adams - I did attend the reception at the West Coast Conference. The only reason I found out about it was because of Stefano Borzone, CEO of Metro. I wasn't in the loop with the Maritime Division. Once I did find out, I got a hold of Mike Nerney and Mike got on it right away. Mike registered me for the reception.

I thought it was really good. I wear two hats as a Port Commissioner but also as the Secretary Treasurer of the ILWU. What I found really funny was all the cruise companies were thanking their partners but one partner they didn't thank was Labor. I did mention to them that you sit up in your high offices but you guys aren't the ones that load, unload the ships. Labor's a part of being the process of loading, unloading the ships. We're just as much of a stakeholder as anybody else. They said, "Commissioner, we were remiss in not mentioning Labor."

I also want to give a shout out to SFGovTV.

## 10. CONSENT

- A. Request authorization to award Construction Contract No. 2798, Pier 23 MEP (Mechanical/Electrical/Plumbing) Upgrades Project, to Trinet Construction, Inc. in the amount of \$702,350 and authorization for a contract contingency fund of 10% of the contract amount (or \$70,235) for unanticipated contingencies, for a total authorization not to exceed \$772,585. (Resolution No. 17-59)

ACTION: Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-59 was approved.

## 11. MARITIME

- A. Informational presentation regarding responses to the Request for Proposals for the Lease and Operation of the Pier 70 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").

Jeff Bauer, Project Manager for the RFP – I'm here to give you a brief informational presentation on the progress of the RFP and the responses that the Port received. As you may recall, on July 11, 2017 the Port Commission authorized staff to issue a Request for Proposals for the operation and lease of the Shipyard.

The RFP was issued on October 15, 2017. The goal was to enter into a lease with an operator who has the experience and the financial capacity and capability and knowledge of West Coast ship operations to bring back to life the Shipyard. As set forth in the RFP, the tenant must demonstrate a strategy to retain, modernize, operate this very important asset of the Port for the life of the lease and which presents the greatest opportunity to achieve and contribute in a substantial way to meeting the Port's strategic objectives and goals.

Following the take back of the Shipyard in February 2017 in a settlement agreement with BAE, the Port took several steps. We hired five former employees, the Fab Five, who have done a tremendous job. We can't say enough about them.

The Port has undertaken some significant projects. We've undertaken a \$3 million electrical upgrade, Power Grid Separation Project, which will separate the Shipyard from the joining developments. We currently anticipate that project being complete by April 2018. Construction of the new 19<sup>th</sup> Street Extension that will connect the Shipyard with Illinois Street, give more direct access to the Shipyard, we anticipate that being completed by April 2018.

We're on our way to demolition removal of two structural deficient buildings that will create an additional 20,000 square feet of yard space for the next operator. That's currently underway and we anticipate the completion of that project by 2018. Dredging Project, to include dredging beneath Dry Dock 2, Wharf 4 East as well as paying for the support cost of testing, permitting, management fees along with deployment fees and management costs.

The Port is nearing final project partnership agreement (PPA) with the Army Corps of Engineers to continue the dredging of the Central Basin which is the driveway of the shipyard. As part of the RFP, you had requested that Port staff bring the short list of respondents to make brief presentations to the Commission. We received one response and that was from Vigor. Kellan Lancaster is here to make a brief presentation. Vigor is the largest ship and new vessel fabrication company in the Pacific Northwest and Alaska.

Kellan Lancaster - I'm going to give you a high level overview about Vigor and talk about some of the opportunities we see at Pier 70, talk about Labor and touch on some of the challenges we see going forward.

The name Vigor really embodies the work we do and the people that work with us. We have four key values. We use these values to drive our everyday decisions and we like to work with people that also show the same values. Our values are truth. We speak the truth every day. Responsibility, we act on what we know is right. Evolution, we adapt to this changing world. And love, we care about the people we work with and the environment we work in.

Vigor does ship repair, shipbuilding, specialty boats and heavy complex fab. We started in 1995 as a small repair company in Portland, Oregon and have since grown through internal growth and acquisitions to become the largest in the Pacific Northwest.

We have locations in Portland, Oregon, up and down Washington. Seattle is our main yard in Washington. We have facilities up in Ketchikan, Alaska and Seward Alaska. Overall we have eight Dry Docks and we have a ninth coming online at the end of the year.

Here are some pictures of our facilities. Again, nine separate locations. Access to waterways. At our heart, we're a ship repair and conversion company. Approximately 60% of our revenue comes through ship repair and conversion opportunities.

On the top left there, you see a cruise ship, that's on our Vigorous Dry Dock. It's the largest floating Dry Dock in the United States. We also do lots of work with military sealift command, U.S. Navy, Coast Guard and a variety of commercial customers.

At the bottom left, you see the WETA Hydrus. We're currently working with WETA to build these vessels. As far as shipbuilding, on the top right, you'll see the City of San Francisco Fireboat. It was the first fireboat for the City in the past 60 years.

Finally, you see here the transit center at Transbay. We have a history of working with the City of San Francisco and are a big part of what's going on here.

I'll touch on opportunities we see for Pier 70. Pier 70 is a special asset. It's on the waterway and there are only so many shipyards in the U.S. You can't build a new shipyard essentially. Some of the work here we see opportunity with. More work with Military Sealift Command. More work with MARAD, the Maritime Administration. They have vessels stationed in Alameda and throughout the San Francisco Bay Area. We are working with companies such as WETA, Golden Gate Ferry.

Kellan Lancaster – There are a lot of good opportunity here. Dry Dock 2 is a great asset. Nine hundred feet in length and can service the majority of the ships on the West Coast. As far as labor goes, Vigor is currently a mix of union and non-union labor. We work together in getting jobs done essentially. Were we to come down to San Francisco, we would hire the local workforce and work with the local labor unions to figure out the best path forward.

That said, projects ebb and flow. Depending on customer needs and workforce demands, there are times when we would bring labor in from our various yards down to San Francisco. There are also times we'd bring labor from San Francisco up to our yards. Our goal is to maintain a core workforce and work on projects that we can be successful at.

Last, I'll touch briefly on some challenges we see with this opportunity. One, there's been some new Dry Docks that have entered the competitive landscape. A couple in Vallejo, Vigor has put in two in the past two years. Our large one, Vigorous and we have one coming online later this year. Some new Dry Docks have entered the market in the Hawaii region. There are a lot more assets out on the West Coast now.



The other challenge we see is there are documented challenges with the structures and various parts of the Port that we need to figure out a way to work on. All that being said, Vigor looks forward to working with the Port and finding the way forward that works for everybody.

Jeffrey Bauer - Pending the outcome of this informational item and further discussion with Vigor, we anticipate that we may be back at the December 12<sup>th</sup> Port Commission meeting to ask for an Exclusive Right to Negotiate with Vigor. At this point, we're information gathering. We haven't negotiated. We still have some more questions for Vigor.

Depending on the result of those questions, we will potentially come back and ask for an Exclusive Right to Negotiate a lease for the operation of the Shipyard.

Commissioner Brandon - Thank you Jeff for the presentation. You said that there was one respondent, but in the staff report it says that there were three respondents.

Jeffrey Bauer - We did receive three responses. Two stated that they weren't responding. It was a courtesy letter that they acknowledge that the RFP's out there and they chose not to respond.

Commissioner Brandon - What were the minimum qualifications to meet that?

Jeffrey Bauer - Operation of a shipyard for 10 years, continuous for the last seven years. There was an earnest money of \$25,000 and submittal of a Business Plan and an RFP.

Commissioner Brandon - Did we receive a Business Plan?

Jeffrey Bauer – Yes, we did from Vigor.

Commissioner Brandon - Were there any terms or any thoughts about what exactly would happen with the Shipyard, what they would invest or what we would have to invest?

Jeffrey Bauer - This is a challenge facility. We are putting up to \$11 million of Port money into the Shipyard with these projects I've described with the settlement money from BAE. We see potentially there could be a reduced footprint and the smaller Dry Dock would not be included. Again, we're in a very preliminary discussion stage. Although it's not a negotiation, some of these may be positioning themselves for an upcoming negotiation.

Commissioner Brandon - I would like to have a better sense of what's going on overall with the Shipyard. I heard a lot about what we've invested and what we're doing but to understand, if we're only using one Dry Dock, then what happens with the other one? What happens with the buildings that we're tearing down

and that land? I'd like to understand the whole thing and would like more additional information.

Jeffrey Bauer - Yes, when we come back, we'll provide you more information.

Commissioner Katz - Thank you both for the presentation. Thank you, Vigor, for stepping forward and responding and potentially working with us. One thing I would like to get a little more clarity on is moving forward as was mentioned the other Dry Docks and other facilities along the West Coast, what we could do to differentiate ourselves, make this a stronger opportunity and ensure that as we move forward on this that it's a successful venture for all involved.

Jeffrey Bauer – One thing we've done is included that in the RFP, that it would be permissible for the operator to do other work where they would do metal fabrication for a variety of things. They have the workers there that could do fabrication. They could do ship building. It's a competitive market. There's no question about it but San Francisco has advantages and disadvantages.

We're in the early stages, even though we've gone through this process. We'll know better and be able to report back to you in a much more coherent way once we meet and negotiate with Vigor.

Commissioner Katz - Thank you.

Commissioner Woo Ho - I wanted to thank Jeff and also Vigor for stepping forward on this. We hope that we do have the opportunity to retain a shipyard but the economics and the feasibility obviously have to be right given our recent history. In the process, has Vigor already done a physical inspection and due diligence as part of this or is that to come next?

Jeffrey Bauer - As part of the RFP process, we had three meetings at the site. We discussed the RFP, the procedures applying what a submittal package would look like and then we had in-depth tours on three occasions. We picked different times of the day. We made all the areas available to the respondents for thorough inspections including boat tours of the perimeter.

Commissioner Woo Ho - We've made the appropriate disclosures in terms of the issues that have been already discovered from the past?

Jeffrey Bauer - Yes, copious disclosures, yes.

Commissioner Woo Ho - Thank you. We want the buyer to be fully aware of what they're walking into here.

Jeffrey Bauer - Yes, absolutely.

Commissioner Woo Ho - I was interested in what the speaker mentioned from Vigor that seems like obviously you have a lot of experience already in dealing

with San Francisco and multiple areas and had mentioned about the WETA boats and fabrication for the Transbay terminal. I'd be interested in when the proposal comes back in terms of how much of that is a differentiating factor to be able to do business locally based on the fact that they have some other business interests here and since we are not restricting them to necessarily ship repair but ship building, how can they tie that into making it much more of a robust local business than simply waiting for Navy ships that need repair which has been the traditional business in the past.

Jeffrey Bauer - Yes, it needs to be expanded and they do have connections. It'd be nice to have the San Francisco boat built here and the WETA boats built here so we anticipate having those discussions.

Commissioner Woo Ho - Thank you.

Commissioner Adams - Eileen, if I go too far, you have to stop me. We've got to have a painful conversation here. I'm just going to be brutally honest. When this first happened with BAE leaving and the lawsuits and everything, everybody was up in arms. I want to thank Elaine and her staff, you guys responded immediately. The Mayor responded because we talked about losing 300 good union jobs and stuff like that.

I'm just going to put it out there just straight up. Vigor was one of our competitors that took 50% of the work away from San Francisco. All these companies are competitors. I know a lot about Vigor being up in Portland and Ketchikan with my association with the ILWU. I know them.

I think we're in a bad spot. We sent out the RFP and received only one response. Commissioner Brandon brought it up and said that they really wanted to come here. Do they really want to come here? I don't know. We might have to look at ourselves and go, "We remember how Pier 70 used to be back in the day." This might be an opportunity. It might not work out for us.

I said that when we started to go down this road, and we might have to be honest with ourselves because it is so competitive. There's San Diego. They're up in Portland. In Ketchikan. They're everywhere, in other companies. We might have to think about this. I think we're going through the process.

I don't want anybody to get disheartened or get downtrodden just because it may not work out. We got to go through the process. We hear what Vigor has to say. I trust Elaine and Mike. I think they'll go out and get the best they can. But if it doesn't work out, we have great real estate property there and we will make something good happen for San Francisco but we have to be realistic. I get a little nervous when I hear about people flying in to work, and if it's not union jobs. This is a union town. This is a blue collar town. That's a blue collar place and I take a lot of pride in that in San Francisco. I've got to be very honest about it. I want to see what happens. You have my best.

I really don't know what Vigor's up to. Sometimes in life, people, they may not be interested but they don't want anybody else to be interested neither. I'm really going to be open to see. I know Port staff will come back to us.

I think we're in a bad spot. I think it's very painful but I don't think it's going to be like it used to be when we had those 300 some union jobs. We're going to have to get used to that. I trust you guys that you'll do the right thing. You'll come back. The public really needs to be in this debate because this is a great area over there.

I'm not looking for going to the moon or even landing among the stars. It's a bad position that we're in but we're going to have to deal with that. I wanted to be very honest on how I personally feel. Elaine and staff, go out and do the best you can but I think it's going to be really tough because we didn't have any other competitors that were interested and they didn't really have a half-hearted bid in.

We have to look at San Francisco and our property and go, "Okay, all these other ship building companies that's up and down the West Coast." A lot of times, even in the cruise industry, people say that, "It's so expensive to do business in San Francisco." Elaine's heard it. Peter Dailey's heard it. They hear it all the time. Mike hears it.

It's expensive to do business here in San Francisco, but that's just how it is. It's worth it. We're a union town. We pay good wages. We take care of our families. That's something that we don't compromise on. With that being said, I hope the public will come out and stay up with this debate. Because we need to get down into the weeds and see what Vigor's up to.

## **12. REAL ESTATE & DEVELOPMENT**

- A. Informational presentation regarding the Transaction Structure 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, Senior Project Manager - Before you today is a detailed informational review of the Mission Rock Project at Seawall Lot 337 and Pier 48. My comments today will provide context and project highlights that reference and expand on the series of informational presentations you received this past June, July and August.

Assistant Deputy Director of Waterfront Development, Rebecca Benassini will then present a detailed review of the project's transaction documents and deal terms. Following our presentation, Jack Bair and Fran Weld from the Giants will briefly speak to the collaborative process begun more than 10 years ago that resulted in today's Mission Rock Project.

This is somewhat dated but helpful aerial view showing Seawall Lot 337 and Pier 48 and this location just south of AT&T Park. You'll notice this area is quickly becoming the final piece of undeveloped property in the Mission Bay neighborhood.

As you know all too well, we have been at this for quite a while and believe that the passage of time has resulted in a feasible, achievable, well-supported mixed-use project. Before you is the timeline going back to 2006 when members of this Commission helped convene a community process to define the objectives for the site.

Here's another view of the undeveloped site. I want to point out significantly that Mission Rock's proposed mixed-use program which you'll be hearing about today is achievable and accomplished without displacing any residential or existing commercial uses. It's taking this blank slate and creating something new and fresh and important for the waterfront.

You'll see in this picture, the rendering of what the site will become when it's fully built out. It complements the surrounding area with much needed new apartments, new retail, new restaurants, new open space and expanded open space and appropriate new office development to fully activate the site while meeting the Port's financial goals.

As you heard over the summer, the planning for Mission Rock has been detailed and meticulous, providing a framework for responsible and responsive development with roots reaching back to the objectives outlined in the Port's 2007 RFQ and RFP including Affordable Housing. The site will produce and provide 40% inclusionary Affordable Housing to critically needed members of the City's population and the regional population at multiple levels of need from 45% to 150% of meeting income.

The project will provide eight acres of new and expanded Open Space to serve the City and the region, thoughtfully designed and actively programmed to maximize public use and to energize the waterfront.

The site is truly a transit-oriented development in that sense of the word that you hear so often and emphasizes pedestrians and bicyclists and makes tangible commitments to neighborhood transit through dedicated use of development fees generated by the project and also funds off-site improvements to address congestion in the neighborhood.

The Project Team is proud to have a 21<sup>st</sup> century awareness of the environmental impacts of development, taking full advantage of the site's lack of infrastructure today to build a responsible, sustainable new neighborhood with remarkable goals of water conservation, waste diversion and energy efficiency.

While also recognizing the need for enhancing the Port's active working waterfront, through smart street design, especially along Terry Francois

Boulevard, which will accommodate ongoing commercial activities, trucking activities, deliveries and other important activities at Piers 48 and Piers 50.

Over the summer you also heard of the project's conservative approach to Sea Level Rise raising the site for resiliency up to 66 inches to protect the new buildings that will be constructed and building parks capable of accommodating the future effects of Sea Level Rise.

Mission Rock is thoughtfully and intelligently designed to serve the Port, the City and the region for generations to come. At full build out, the 11 developed buildings, the retail, the Open Space and the rehabilitated Pier 48 provide a land use program that will transform this part of the waterfront. With phase one shown here on the north side of the project anticipated to commence construction in 2019 and subsequent phases following as quickly as market conditions allow leading to enormously important new assets in the Port's expanding portfolio.

Rebecca Benassini - The financial structure for Mission Rock is very similar to some of the other public/private partnerships you are familiar with. Starting at the bottom of this graphic, the developer will be obligated to fund all of the cost for the infrastructure that's needed in the project with the Port having the ability to invest alongside them with our own equity. We'll also have the ability to bring to bear land value to pay for qualified costs and public financing shown here as CFD/IFD. That money will go first to qualified project costs.

Each of the investors, the developer and the Port will receive our money back with a return. Excess land proceeds will go to the Port's rent and also will be split with the developer giving them an incentive to help us maintain land value to keep the costs consistent with what the infrastructure is planned to be.

Shown here are base case financial results from our current modeling. The key point with these results is that both parties have to meet their financial metrics or requirements to want to work together to get the project to move forward. The key metrics for the developer are receiving an 18% return on their money and a 1.5 multiple on their peak equity that's outstanding for each phase. They do achieve those metrics under current results and they also receive participation rent sort of on the back end as the project is being developed over the years.

For the Port, we have an asset producing revenue for us today. We want to meet that revenue we're receiving today. That's sort of shown in that first row, unrestricted SB815 annual rent under state regulations that relaxed Trust restrictions on the site that was supposed to be our unrestricted revenue.

The revenue that we receive above that because of some of the trust restrictions that are being relaxed would be spent on historic rehabilitation along the Port and Open Space along the Port. Those are revenues that would be directed to those important trust objectives.

We also anticipate other revenue from transfers and other real estate activities and consequentially, we have this public financing source for shoreline protection that we're going to be receiving through the special taxes and the tax increment.

The Port's revenue shown over time, over what we're projecting, 10 or 12-year build out plus our 75 year leases goes out past 20, into the 2090s. We have various revenue streams and key bumps that you're seeing with that sort of yellow shade is the return of our Port land advances. To the extent that we're providing prepaid lease revenue, we're getting that money back in sort of lumpy chunks of money and all the other revenue streams are more ongoing and sort of projectable.

The establishment of a couple public financing sources is foundational for our whole project and will need to be done prior to implementation. In particular, right now we're going through the process of activating our project area within the Portwide IFD. IFD will capture the local share of tax increment. Very important for being a source of revenue for the public infrastructure that Mission Rock will be building.

The other key pillar of our public financing strategy is overlaying a Communities Facilities District (CFD) atop the IFD and the key reasons we really need this is to provide an early source of revenue that will have those taxes coming in while the buildings are getting on the tax rolls and generating tax increment, we'll have this earlier source of revenue.

The concept is that the taxpayer would pay their regular possessory interest taxes. That would pay off the CFD tax. They would pay another additive tax and a maintenance tax in order to make sure that we have sufficient financing for all the new infrastructure and beautiful imagery that Phil showed you earlier.

When we return for an action item, we'll be requesting that the Commission adopt, consent to or recommend that the Board of Supervisors approve the variety of entitlements that will be required in order to guide and regulate development going forward. Consequentially, all of these implementing documents that we will be entering, we are going to request that you allow us to enter into with the developer will guide all of our roles and responsibilities over the next 10, 20 and for the parcel leases, 75 years.

The Transaction Framework includes a variety of documents. One of the key documents is the Development and Disposition Agreement. This is the document that guides our relationship with the Giants where we're bound on scopes and standards for the horizontal delivery of infrastructure, public benefits, including how they're going to be going through community processes and park designs. It has their phasing, their schedule of performance and outside dates for delivery of different benchmarks and also outlines the process for fair market value determination for the parcels and the development.

The Financing Plan sets forth all the key economic terms including very importantly the Port's reserve rent that was set forth in the Term Sheet. We have a reserve rent of \$3.5 million that we are seeking to, that we would have to elect not to receive. We have that ability at our discretion, otherwise we are receiving reserve rent and then some.

We also set forth our right to invest in the project in the Financing Plan. We are committed to reimbursing the developer from the specified project-based revenue streams for their delivery of infrastructure.

We also have a very robust Workforce Plan that we're proud to have helped the Giants negotiate. All of the key metrics shown here, commitment to a 30% Local Hire goal, 20% Local Business Enterprise utilization, First Source hiring participation in OEWD's program, a commitment that the project will provide \$1 million in funding to support further training and job readiness programs. These commitments apply to horizontal and vertical construction as well as some aspects provide to ongoing maintenance in the project.

Phil spoke about the Affordable Housing Plan that includes 40% inclusionary units in the project and my level spanning from 45 to 150% of median income and includes 24 transitional aged youth units which are targeting individuals coming out of foster care or other programs and transitioning them into independent living.

The Infrastructure Plan sets forth a concept level design for all of the utilities in the project with infrastructure being designed to meet City standards for public acceptance. We also have a Cooperation Agreement. We know we can't do this alone, so all of our sister agencies, including SFPUC, SFMTA, and Public Works will be coordinated of our review of the phase submittals we'll be anticipating in the coming months.

The Development Agreement is the agreement between the City and the Developer that vests the developer's entitlements and protects them from some changes in future City law and also locks in different fee levels that they'll be required to pay as their development moves forward.

The Master Lease is a document that provides the developer access to the site and allows them to continue using the site for current uses which are primarily parking uses and will allow them construction access. That footprint of that lease will shrink over time as development occurs and will be replaced by the Vertical Development and Disposition Agreement.

This is the agreement that each block, each developer of each building will enter into, will give them an option to enter into a lease for the parcel, will include a schedule of performance for them building the building and it will include their requirements for Design Review. Design Review will include bringing their building design to CWAG and then will have staff level reviews related to their consistency with the Design for Development for those buildings.



They'll then enter into the ground leases which will primarily be 75-year ground leases that will set forth all of their rental obligations and events of default and how we're managing that relationship.

Pier 48 lease is anticipated to be an interim lease for existing uses. Many people are aware that there are different long-term users that were contemplated for Pier 48. At this time, a long-term user has not been identified. However, the pier will be a very critical asset for the Development Project as construction is going on throughout the site.

Some of the uses that are currently on Lot A will be pushed in to Pier 48 for an interim time period with the ultimate goal being a path toward long-term development. The path to long-term development, we anticipate will be with the Giants, however, we are looking to have an option to use another developer if it turns out that they turn down the option to extend into a longer-term lease which would include significant investment in rehabilitation of Pier 48.

These are the actions that will be sought at the next Port Commission. As we complete these documents and come to you with additional analysis specifically around the financial aspects of the project. We'll be running sensitivities on some of the numbers I showed you to show you some different cases around likely outcomes and a little bit more gradation in terms of annual revenue streams. That chart I've been showing you has been a 90-year basis and I'll show some charts on a shorter-term, more, within our 10-year period.

Our anticipated schedule has us coming back to the Port Commission in December with Board approvals sought early in January.

This has been an incredible journey with so many people supporting us throughout this project. Phil, I think you left your own name off of the slide, but Phil Williamson has been an incredible Project Manager. We've had support from all of our sister City agencies and individuals who've spent plenty of long hours in this project. Thank you to everyone so far. We'll see you all at project approvals of course.

I'd like to spend just a couple moments with Jack Bair and Fran Weld and allowing them a chance to come up and speak a little bit about the project and then we're excited to take your comments and questions.

Jack Bair - Thank you Becca and thanks for your presentation. We wanted to acknowledge the hard work that has been done to get us to this point. It's been a long journey on the Mission Rock Project, 11 plus years. Frankly with the Giants it's been like 23 years with the Port so we've had a long-term relationship. Fortunately that relationship will continue for many decades to come.

We've worked very effectively together as organizations with mutual respect and good will between us and we've worked across the table from some very talented and smart people. Together, we've crafted a very thoughtful project,

even inspirational. It all started in 2006 when Commissioner Brandon chaired the task force to look at possible uses for this site. I know a lot of us have been involved with this project for a very long time.

I wanted to briefly talk about all the things that we've done with the community. We've worked very closely with the neighborhood and neighborhood organizations and many people that have been involved in the process are here today, not because anybody asked them to be here but because they've been active participants in the process and are very interested in things going forward.

We worked with the Central Waterfront Advisory Group and Toby Levine and Corinne Woods who chair that group are here today. We've worked with the Mission Bay CAC. Corinne is the Chair of that organization as well and the Maritime Commerce Advisory Committee. Ellen Johnck is here as well as Veronica Sanchez. We've worked with the South Beach Rincon Neighborhood Group with Katy Liddell, Alice Rogers and Bruce Agid.

We've met with the Dogpatch Neighbors, the Potrero Boosters, community-based organizations and advocacy groups all throughout the city, especially Affordable Housing advocates and park advocates. We've had a long journey together and I feel good about it. Not only the relationship with the Port but the relationship with the community has produced a project that I hope we can all be very proud of.

As Rebecca indicated, we've also worked very hard with sister agencies of the Port throughout the City such as the Mayor's Office on Economic and Workforce Development, the Mayor's Office of Housing, the MTA, Planning Department, PUC, Public Works, Contract Monitoring Division, CityBuild, BCDC, State Lands Commission, the Department of Environment and Energy.

It really has taken a village to get to this point. We're very grateful for the strong positive working relationship that we have and we've always enjoyed with the Port and we're very excited to get going and getting started so we can transform this part of the waterfront.

Fran Weld has been heading our project on a day-to-day basis for many years. She has spent hundreds of hours working with your staff and staff of the different City agencies.

Fran Weld - To pile on the thank yous, we did just want to make sure that you, as a Commission understand how fortunate you are to have the staff that you have. Under Director Forbes' incredible leadership and vision, this group of people has been really an extraordinary partnership for Jack and I and our colleagues Jon Knorpp, Julian Pancoast and Roscoe Mapps who are here today, to have had the pleasure of working with.

Byron Rhett and Mike Martin have provided wonderful leadership. Rebecca Benassini has been a great addition to the team in recent years. Phil Williamson,

the Giants stalwart as a Project Manager with us. Together with Diane Oshima, and Dan Hodapp, Steven Reel and Kevin Masuda, we collaborated on the design and engineering that you see in all of the documents that you had.

We took two pieces of successful statewide legislation to Sacramento with Brad Benson and Daley Dunham's help. We developed the financial structure with Meghan Wallace and her team in the Finance Division. And of course, we have responded to countless media requests with Renee Martin.

The inordinate number of hours that Eileen, Joanne, Grace and Rona have spent on the transaction documents, we are very grateful for. Not many people know that our Mission Rock team within the Giants has almost lived out of the Pier One offices of the Port two days a week for the last several years. Amy, Manny, Josephine, Alexis, Mauricio and Mathias have been incredibly hospitable to us as we spent so many hours squatting in your offices.

It's been a huge team effort and we just are very grateful and thankful to be here today and happy to answer any questions.

Jack Bair - I also wanted to mention Mike Theriault's here today with the Building Trades Council and we have a great relationship with them dating back to the ballpark construction and working together with the PLA for this project as well. This really has been a great experience and one that we all feel good about being involved in. That's not always the case when you deal with a complex, difficult negotiation. It really takes a good will from both sides and we've really enjoyed that and we've really enjoyed working with you and your staff.

Michael Theriault, San Francisco Building Trades - There's an almost celebratory aspect to this particular hearing and for good reason just a few weeks ago when I came to compliment you on your choice of Forest City and your staff's work with them on Pier 70. I'm going to do the same with regard to the Giants here today.

As Jack has noted, we've had a very good relationship with them that began at the ballpark and now is moving across the creek. I've always viewed this particular project as a completion of what began with Mission Bay that this was the missing piece when the Port Commission cut this deal back in 2003 to get that project to move forward.

This was a plot of land that functioned under very different requirements and restrictions as you're well aware and those required a different work that your staff has put in to overcome. In some ways it will represent an improvement as well as a completion upon what has gone before it in Mission Bay and we look forward to it going forward.

Susannah Parsons from SPUR - Spur is a member-supported non-profit working to make the city a better place and the region a better place through research,

education and advocacy. I am here on behalf of SPUR to give support for the approval of the Mission Rock Project.

Mission Rock will create a special place for San Francisco residents, workers and visitors on a site of citywide importance that is currently underutilized. The Giants have worked closely with the neighborhood, various stakeholders, and even the broader city because of 2015's Prop D.

As a result, the project includes numerous community benefits that address affordability, livability and quality of life for those who will live and work here as well as for the broader community. Those include 40% Affordable Housing for a variety of people with a range of incomes, eight acres of Parks and Open Space including improved public access to the waterfront and connections to the Bay Trail, a renovated historic Pier 48 and neighborhood serving retail and below market space for non-profits and artists.

This info project is also doing the right things on the environmental front. It is located on major transit, the team is planning ahead for Sea Level Rise and the project has bold, environmental targets including zero water waste and 100% energy use from renewable sources. This project will generate revenue for the Port and for the City and County of San Francisco.

We think Mission Rock is a transformational mixed-use and mixed-income development that has gone through a decade of community planning process. SPUR urges you to approve this project. We look forward to the completed development and all of the opportunities it will bring.

Corinne Woods - I am a member of CWAG. I'm no longer co-chair. That's Alice Rogers because I dropped being co-chair in order to get onto the Waterfront Land Use Plan Update Working Group which is why I'm up here. Obviously we've worked on this project for a very long time and it's wonderful to see it so close.

I do have a couple of minor quibbles. Under the Transportation Plan, giving Muni the option to move money out of the neighborhood just seems like a really bad idea because they will. The other thing I'm concerned about is Pier 48. Obviously we've got a long way to go on that.

It's important to think about Pier 48 in the context of the RFI proposals that you'll be hearing about later this afternoon and the work that the Waterfront Plan Working Group has been doing about all of the historic piers. Pier 48 isn't really included in our work because when we started, we really thought Anchor was going to be there and we didn't have to think about it. I think that we have to be consistent in the treatment of long-term planning for Pier 48 as we are with the rest of the historic piers. Otherwise, I'm really looking forward to having new neighbors.

Bruce Agid - I'm speaking in support of the Mission Rock development. I'm involved in the community, serving on the Board and as transportation rep of the South Beach Rincon Hill Mission Bay Neighborhood Association and in the recent past, as an officer of the Southeast District Six Democratic Club. However, my public comment today is being provided specifically as a native San Franciscan and an eight-year resident of Mission Bay.

Over the past six years, I've had the opportunity, along with my neighbors, some for up to 10 years as you've heard, to be involved in the planning process for the Mission Rock Development. This included providing feedback on a variety of public documents and at numerous community outreach meetings and workshops.

In addition to current residents and local businesses, those community leaders who were involved in the planning of Mission Bay from the beginning were also involved in the process. We discussed building heights, transportation, quality of life, Open Space and so much more. Together we shared our insights and provided input on this project which will help transform this part of the Eastern Waterfront into a vibrant and complete community. Good for us as neighbors, good for us as community, and our city.

This community and greater stakeholder engagement, helped us shape the project we see today, striking a delicate balance on the amount of parks, waterfront access, housing, neighborhood serving retail and restaurants, preparation for Sea Level Rise and office space.

I'm not an expert in the financial aspects of development, but this project brought together an amazing and diverse group of stakeholders and experts to find the optimal mix of land uses while providing some flexibility to ensure successes in delivery of the project. Even with this collaboration and consensus building, there were some dramatic last minute discussions to gain agreement that this project could raise its percentage of Affordable Housing from 33 to 40%.

With this said, today we have a parking lot and we have a community desert along this section of the waterfront. At the appropriate time, please approve this project as presented, allowing the Mission Rock Development to move forward.

Chad Houston with Local 261 - First, I want to commend everyone on the long-time coming it's been for this project. Local 261 likes this project for quite a few reasons. One of them is we've had a great long-standing relationship with the Giants and we're excited for that to move forward as well as it's providing blue collar jobs that are dwindling from this city, the working class. Individuals aren't able to stay in San Francisco.

Local 261 has about 5,200 members crossing three counties with about 35% of that workforce being San Franciscans and keeping individuals in San Francisco with blue collar jobs is always a plus for us. We also have a workforce plan that's designed to identify, train and employ local workers. So we have pre-

apprenticeship programs and apprenticeship programs. We work often with City Build. I'm sure Josh will be speaking at this hearing as well. But those programs provide jobs for individuals who live in San Francisco. They provide training for those individuals and career pathways for them to stay in San Francisco, have a union job with benefits to stay here.

Commissioner Katz - I'm not sure where to begin. First off, Fran, I'm a little disappointed in you, you've let out our secret about our amazing staff here at the Port. I used to make comments about how fantastic our staff is and then I realized I better not say too much because we don't want them to get poached. But now that you've said it, thank you for acknowledging the tremendous people that are here at the Port.

I certainly know that we have some of the best people in City government working here at the Port. Fran, I think you said it really well in terms of what everyone has offered. Thank you for acknowledging our team and want to thank you and your team and everyone from the Giants. It's a treat to have a project where we have the support of a development partner that looks at the City as a true partner and has the best interests of the City and the community in mind as we move forward.

I sense that in this project, all of us have seen what this project can do for the future of San Francisco. It brings together Labor, the Port, the Giants, but really provides a benefit to all of San Francisco in creating a community that will be additive to our City.

We've got an opportunity as we look at the changing landscape and this is also a project where it's taken into account the need for Affordable Housing and not just met the minimum but rose above that. That really needs to be highlighted again that this project goes above and beyond the minimum requirements for Affordable Housing. I want to thank everybody for figuring out a way to make that happen.

I'm not going to thank everyone on our team, but as I said, Fran, you really did say it well about everyone that's been involved in this. You've really been stellar. I see many of you sitting in the first few rows here. Thank you for the work that you've done. I think this brings out, in the true sense of the word, a team effort.

We look forward to another World Series victory from the part of the team, but I think this is really a World Series, world-class opportunity and project for all of us so very excited to see it coming to fruition. Commissioner Brandon, I think you're one of the few people in the room that was really here at literally ground zero so thank you for your vision.

Commissioner Brandon - And Corinne and Toby.

Commissioner Katz - Corinne and Toby, it's a community effort and a community opportunity and all of the input that so many leaders from the

community have put in, it's made it that much better project. I've seen the shaping of the Parks and Open Space and adding extra acreage there. Corinne and Toby you were key in raising that issue and making sure that that was part of the project as it moved forward.

This really is a little bit of a love fest but this is the kind of project that deserves it. I'm so excited to see this moving forward and was pleased to get to this point today. Thank you all.

Commissioner Woo Ho - Commissioner Katz has put it very well in terms of all the sentiments which I also share of what she has said about the Giants and their tremendous effort and working with the City and the community as well as our own team. I'm not going to go through the details that Commissioner Katz just went through but to echo her and our community partners with Corinne and Toby and the Central Waterfront, Katy and all the other people that work with us from there.

This is a project that illustrates a long journey, a lot of collaboration, a lot of interaction. Voices were heard. There were a couple things that were brought up that I know that we still want to hear a little bit more about but everything does look like it's in great shape. We're down almost to the goal line, we just have to get over that one-yard line.

I would echo the same things that we are interested in as the Commission and we hope that Elaine, that when it comes back for formal action that we do hear a little bit more about the Transportation Plan. I know that it's something that has been in our minds and we bring it up constantly but we know that that's important for Mission Rock as well as the whole waterfront area and how we tie this all together. We'd like to hear a little bit more about how the transportation issues are going to be addressed.

Secondly, the Commission has already echoed that we need to hear more about Pier 48 and hope that it is not something that is left to languish for too long given some of the other fate of some of our other piers. That's something that we're very interested in hearing in the next rendition.

I want to congratulate everyone. It's been a long journey. It's great to be here today. We look forward to getting this across the goal line.

Commissioner Brandon - Thank you Rebecca and Phil for the presentation. This is just so wonderful. It feels like at this point we're all family, that we've all put so much into this and all worked on this and just put a lot of time and energy and thought into this project and I just have to say in my 20 years of being here and working with the Giants, they have always been great partners and great neighbors.

It may take a little while or we may have to negotiate here and there, but in the end, what they really want is to do something very good for San Francisco and

all the communities within San Francisco. They've been great partners. I'm not going to go through and thank everybody that everybody has already been thanked but thank everybody because this did take a village and it took a true partnership.

I would like to hear from Romulus and Josh about the LBE Utilization and the Workforce Development because the Giants have just gone above and beyond.

Romulus Asenloo, Director of the Contract Monitoring Division - I'm a relative newbie to the collaboration here. I only started in 2008 with the folks. The way I gauge it is, my son was two. He's 11, roughly 12 now. So, that's how I gauge how long we've been working with the Giants. But more importantly, like everybody else, it's been a thrill to work with the Giants. They have always been enthusiastic about working with the City on crafting a voluntary LBE Participation Program. I want to again thank you for their collaboration.

In terms of specifics, there's an overall LBE goal for the entire project of 20%, it's a little short, through which they're going to do this through working with us on good faith efforts. They also agreed to work with CMD to engage LBEs for tenant improvements for commercial spaces above 15,000 square feet as well as trying to engage LBEs for follow-on services such as janitorial services, security, etc.

Finally, whenever practical, they would work with us to seek contracting teams that meet diversity of the city and seek to include businesses and residents from our most disadvantaged communities.

Commissioner Brandon - I really appreciate that. It just shows that the Giants have gone above and beyond what others have done and so we really appreciate that. If we could hear about the Workforce Development piece?

Joshua Arce - I'm the Director of the CityBuild program. I started in here two months ago after being appointed by Mayor Lee to become our fourth director of this agency. What I can say draws upon experience with the Giants and their team around this proposal going back a number of years including work I did with the Civil Rights non-profit and working with the Labors union.

It is an honor to be able to work with the team at CityBuild, our community partners and to President Adams point, the Labor partners that we're so thankful to have in terms of advancing our Local Hiring and Workforce Development goals here. It is an honor to implement a path that the Giants set long ago that is above and beyond what they had to do, what just about anybody looking at developing in this part of town or anywhere in the city has done.

That is reflective of the fact that we're obviously right now, we talk a lot about the housing crisis and the affordability crisis. But at a time where the issue of the day many years ago was jobs as we were in double digit unemployment at that time, they made a commitment that was one of the first ever instances we ever



heard of a developer and builders talking about not only doing mandatory Local Hiring with respect to the horizontal infrastructure, but voluntarily agreeing to make Local Hiring a requirement of all their general contractors on these different components and subs that come on, making Local Hiring a requirement as they go vertical.

To see a 30% overall Local Hire requirement on these projects and 50% local apprentices is really unique and gives us a lot of opportunities that we can work with the leadership of the Giants and we work directly with Jack Bair at the time of that agreement, which is really important that the Commission also knows that not only as we work to make sure that local residents are getting involved and into these opportunities and the jointly managed state registered apprenticeship programs that we work with to start a construction career but their commitment long ago helped actually make a City policy that's now the whole law of the land in San Francisco that if there's public land involved, it's mandatory Local Hiring and the Giants led the way to do that. So that legacy kind of as an aside, just lives on everywhere throughout the city.

Commissioner Brandon asked about jobs, a couple other components to lay out is that each parcel is going to have its own developer. There will be different parties involved. The fact that the parties have entered into a commitment to have a Project Labor Agreement for this project is very powerful. I understand the parties are very close to completing that document.

It helps do a number of things. It helps grant Labor peace. It helps make sure that contractors are working with the hiring halls and the apprenticeship programs that we work with at CityBuild and CityBuild Academy to help advance the workforce and equity goals in terms of providing opportunities to disadvantaged residents of the impacted area and citywide.

We like that as a tool. It's an important tool for us to advance the Local Hire objectives. I spoke to the requirements, it gives a lot of opportunity. There is a labor shortage you might've heard about in this town. What it does in partnering with CityBuild and our partnerships with the trades and community-based organizations throughout the city, it allows us to work as a recruiting tool. There's an opportunity to make sure no one is left behind as we work to meet the needs of the Labor shortage. It becomes an opportunity in that challenge and one that we looked forward to meeting with the Giants and their building partners.

When it comes to non-construction, there's a number of commitments that are going to benefit all the tenants that come in and all this different space. It's important we look and see the leadership from your director, Director Forbes and the work she's doing at Pier 80 and different places as you build out and thinking about the folks that come in at Pier 70. The ability to have the approach which guarantees opportunities for good paying jobs, apprenticeship, the area standard wages and benefits in the non-construction side.

Certainly we'll like that in construction, but in construction you have projections around a number of business tenants occupying 5,000 square feet and above will be required to follow the First Source hiring ordinance which gives us other partners of ours at the Office of Economic and Workforce Development within which CityBuild sits. But our Health Care Academy, our hospitality, retail and tech academy will be working with your tenants to help advance the workforce development goals as they are working with the Giants.

That applies to professional services contracts associated with this project above 500,000 which includes service providers. They're doing janitorial work, security, landscape, operations and maintenance this is a unique approach. With the leadership of the Giants working with our shop, it's going to help inform future thinking about policy with respect to first source hiring reform that we're expecting to see in the new year to help double down on our job commitments to disadvantaged workers beyond construction.

The last piece, which is really important, as we work with our labor partners, community-based organizations and the employers on the construction and non-construction side, the Giants have made a \$1 million commitment to Workforce Development and that is an investment in our agency, Office of Economic Workforce Development for at least \$500,000 through the active implementation and compliance side working with the community and our staff, staffing side, CityBuild and our sector partners.

But also, \$500,000 equally to invest in partnerships with CBOs. That's important because that helps with the outreach, the recruitment, the barrier removal, the supportive services that are required from the front end through training and then placement and retention on the job site.

All of these things go above and beyond what all of us are used to seeing. These are commitments that make this project, for a number of other reasons, housing and beyond, the other things that have been stated, a project very worthy of going forward.

Commissioner Brandon - Thank you very much. That's very commendable. Is there anyone here from the Mayor's Office of Housing? The housing piece is one that we have not seen before where a developer wants to have 40% inclusion and to also include former foster youth, homeless, the whole gamut. I think that's absolutely commendable. There are so many wonderful reasons for this project to go forward and I am very looking forward to supporting it.

The one City Department I would love to hear from is the Mayor's Office of Economic Development who has the Southern Bayfront Plan Strategy.

Adam Van de Water from the Office of Economic and Workforce Development - You've heard from some of my colleagues, Ken Rich, Leigh Lutenski, Michael Martin not long ago present about the Southern Bayfront Strategy. This is our office's effort to try to create a sum that's greater than the individual parts and

look at nine different development projects to Mission Rock being the northern most of those nine and stretching all the way down to Hunters Point Shipyard.

Looking at them at the various categories that have been presented today, Workforce Development, Sea Level Rise, Affordable Housing, Open Space, Transportation and to look at them in a coordinated way so we not only design those development projects to accommodate those needs but do it in a way that creates a broader network from a transportation perspective, from a workforce opportunity perspective, from a Sea Level Rise resiliency perspective.

I'm proud to say that this project meets and exceeds every one of those standards. We are looking at a Southern Bayfrontwide Strategy to get at a minimum 30% affordable. You heard it's a 40% affordable at mixed income ranges. As Corinne Woods had mentioned, the project will be paying the Transportation Sustainability fee in lieu equivalent which will go to the MTA. Carli Paine from the SFMTA is in the audience.

That will go to a list of eligible projects serving the neighborhood. Enhancements to the T Third, to the Muni Metro East Yard, additional rail cars, other things that are part of the MTA unfunded capital portfolio that will serve both Mission Rock and Rincon and Mission Bay and the entire Southern Bayfront and that will be in combination both with Pier 70 and the project at the former Potrero Power Plant and some private projects south of the Port properties as well.

I'd be happy to give a more detailed presentation how this fits into the broader context at the December 12 approval hearing.

Commissioner Brandon - That would be wonderful. I would really like to hear that Transportation Strategy because with all of these projects coming on line, it's absolutely wonderful that everyone's funding it. What are we actually doing with those funds and how will that corridor stop the gridlock going forward?

Adam Van de Water - If I can channel Carli for one second. That comes in a couple of forms. One is site design and making sure that design is bicycle and pedestrian friendly which we can go through at our December 12th hearing. Another is Transportation Demand Management, how are we reducing single occupant vehicle trips? How are we encouraging transit and getting multi-modal activity to and from the site?

Third is the provision of transit and traffic enforcement when there is peaked activity, the arrival or departure of a ball game, how do we deploy parking control officers, get people in and out of the garage in a way that doesn't disrupt the T Third service, or the Bay Trail operation.

Commissioner Brandon - Or how Pier 70 fits into it? Or how the Shipyard fits into it? Or how it's all going to work together?

Adam Van de Water - We will make it a point to give you a detailed presentation on the Southern Bayfront and give Carli a prominent role to address that question for you at the December 12 hearing.

Commissioner Brandon - My last thing is about Pier 48 and just wanting to understand that more as far as we thought it was going to be developed but now we're going to use an interim use and interim is 10 years, maybe longer. Parking is changing. I wanted to understand a little more about that.

Rebecca Benassini - Thank you for the question. Both parties have a lot of thoughts about what will happen at Pier 48 and right now what we're able to both commit to is what will be in the interim and then how do we get to the long-term? Neither of us have a set vision for the long-term.

So first I want to note that in the final EIR that was certified, we do have CEQA clearance for Pier 48 for a mix of uses, activation uses, industrial types of uses. There are uses that are CEQA cleared today so that's sort of a path to the long-term. Not having an end user at this point that can pay the cost to rehab the facility, the parties recommend that we go forward with this interim strategy where Pier 48 is used as it's used today for Special Events and parking uses primarily for AT&T Park events.

We work together towards what the long-term is. The vision being that at any time during this initial 10-year period that we're recommending, if the Port is able to identify some other space for the interim uses at Pier 48, we would engage with the Giants on a potential long-term strategy. They would be provided the first option to negotiate with the Port consistent with their having won the RFP for the Lot A and Pier 48. We'd negotiate with them towards a long-term vision that would be complementary to what's going on elsewhere at Lot A at the Mission Rock Development.

If for some reason, we're unable to come to terms, our goal is to make sure that Pier 48 is rehabilitated just as we thought it would be rehabilitated. In that case, we would then develop an RFP to go out for solicitation. The Giants would have the ability to help us craft the objectives of that RFP and to collaborate with us on the RFP to make sure that it's meeting complementary goals and the vision for Mission Rock or they would have the ability to step away from a solicitation and eventually respond to that solicitation if they didn't collaborate with us in developing it.

We're trying to balance with the reality that today we don't have the long-term use nailed down, but we envision through more information gathering, particularly you'll hear later about a request for interest that the Port is interested in issuing for many of our other finger piers. We feel as though we're going to have more information in short order here and we want to have the ability to pivot towards that new information.

Jack Bair - Pier 48 is a big part of the project. It's the only structure that's there now. It's historic in nature. We think that it's actually a very important component of what we're doing and so we are interested in working as hard as we can possibly work to find a use for that pier that puts it in all of its glory. Now, Anchor could still be a possibility, but we're going to work with the Port and the RFI process, gather information, gather idea and work diligently towards a long-term plan at Pier 48.

While we're doing that, we'll use it effectively to generate revenue for the port and to park cars for the ballpark when we're displacing them from Lot A. We are committed to Pier 48 and seeing that through to a solution for the long-term.

Commissioner Adams - Rebecca, Dr. Phil. I call you Dr. Phil because you're the man that delivers. Jack, I've got to tell you, we can't do like the Dodgers, get to Game Seven, let it slip away. We're right here. It's been a long journey.

I want to say to the Port staff, a debt of gratitude. Thank you everybody and to the Giant's staff. This has been a long time. This is unbelievable. It's almost kind of sad, it's been so long. To our community partners, thank you.

The Giants, in my opinion are more than just a professional baseball team. I think you speak to the fiber and the soul of San Francisco and it shows. Whether it's Mike getting up there talking about Labor, the community, Toby, Corinne. You have encompassed, this is what a good corporate citizen does. You've included City Hall. You've included everybody. It's taken this long to get there.

This is a model that I wish more businesses and corporations would think about using because you guys are the real deal. Some people, it's just a business to them. You guys live, breathe and own San Francisco. You're real and I tell you what, it reaps. Because I know, even when you're losing, I see people, those young people going to the games. They love the Giants. That speaks to the culture. That speaks to San Francisco. You're more than a business. You're what's really real.

I want to say congratulations and thank you. I know what you guys have done with all these disasters that we've had. You guys live and breathe San Francisco every day. I'm proud to be on this Commission with my fellow Commissioners and I know my Commissioners, they're tough but they really care. We all have something invested in this.

This is going to be something great for our community and for generations to come and something that struck me about what the young man said. Now he's young and he says, the jobs that the Giants are providing, I want to be able to live in the city of my birth and be able to raise my family in the best city in America. That's basically what the young man said.

The Giants are working with us. What Commissioner Brandon said about the housing. It's a social economic impact to that too. You're caring. We just can't

put it on the Mayor. Everybody here is involved in trying to make this city better and that speaks to who San Francisco is. We continue to lead the nation.

I will ask the Giants to please continue to keep leading like you're doing. More teams, more people ought to be doing what the Giants are doing and what we're doing in San Francisco. I hope that we will continue, in the future to get more business partners like the Giants.

### 13. PLANNING & ENVIRONMENT

- A. Informational presentation on proposed agreement with the City and JC Decaux for installation and service of public toilets in various locations, in exchange for advertising on public service kiosks in the right of way.

Katie Petrucione, Chief Financial Officer of the Port - I'm here this afternoon to brief you on a proposed update to the agreement between the Department of Public Works, acting on behalf of the City and JC Decaux for public toilets and public service kiosks on City property including Port property.

The City's current agreement with Decaux began in 1994 and covers 25 toilets and 114 advertising kiosks across the city. The proposed new agreement, which will replace all of the existing kiosks and toilets has a 10-year term with the ability to add another 10 years to the contract. The contract provides for new toilet monitoring services. The contract covers routine maintenance of the toilets and kiosks and gives the City the option to purchase, install and maintain an additional 15 public toilets at the City's cost if we choose to do so. Under the contract, the City would receive a minimum annual guarantee payment of \$2.8 million, 20% of gross advertising revenues and 50% of leasing or licensing fees for street furniture.

The proposed contract brings two substantial benefits to the Port. First, each of the toilets will increase from one stall to two, doubling capacity. Second, the agreement substantially increases the amount of revenue that the Port receives from advertising on the kiosks. After covering the cost of maintaining the toilets, the Port's share of revenue will grow from approximately \$45,000 a year to \$400,000 a year.

There are currently 10 advertising kiosks on Port property and four public toilets. Two of the toilets are at Jefferson and Powell, one is at Pier 7 and one is at Embarcadero and Harrison. As you know, the current kiosks and toilets that Decaux installed have a faux French design. The new design is quite different. It has been approved by the civic design Review Committee, is much more modern and will be unique to San Francisco. This design is really intended to be visually simple and to blend into the background.

As I mentioned, this design has received approval from the Civic Design Review. Next steps for contract approval include review by the Historic Preservation Commission and introduction of a resolution at the Board of Supervisors. Public

Works expects that the Board's Budget and Finance Committee will hear the item in January and that the full board will vote on the resolution in February.

I should note that all of the toilets and most of the kiosks currently on Port property fall within the jurisdiction of BCDC and will require BCDC review for consistency with the existing permit before any of them may be replaced.

Once the Board of Supervisors approves the new contract between Public Works and Decaux, the Port will enter into an MOU with Public Works to memorialize issues including installation, maintenance and revenue sharing.

Both Julia Dawson who is the Chief Financial Officer at Public Works and I are here to answer questions.

Commissioner Woo Ho - I'm quite familiar with Decaux toilets because I remember doing some advertising on them a long time ago in my banking career. The kiosks were quite eye-catching at the time and that was quite a long time ago. But on the toilets, which obviously are of tremendous public benefit, what is the track record of those toilets in San Francisco and how well they've worked?

I just happened to be in France recently and two of their JC Decaux toilets which my family were trying to use did not work at all. I'm wondering just what the track record is in terms of the actual effectiveness of the toilets and given, as we know, our situation in San Francisco, both the tourists and the homeless, it's important that we do have some public facilities.

Julia Dawson - Commissioners, I also have a representative from JC Decaux with me who I think can answer your question.

Commissioner Woo Ho - This was in Provence. I'm just wondering because I think it's a very important thing. It's great to have them but then they have to work. What is their track record?

Julia Dawson - Overall the track record has been very good and Decaux has been a good partner and keeps the toilets in good working condition. One thing I would say that's been important over the last several years is that we've implemented and currently Public Works is overseeing the monitoring program which in areas that have more of a challenge in terms of the street population and perhaps a lack of public facilities, the usage of those has increased more than 10 times what they were used previously because people feel safer.

In particular, UN Plaza, Civic Center, there are areas where we have seen the increase in use go up dramatically as a result of monitoring. So an important component of this contract is the ability for us to monitor and that doesn't even necessarily mean that we need to be there all the time. We can actually be a little bit more strategic deployment of people as its needed say in a busy time

period or for times where there might be night events or whatever it is where there might be concern about safety and use.

A lot of the key part of maintaining of the toilets isn't just the maintenance piece. It's understanding and working with the community to make sure that they're safe but I can actually get a little more statistics.

Commissioner Woo Ho - I'm just curious to know.

Julia Dawson - I didn't bring them with me on San Francisco toilets, but we do have it.

Commissioner Woo Ho - I would just say that I understand the original design not only in terms of the issue that I experienced in France that we couldn't get access, the access mechanism wasn't working. Obviously we're always concerned about this hygienically because these toilets were self-sanitizing. Is this new design also a self-sanitizing toilet?

Julia Dawson - Yes, they are self-cleaning today. The mechanism that is going into the new ones is even better than the existing toilets. They've been out there for 22 years now, so there has been a lot of advances in terms of design that Francois can speak to better than I can in the way that they're engineered. But the way that the mechanism moves in the older toilets is a little more of a maintenance challenge than in the new design where it's more seamless and works better and more consistently than the old design. We will see an improvement there by replacing the equipment.

Commissioner Woo Ho - It says you can have two people inside at the same time. Is that it?

Julia Dawson - What Decaux has designed as part of their proposal is what we call kind of a two in one. One is the ADA size and then the second one is a smaller stall, but it will allow us to use the same sewer and power connections and a footprint that's only about four feet longer than the current design. It doesn't take up that much more space on the right of way but provides a double benefit.

Which I know when speaking with Dan Hodapp and Katie here at the Port that one of the big concerns is just having enough facilities available for the public so that when they're enjoying the waterfront, they don't have to worry about looking for a safe and clean facility. I know that the Port is interested in potentially pursuing some additional sites in the future which we'll have the ability to do through this agreement.

Commissioner Woo Ho - I know we're talking just about the ones that are on our facility. I guess, the City has to go with the entire plan and then we would be participating but we're having a separate approval because it's on our facilities



here. So it's not like we get to choose just for the Port and if the City doesn't go, it's -- I'm just confirming it's an all or nothing kind of deal.

Julia Dawson - It is a comprehensive program. The Port was part of it originally so was Recreation and Parks. It's actually a three department agreement because some of the toilets are on park land, some are on Port land and some are on Public Works right of way.

Commissioner Katz - Thank you very much. Just wanted some clarification. Currently, the Port revenue is \$45,000 a year and under these new terms it will be \$400,000 a year?

Katie Petrucione - Correct.

Commissioner Katz - Great. Will it be the same number of toilets?

Katie Petrucione - The same number of sites. We'll have two stalls in each.

Commissioner Katz - How many do we currently have?

Katie Petrucione - Four.

Commissioner Katz - In terms of the ability to expand, I know the City's got the option to add 15 additional ones. I suspect there may be some departmental vying for those opportunities. I notice, for example, our last item was expanding our footprint even more as we move along to the Southern Waterfront and we've got Pier 70 as welcoming further down and other opportunities along the waterfront, will there be an opportunity potentially for the Port to develop their own relationship? Or could there be a way of carving out any additional numbers for the Port to be a part of the agreement?

Katie Petrucione - On top of the 15?

Commissioner Katz - Yes.

Katie Petrucione - We haven't had that conversation.

Commissioner Katz - I guess what I'm guessing, 15 citywide, we might need more as we see such an influx of people coming along the Southern Waterfront and rather than having to renegotiate, is there a way that there could be something added for the Port if the Port so desires to have an agreement for any additional? Is it too late?

Elaine Forbes - We would still need to see if that 15 was exhausted. If we do have projections that we'll need more, we would speak with DPW and the contracts administrators and see if we could amend the contract to provide for additional facilities. First, we need to see what additional capacity we need. But

that would be the first plan before doing our own RFP or RFQ for our own agreement.

Commissioner Katz - That's what I was getting at. If the 15 is meant to cover Rec and Parks and the whole city, if there's just some way of having them so you wouldn't have to go do our own RFP. That's what I was getting at.

Elaine Forbes - You mean to do it now instead of through a contract amendment down the road.

Commissioner Katz – I think of it like a lease extension. You get an additional three years in another three years. We get an additional option for 15 and potentially another option.

Elaine Forbes - We can discuss this with DPW further. As I understand it, the contract is following your RFP process. We would see what would be possible to add in terms of additional future capacity as needed. We'll check into that.

Commissioner Katz - As you said, it may be a moot point with the 15, but I was trying to anticipate rather than having to come back and do everything all over again. Can you talk just a little bit about, as I understand it, there's going to be some training and hiring, Local Hires, to do the monitoring.

Katie Petrucione - The monitoring is a Public Works program that the Port may opt into. I would like to note that on average, it's going to cost about \$167,000 a year to monitor per facility. So that would be a substantial hit against our revenue. We haven't made a formal decision yet about whether or not to accept those services. But in terms of the character of the program itself, I'm afraid I would have to defer to Julia on that one.

Commissioner Katz - I like the idea of Local Hiring and training and job creation.

Julia Dawson - It is a local grant and in this case, we work with Hunters Point Family right now through a grant process. The idea here is that it would be a partnership of, between Green City Coalition and Hunters Point Family and JC Decaux would be doing the management for their own toilets. We still have a mobile toilet program in Public Works and we would retain the staffing of that through a community grant program.

It's been a very successful partnership for us. We've been able to offer job training programs to a variety of community members including people who are recently released from prison who are looking for a second chance and a way of getting job training. We see it as a tremendously positive program, both for us and for the community.

Commissioner Katz - In legal parlance, that was a leading question. I would've responded that way.

Commissioner Brandon - Thank you very much for the presentation. Commissioner Katz has asked all of my questions regarding the finances and Local Hire. Thank you.

Commissioner Adams - Katie, great job. I'm not going to be like Commissioner and ask about the two people at the same time. Thank you and it's always good, I don't get to see you very much present, but thank you very much.

It's pretty clear that the Executive Director will be entering into this. This is a FYI. Thank you for informing us on this and you heard from the Commissioners, if anything comes up, you'll be getting back to the Commission.

Commissioner Woo Ho - I want to let you know, when you have a four-and-a-half-year-old grandson desperate for a toilet, it's an emergency.

B. Informational Presentation on Proposed Concept for a Request for Interest for Public-oriented Uses and Qualified Developers for Pier Facilities in the Embarcadero Historic District.

Diane Oshima with Planning and Environment Division - I'm doing an informational presentation on a Port staff proposal for a Request for Interest and Request for Qualifications in interest of stewarding the Embarcadero Historic District Piers and Bulkhead facilities.

As we all know and as you have mired over many years looking at the opportunities but challenges that we face for our historic finger piers and our Bulkhead buildings, we are trying to prioritize attention on improving the tools and opportunities for repairs and rehabilitation of the Embarcadero Historic District facilities. This map shows a summary of its span, it's three miles from Pier 45 all the way down to Pier 48 which we've talked about tonight.

Even though they were built in the early 1900s, they are very utilitarian in terms of being able to adapt to modern uses of many different types. The challenges are the deteriorating conditions. They're over 100 years old and yet people love them. They're very precious and what we're finding is that those costs and repairs and the triggers for seismic improvements are becoming more frequent and the expense associated with that challenges our ability to really maintain an Asset Management Plan for this portfolio.

The Port staff has been focusing energy on trying to improve and identify what those opportunities are particularly in the context of the Waterfront Plan Update. It doesn't take much for the public to understand what those opportunities are for cultural and public-oriented uses. But also from just the changes in economics and technology industries within San Francisco and their utilitarianism, their utility for the use of these facilities.

While we've done a good job on some of the facilities in getting them rehabilitated in the last 20 years, there are still 15 out of the 20 piers that have

remaining capital needs and rehabilitation requirements. We did highlight all of this as a particular point of interest in the Waterfront Plan Update process.

I want to acknowledge that my stalwart members of the Working Group who are still hanging with us at the end of the evening, particularly Alice Rogers who was leading 14 meetings of the Land Use Committee of the Waterfront Plan Working Group through all of our land use issues and a lot of it focused on the Embarcadero Historic District resources.

We broke the Working Group into three subcommittees that allowed us to do more nimble discussions and recommendations. Tonight I get to provide you a little bit of a preview on the historic district recommendations that are coming out that lead to this opportunity to try and find partners for rehabilitation.

In the course of doing the Waterfront Plan meetings, we hired EPS as an economic consultant to do financial feasibility analysis and shared with the Working Group and the public what the cost, the pier conditions, the historic preservation requirements were for our facilities and through that, the Land Use subcommittee and now the Working Group, the Waterfront Plan Working Group are looking at a new Public Trust set of objectives that are specific to the Embarcadero Historic District.

In the course of that work, we also work very closely with State Lands staff who helped guide us on what are the values that they would recognize as being acceptable for new development and leasing in these historic piers. This is a list of some of the kinds of benefits and objectives that were recognized by the Land Use committee, the Working Group, State Lands staff that is building a framework and criteria to allow us to develop more tools and flexibility to improve our historic piers and Bulkhead buildings.

Clearly, historic rehabilitation consistent with the National Standards, advancing Maritime industry, increasing the number of berthing locations because of all of the ferries and other kinds of excursion vessels that we now find a need for along the Northern Waterfront along with public access and the need and interest from the public that we're getting through the public process on more and diverse public-oriented uses along the entire waterfront but particularly along the Embarcadero.

But in the context of development and leasing strategies that are financially feasible, that actually have the bandwidth to pay for the capital repairs, seismic improvements and anticipating what kinds of flood protections and resilience measures need to be contemplated as part of leases going forward.

One of the things that was a breakthrough in the recommendations was to allow for longer-term leases to be able to amortize those capital investments that heretofore had not been formally recognized by State Lands or the general public.

We're very happy that there has been an understanding and support for allowing 15-20 year lease terms if necessary that scale with the amortization requirements of these investments. We hope that this is expanding the toolkit for enabling the Real Estate and Development Division, and Maritime as well, to make better use of our facilities and to improve them over time.

I had mentioned that public-oriented uses were a real big interest of the public. There are guiding principles that the Working Group has adopted saying, "It's very important to us to find ways where we can save and rehabilitate these Embarcadero historic facilities. We also think it's equally important to make as much space in those facilities available for public-oriented uses to expand the diversity of the work that's been done over the last 20 years."

People love the Giants. They love the Exploratorium. They love the Pilara Museum, but they're looking for even a greater breadth of different types of public-oriented uses and the Working Group has accepted recommendations for giving the Port Commission and the staff more opportunity to seek some of these types of uses that are listed in the slide that we can add to and complement the range of activities and attractions that are along the waterfront.

In the course of the Financial Feasibility Analysis that was done for the Embarcadero Historic District, the consultants found that it was difficult to pinpoint how many different public-oriented uses might actually make sense and could fit within our piers. Moreover, there was a finding that the revenues that could be generated by many of these types of businesses were very limited and so there were financial feasibility concerns that were associated with that.

The recommendations that the Land Use Committee and the Working Group have advanced have acknowledged that we're going to need high revenue generating uses as a financial engine as part of new Pier leasing and development projects. But to balance that with a need and the desire to avail these facilities for public-oriented uses, Port staff was trying to think about, "How can we expand public-oriented uses but still deal with the feasibility realities?"

Through that process, we came up with this idea of doing on the basis of the recommendations coming out of the Working Group with a two-track Request for Interest to invite ideas for public-oriented uses that could fit within our Bulkheads and pier facilities but because we anticipated that the revenue capability of many of those type of businesses would be insufficient to be able to cover the improvement cost of the piers, we also realized that there was going to need to be some development capability also.

We came up with the idea of having a second track for Request for Qualifications from qualified developers with experience with Historic Rehabilitation Projects like this. This proposal is really an experiment. We tried it with Pier 70 as an RFI exercise to invite ideas.

It led to us being able to find Orton Development, Inc. to be able to save the Pier 70 buildings, and we thought this might be a good methodology to apply for the Embarcadero Historic District as well where you could find out what are types of uses that could adapt and what are developers that have an interest in being considered potentially for improvements on leases and developments?

This gives a bullet of what we think that the two-prong approach offers to the Port and for the community also to start getting a real-time sense of what their recommendations could yield.

We're looking broadly. These are the piers that we had suggested in a briefing that we've made to the Working Group a few weeks ago as to the facilities that we would extend this invitation for ideas and interest to. I understand that now Pier 48, we'll have to take that into account on the basis of the comments in your earlier item, but all of these facilities either are opportunities and/or they have capital repair needs and conditions that we would like to test the market to really understand what kind of partnership opportunities there are.

I should just note that with respect to, for example, Pier 45 and Pier 40 where we have certain types of uses there that must stay or that we want to retain and grow in the case of water recreation activities at Pier 40. We wanted to make clear to everyone that that was our intention. Similar for Piers 33, 31 and 29, we're talking about the Pier Sheds only as a complement to the public-oriented uses that we currently are in lease negotiations on for the Bulkheads of those facilities.

We highlight what are the opportunities that we think are available through this two-prong approach. You really need both pieces. The public-oriented pieces and the financing development capability side to meet the needs of what it takes to improve and manage and develop our piers.

We may find that the marketplace gives us good ideas, partnering opportunities, understandings about how they can be compatible with our ongoing Maritime and Public Access objectives. We may also find that there might be some hitches in the recommendations that are being developed. Maybe we've got some challenges that we didn't anticipate. It's a good time for us to get that feedback from the market before we move forward on making any updates to the Waterfront Plan.

Our proposed process for moving forward, because today is just an informational presentation -- we're not seeking your authorization today -- is to take your comments, questions, and then for us to do a little more due diligence to look to see if there are other models of RFIs that have been done elsewhere that might be employed in this process, to go back to the community and to report back this presentation and the comments we're getting so that we can incorporate further input towards a proposed set of objectives for this twin process. Then come back to the Port Commission sometime next year to seek authorization to move forward. We expect that we would also have suggestions

and proposals for a review panel on what the review process would be of receiving, evaluating the responses on both the RFQ side and the RFI.

Then do a media and outreach campaign but also further public discussions about what those opportunities avail to us and direction from the Commission before determining whether there is one or more pier leasing and development opportunities that could go forth, what kinds of conditions for partnering that we might want to consider between the public-oriented uses and the economic developers.

That's a quick read and a preview that gives you a flavor for some of the work that the Waterfront Plan Working Group has been spending its time on. We're bringing this preview to you today because we provided it to the Working Group a few weeks ago. The Working Group itself is trying to wrap up Part Two of the Waterfront Plan Update Process which will produce Portwide recommendations on a whole array of issues that they have been reviewing.

When they're done with their work, we will be back before the Commission to report out the rest of the work and the issues that they've been reporting forward. At that time, if it's timely, then we can maybe come forward with the RFI/RFQ authorization as well.

I want to thank again the Working Group members. They've been incredible. Mike Martin and Becca have also been instrumental in a lot of the financial feasibility analysis and market assessment that have supported the public discussions to date.

Corinne Woods - You've got the core of the Waterfront Plan Working Group right here. It has been an absolutely fascinating process going through this and I can't wait until we can give you the report. All of the meetings are actually online. They've been recording the main meetings. All the notes from our subcommittees are online on the Port's Web site.

We think this is a good idea to test reality. As you heard at the last meeting, it's a very expensive proposition to do substructure work on the piers. If you have high occupancy uses, which is where you're going to get your money, you've got to do more work. We know the costs are high. We've struggled a lot over the last year about what's appropriate, what's going to work.

One thing about this process we have to be very careful of is that we want ideas. We want inspiration. We want to think outside the boxes we've used. But we don't want to create an expectation for developers who think, "I've got that one."

I think that the transparency of a Request for Proposals and getting to a choice of a developer is going to be a separate process because we'd like to minimize the political bullshit that goes into selecting developers for projects. We want things that are consistent with the Waterfront Land Use Plan. We want things

that are Trust consistent. We don't necessarily want Jai Alai Arena or whatever going in on the waterfront if it doesn't fit.

We don't want the political process to overtake the thoughtful ideas of coming up with things that are good for the Port and that are consistent with the Port's mission. I'm going to recommend that you read our report when it comes out because it's amazing the number of different people and the number of different viewpoints that we have in the room, and yet we have in most cases been able to reach consensus on a lot of things. Not everything. But we're getting there.

Ellen Johnck, Co-chair of the Maritime Commerce Advisory Committee - Diane, you've done a great job and I want to thank Alice Rogers also for the work that we've done together over the last year and a half at the Land Use Committee.

The Maritime folks are really pleased with what we've come up with thus far. At the last meeting, there was some initial concern, and I'm glad Elaine was there, that somehow the RFI was going to come out and not take into account the year and a half work that was being done at the Waterfront Land Use Planning Committee.

Elaine did a great job of saying, "Of course this is going to be very much integrated with the work that we've done." The themes that are coming out, we've got to keep the Port standing up. The reality check is, "It's going to cost money." We need ideas and developers to come in and give us some idea.

The linkage between Maritime, Historic and Resiliency is very clear and very strong. There's a group of us in the Waterfront Land Use Planning Group that is talking about how to be really aspirational in terms of historic and the cultural story of this Port, and it's the Public Trust but it's more than the Public Trust. It's the social. You heard that in the Mission Rock development and the Giants and everything. Commissioner , you commented on the contribution of the Giants there. We need businesses and folks to come in with that kind of attitude for what we're trying to do with the Port and to tell the Port's story.

I want to thank Elaine. I'm sure we're going to do fine with RFI being tempered, very much integrated with the Waterfront Land Use Plan because we're doing a great job thus far.

Veronica Sanchez - I'm speaking for myself on this one as a veteran of some political fights on this waterfront. Having been on the receiving end of it during my tenure here when I was here at the Port. Corinne said something very important that we don't want the political process to take over the Waterfront Land Use Process and this become one political mess. I have seen a lot of political messes on this waterfront. Certainly, Commissioner Brandon, in your 20 years, you can attest to that too.

My concern is about timing and about the importance that this Port is going to ask the voters of San Francisco for their support on a GO Bond measure in



November for \$500 million to improve the Seawall. I feel like the focus of the Port's efforts need to be on getting voter confidence for that bond measure and asking the voters. I worry about the developer selection process gets mucked up or opposition community groups don't like the ideas that are suggested, then you're going to be in a defensive campaign about the uses that these folks don't like. It's much like what happened with 8 Washington and like what happened at Piers 24, 26 many years ago during the Agnos administration when it was a very reasonable hotel proposal that got blown completely out of proportion.

I would suggest that we look at these timing issues, and you certainly have Public Affairs consultants on board to look at that, but I would hate to be in the defensive mode where we're arguing about hotels at Pier 35 for example and this takes over a greater discussion that the Port needs about saving the Seawall and the structures. There's always a time for this and this is needed, but looking at the timing of this in connection with the GO Bond is very important.

Alice Rogers - I'm on the Working Group and had the pleasure of serving as Chair for the Land Use subcommittee. The flipside of all of the 14 meetings and other year that we put in is all of the work that the staff did to educate us. They spent more than a year getting into the weeds on the level that you operate and especially relative to the financial aspects of the historic district challenges.

First I want to thank them for that. I want to thank you for enabling them to do that. I know when you were discussing the Plan Update process generally, you were concerned about having broad participation and I'm here to tell you that we've had really strong public participation, especially at the Land Use meetings.

As the previous speakers have said, we came up with a lot of common values and that it has really helped us build that consensus so that the deliberations were really not contentious generally but we all are pulling in the same direction.

That said, I do want to really support what Veronica just said. Eyebrows were raised when this RFI came up and Director Forbes did an excellent job of dissipating some concern at our last meeting. But nevertheless, we need to ask you to be very careful about how this proceeds, as Veronica said more eloquently than I. This can't be seen to override the year plus that the public has spent really pouring out their wishes and desires through this public process and certainly not in an election year. Please be careful with how this goes forward.

I also can't say strongly enough that we can't divorce the Public Access and the public opportunity and the wish for vitality and diversity on the waterfront. You guys are possibly victims of your own successes. You've done fabulous developments, the Exploratorium, the Ferry Building, AT&T Park, people love those and they want more. We want this process to bring more of that kind of vitality.

Commissioner Woo Ho - Thank you. I want to commend Diane for all the hard work that she's put in along with everybody else on the staff that's worked on

this and I know it's been a labor of love and also all of the members of the Land Use Working Committee. This process of having the dual tracks is very interesting and very innovative. I am sensitive to the timing questions that have been raised by the speakers and it is something to duly note.

We want it to be integrated. We don't want to ignore what has happened in the Waterfront Land Use Committee. I would just give one example that I've been in a different committee, Katie might remember this, the Museum of, the Palace of Fine Arts, the Rec and Park Commission decide to put that out for development. I happen to be on the Review Panel. We went through the whole process of picking something, and there were five different performing arts hotels and then only to have that totally rejected because it didn't fit into the concept that you could not make any architectural changes to that building. So it's a lesson learned. I don't know where the Park and Rec Commission is at this point with that, but that was a whole process that took a long time and unfortunately it was a waste of time because it didn't end up anywhere.

I think that one has to be very mindful when you do this that you do get some interesting ideas that come back. The only thing that I would say lesson learned from that is that all the constraints that need to be known need to be put out there in either the RFI or the RFQ so that you don't come back with ideas that eventually when you try to decide whether it works -- and we as a Review Panel did come up with a suggestion. We had Dean Macris who is actually the former Head of Planning on the panel, we had excellent panelists on this but then it turned out when it finally got into more detail with the staff, they couldn't make it work. We need to do a little homework before we put these things out there to make sure that the constraints of what can be done and not done are understood. In our case, it's the substructure, the cost involved, any other constraints.

It's important that we don't mislead either developers or in this public RFI that people come up with these -- because it is a little bit of initially, and the newspaper article seemed to indicate that this is like "A thousand flowers bloom." You can have a thousand flowers bloom, but not all of them are going to be possible. We want to be realistic about how the process has to be managed very carefully and with adequate disclosure of what can or cannot be done that is not to stifle creativity or imagination, because what we are saying is we don't have enough imagination and we do want some ideas from the public and so we've exhausted our own brain cells here to say, "What else can we do with these?" That's important to maintain and I think we need to figure that out and the timing.

I'm not sure why Pier 30/32 is not on this list. I know it's not a finger pier but that's another one that we're also scratching our heads in terms of what to do. There's a lot of information that we know about that in terms of substructure costs and things like that. It seems like this is a big list.

For each one of these piers, you're going to have to come up with -- it's a very gigantic and maybe you have to phase it. You can't do all of them all at once. Maybe you have to separate these into different phases. You lump a few and the timing works out because this is a lot to dump on the market at the same time. I would be extremely careful about that in addition to the timing comments that have been made by the various speakers.

I do think the idea of getting ideas from the public as well as developers is a good one and we should look to see whether there's any -- since we've had some consultants -- whether there's any other cities that have come up with some ideas that we haven't thought about in the long run.

I think the objective of what you're trying to do is right. The path and the process has to be very carefully mapped out and to make sure that you don't end up on a wild goose chase or it becomes unproductive and that it is integrated with the fact that there has been a committee whirring on this for a year and a half and understands a lot of the ins and outs and that's important.

I wanted to echo what Alice said earlier that we should go back and say a lot of whatever we were trying to do as I recall in our mission, we talked about the vitality for the waterfront. What was the exact phrase that we used in the Mission Statement?

Elaine Forbes - Diverse and vibrant waterfront.

Commissioner Woo Ho - That's something that we should put out there that we're trying to look at a vibrant and diverse waterfront. Somehow when you're in documentation you need to put those words in, because vitality is what's causing people's interest right now. All the things that have been mentioned, the projects that we have done have increased the vitality of the waterfront. I think that's the purpose in addition.

We are loosening up perhaps the interpretation of Trust and it sounds like when we heard earlier that maybe there are ways for that interpretation to be a little bit broader rather than narrower and I think that's a great step forward and think it through very carefully.

Diane Oshima - With respect to Pier 30/32, there are a few reasons that's not included in this concept. Number one, it is not a contributing resource for the Embarcadero Historic District. As a pier that had all of its buildings scraped off, it lost its historic value there.

We've been prioritizing a look at how we can focus on the historic resources themselves. We learned through the Warriors Project, the expense associated with that pier is particularly extraordinary and it does take a special look.

With respect to the menu of pier facilities that were shown, I don't think that the intention necessarily is that we're going to find some developer or operator for

each one of those. But it's a means by which we can test the market to see, are there areas of the waterfront that are more attune for particular types of public attractions and business operators that maybe they want to be closer to Fisherman's Wharf? Or maybe they want to be closer to the ballpark. We wanted to be able to see where locational criteria might play a role.

With respect to the RFI itself, I just wanted to make it clear, because I don't think I did in my presentation, that this would be an invitation to public-oriented use, businesses, operators and tenants. It's not necessarily the general public, but there would be business models, different types of products that have been tried in other locales that perhaps might also be well-situated for the waterfront and to find out if what else is out there besides what we think we know?

Commissioner Woo Ho - I understand that. Going back to the Rec and Park situation, they were all qualified but to varying degrees, and some had more financial capacity than others but it did not work at all. In the end, even though the panel had come up with a recommendation, there were some things that people needed to do to the building. Historically you could not make those changes so that just threw all those proposals. I'd guess probably at least a year and a half or more was lost.

Diane Oshima - Point well taken.

Commissioner Katz - Thank you very much. I want to first thank everyone who's spoken out and all the participants on the Working Group. It really is, as we were saying earlier, a labor of love for those that are on these committees. I think this one in particular is significant. Diane, thank you for bringing this forward.

I look at it somewhat differently. I like the idea of having the two tracks because I think it's going to create that dynamism that we have a wish list of what we'd like and we have a list of what's possible and somehow there may be a way we can kind of meet in the middle by combining it. This creates that opportunity to mix and match if you will potentially.

I'd also look at it as an opportunity for our committees before they finalize their work to be informed by what's realistic, what's out there. It might actually shape to some degree the final materials that come forward. I'm looking at it from that prism that it's actually giving us one more data point to offer to the people putting forward some recommendations to us.

To Commissioner Woo Ho's point, it would be good to know what is realistic rather than coming up with a wish list. I could create a wish list but I'm certain it wouldn't be realistic but this gives us an opportunity to see what will be viable, what you know may be available to us from a market perspective and how we can get these creative approaches put forward. And it will get people thinking about it. So we don't end up going down with an RFP where we end up with something that just isn't viable or no one responds or we don't have enough bidders.

I'm hearing it as a way to inform the reports that we receive. Perhaps you could maybe articulate if you would, that an RFQ and an RFI is very different from an RFP. I want to make that clear.

To the point to as to what we're doing at this juncture as we go out, we are not predetermining anything. We are not indicating that we will make a selection. This just gives us that many more data points. A quick summary of the difference between the three might make a little clarification here.

Diane Oshima - Exactly. I think that we still have more homework to do but in general, an RFI is trying to be open to inviting ideas without necessarily too much structure. There will be, in the slides I included for the public-oriented uses, we anticipate that we would want to know what kind of general rental information, what kind of capital investments that typically they can make so that we can gauge at least initially what kind of financial resources that they could bring.

For developers, that's more known. For the kinds of qualifications that determine what are developers that would be well-suited for our facilities. We've done that in the past and that's more straight-forward. But it's more, "What do you do with those partnering opportunities?" There is going to have to be a pause point with the Commission getting involved to give us some direction as to what do we make of this? Do we have enough information? Is this something that needs to go to an RFP next step or not?

What kind of focus might we want to give given the particular pier facilities that we might be considering at that time? Those are next steps that are dependent on what level of interest and response we get.

Commissioner Katz - In terms of timing, if we proceed with sort of the next steps along here, we would get some of this information back as I understand it before the Waterfront Land Use Planning Updates are finalized, right? This would be available to at least inform us of some of the final recommendations.

Have we done an assessment, or do we have an assessment in general, and it wouldn't be something that would be binding, but just a general assessment of the substructures for the different piers so that we would know roughly what work would need to be done?

Diane Oshima - The Port Engineering Division has years of surveys of substructure assessments that have been done and that are presented to you annually. It doesn't go into a deep dive of the detail of the conditions which really drive some of the details of cost. But for the financial analysis that was done for the Waterfront Plan, there was a deeper dive where we actually hired an engineering consultant to do more refined cost estimates so that we felt like we were getting a higher level of accuracy in the modeling analysis to determine what kinds of uses could pay the freight, what kinds of lease terms we could

anticipate. So we're able to do that for some. I can't say that we have equal level of detail for all facilities.

Commissioner Katz - It might be important to have links to that available too as part of the process.

Diane Oshima - Yes, absolutely.

Commissioner Katz - Thank you. I'm looking forward to hopefully seeing some creative and innovative approaches coming back to us.

Commissioner Brandon - Diane, thank you so much for this presentation. This is great and I too want to thank all of the Working Groups that have been involved in this because you guys have given a lot of your time to help us. We really appreciate that feedback and so we definitely would like to take it into consideration before moving forward.

Commissioner Katz asked about my Pier 30/32 question. I'm still trying to understand the timeline for the next steps in the process.

Diane Oshima - We were planning on providing that when we report out the work that the Working Group finishes in Part Two. It has taken a little bit longer. We didn't anticipate that Alice was going to have to lead 14 Land Use subcommittee meetings. The Waterfront Plan process is a three-part process. We're just about done with Part Two. The Working Group will be meeting on December 6th and we're hoping that we might wrap up their work on Part Two.

Part One was the orientation on the Port. So that we really unloaded on the Working Group on all of the details that we felt were necessary for them to understand so that they could get to the point in Part Two to develop recommendations for the Port on a number of different issues.

Tonight we're only talking about some that relate to the Embarcadero Historic District. But as is reflected in this discussion where they have an understanding of the financial realities and the challenges and the opportunities, they've done a deep dive in a lot of the analysis.

With those Port recommendations coming out of Part Two, Part Three will be a period of time where we take the public down into the South Beach area and the north of the Ferry Building area where many of these piers are located that we're talking about in the RFI and allow people to understand the policy recommendations down on the ground and take a little more site specific look and see if there are questions that we can answer or further ideas and comments that come up by doing site visits, talking about how these policies could apply to our piers, to our Seawall lots, to improve Public Realm and Public Access in the area. That's a block of work that we anticipate will take a few months and then we would wrap that up.

The amendments to the Waterfront Plan itself is a staff piece of work. Once we get all of the recommendations from the Working Group after Part Three, my whole team is going to be going down under and doing a major reorganization and redraft of the Waterfront Plan. We'll come back with the proposed amendments to the plan, then go through public review and comment. There's also going to be an Environmental Review process so it will still carry on beyond that.

Commissioner Brandon – What's the proposed RFI/RFQ process and timeline?

Diane Oshima - The thought process with respect to the RFI and the RFQ is if the Commission is comfortable and gives direction and we can go forward with inviting these ideas and partnering opportunities, if there are good ideas that come to the top that we actually would like to advance, then we can identify what those are as well, look at them against the Waterfront Plan Updated policies and then carry that forward.

Commissioner Brandon - Are you thinking within the next three months, six months, year? Are you thinking about putting all these out at one time or what's the process?

Diane Oshima - I'm going to defer on getting too far ahead of ourselves because we do have some due diligence on our part to sift through some of the details and unless Director Forbes has some further comments on that.

Elaine Forbes - A couple of clarifications. We wanted to wait until the recommendations out of Part Two are done and ready for your review which is coming up early next year. After that, we would come to you and we will learn from those recommendations and maybe modify our approach a bit with our request to issue the Request for Interest and Request for Qualifications.

At that point we would have answers to some of the detailed questions you've asked tonight. We're looking to put out this RFI/RFQ in Q1 of the calendar year next year or early Q2.

Commissioner Brandon - For all of them?

Elaine Forbes - For all of the piers. So let me talk about why all of the piers. These are all the historic finger piers in the Embarcadero District that have not been rehabilitated. One of the things we wanted to understand for these data points is to understand if there's certain piers because of location, structure, substructure conditions that make them more amenable to public serving uses than other locations.

That's why we're asking about all of them because there may be things we haven't thought about for one pier or another pier that we need to understand. When Commissioner Katz said that matchmaking concept, that's exactly what we're trying to come up with where we may have a hit where we say, "This is a

really strong public-serving use that we either hadn't thought about or isn't as fully developed in a pier that makes a lot of sense to move forward with or a couple of piers to move forward with.”

We would present that to you and the public. We may learn opposite information, that it's more expensive and more difficult and we have all the information we need but we're hoping to really get new and creative ideas that aren't yet on the table that follow the construct of a public serving waterfront. So we are looking for public serving development.

A really important piece of this RFI is that we're saying those public serving, open to the public uses that the Waterfront Land Use Planning Group has identified are so important for a vibrant waterfront. That's why all the piers. It doesn't mean we have any plan of developing all the piers in any kind of phasing. We have not put meat to the bones on what a Development Plan might look like.

Commissioner Brandon - why would someone respond to this if there's nothing at the end of it?

Elaine Forbes - That's something to consider. We may with the RFQ say, "You need to be in the gate as a developer if you want to be responsive to the RFP," So that's something we can talk about. Sometimes RFIs and RFQs say, "You have to respond to the first phase of the process if you want to respond to the RFP phase of the process." That is what we did in Pier 70. That would incentivize.

I think response for information developers and potential tenants may also just want to get their ideas out there that we will share with the public and hopefully be favorable towards. It's an opportunity to come in the gate and tell us what their thoughts are and give us market test reality to some of our own ideas. I think there's a benefit there just straight up because there's an opportunity to explain what's possible from their point of view.

We will be talking with you about whether we want that RFQ piece to be a prequalification step to any potential RFPs that come out of this process and we'll be making a recommendation in that regard.

Commissioner Brandon - I see that our district is from Pier 45 to Pier 48. Is this something we may want to consider for Pier 48?

Elaine Forbes - I think we heard tonight from the Giants, we're putting Pier 48 in our RFI. This has been something we've been talking about internally, but we will talk again with our development partners and it makes a lot of sense to put Pier 48 on the list.



Commissioner Adams - Director Forbes, before I make my comments, I think that maybe you should speak to Alice and Veronica about the bond. They made mention, so I think it should come from you.

Elaine Forbes - I think those were really good comments. I think they're good comments from people that have been in the trenches. We will be looking at the timing very carefully. The idea again here is public-serving uses. We're looking for projects that meet the public's desire for a vibrant waterfront. Although, even the most generous public-serving use can face opposition, which we've seen that, even in my own term.

We will be thinking about this very carefully but I think it is a tool that the Waterfront Land Use Plan Group could use and it will inform their work and make it stronger and we do not have forever with our historic finger piers and we cannot wait to generate ideas and figure out our plans. We have Sea Level Rise coming. We have terrible substructure conditions. I feel we have to get out there, generate ideas, and figure out a path forward but we will be thinking about that timing and making further recommendations. I thought the comments were coming from a very good place. Thank you.

Commissioner Adams - Thank you. I want to thank Alice and Veronica and Corinne and Ellen for coming out and clearly we heard you. I want to say a special thank you to you Diane. I think that you're a stellar leader at the Port and clearly all these long nights and going to all these community meetings and I know Mike, you do too. Thank you very much. Appreciate it. Totally, this is a commitment and a labor of love.

To me, this is one of the best meetings we had. I wish this was earlier on the agenda. I wish more of the community could've heard about this. This is very important. To me, this had been a meeting of meat and potatoes. This is a meat and potato issue and I wish the public would've been here and would've stayed. I wish it would've been higher on the agenda so we could've had more feedback because this is important. These are important issues that we really need to talk about.

I think with the piers, it's a good idea. It's going to take a long time because of the financial situation of the Port. Commissioner Brandon and all the Commissioners asked great questions. We've got to put it out there to see what we've got. If we don't have any bait on the hook, we're not going to catch a fish. We've got to put it out there and see what we've got.

Diane, thank you a lot. You've just been working hard. It's tireless and just ask the Commission to be patient but I think we're heading down the right track. I just hope next time that we can maybe have this discussion every three months and get more feedback from the community and from our Working Group because these are some important issues that we're dealing with. Thank you again.

## **14. NEW BUSINESS**

Elaine Forbes - I had two items that I jotted down from your conversations. They may fit into other items already scheduled. One is an overall review of the status of the Shipyard. So we'll see if that does fit into a recommended ENA with Vigor should we get there but we will plan to agendize an overall review of the Shipyard one way or another.

The second one was a Transportation Strategy for the Southern Bayfront and that may come with the Seawall Lot 337 approval option next time, but we may have a separately scheduled item which may be more appropriate because you were speaking of the entire development footprint in the Southern Waterfront and how the Southern Bayfront strategy addresses transportation in particular.

Commissioner Katz - If you could also add to that, and I think it came to light in some respects with this just recent presentation. Please have the Committee Chairs from the Waterfront Land Use Plan Update provide the Commission a general presentation of where things stand with them, their perspective. I don't know if we'd want to have the overall chairs for the group join as well, but put a formal presentation together that summarizes, if they can, in a reasonably short period of time, a year and a half's worth of work or so.

If we could have the Committee Chairs in particular come forward and do presentations on just where they are in the process and make that available for the public.

## **15. ADJOURNMENT**

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

Port Commission President Willie Adams adjourned the meeting at 6:15 p.m.