

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE SPECIAL PORT COMMISSION MEETING JANUARY 30, 2018

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:30 p.m. The following Commissioners were present: Kimberly Brandon, Willie Adams, Leslie Katz and Doreen Woo Ho.

2. APPROVAL OF MINUTES – January 9, 2018

ACTION: Commissioner Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. The minutes of the January 9, 2018 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 Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

At 2:31 p.m., the Commission withdrew to closed session to discuss the following:

(1) 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, Real Estate & Development
*Negotiating Parties: SWL 337 Associates, LLC: Jack Bair

5. RECONVENE IN OPEN SESSION

At 3:15 p.m., the Commission reconvened in open session.

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

ACTION: Commissioner Woo Ho moved approval to not disclose any information discussed in closed session; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

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

- A. Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

9. EXECUTIVE

A. Executive Director's Report

- 2017 Port Employees of the Year

Elaine Forbes, Executive Director - I would like to announce our own all-stars at the Port who won the employee of the year.

Every year, we hold an event. We call it the Breakfast of Champions and it was held on January 17th. This is a peer-led award program where managers, subordinates, supervisors nominate and eligible Port employees evaluate and select.

Every division has an employee of the year and we also have teams of the year. Kurian Joseph is our winner from the finance and administration division. He's a very key accountant on staff. He is competent. He's behind the scenes. He's quite excellent in the work he produces. He's had a big task with the city moving its financial system to a new financial system. Kurian has been on the front lines in making sure that works for our Port organization.

The maintenance division winner is Alex Chong. Alex is considered a favorite among the crafts. He is somebody who helps people get through their work. He is constantly helping all the crews, whether it be the wharf crew, the truck

drivers, the laborers, the gardeners with barricades, fence panels, the plumbing shop, and the iron shop. He is really a can-do person. He has a team attitude and is a friend of all. Congratulations to Alex Chong.

The maritime division winner is Mike Nerney. Mike is overseeing the cruise industry's growth to record levels and very stable levels. He was recently elected as an officer of the Cruise the West organization, an important cruise association representing cruise ports from Vancouver to Ensenada. He represents us at many industry meetings. He is a host of many Port events. Mike is well respected for his work with the U.S. Navy, Coast Guard and is the face of the Port at numerous diplomatic and civic events. Congratulations to Mr. Nerney.

From the planning and environment division, the award goes to Carol Bach. Carol was an instrumental part of the waterfront land use update team. She co-chaired the resiliency sub-committee, which had six public meetings and hundreds of public comments for over 10 months. She has secured numerous grants for us and completed multi-million-dollar brownfield investigation and remediation and was a key component and partner in the Pier 70 work. She is involved in the EcoCenter, the seawall resiliency team. She's led negotiation to clean up many contaminated sites. Carol has made quite a mark here at the Port. Congratulations to Carol.

In the real estate division, the award goes to Kimberley Beal. She's a very dedicated property manager who protects the interests of the Port every single day. She's very meticulous, has strong attention to detail and is an excellent communicator. She's new to the Port and has immediately come in and made quite a mark on the real estate team. Congratulations to Kimberley.

The executive division award goes to our city attorneys with Eileen Malley being the head of the team. Eileen leads a very effective, highly effective small team of lawyers who have completed voluminous documents for Pier 70, our 68-acre site and for the Mission Rock project. We really couldn't be rehabilitating and providing new neighborhoods without the skillset of our attorneys. They have really allowed us to create the thriving neighborhoods that are planned. They are tenacious. They are hard working. I don't even want to tell you about all the hours they've billed this year but they are a tremendous value to us. They have very strong integrity, smarts and endless stamina. Congratulations to the legal team - Eileen Malley, Joanne Sakai, Grace Park and Tim Yoshida and Rona Sandler.

We have an award called Above and Beyond, which is really not about Port work but about a Port employee who does something above and beyond either for his family or the community. This year, staff nominated Edmund Lucia. He has taken on work with children and is a surrogate father to a relative son. He's generous and collaborative in sharing his knowledge and expertise. He is a stand-out person in terms of assuming his duties in the

community and in his family. His coworkers wanted to honor him. Congratulations to Edmund.

Then, we have our manager of the year, Meghan Wallace. This is a new award. Meghan's employees -- not just one -- put in an award for her asking us to honor her ability to motivate the team, to provide excellent supervision and quality assurance and to just get the best out of her group. They all were saying that Meghan is just a delight to work for. Congratulations to Meghan.

We have two teams that won the award this year. The first is our human resources department. This is a high-power team who brought in over 50 new Port employees this year, through the hiring program. This group has amazing accomplishments in terms of onboarding employees, providing for conformance with our MOUs, dealing with grievances, etc. Lavena Holmes is the leader, our HR director, Suzette Love, Lorceli Braganza, Helen Chan, Lynee Atkins, Eliza Ngo, Priscilla Balibag and Teri Jourgensen.

The final award went to our Pier 70 team. It's a large number of folks that provided for our Pier 70 approval that started 20 years ago, 10 years in earnest -- Byron Rhett, Michael Martin, Brad Benson, Christine Maher, Meghan Wallace, David Beaupre, Phil Williamson, Kevin Matsuda, Steven Reel, Carol Bach, Mark Paez, Eileen Malley, Joanne Sakai, Grace Park, Rebecca Benassini, Dolores Michelsen, April Shaw, Lawrence Brown, Elliott Riley and Monico Corral.

B. Port Commissioners' Report: None

10. CONSENT

A. Request approval to issue a Request for Proposals Soliciting Technical Support Services for the Pier 70 and Mission Rock Special Use Districts. (Resolution No. 18-02)

ACTION: Commissioner Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution No. 18-02 was adopted.

11. REAL ESTATE & DEVELOPMENT

A. Request (1) adoption of environmental findings, including a mitigation monitoring and reporting program and a statement of overriding considerations, pursuant to the California Environmental Quality Act; (2) approval of a Disposition and Development Agreement with Seawall Lot 337 Associates, LLC, and the attached forms of Master Lease, Vertical Disposition and Development Agreement, and Parcel Lease, for development of Seawall Lot 337 and Pier 48, bounded by China Basin Channel, Third Street, Mission Rock Street and San Francisco Bay; (3) approval of a Public Trust Study and adoption of public trust consistency findings. (Resolution No. 18-03)

Request (1) consent to zoning amendments to establish the Mission Rock Special Use District over Seawall Lot 337 and Pier 48, bounded by China Basin Channel, Third Street, Mission Rock Street and San Francisco Bay and related amendments to the City's General Plan; and (2) approval of the Mission Rock Design Controls. (Resolution No. 18-04)

Request approval of amendments to the Waterfront Land Use Plan and its Design and Access Element. (Resolution No. 18-05)

Request consent to a Development Agreement between the City and County of San Francisco and Seawall Lot 337 Associates, LLC, for the Mission Rock Project. (Resolution No. 18-06)

Request approval of a Memorandum of Understanding between the Port and other City Agencies regarding Interagency Cooperation for the Mission Rock Project. (Resolution No. 18-07)

Request recommendation to the Board of Supervisors to (1) establish, authorize the issuance of bonds, and otherwise implement Sub-Project Area I-1 to I-13 within Project Area I (Mission Rock) of the City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) and (2) establish one or more Special Tax Districts. (Resolution No. 18-08)

Request (1) approval of a Memorandum of Understanding between the Port and the City's Controller and Treasurer and Tax Collector to implement the Financing Plan in the Disposition and Development Agreement; and (2) recommendation to the Board of Supervisors to appoint the Port Commission as the agent of the Infrastructure Financing District and one or more Special Tax Districts. (Resolution No. 18-09)

Request approval of a 10-year lease with China Basin Ballpark Company, LLC for parking and special event use at Pier 48, located east of Terry A. Francois Blvd., south of China Basin Channel and north of Pier 50. (Resolution No. 18-10)

Phil Williamson, senior project manager for the Port of San Francisco – I'm very pleased today to be before you seeking your approval of the eight resolutions that Amy read into the record.

I'm going to be talking and building on the informational presentation on this project that we provided last November to you and update you on what we've accomplished since that November meeting.

Rebecca Benassini will go over the project finances and the deal terms. She'll be followed by Adam Van de Water from OEWD and Carli Payne from MTA to respond to the questions you raised in November on neighborhood impacts from the project. Then, I'll come back at the very end to sum up and kind of repeat what Amy just went through just to remind you what we're all voting on today.

This slide is going to change over the next 10 years. That area outlined in pink will dramatically be altered to bring a new neighborhood to the waterfront and over the last 11, 12 years, we've been very busy. You've been our continuous support and given us so much good advice and direction to get us to this point in time. I wanted to kind of remind you where we all started and what lies ahead over the next few months.

Today, a very important day before you to seek approval of the transaction documents and the resolutions and recommending this project forward to the board in a few weeks and then, following that, going to the state to seek their approval of the documents. With good luck and good markets and a great team, we will build this in the next 10 years or so, so quite a lot to look forward to.

We've had help from the city to achieve this goal and help from many people to get to that very high mark of affordable housing spread across multiple income levels. The various needs of the city on housing have been well established.

This project will go a long way to helping meet some of those needs. Also, eight acres of expanded parks will bring to the public to the site and create a very vibrant and new part of the waterfront that will add to the Port's portfolio.

Phase one of the project includes the northern part, China Basin Park and four development parcels. It is currently anticipated that this phase would start construction in 2019. There will be some preliminary work on site before that to improve the site, to improve the soil conditions of the site. The first major construction will begin approximately one year from now with subsequent phases to build out as market conditions allow. This project has multiple funding sources and a very complex financial picture ultimately creating a feasible project.

I want to highlight some of the goals and the results of that financing package will be to limit developer capital to the appropriate amount, to maximize public financing to help reduce that developer capital and also to allow opportunities for the Port to invest money in the project and earn a return.

The project team since November has been busy primarily negotiating the documents for the project but also going to some other important milestones for the project including submitting our major permit application to BCDC, presenting all the lodged documents to the State Lands Commission for their review and consideration, presenting the project to the ballpark transportation coordinating committee and getting some feedback from that group.

That is in the neighborhood that will be the subject of this project -- and getting unanimous approval from the PUC commission on the development agreement and, as mentioned, negotiating numerous documents with the help of Port counsel.

Rebecca Benassini, development director at the Port – I'm very pleased to be here summarizing the returns to all the parties. The reason we're all getting involved in this is not only to produce this wonderful neighborhood but also to make sure that the investments we've all made in our time and dollars are going to be well compensated.

I wanted to note that the developer return and investment in the site is very identical to what was shown in the November 2017 informational presentation. They're anticipated to achieve an 18 percent IRR.

You'll recall that this project has two key return thresholds for the developer including the multiple. In the base-case pro forma that we're running today, the governor of the return -- it's either the 18 percent, or it's the multiple. It's the 18 percent in the base-case scenario. They're anticipated to achieve an 18 percent and a 1.8 multiple on their investments in the site.

The Port cash flow -- we've segmented into a couple different revenue streams. We show the annual rent under Senate Bill 815 -- there's one segment which is unrestricted, meaning we can use it for whatever we want. There is also a restricted segment. Under that state law, those revenues must be used for key policy goals that we have anyway which are open space and historic preservation and shoreline. Those two revenue streams are up over about \$600 million in nominal dollars through the 75-year term of the parcel leases.

NPV terms -- it's about \$70 million. We also have other real-estate-based revenues. Not only transfer fees and other fees we'd get over time from the parcel leases, but I've also included the CFD special taxes, which once the CFD special taxes are used in the project and aren't needed for the infrastructure, the Port has the ability to keep those in the district to use for other capital projects including any number of public facilities we might want to invest that money in.

Finally, I've included the public financing sources for shoreline. What's really unique in this project and what we were able to achieve in the Pier 70 project as well was to place a special tax on new development in the site to be forwarded to shoreline protection going forward.

The site is being raised to account for sea-level rise but we are also anticipating there may be other improvements that might need to be made either on site or off site elsewhere in the Port district that might not see as much growth as we have here. We can use the revenues from the growth at this site to benefit other areas of the Port's shoreline that might not have access to those sorts of funding.

I wanted to point out what's changed since November 2017. It's all revenue streams that weren't projected in November 2017 because they weren't as certain. Now that we've negotiated the documents, we can project with more certainty interim rents.

These are rents from ongoing use of the parking lot while development is going forward. This is interim rent from Pier 48. This is also rent from the D2 parking structure that we were able to project.

In November 2017 when we were last before you, we were at about \$60 million of all these revenue streams. Now that we've included all of the revenue streams that are in the documents, we're up to \$76 million.

The other key change is in the public financing from shoreline including some of the year 31-through-45 revenue streams that, now that we've completed the IFP and submitted it to the board for their committee's consideration, we can project those out-year tax increment revenues. Through the IFP, if the board approves it next week, then we will have those revenue streams to use for shoreline also anywhere in the Port's IFD district.

Overall, it's a happy picture since where we were in November 2017 just projecting revenue streams that we now have more of an ability to project now that the documents are complete.

These show the revenue streams coming in over time. You can see many of them are growing at what appears to be a normal pace. The outlier on this is that little mountain in the middle. The pink mountain represents tax increment the Port is able to receive as a payback for its prepaid lease revenues that it puts into the deal.

To the extent there's pre-paid revenues that are put back into the project to repay the developer for the public infrastructure, we can use tax increment in the out year to get the value back for the port.

The second bump in that mountain is when that tax increment turns into public facility serving. At first, we get our money back for having put our land value into this particular project. In the out years, once the IFP is hopefully approved next week, we'll be able to use that revenue for other needs in the Port's IFD. That means in the Port's entire shoreline area, we can use that tax increment for public facilities that support the Port's shoreline and the Port's IFD. We view that as shoreline revenue as well.

Adam Van de Water from the Office of Economic and Workforce Development - At the November informational, you had asked a little bit about our coordinated negotiation framework we call the Southern Bayfront. You may recall we presented to you some time ago now back in January and May of 2016. Our office negotiates a number of development agreements both on public and on private property throughout this sector. This is about a five-mile stretch of San Francisco from Mission Creek to the Brisbane border.

We started this entire process some years back with the recognition that we are negotiating the future development. But we need to recognize that there already are 36,000 people who live in this shaded yellow area and about 23,000 existing

employees in this area, some of whom I recognize in the audience with us here today. On top of that, we are looking at a number of large developments. There are numerous smaller, private developments that collectively are substantial.

From the Mission Rock project we're discussing today at the north through Chase Center and Mission Bay, Pier 70, which you are quite familiar with and other projects that are both approved -- Hunter's Point and Candlestick Point, Executive Park and then that are forthcoming at the former Hunter's Point power plant and the Potrero power station, that these developments, just these nine squares, will represent at full buildout about 20,000 new households, a third of which we are aiming to have affordable, 38,000 new jobs and open space the equivalent in space to Golden Gate Park.

Throughout our discussions and throughout all of our development agreements, we've targeted a number of key tenants for citywide public benefits. Those include: housing affordability, as I mentioned aiming for a 33 percent affordable rating to a variety of area median incomes from low to moderate; enhancements to transportation.

We are looking to transition large parts of this neighborhood from its industrial past to mature, complete neighborhoods with reliable transportation -- sustainability, representing leading standards for building design, site design and sustainable energy use; adapting for sea-level rise and future flooding throughout this area; providing community facilities -- and that can be anything from schools and police and fire stations to community centers; open space both for passive and active recreation; and then workforce development opportunities.

We're joined here today by a number of my colleagues from the city family from the mayor's office of housing and community development, from the planning department, from the workforce side of our Office of Economic and Workforce Development, from contract-monitoring division and others who are integral in forming both these goals and then the sets of approvals that are in part before you today to reach those goals.

I'm pleased to be here before you today to request the approvals for Mission Rock. Working with the project sponsor, your Port staff and our city departments, we've put together a very robust set of public benefits.

You heard Phil mention the 40 percent affordable. This is a new high-water mark for the city. We have a number of sustainability measures built into the approvals including building energy use, vehicle trip reduction, water recycling and waste diversion. The entire site will be built to accommodate 66 inches of sea-level rise plus 100-year floods and pay into the community facilities district for shoreline protection throughout Port jurisdiction.

There's a route to improving the historic resource at Pier 48 and to including 15,000-gross square feet of community facilities onsite. We'll be expanding

China Basin Park, creating a new park at Mission Rock Square and Channel Wharf for a total of eight acres of open space on what is currently roads and parking lot and a bit of existing China Basin Park.

Working with my colleagues on another robust set of workforce development proposals, 30 percent local hire, local business enterprise and workforce hiring administration programs and a one-million-dollar contribution split between some of the workforce side of our offices' programs and some community benefit organizations that serve the neighborhood to get local San Franciscans working both on the construction through our city-build program but also on end-use programs for landscaping and building maintenance and security and other needs as the project develops.

Carli Payne with SFMTA - I'm glad that you asked at your November meeting about transportation. That has been a big part of the conversation around this project along with all of the other aspects that Adam and Port staff have mentioned.

The Southern Bayfront is home to a number of major transportation projects that have been long talked about, long planned and now are on the verge of being delivered and fundamentally transforming the transportation options for people who live and work in this area.

We're talking about the Central Subway and the associated increase in frequency along the T Third rail line, the Blue Greenway being connected. As you know, this project and Pier 70 and others are building parts of those rapid bus service along the 16th Street corridor and a number of others in the very near term and mid-term.

Beyond that, we also have many very localized transit service improvements and bicycle and pedestrian safety and intersection improvements that are on the way. This is the network that we're building off of and taking as kind of the context for the Mission Rock project as it's being built and when it is built.

The negotiation framework for transportation within the Southern Bay front and, as applied to the Mission Rock project, has four components. One is site design, making sure that the project is designed to promote walking, biking, taking transit and not just internal to the site but through safe and continuous connections between the site and the existing surrounding neighborhoods. As you have seen the site plans for Mission Rock, Mission Rock really does that quite successfully.

The second is transportation demand management. This project has a commitment of reducing or not creating 20 percent of auto trips as compared to what one would assume a project like this would generate just based on our modeling and assumptions.

It does that through a set of amenities and programmatic features to support the users of the site in taking other modes for most of their trips. It's not just that they're saying that they'll do it and that we like the project team and believe them. But there's also an ongoing compliance and monitoring program. It's a partnership between the project and the city over time to make sure that the measures that are in place are actually working. If they aren't working, putting into place other measures that might work better or reflect future technologies or options that we haven't thought of now.

The third is something that we expect from any project in San Francisco, which is mitigating impacts on our transportation system from the project. This project has things like putting in new signals at several intersections that will support pedestrian safety.

The last one is payment of the transportation fee. You'll note that Mission Rock submitted its initial applications at a time when it wasn't subject to the current level of transportation sustainability fee that was adopted in 2015. But through the negotiations, the project has agreed to pay the full level of transportation sustainability fee, which we're estimating \$40 to 43 million over the buildout of the project. This is money that comes to MTA and a couple of other agencies in the city for transportation improvements not on the site but beyond the site.

As you may recall from the conversations around Pier 70 that MTA has agreed to looking at the fees from Mission Rock and Pier 70 together as a bundle of funds and to reinvest those fees not citywide but in the areas between Mission Rock and Pier 70.

There's a list of representative projects that the community has identified and MTA and the project have agreed are real priorities. They generally fall along the lines of reinforcing T-line capacity and reliability and the operations that we're investing in, closing gaps in the bicycle and walking network, bus capital improvements in the area and water transit.

Because these fees come in over time as building permits are drawn, we've also committed to seeking other funds to advance these projects so that we're not waiting until the very last building permit is pulled to complete the transportation investments in this area. That gets at some of the questions that had come up last time around about transportation.

Phil Williamson – I just wanted to remind you of how I started out earlier talking about our pending approvals before you today obviously and then going to the board on February 13th for the first of their two meetings to approve the project.

Then taking a few minutes to quickly go through the resolutions which Amy read into the record at the beginning of this item. The first one would be to adopt CEQA findings, the MMRP, DDA and the form leases and the public trust study. You'll be asked to consent to the zoning amendments for the Mission Rock SUD and to approve the design controls, which you saw a few meetings ago.

You'll be asked to approve the Waterfront Land Use Plan amendments that are required for this project. You'll be asked to consent to the city's responsibilities under the development agreement, which the PUC commission recently unanimously approved. You'll be asked to approve the MOU and the Interagency Cooperation Agreement, which is the agreement that Port will enter into with various city agencies to implement the project including the PUC and public works.

You will be asked to recommend that the board established the IFD project area and a special tax district. You'll be asked to approve with the controller, the tax collector and the treasurer and recommend the board appoint the Port as agent of the IFD and the special tax district.

Finally, you'll be asked to approve a 10-year interim lease for Pier 48 for the continuation of today's current uses while the Port and Giants seek a viable long-term use for Pier 48.

Jack Bair - The Port team represented the project and what's before you. Today, represents a very important milestone that simply cannot be underestimated. The journey has been long. There have been some detours along the way but we have finally arrived at this very significant moment.

This project is the result of a tremendous amount of thoughtful work by many dedicated people spanning more than a decade. First, it involved years of working cooperatively with neighborhood leaders and other stakeholders to formulate the land-use plan and address a variety of issues from affordable housing to childcare, sea-level rise to transportation and so on.

Second, it involved leadership from Mayor Ed Lee and his staff at the mayor's office of Economic and Workforce Development and a host of other city agencies such as MTA, planning, public works, PUC, the contract monitoring division and the Mayor's Office of Housing and Community Development.

Third, it required strong leadership from Executive Director Elaine Forbes and her very committed, hard-working and dedicated team. Fourth, it required the support and guidance of you, the member of the Port Commission, particularly President Kim Brandon. You've played a role in shaping this project from the very first day 11 years ago. I was there too. Finally, I'd like to acknowledge the skill and dedication represented in our outstanding in-house team at the Giants and our incredible team of designers, engineers, financial analysts and, yes, lawyers who have been part of our Giants family.

This project definitely took and will continue to take a village. Together, we helped craft a very meaningful and thoughtful project, balancing our many objectives in a smart, workable fashion in achieving something we can all be very, very proud of.

With your support today, we can proceed to the San Francisco Board of Supervisors and achieve the approvals needed to make this project happen. Thanks for everybody's contribution. It really has been a great process, longer than perhaps we would have wanted to see but we've resulted in a project that I think we will all be very proud of in our professional careers.

Michael Theriault, San Francisco Building and Construction Trades Council – First of all, I want to go back to your presentation about your awards to your staff and talk about how your ironwork foreman Dan Maguire is a lot grayer than he was when I was in ironworker rep visiting Pier 50 14 or 15 years ago. But I guess I'm a lot grayer too. The valedictory tone that you established in that presentation would carry over appropriately to this particular item. Your staff has done a great job on this. I was particularly excited to see the little bump in revenue that they found in the last month or so. For those of us in the building trades who have had a long devotion to San Francisco and the Port, it's not just the work that this particular project brings but the fact that it helps make the Port viable in the long term, that it helps sustain the Port and the City of San Francisco. That's the kind of thing that's exciting to us. We look forward to working on this. We look forward to contributing to the Port on a continuing basis. I will get out of the way, so you can vote on eight items.

Corinne Woods, member of CWAG - I've worked on this project since Kimberly has. It's wonderful to get to this point. The community feels strongly that we've always had a partnership not only with the Port but with the Giants to get things done. I think that the communication has been excellent. We're looking forward to continuing that communication as it gets into implementation. MTA has got some great ideas. OEWD has got some great ideas. The community is actually on the ground and we want very much to be engaged as the project moves forward. I worked on Mission Bay for 20 years. A lot of the lessons we learned there we have offered to the Giants. Don't do this, etc. We can do a better job. I think we will do a better job. I'm looking forward to it.

Bruce Agid - I'm speaking in support of the elements in item 11 supporting the Mission Rock development. I'm involved in the community serving on the board and as a transportation rep of the South Beach/Rincon/Mission Bay Neighborhood Association and now as president of the newly formed Eastern Neighborhoods Democratic Club. However, my public comment today is, as it was several months back, being provided specifically as a native San Franciscan and a nine-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 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 process of Mission Bay from the beginning, as Corinne said, were also involved in the process. Together, we shared our insights and provided input on the project, which will help transform this part of the eastern waterfront into a vibrant and complete community good for us as neighbors, a community and our

city. As I mentioned, this community and greater stakeholder engagement helped 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 the 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 success and delivery of the project. I continue to be impressed with the thoughtfulness and expertise of the Giants development team and their close coordination with city agencies. Just recently at our last Mission Bay ballpark transportation coordinating committee meeting, they walked us through the Mission Rock's contributions to the Southern Bayfront transportation framework including site design, transportation demand management, mitigations and fees. It was very well done. With this said, today, we have a parking lot along this section of the waterfront. Please approve the elements outlined in this item today allowing the Mission Rock Development to move forward.

Chad Houston - I'm with Local 261, which is general laborers. We have about 8,000 members in our local union. Of those 8,000, a large portion are native San Franciscans. I can speak towards two things for this project. One, the workforce development. We work with CityBuild. We partner on an amalgam of projects. It allows for both soft skills and hard skills in people who are from San Francisco to stay in San Francisco and also the affordability of this project. A lot of our workers can't continue to live here and having affordability for a wide range is important to our union because it allows people who are actually working in the dwindling working class to continue to be in San Francisco. We are in support of the project and have a good relationship with the Giants.

Chris Kelton - Thank you for the opportunity to speak to you today. My wife and I have lived in South Beach since 1989 and, until recently, had a small business on Townsend Street for 24-plus years. I came here today to voice support for the Giants Mission Rock project. Twenty-plus years ago, I stood in front of this commission and voiced support for the vision the Giants had of building a waterfront ballpark at Third and King, which would bring together people from all walks of life, a community if you will. Through every phase of that project, the Giants worked with the input of the public, government agencies and the creative forces of design to build a magnificent facility the entire region is proud of. Once that project was started, it brought about other development and led to a transformation of an area that was, until then, a depressing urban blight. It became a desirable area to live and work. San Francisco is a city known for diverse neighborhoods, each unique and full of life with a real sense of community. People flock to these different neighborhoods in search of something novel and different. Yet, despite all that has developed, nine months out of the year, our area becomes a virtual ghost town. Mission Bay and South Beach are euphemistically called ball park neighborhoods. Mission Rock will create an inclusive, vibrant neighborhood drawing together the residents from Mission Bay, Mission Rock and South Beach, building an energetic, exciting and full-of-life destination all year round. In fact, this project will draw people to our

area seeking novelty and something different, supporting our small businesses. It will bring new friendships and relationships, cornerstones of community, neighbors supporting new and more small businesses, the telltale signs of community and perhaps, as you already know, the 40 percent affordable housing. With eight acres of open space, it fully addresses a desperately needed facet of urban living. In short, this is a win-win for all. Finally, the numbers do not lie. San Franciscans overwhelmingly approved with 70.4 percent of voters approving it. Every single neighborhood in San Francisco approved it. The neighborhoods that surround the project gave it more than 80 percent approval. This is smart development. Those of us living in the area yearn for this and realize how important this is to our overall wellbeing.

May Aguiar - I serve as the southeast area manager with the San Francisco Parks Alliance. The Parks Alliance is the largest non-profit organization serving San Francisco diverse parks and open spaces. We currently sponsor and support a network of over 200 community groups, leveraging their ability to develop and maintain innovative recreational spaces throughout the city. Together with our partner organizations, the San Francisco Parks Alliance raises millions annually to improve parks, playgrounds and open spaces. Today, I'm here to speaking support of the Mission Rock project.

Since 2003, the Parks Alliance has been advocating for the completion of the Bay Trail in the southeastern portion of the city. At the Parks Alliance, we believe that the creation of the Blue Greenway will bring communities a most deserved connection to the waterfront and play an important role in promoting equity around city spaces. Mission Rock Development Project with eight acres of new parks is a vital step in realizing this vision for San Francisco residents. For too long, the city's southeastern waterfront has been disconnected from the public with lack of pedestrian access and trail connectivity that especially hurt some of the city's historically underserved neighborhoods. The San Francisco Giants are investing in a smart, pedestrian-centric planning. They have been responsive in addressing the city's needs for more active recreation opportunities. We are thrilled to see the San Francisco Giants' commitments to parks, especially prioritizing putting a new park as the first phase of their plan.

The Parks Alliance is also particularly pleased with the considerations that have been made to address sea-level rise, the creation of open waterfront and the investment towards the use of alternative methods of transportation such as bike connections and bike-sharing stations. Although parks and open spaces is our organization's priority, we also want to applaud the project's commitment to dedicate 40 percent of the housing to low and middle-income households. This is really meaningful for keeping the diversity in the city. This project's completion is a priority for the Parks Alliance. We hope you will join us in supporting the Mission Rock project as a whole.

Reverend Arnold Townsend - I wanted to rise to support this development. I've been involved with it for several years now. The development is just tremendous. It really should become the model for development in San

Francisco. I even said to our late mayor that, all things being equal, we should never accept anything less. If they can do it, other developers should be required to do it. In talking about this development, we talk about the affordability. We talk about affordable housing all the time in San Francisco. In my neighborhood, every time the term comes up, it prompts a question. The question is, affordable for whom? That means it doesn't affect most of the people that I deal with, most of the folk who are challenged for housing in our church. This will meet their needs. Not only will it meet the needs of people who constantly fall between the cracks, but it will even offer opportunity to people who have been pushed out of the city to come back. In some communities, that is a really big thing. It wasn't because of any real regional planning. We have watched people in this city -- I know people personally, and you probably do too -- who have moved from San Francisco to Oakland, to Richmond, to Antioch, to Pittsburg, Stockton and now in Vallejo and Fairfield and Brentwood and a bunch of other places that I had never even heard of 20 years ago. Now, I've got friends living there and had to find out where they are just to visit. This is important, absolutely important work that is going on here. I'm excited to be a part of it not only the planning for the development but the approach. I'm involved because the developers reached out to me and said, "We want to talk to you about it." I do not live contiguous to this ballpark in the ballpark neighborhood. I'm in Fillmore. They reached out to people all over the city including asking me to put together a meeting of a group of pastors, so they could explain to what they're doing and what opportunity that will create for members of their church. I am all over this project. I hope you are too. You will probably never have a better designed and a project that has taken into consideration the needs of more people in this city no matter how long you end up staying on the commission. I hope you all stay there a very long time.

Commissioner Woo Ho - I will be short today. I'm a little bit indisposed. I wanted to come because this is a very significant day. It's historic. I've been on this journey since 2011, not as long as Commissioner Brandon. But it's been amazing journey working with all the parties, the Giants, the Port staff, the commission. We have worked very diligently, very hard on many issues. In addition to what everybody has said in terms of all the speakers, I can assure you that we've gone over this with a fine-tooth comb to make sure that it makes sense for all the stakeholders economically, financially as well as for the community in terms of the benefits it provides and all the things that we have talked about, affordable housing, etc.

I'm very proud to see this day come forward. It's a day to recognize all the parties. I thank the staff, Executive Director Forbes. We had another team presentation just before this to resolve the last remaining issues that we have. It's a very smart project. It's well developed. The mayor's office has been very supportive and this is a project that we can all be proud of. When you serve as a Port commissioner, you always wonder what people will say 20 years from now in terms of what legacy you leave behind.

There are many important things that we've worked on this commission, some of them more short term like America's Cup. But what is lasting is a project like this, which is for all the people in San Francisco, creating a new neighborhood, which is so exciting. I just wanted to say that it was very important for me to be here today. Jack, sorry I couldn't talk to you yesterday. You can understand why.

Commissioner Katz - It really is going to be the time for thank yous. As Commissioner Woo Ho pointed out, we've spent a lot of time looking at this project, some of us not quite the full 11 years, but it feels like it sometimes. I think this is an example of what happens when you have a developer that wants to do things right, a developer that has a long-term commitment to the city, like the Giants, and know that they're going to be here and that this is their city too.

As a result, reaching out to everyone in the community, we've really heard how broad and deep the efforts went. I think getting the input from members of CWAG, from the group of pastors that they reached out to -- that was actually news to me. It speaks volumes to the kind of outreach that was done across San Francisco to come up with a better project.

We've heard how it's going to positively impact the people. It's no secret we're losing a lot of people from San Francisco that can no longer afford to stay here. This is an example of what can be done to try to keep people here and to work with people, create jobs for those that are here and, as was said also, bring people back.

This is really a thoughtful project. I was actually struck as I was reviewing the project before the meeting, just the wonderful little details too and the things that really people got right from figuring out how to phase in the parks.

Corinne, I want to thank you again for keeping that front and center and also thank the Giants for their work in recognizing that and hearing the importance of the parks and the needs of the community, to have that kind of open space and bring that in in a fashion that it comes in earlier rather than later. Even though that's not necessarily the easiest thing to have done, it's the right thing to do. I want to thank everyone for that. Port staff -- incredible. I used to say that the Port staff really is the best in the city. Then, I stopped because I didn't want everyone to be poached. But now, I recognized that we poached some of the best and brightest from the rest of the city, so I guess I can go back to saying this really is a fantastic place for people to work with just an extraordinary team at the Port at every level. Given the fact we got Mike Martin over here, that's another example of how it's a nice place to be. Truly, thank you all for the hard work that's been done. I'm going to quote Jack yesterday when he called to see if I had any further questions. He said, "You know, people at the Port are really pretty fabulous." For somebody to say that -- or sort of paraphrasing it -- but somebody who sat on the other side of a negotiation table to be able to say that is quite a tribute to both sides and a testament to the project. I think the fact that the negotiations certainly were not easy but have resulted in such a solid project is really a testament to all involved and then, of course, to have labor show up

and talk about support for this project. To have had the support of labor in the project on so many levels, as was pointed out, how to do it right. Bringing everyone together is only going to make for a better project. I'm really excited to see this move forward.

As Commissioner Woo Ho pointed out, these are the kind of things that we, as commissioners, hope that we get right so that 10, 20, 30 years from now people will look back and say, wow. They did something decent at least. But this is one of those projects that will have a positive effect on the face of San Francisco and excited and honored to be a part of it and look forward to see what comes next.

Commissioner Adams - Wow, Jack. A wise man once said it's not about the amount of breath that you take. It's the moments that take your breath away. This is one of them. Since I have been on this commission and watched the Giants, it's hard to take my eyes off the titanic organization of the Giants and you guys are beyond a sports team, a cultural figure. You've done something that has helped to transform the city. I know Mayor Lee would be very proud because one thing that I like about living in this city -- you go to other cities like L.A. You hear the word me, myself and I. But in San Francisco, I always hear two words: we and us. To bring everybody together to do something -- and we don't put ourselves above any project. It's amazing. To deal with the issue as far as homelessness, jobs, I mean, this sets San Francisco apart.

Those coming behind us will one day look back and look at the recipe how the blueprint that the Giants and how we in San Francisco -- we might fight among ourselves but we have a way of figuring it out. We have moved this project. You know what, Jack? I don't care that it took 11 years. Seriously, anything that's worth having -- I just got through reading Mandela's book, *The Long Road to Freedom*, [27 Years]. To the Giants organization, to the Port staff and to all our partners and to our community, the Corinne's of the world and everyone and Toby, we all pitched in to get this thing right.

We were worried about all the issues. I think that we're there. For me, I am more proud for Commissioner Brandon, who has been on this commission for 21 years, that as president she really gets to see this come to fruition because she was with you during all those days. I couldn't be prouder today to be up here with my fellow commissioners and hearing the community speak volumes. Recently, you weren't here, Jack, but we had a tenant come in from Pier 70. My words to them was, "If you want to do business in San Francisco, you need to go talk to the Giants because they know how to get it right." You guys have a winning formula.

The commitment to this city that you guys have, even when you're losing your games are sold out. That means this community and the people in San Francisco believe, support and stand behind the Giants just as this commission do and that speaks volume because most people, when you're winning, they're with you. But when something happens, they go the other way. You know that you have loyal fans in this city.

Future generations will benefit from this vision and Mayor Lee's vision and everything that happened. We need to complete this job. We need to finish this. The best way to serve his memory and all those that have passed along the way, to make this project gets done.

Commissioner Brandon – Phil, Carli, Adam, Rebecca, thank you for such a wonderful report. Today is indeed a historic day. I was here more than 11 years ago probably 12 to 13 years ago when this idea first came to bear and before we started the planning process.

I am just so happy that today we are voting on this project. We are creating a new community. The Giants always have just been great corporate neighbors and so easy to deal with and easy to work with. We don't always agree all the time but in the end, we get there just like today. The only thing that's changed since November at the presentation is that the Port is going to get more money.

I want to thank everybody. I want to thank the Mission Rock team led by Jack and the Port team led by Elaine and Byron and Mike and our attorneys who have just done such a phenomenal job. All the city agencies that have touched this project throughout the 11 years, we couldn't have done it without you. Our community leaders led by Corinne and Toby and Bruce who have been active since day one, I mean all of us together, this is a historic day. Thank you very much. Of course labor was involved. Labor is involved and will continue to be involved throughout the project. Thank you everybody.

ACTION: Commissioner Katz moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution Nos. 18-03 to 18-10 were adopted.

12. NEW BUSINESS

Commissioner Brandon - I have one thing for new business and that is the Southern Bayfront negotiation framework. I think this is a great document. This is absolutely wonderful. The fact that we have nine projects of new opportunities in the southern waterfront -- it takes me 45 minutes to an hour to get to work every day. There are existing traffic problems that have to be addressed. I totally appreciate that Mission Rock and Forest City are going to contribute \$90 million to this part of the waterfront but I need to know how it all works together and how we're going to correct the transportation issues that are going to affect everybody in these areas. If we could just have some type of presentation in the future on the Southern Bayfront strategy for the total Southern Bayfront would be absolutely wonderful.

Commissioner Woo Ho - Director Forbes, we've talked about having a periodic financial review. Is that coming up on the calendar?

Elaine Forbes - Yes. We're moving into budget, which will be in February, two meetings. We'll have a financial review in March and we'll put it on the forward calendar.

Commissioner Woo Ho – We should also have the financial outlook because it's looking good. We should celebrate that and also understand the challenges.

Commissioner Brandon - I want to thank my fellow commissioners who are coughing on either side of me for coming today for this historic, wonderful day.

13. ADJOURNMENT

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

Port Commission President Kimberly Brandon adjourned the meeting at 4:30 p.m.