

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING MAY 8, 2018

### 1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:35 p.m. The following Commissioners were present: Kimberly Brandon, Willie Adams, Gail Gilman, Victor Makras and Doreen Woo Ho.

### 2. APPROVAL OF MINUTES – The minutes for the April 10, 2018 meeting will be presented for approval at the next meeting

### 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 2:35 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: Seawall Lot 322-1, an approximately 37,810 square foot rectangular land parcel bounded by Broadway, Front and Vallejo Streets; Assessor Block 0140, Lot 7, located at the corner of Front and Broadway Streets.

Person Negotiating: Port: Michael Martin, Deputy Director, Real Estate and Development; Rebecca Benassini, Assistant Deputy Director, Real Estate and Development; and Ricky Tijani, Development Project Manager, Real Estate and Development.

\*Negotiating Parties: Mayor’s Office of Housing and Community Development (“MOHCD”): Mara Blitzer, Director of Housing Development, and Faith Kirkpatrick, Project Manager; and Co-Developers, Bridge Housing and the John Stewart Company: Marie

Debor, Vice President of Development for Bridge and Don Lusty,  
Director of Development for JSCo.

**5. RECONVENE IN OPEN SESSION**

At 3:20 p.m., the Commission withdrew from closed session and 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 Adams moved approval to not disclose any discussions discussed in closed session and reconvene in open session; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

**6. PLEDGE OF ALLEGIANCE**

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

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

**8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA**

Corinne Woods - I'm a long-time Port watcher. I'm here today to honor and appreciate Leslie Katz, who was a Port commissioner for at least six years. I wanted to ask the staff to plan something that we can, in fact, show Leslie how much we appreciated her service here. She not only brought intellect and knowledge. She brought heart to this commission. I really hope the Port will honor her.

**9. EXECUTIVE**

A. Executive Director's Report

- Welcome to New Port Commissioners – Gail Gilman and Victor Makras

Elaine Forbes, Port Director - I have the pleasure of welcoming back two of our commissioners and welcoming two new commissioners to the Port.

The Mayor's office recommended and the Board of Supervisors confirmed the reappointment of Willie Adams, term ending May 2022, and the reappointment of Doreen Woo Ho, term ending May 2022. Welcome back, commissioners.

The Mayor's office has recommended and the Board of Supervisors also confirmed the new appointment of Gail Gilman, term ending May 2022, and the appointment of Victor Makras, term ending May 2020.

Ms. Gilman has over 25 years of non-profit housing experience. She joined the community housing partnership in 2002 and became the CEO in 2010. Ms. Gilman is spearheading a local and national conversation on shifting success measures and outcomes in supportive housing, in creating a housing ladder and creating and achieving an equity framework.

Ms. Gilman is involved in regional and national public policy efforts including serving as the California's homeless coordinator and finance counsel, which is a governor appointment. She was recently a commissioner at the Department of Building of Inspection. Welcome, Ms. Gilman.

Mr. Makras has 30 years of civic experience. His first commission was the Board of Permit Appeals. He was a PUC commissioner twice, police commissioner and was very recently serving on the retirement board, which is a \$23 billion fund.

Mr. Makras also has 30 years of experience in real estate. He served as the president of the 4,000-member Association of Realtors. Since 1990, he has led Makras Real Estate, which specializes in all types of residential properties. Welcome aboard, Mr. Makras.

On behalf of our entire Port staff, we're very excited and honored to work with our reappointed and new commissioners. We appreciate your wisdom and insight on a variety of industries. This commission has experience in maritime, workforce development, laborers, supportive housing, homeless services, real estate, finance and much more.

We know we have a big job ahead for our Port. We are bringing and serving many diverse communities here in San Francisco. We need to prepare our waterfront for the next generation, so it continues to be a place for everyone. Thank you for your service to the residents and visitors of San Francisco. Welcome back, and welcome aboard.

Commissioner Brandon - I would like to again welcome Commissioner Adams and Commissioner Woo Ho back. It's been a pleasure serving with you guys for the last seven years. It's been a pleasure serving with you two. I'm so

happy that you have been reappointed and are back to continue all the great work that we're doing.

We are also extremely fortunate to have Commissioner Makras and Commissioner Gilman and their years of real estate experience that we definitely need with all the projects that we have going on. It's absolutely wonderful that we have a full commission for the first time in I don't know how long.

We are going to miss Commissioner Katz, all of her words of wisdom, all of her great ways and all that she contributed to the Port. We will miss her. I hope that we can plan something for her to recognize her service here at the Port.

Elaine Forbes - Absolutely. We'll work on that Madam President.

Commissioner Woo Ho - Thank you, Corinne, for making that suggestion about Supervisor Katz. I'm excited to have the new commissioners here. Thank you for your best wishes on our reappointment with Willie Adams.

Because we didn't have a chance at our last meeting, which was Leslie Katz's last meeting, to say anything about her service on this commission, I'd like to take a minute also to commend her for her service and, as Corinne aptly said, her heart. She preceded me briefly before I joined the commission. She was appointed by Mayor Gavin Newsom. Luckily, we haven't had some of the issues that she actually spent a lot of time helping us with. We had a lot of litigation. We had a lot of legal issues. Her expertise was very invaluable to us to guide us, to help us with her background.

She had certain issues that she was particularly passionate about. She was passionate about open space. She was passionate about making sure we took care of dogs. She was passionate about the seawall. She was passionate about a lot of things that we've done on the Port. We want to thank her for her service and wish her well going forward. I wanted to commend her and just say that we appreciated her being on this commission as well.

- San Francisco Heritage Soiree at Pier 70 located at 20th Street and Illinois Street – Saturday, May 19, 2018 from 6:00-11 pm

Elaine Forbes - The San Francisco Heritage Soiree at Pier 70 will be held on May 19 from 6:00 to 11:00 p.m. This celebration is a very popular spring event in San Francisco. It is the architectural heritage annual fundraiser. This year, the event will be at the Port's 20th Street historic building core featuring the Union Ironworks Historic District at Pier 70. The project is a result of the partnership between the Port and Orton Development. This event will showcase the amazing rehabilitation. I encourage everyone to find out more and consider joining this event.

- President Kimberly Brandon to be recognized as one of the 2018 Most Influential Women in Bay Area Business by San Francisco Business Times

I'd like to acknowledge that our president, Kimberly Brandon, will be recognized as one of 2018's most influential women in Bay Area business by the San Francisco Business Times. It's a great honor that our esteemed leader has been named among these very influential women. These women have contributed to the economic growth and health of the Bay Area economy. The event will take place on Tuesday, June 5th from 5:00 to 9:00 p.m. at the Hilton located at 333 O'Farrell Street. Congratulations, Madam President, for your honor and award. We're very proud of you.

- In Memoriam

Finally, staff would like to ask that the commission adjourn today's meeting in the memory of two notable people, the first being Supervisor Doris Ward. She became a supervisor in 1979 and 11 years later, she was the first African American ever to serve in the role of board president. She was also the city's assessor. She lived a life fighting for social justice. She was a very kind person. I had the pleasure of knowing her. She was certainly a trailblazer.

We'd also like you to adjourn in memory of Lee Radner, who passed away this last Sunday. Lee is probably best known at the commission for fighting hard against the project across the street. He was a very kind and generous person in the community. He was the sponsor of many charitable events that brought kids to the Bay Club. He was a passionate waterfront lover. He swam 300 days in a row and was honored at the Board of Supervisors for doing so. He just did that this last year. Staff asked that you adjourn in his memory as well.

B. Port Commissioners' Report:

Commissioner Woo Ho - On behalf of my fellow commissioners that we want to congratulate Commissioner Brandon on this award that you're going to be receiving on June 5th. I've had the pleasure of working with you for seven years. We've worked together in leadership. We've traveled together and I think it's certainly long overdue. Congratulations. I intend to be there to cheer you on June 5th.

Commissioner Brandon - As a recipient of the honor in the past.

Commissioner Adams - First of all, I also want to take time to say a very special thank you to Leslie Katz. Having the time to work with Leslie, she was very hard working. Her heart and soul was in San Francisco, being a former supervisor, being a commissioner and then Leslie's commitment to social justice and politics.

Leslie always was very proud that her dad was one of the attorneys that represented Dr. Martin Luther King. We will definitely miss Leslie. Corinne, thank you for that touching shout out about Leslie, well deserved.

I want to say to new Commissioners Gilman and Makras, welcome. Right away, you jumped right in. Thank you so much for that. Doreen and Kimberly, thank you for the time that we've had on the commission.

I want to bring the commissioners up to date on what I've been doing. I missed our last meeting because. I was in Melbourne, Australia on business but I did attend and toured the Port of Melbourne, Australia.

Shortly after that, I went to the 50th anniversary of the assassination of Dr. Martin Luther King in Memphis. I was on the platform with San Francisco's own Tom Steyer. I talked to Tom and told him he needs to use his platform and his bully pulpit for commercials on the seawall, not so much about getting rid of Trump. But we need to talk about the seawall commercials and to use it right here and bring it down home, so we can really get this seawall going.

This morning, I flew in from Sydney, Australia. I spent the last three days touring the Port of Sydney and Brisbane.

## 10. CONSENT

- A. Request approval for a member of the San Francisco Port Commission to travel to Montreal, Quebec on June 19-21, 2018 to attend the American Association of Port Authorities Seminar for Port Governing Boards and Commissions. (Resolution No. 18-26)
- B. Request approval to Issue a Request for Qualifications Soliciting As-Needed Real Estate Economics and Related Professional Services. (Resolution No. 18-27)
- C. Request approval of the First Amendment to the Memorandum of Understanding with the San Francisco Entertainment Commission to delegate the issuance of newly revamped entertainment related permits to the Entertainment Commission for such activities on Port property. (Resolution No. 18-28)

ACTION: Commissioner Woo Ho moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution Nos. 18-26 to 18-28 were adopted.

## 11. ENGINEERING

- A. Request authorization to award Construction Contract No. 2786, Pier 94 Backlands Improvement Project to Hoseley Corporation in the amount of \$6,969,003 and authorize a contract contingency fund of 10% for a total authorization of \$7,665,903. (Resolution No. 18-29)

Ken Chu, project engineer for the Pier 94 Backlands Project - We are requesting Port Commission authorization to award the construction contract. The project will turn the vacant land at the Backlands into approximately 16 acres of

municipal properties for construction laydown, storage and equipment staging and other industrial support uses.

The project scope includes grading the site, construction of an access road, etc. The access roads are from Amador Street extension. This project also includes construction of storm drain systems. This site is going to basically flow with some of the piping and go to a swale and eventually just go to Islais Creek. This project also includes street lighting. The lighting is going to come from the end of Amador Street, go to Amador Street extension and go to the site along the access road. This project also includes the landscaping surrounding the area. Under the major area of construction is capping the regulated landfill area.

Strategic objectives of the project: Livability - the project promotes living wage job. So the LBE goals for the contract is 20 percent. Sustainability - the project will include best practices for construction. Economic vitality -- the project will provide the Port approximately 16 acres of leasable property. Stability -- the project improvements will give the Port opportunity to lease the area for long-term tenants.

On February 13, 2018, the Port Commission authorized staff to advertise for bid for this construction contract. On April 17, the Port received four bids. Among four bids, the price of the base bids ranging from \$6,712,203 to \$7,864,280. The engineer's estimate for the base bid was \$7 million. The bids came in very close to the engineer's estimate.

Hoseley Corporation submitted the lowest bid. Hoseley's base bid was \$6,712,203. We have one alternate bid. That cost is \$256,800. The total bid price is \$6,969,003. The total cost with the 10 percent contingency is \$7,665,903. The soft cost included design. Some of the funding we transferred to DPW for the design and consultants' help for the project. The funds expended during the design phase was \$657,302.

We estimate \$170,000 for some soft costs for construction support. The total amount for this project is \$8,493,205. This project is fully funded from the Port's capital funding. The total budget is \$8.5 million.

We have secured regulatory approvals and permits for the project. We have secured categorical exemption under the California Environmental Quality Act for the project. We received Water Board's approval for the landfill cover design. We have BCDC and Regional Water Quality Control Board's permits for the project.

With Port Commission's authorization, we are going to award the contract in May 2018, start construction in June 2018, substantial completion in November 2018 and final completion in December 2018.

Port staff recommends Port Commission authorize to award the construction contract, Pier 94 Backlands Project to Hoseley Corporation, the lowest

responsible, responsive bidder in the amount not to exceed \$7,665,903 and authorize executive director to accept the work when it is completed.

Finbar Jewel - I am the assigned contract compliance officer for this project. I am going to provide a breakdown for you on the MBE, WBE, OBE availability of LBE subcontractors that were available or certified to do this type of work. We have concrete, clean up, doors, which means activated doors, earthwork and paving, electric, landscape and pipeline. We have listed the total number of LBEs who are available to do this work.

The designation of concrete, construction clean up, doors, earthwork, electric, etc. come from the Port. They send that information to CMD. We have a discussion and we look to maximize the LBE opportunities on the project.

Here is another graph starting off on electric. You can see the number of MBEs, WBEs or OBEs by specific discipline. You can see, for the electric, we have approximately 27 MBEs. We have seven or eight LBEs, and the remaining are OBEs.

Most of this work are the budget allocation for these large scopes of work were primarily earthwork. There was only one WBE who is certified to perform like work. As you can see from the next slide, where primarily the LBE subcontractors are situated or located. You can see that we have a large concentration or cluster around the Hunter's Point/Dogpatch area. You will see where the LBEs are located, the LBEs who are listed by Hoseley Construction.

Hoseley Construction is physically located in the 94124 zip code. He is currently leasing on Port property. We have other LBEs in the 94110, which is the Mission District. We have a number of LBEs in the 94134 Visitacion Valley area. CMD was asked to explain how we have changed our outreach. We have become more proactive because now we are seeking information from other departments.

We are developing relations with the community, initiated contacts with the Ethnic Chamber of Commerce Associations and Business Associations. Presence in the community -- outreach meetings in Bayview, South of Market, Mission with non-profits and prime contractors.

CMD certification unit has collaborated with supervisor staff, merchant groups and non-profits in District 6, 9 and 10. More importantly, we are also working with the state contract licensing board to seek out firms who are situated or located in San Francisco.

Once we get that information, we then approach them and inquire if they are interested in becoming certified as an LBE. CMD has signed an MOU with the tax collector's office, where CMD inquire if there are any new construction firms that are recently certified or hold a business license. CMD would go out and contact them.



Commissioner Woo Ho - Because I'm not sure that I've seen Hoseley come before us as being awarded a contract, can you explain the background of Hoseley and their experience with either the Port or the city in terms of other work that they've done?

Finbar Jewell - Hoseley Corporation is a newly certified LBE.

Commissioner Woo Ho - So it's a new company?

Finbar Jewell - It is a new company. Although they are a new company, the Port and CMD met with Hoseley Corporation. He explained his rather extensive construction background. He has been in the construction industry for over 20 years.

Commissioner Woo Ho - You mentioned that he is neither minority nor women owned business.

Finbar Jewell - That's correct.

Commissioner Woo Ho - Just local business enterprise, based in San Francisco.

Finbar Jewell - Based in San Francisco. When an LBE is seeking certification, the certification will go out. The potential LBE has got to meet certain requirements. They need to be based in San Francisco for six months.

Commissioner Woo Ho - I should have prefaced my comments by saying you've given us a tremendous amount of information on the LBE aspect of this, of which we obviously know that one of the goals of this commission is to make sure that we are giving work to our local businesses in San Francisco.

I applaud you all for the effort that you've put into it and explained the amount of effort that you've done. But I also just wanted to make sure that we are comfortable, since this is a newly formed entity. In the future, if you have some new entity that's never been before us, we need to have an explanation of that company's background. This is a large contract. This is not a small contract.

Ken Chu - In the pre-bid meeting, I and a couple of people met with Hoseley. We also had meetings before the bid opening. There were also people from engineering who met with Hoseley and asked about their qualifications of the project and they provided the information.

Commissioner Woo Ho – Do we have references in terms of other work that he has worked on?

Finbar Jewell - Yes.

Ken Chu - They are new in business but the president is in this business for a long time.

Commissioner Woo Ho - The companies that he's associated with, are they new to the city and to the Port?

Ken Chu - They did have a couple contract with the city, some of the work in Mission Bay.

Elaine Forbes - Finbar, I believe that they served as subcontractors for other city work.

Finbar Jewell - Hoseley in the past has done a lot of work at the airport.

Commissioner Woo Ho - I would appreciate in the future that you provide a little more information on whoever the contractor is on a contract of this size, that we have a little more information on the background in addition to everything that they're going to be doing, which is positive. That would give us more comfort that we have picked not just the lowest bidder but the person that has the background and qualifications to perform the contract.

Coming from the private sector, if you're going to put this amount of money into something, you would have some sort of return on investment. That's probably more in the real estate group's area to project but if we're putting this amount of money in, what is our potential return for this investment?

Elaine Forbes - We didn't include that information in this report, and that is on me. So apologies for that because we've been discussing this project since 2010 in a variety of fashions. When we approved the budget for the project, we talked a lot about the financials. Our CFO, Katie Petrucione is prepared to talk about the financials because we realized it was a hole in the report.

Commissioner Woo Ho - That would be wonderful because I think it's a good investment. It would be nice to know what we could expect out of this major investment.

Katie Petrucione, Port CFO - We are assuming that we will lease this property primarily for lay-down and construction-related activities. We are currently projecting -- based on an assumption of 60 percent utilization and a monthly parameter rent of \$0.40 a square foot, that an annual income for this property would be about \$2.1 million a year.

Assuming it's going to take us three years to lease this space, which is probably a pretty conservative estimate, the project is estimated to generate \$7 million in net income over a 10-year period, which is about a 19 percent ROI.

Commissioner Woo Ho - It would also be a payback of approximately 10 years.

Katie Petrucione - Yes.

Commissioner Woo Ho - Less than that.

Elaine Forbes - Less than that.

Commissioner Woo Ho - I appreciate that. Elaine, I think that would be good for us to know for making the investment, how long is it going to take us to get some payback and what the return on investment is.

Commissioner Makras - Why don't you walk us through the contractor's experience with these types of jobs?

Ken Chu – I am the project engineer for this project. We get the design done and get a permit for the project. All interested parties within the Port organization review the project.

When we get the design ready and we check the funding available, we work with finance and prepare for the LBE goal for the project and ask Port Commission to approve advertisement of the project. We advertise publicly. Usually, about four weeks, the bids come in. It's the city's policy to award the project to the lowest responsible, responsive bidders. So this is the case for this project.

We awarded the project to Hoseley. Before we make a decision to recommend the Port Commission to approve the project, Port engineering check the background of the contractors, the low bidders and get input from CMD. We make the presentation to the Commission. After Port Commission approval, we get the contracting processing agreement signed and then issue the Notice to Proceed. At that time, we direct the contractor to do the construction.

Commissioner Makras - How about we hone in on Hoseley Corporation who you're recommending we go forward with? I'm following up on my colleague's questions. How many years have they been in business?

Ken Chu - They have been in business roughly three years.

Commissioner Makras - Would you say that they've done \$5 million and above? How many contracts have they started and completed in three years?

Finbar Jewell - I was privy to the meeting that Hoseley had requested to meet with Port staff to be able to explain his past experience. What we were told from Mr. Hoseley was that he had been previously involved with a large construction company that were working on \$50-100 million projects.

There was a decision amongst the stakeholders in that company that they were going to part ways. Mr. Hoseley decided to set up his own company. When he met with the Port staff, he was able to explain that he had been involved in \$50-100 million projects and that he did have, in fact, the experience to do this project. That decision was then assessed by the Port team. They would determine, after checking references, if he met the specific construction qualification requirements which were specified in the legal bid advertisement.

Commissioner Brandon - What was the specific requirement?

Finbar Jewell - If I may read the contractor qualifications. Valid contractor's license for class A issued by the California Contractors State Licensing Board with at least five years of experience working on related civil projects.

Contractor shall have documented experience in performing a minimum of three civil engineering construction projects with similar work as shown in the contract documents over the last five years.

Contractor shall have documented experience with a minimum of three public works projects over the last five years and has either state or federal OSHA cited and assessed penalties against the firm for any serious, willful or repeat violations of its safety or health regulations in the past five years.

Commissioner Makras - This company, their experience versus a resume and experience working for someone else -- there's a distinct difference to me. For Hoseley, what's their company? Because that's who we're hiring.

Commissioner Brandon - Less than five years.

Commissioner Makras - Three years they're in business. How many contracts have they done of similar work of \$5 million or above?

Commissioner Woo Ho - While we're coming up on that, maybe the question would be, when the qualifications are listed in the response to the bid, do they actually document how they meet those qualifications in writing?

Elaine Forbes – Yes, they do.

Ken Chu - They have a bidders qualification. They have the major contractors qualification forms attached to that. We view the project they perform. We have a meeting with them. They provide informational on the work they have done.

Commissioner Makras - The distinct difference to me is someone's experience versus a company's experience. I can work for another firm but I'm not responsible for the checkbook. I'm just responsible for my job. They can be real good with the checkbook. But if we're signing a contract with Hoseley, then Hoseley is responsible for both the checkbook and the work. My focus is to see that they're an experienced company, following up on my colleague's questions.

Elaine Forbes - All of the bid documents are all provided in writing. But the commission is asking very fair questions about the experience of the firm that was deemed the lowest responsive bidder. We need to get some very concrete detail. I know that they are a newly formed LBE, meaning they've just been certified as an LBE. This contract has a very large percentage to LBEs with the prime and the subs. Before they were certified as an LBE, how many years were they in business performing work as the entity with which we are recommending

an award today? Because the work or the experience of a principal does not carry over into how you evaluate the firm's experience.

I would recommend we get some specific answers because we need more detail here. At this point, I would recommend that we hold this over and get some details around this firm because we are all struggling to get answers. We need to do a bit of research here.

Commissioner Woo Ho - We agree with you.

Commissioner Brandon - I totally agree with you. I also appreciate you doing the LBE briefing. My concern with this project and other projects in the southern waterfront is that we have no African American firms on these contracts.

The outreach that you're saying that we are doing, we've been doing for years. We're still not getting much results. I want to know what we're doing differently to get the word out that we have contracts available, that we have work available to all minorities.

Finbar Jewell - In one of the end slides, we showed that CMD is actively pursuing all LBEs or new firms which are coming into San Francisco, CMD is outreaching to them. CMD is providing technical assistance to the subcontractors, to the LBEs. When a new firm comes in, we would reach out to a firm. They become certified. As part of the certification process, we would inform the newly certified LBE that the city offers assistance in assisting that newly certified LBE with direction where to obtain technical assistance.

We would provide information about Merriwether and Williams, who provide estimating, bonding, technical assistance. We would provide direction on the PUC contract assistance. As far as the newly certified LBEs, we provide all this information.

For this specific project, CMD sent out notices to all the LBEs. The Port did an excellent job sending out notices. The project is posted on OCA's website. CMD goes to these events and speak to the supervisors. We provide information. We provide technical assistance.

Commissioner Brandon - I truly appreciate your response. I know you're very passionate. I appreciate all that you're doing. I appreciate all that the Port staff is doing because we are doing exceptional with our LBE goals. But I'm trying to understand what we can do differently because, besides talking to newly certified firms, we have a pool of firms that have been certified for years that we're still not doing business with.

I'm trying to figure out what the Port can do. I know CMD is doing a lot of things different. I want to understand what the Port staff can do to make sure that, when we have these projects, these huge projects in the southern waterfront which are historically African American communities and the African American

population is continuing to dwindle because they're not getting jobs. They're not getting work. What can we do especially now that our focus is finally in the southern waterfront? We have a \$7 million contract. We have the next one, which is a \$5 million contract but yet, we can't get any African American firms on these contracts.

You don't have to tell me today because you're going to come back but need someone to think about what we're going to do differently.

Finbar Jewell - I want to commend the Port because, anytime the Port finds a potentially new LBE, they come to me. I will sit down with them with a spec book and explain the benefits but also explain what they will need to do. We also must be cognizant of the fact that the city is very busy. We have projects at the airport. Park and rec have projects. DPW have projects. PUC have projects. We are now engrossed with private development projects. Only today, I got a call concerning a painting subcontractor who is working on the Van Ness and Geary hospital.

Commissioner Brandon - Luckily, I'm only concerned with the Port. I want to focus on how we here at the Port can do a little better outreach. I'm sure there are firms that do grading and graveling and trucking and I'm sure there's somewhere in here we could have fit a firm. I appreciate the fact that you guys are going to come back with more answers. We can talk about this next time.

Commissioner Adams - Did this contract even come in as an informational item?

Elaine Forbes – Yes, we got the authorization to advertise. The Port does very extensive outreach. We work with all of the chambers of commerce. We send out to all of the registered businesses. We hold open houses for upcoming work. We do literally as much outreach as we know how to do.

The frustration that the commission feels is that, after we do all the outreach and the work with CMD to figure out how the work can get distributed to maximize LBE participation, get the word out to businesses that we're interested in seeing minority and diverse contracts, once we put the bid specs out, it's the lowest responsible bidder that wins.

The LBE program is neutral to race and gender. While CMD specified what the makeup is -- and President Brandon is right, there are a lot of MBEs in this arena. We come to you with the lowest responsible bidder and recommend that award. There's nothing else that we will do at that point. But we will continue to think about what we can do differently and how we can see this area grow and do better. But we are bound by that city contracting regime.

Commissioner Adams - I understand that. When did this item come as an informal presentation to the commission? Did we miss a step?

Elaine Forbes – No, we didn't miss a step.

Commissioner Adams - When did it come in front of us? Do you remember?

Elaine Forbes - We got authorization through the budget. Then, we got authorization to advertise and now, we're here with an award. This is the third time we've been to this commission on this particular project. But when we come back with the information about the firm that we're recommending, we'll also have the date of when we came with the informational.

Commissioner Brandon - Also, the project is going to cost \$8 million but you're only asking us for \$7,665,000?

Elaine Forbes - The project, as bid, is going to cost \$6.9 million but we're asking for a 10 percent contingency for a total of \$7.7 million.

Commissioner Brandon – The report says the total project is \$8,493,000.

Elaine Forbes - I believe that's counting work that's already been performed in design.

Ken Chu – Correct, it's counting for the soft cost during the design phase and the soft cost for construction support.

Elaine Forbes - On February 13, 2018, you authorized us to go and advertise for this construction contract.

Commissioner Brandon - But we already approved the soft cost and the estimated soft cost?

Ken Chu - Yes

Elaine Forbes - Yes because this has been a live project for us for some time. It was originally budgeted in 2010. We defunded it for the America's Cup. As soon as we had funding again, we came back. So we've had an active, live budget on this project for many years now which has afforded us the work with the DPW and the design work to get to this point.

After further discussion, this item was continued.

- B. Request approval to execute an amendment to the professional services contract with COWI/OLMM Joint Venture for architectural and engineering services for the Mission Bay Ferry Landing Project to increase the contract amount by \$785,166, resulting in an amended contract amount not to exceed \$4,766,535. (Resolution No. 18-30)

Jonathan Roman, project manager for the Mission Bay Ferry Landing project - This project is for the design, permitting and construction of a ferry landing at Mission Bay. In June, we will have a more detailed presentation on the status of

the project. For today, we're requesting an increase to the architectural engineering contract as detailed in this presentation.

This is a bird's-eye view of Mission Bay of the project. We're looking north at Terry Francois Boulevard from Mission Bay. AT&T Park is to the north. China Basin is just below that. In the tent area, which is an older representation, is the Mission Rock development. Just south of that is the new Chase Center. To the west is 16th Street. The proposed ferry landing is at the bottom center of the screen. The relocation of Terry Francois Boulevard is commencing now. Bayfront Park to the north is at 90 percent design, which is being implemented by others. As you can see there's a lot of activity in the area.

Mission Bay is one of the fastest growing neighborhoods in the city. The Port recognized that it's rapidly growing. In 2016, the Port Commission authorized a study to install a new ferry landing to service the area. The study investigated different aspects for site selection including navigation, especially related to the operation of the Pier 70 dry docks, the impact of wind and waves and any required breakwaters, other transit systems in the area, how to minimize dredging and other issues such as cost.

A final site was selected, and an RFP was issued for the design and permitting. A joint venture of COWI and OLMM -- which is an LBE in the city -- was the successful bidder. In October 2016, the commission authorized a contract for \$3.971 million. The commission also authorized 10 percent contingency of \$398,000, which was not applied to the contract. Design and entitlement started in February 2017.

This is a picture of an architectural model of the ferry landing. One of the agencies requested the model to help them visualize the impact. The fixed pier is to the left. The float is to the right. The gangway is in the middle in between.

Here is a picture of the current site conditions. The ferry landing would be about where the four piles are sticking up out of the water at the riprap, it would extend eastward. Those five piles would then eventually be demolished. The dredge footprint would extend out to this pile right here and be used as a navigation aid. We worked with WETA to fine tune the dredge footprint.

The project is currently a 60 percent design. The contract is approximately 60 percent expended as of the March 2018 invoice. All environmental permits have been submitted. We are requesting a total contract amendment of \$785,166. This comprises of the \$398,137 authorized for the 10 percent contingency as well as \$387,000 to complete additional items for unforeseen conditions. This also includes \$100,000 in future contingency.

After amendment, the project budget still has \$800,000 allocated in the \$6.97 million budget, which is comprised of Port capital and general fund money. If you authorize the request, then we believe that we can still maintain schedule.



As a summary of changes, the majority is due to unforeseen depth of contamination in the dredge footprint. We anticipated some contamination but the depth was greater than expected, which requires a protective cap. As an aside, there's some opportunities for cost recovery during construction if we do proceed with the project. We can report on that at a later date.

The protective cap requires sediment movement analysis, scour analysis from ferry propellers, preventative measures for preventing erosion under all conditions and a breakthrough analysis to ensure that the contaminants will not surface through the cap.

We need to complete this soon to maintain schedule. We also received a refund or a credit on the project due to a determination by city planning that an environmental impact report was not needed, which was assumed in the RFP. That was about \$250,000. There were some other items that came up after the RFP was issued. We found that the bedrock was actually shallower and that required different construction techniques. That was unanticipated even though we had soils reports in the area.

Other changes related to the development of adjacent sites by others, for example, additional engineering required for drainage, which was required due to the Terry Francois relocation and the Bayfront Park, which were in design when the RFP was issued. One of the issues required an architectural model, as shown in the prior slide.

In closing, we respectfully request your authority to amend the contract by adding \$785,166 to a total amount of \$4,766,535 for the Mission Bay Ferry Landing for the COWI/OLMM contract.

Commissioner Woo Ho - The only question I have is why did it take us so long? It's the first time in seven years that I've seen that we've not put the contingency amount in the contract at the beginning. It took us so long to recognize that we had not put in the 10 percent contingency. I thought this was absolutely kind of very almost semi-automatic, so I'm a little surprised.

Jonathan Roman - I was not working at the Port at the time so I didn't research the actual conditions on that.

Commissioner Woo Ho - I'm surprised the contractor didn't notice it. They'd be one of the ones that would notice it upfront too.

Elaine Forbes - There are two possibilities. One, it was a straight-up mistake. Inadvertently, we didn't add the contingency when we executed the contract. The other possibility is that the staff working on it at the time didn't want the contractor to see the 10 percent contingency as their money so felt that they would go in with a contract modification should they need to use the contingency, which they could have done within your award authority. One way or the other, it wasn't added at the time of execution. Once you allow us to go

into a contract, we can do contract modifications within my delegated authority. That 10 percent contingency would have been a contract modification I could have made under my delegated authority.

Commissioner Woo Ho - I understand that. Let's understand going forward because, obviously, when we approved this, this was in the public record that we had approved a 10 percent contingency. The contractor would have seen that. In the future, we should understand, if you're going to award a contract, if we have two options, then we should know whether you're including it, or you're going to make it a modification going forward.

Elaine Forbes - We include it at the time of contract award. It's listed as contingency. It's at the Port's option to execute that contingency amount. It doesn't belong to the contractor. It's the base amount that is the bid award. But we write the contract with the additional funding for the contingency should we need to use it. That is the appropriate way to move forward and in general how we execute our contracts.

Commissioner Woo Ho - We are getting educated here because that's a little bit different from what I understood in the past. I thought we always put in that 10 percent in the contract.

Elaine Forbes - We do and I am agreeing with you. At the time of contract award, we awarded the base amount plus the 10 percent contingency. The full amount is available in the contract but the contingency amount is at the Port's option. It doesn't belong to the contractor.

Commissioner Woo Ho - In other words, the contractor has to come back and ask us to use the contingency fund and justify why the contingency needs to be used.

Elaine Forbes - That's correct or we execute a change order.

Commissioner Woo Ho - Right. As we have asked periodically at the commission, it would be nice to know how often we actually go into the contingency amount on the contracts versus whether the contractor is able to stay within the original award.

Elaine Forbes - Yes. And we've prepared a memo to answer that question.

Commissioner Brandon - Where does the \$250,000 fit in?

Jonathan Roman - That's a deduct, it's already included in the change. So if the change wasn't there, it would have been about \$250,000 more. I didn't have an itemized breakdown in that commission report.

Commissioner Brandon - So the \$250,000 that is being deducted is added back within here?

Jonathan Roman - Correct.

Commissioner Brandon – And we would need a million-dollar. You mentioned the LBE will exceed 20 percent but how much has been paid to date?

Jonathan Roman - I didn't bring a copy of that percentage or the recent invoice.

Commissioner Brandon - It looks like four new contractors have been included. You have one for landscape architecture that wasn't included in the original contract.

Jonathan Roman - Correct.

Commissioner Brandon - We didn't need a landscape architect?

Jonathan Roman - At that time, we didn't need one.

Commissioner Brandon - In the original contract, we didn't need a landscape architect?

Jonathan Roman - There was not a contract landscaper in the original contract.

Commissioner Brandon – But we would have needed one, right?

Jonathan Roman - Yes.

Commissioner Brandon - So we have two new contractors, both OBEs.

Jonathan Roman - Correct.

Commissioner Brandon - Then, we have Integral Consulting who does what?

Jonathan Roman - They do sediment cap design.

Commissioner Brandon - And Mott MacDonald?

Jonathan Roman - They do sediment transport. That's one of their specialties.

Commissioner Brandon - Okay. Well, here again we have another large southern waterfront contract that we have no African Americans or Latinos as part of this contract. I do hope that, going further, we can really do a better job on outreach. I am more than willing to help in whatever way I can. I really am.

**ACTION:** Commissioner Adams moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. Resolution Nos. 18-30 was adopted.

## 12. REAL ESTATE & DEVELOPMENT

### A. Request authorization to issue a Request for Interest from Prospective Master and Smaller Tenants for Public Oriented Concepts for Historic Pier Facilities in the Embarcadero Historic District. (Resolution No. 18-31)

Rebecca Benassini, assistant deputy director of waterfront development at the Port - On behalf of a relatively large team working on the RFI, we are here today seeking an action which would authorize staff to issue a request for interest. This is a follow up from a previous presentation we provided the Port in November 2017. Diane Oshima provided an update on where we are on the Waterfront Land Use Plan and provided information about this request-for-interest concept.

We now have fleshed it out quite a bit. We are ready to ask you to take action. The genesis of this idea came out of the Waterfront Land Use Plan update. The update to the comprehensive planning document the Port originally adopted in 1990. This update began in 2015. We're now in the home stretch of the update. Much of the direction that led us to issue the request for interest came from the part two policy recommendation section of the update process, which concluded late 2017. You'll hear an item shortly that provides more update on those policy recommendations. We're now in the home stretch of part three subarea planning.

The stakeholder group that worked very closely with Port staff and spent countless hours putting together this update concept provided a lot of direction and helped create a lot of consensus for Port staff. I want to highlight a couple of the items that led us to the request-for-interest concept.

One is that the working group and other entities involved in the update meetings identified maintenance and enhancement of the Embarcadero Historic District as a key trust purpose. This came alongside our traditional kind of trust purposes, which are maritime and water-dependent uses and visitor-serving uses.

They identified maintenance and enhancement of the district, the Embarcadero resources as another key trust priority. As a reminder, the Embarcadero Historic District is a little bit more than three miles from the north, Pier 45, down south to Pier 48. It's about 20 piers and over-water facilities, 13 of which need major capital improvements or seismic upgrades. A second item that came through crystal clear through the working group process was that the working group members really wanted to see a greater array of public-oriented or public-serving uses.

Destinations in pier facilities where the public would be invited in to do something, to learn about something, to buy something, to experience something. I show the image from the Exploratorium from the fog installation in the Exploratorium's basin because it occasionally came up. Why doesn't the Port do more Exploratoriums? We try to explain those are hard to come by. But we're going to try to get another one through this process or smaller Exploratoriums.

The final point in the Waterfront Land Use Plan update that really resonated, we thought, with our stakeholder group was a financial feasibility analysis. We heard the ideas about get the Historic District back into great working order. Bring more destinations and places for people to go on the waterfront. We retained a consultant pool who also interfaced with our stakeholder group to delve into the financial feasibility of these concepts.

What they found is that it's quite expensive to rehab facilities over water, \$74 to \$100 million for rehab and seismic upgrade costs. There's also a lot of uncertainty with the cost. Once you start work in these facilities, you can't be certain about how your budget is going to end up because, once you start, you have to finish.

You have to deal with whatever conditions you might discover along the way. We also learned that public-oriented uses or public-oriented destinations are typically generating lower revenues. If you filled up a pier with these uses, you would need quite a bit of subsidy from some outside source in order to make them pencil. We also found through this consultant study that you could pair them with higher-revenue-generating uses, office or high-tech PDR. They can balance out the revenues required and maybe you can have a little of both in these facilities.

Why are we doing this request for interest? We learned that we need to improve our pier facilities in the Historic District. That's a key trust priority, trust purpose. We want to make the waterfront even more publicly serving. We know that our mission is we have to have financially feasible projects. We need to make them pencil. They have to survive on their own two feet. We need to meet trust objectives. We know a lot about the world we live in, to do both of those things but we didn't know a lot about publicly oriented or publicly serving uses. It just wasn't the type of use that we typically are going out for with RFPs. We realized we needed to go out and find real-world, market-based information and to outreach to newcomers that we hadn't been outreaching to before.

This is a list of the types of uses we put together as we were going through those various processes of what would the public want to see on the waterfront. It's by no means an exhaustive list but we want to learn what types of uses want to be on our waterfront.

What are the particulars about them? What kind of space do they need? How much rent do they pay? How much money do they typically invest in capital investments to prepare a space for their use? We want to know if there's some big idea out there that can take on a whole 100,000-square-foot facility for their use.

That's the type of information we need to know to better inform a subsequent solicitation. The RFI is a request for concepts from prospective master, meaning take a whole facility, or smaller tenants for publicly oriented concepts in selected Embarcadero historic facility locations. It is not an RFP that we are going to

score and we are going to rank. What we're looking for is request-for-interest information that comes with the respondents' packages that they provide to us.

Subsequent to this process, we'll take that information to better inform an RFP that would then go through the typical scoring, ranking types of processes. This one is really for our information. We want to take the information in, then reflect it back to the commission, reflect it back to our stakeholder group and not come in with a list of anybody who created a pool or anybody who was ranked any particular way. That's what the RFI is intended to be.

What are the locations included in the RFI? From north to south, it can kind of sink in the scale of the facilities that we're including in this request for interest. Starting at the north, Pier 35, Pier 33, Pier 31, 29 1/2 and 29, 23, 19 1/2 and 19. It's important to note that there are a couple of these that come with some caveats. Any respondent who is interested in 31 or 33 will need to recognize that once we get this approved, that we intend to have the Alcatraz embarkation for the long term at Pier 31 1/2 and in portions of Pier 31 and 33.

Any respondent interested in Pier 35 would need to recognize that pier is going to continue to be our secondary cruise berth. Continuing south, the agricultural building right next to us, Pier 26, Pier 28, Pier 38, Pier 40 and Pier 48. Any respondent to Pier 40 would need to recognize the continued use of water recreation. Any respondent to Pier 48 would need to recognize that Seawall Lot 337 Associates has an option for a long-term development in Pier 48 associated with the Mission Rock project.

How to implement this? The team, in trying to come up with what is a really big request, something we haven't done a lot of before, we're drawing on our experience of the request for interest that was done for the 20th Street buildings in Pier 70. What we've come up with along with a marketing consultant team that we're relying upon as well as with our typical outreach staff led by Renee Martin is we are seeking to implement two ways of making it successful.

One, we want to have a low barrier to entry for respondents who are providing us information to better inform our RFP or our solicitation. We want to have a very robust public outreach process that goes on throughout the open period of the RFI.

On providing a low barrier of entry to respondents, we'll be using an online form so that respondents will be responding in a uniform manner. We're not asking them to put together beautiful drawings or to spend a lot of money. We want their hard ideas and their hard numbers of what they've implemented in the past and what their experience has been. We want them to indicate how their use is publicly oriented or publicly serving.

Which location is best suited to what they propose putting onto the waterfront? How much space do they need? What economics can they share with us? What are their typical rent payments? How much of a capital investment does their

type of use typically require? On the robust public outreach side, we're working hard in a couple of different veins.

We typically do RFPs for local groups looking at retail, restaurant. There have been times where we've definitely gone outside the San Francisco area. For this one, we're going to need to find industry associations to get the word out even more broadly than we typically do.

Our marketing consultant can do research on industry associations if we ask them to do so. They'll be pitching ideas for articles in business publications and other types of newspaper outlets. They'll have our social media presence managed. We'll be seeking speaking engagements at industry groups where Port staff can go and pitch this concept so that we get the word out more broadly than we typically do. We'll have our typical outreach techniques that we use with our mailing lists and whatnot, our Port newsletter.

The process we're envisioning through the end of the year is as follows. If we get the authorization today, we'll complete drafting the RFI and have it prepared by the end of the month to launch it. We'll have an outreach and an open period for the summertime. We'll give it about 90 days for respondents to come in with their concepts. At the end of that 90-day period, we'll come back to the commission. We will invite our stakeholder group to come as well to hear just a summary of what we heard.

Then, we'll be seeking your reactions, the public's reactions to the types of uses and facilities that are identified through this process. Subsequent to that, we'll look at developing recommendations for a solicitation or for an RFP. We're anticipating early 2019.

I don't prejudice what we think we're going to find from this process but we're hoping to find something exciting, something fresh. We've been talking about how even the absence of finding something interesting if we don't get responses around a particular type of use, that's information as well. We'll know that we should narrow our focus or focus on facilities that have the most interest in terms of prioritizing our work.

Alice Rogers - I'm serving on the working group. I want to thank the staff for the effort and the inspiration and hoping not to be asking them to be tilting at rainbows but to be finding the new inspiration that you guys miraculously keep coming up with.

Commissioner Woo Ho - This has long been coming. We have a lot of piers that are in here, and that's why I applaud the effort to try and get some new ideas because certain of these piers we've played with and had different developers, things have not panned out. We've had limited success or been able to finally execute on certain of these piers that we know of. We've had a patchy history. I appreciate that. The only thing that I didn't quite see in this even though it's an RFI and I understand we're not bound by it by any way in terms of what we need

to do. I sat on another panel, for Park and Rec on the Palace of Fine Arts. We went through a whole process of getting people to respond. It was in between an RFI and an RFQ, only to find out that, out of the six concepts, three were hotel and since the historic preservation limits on the building would not allow windows, that totally cancelled it out. That project is now on the backburner. A lot of effort was put into videos, meetings, etc.

I want to be careful that we don't put something out there, 1,000 flowers bloom. Then we find out later there are a lot of things that are just not feasible. If there are things that we already know that the public doesn't know, number one, I think we need to point out seismic upgrade issues. We need to point out no hotels on the waterfront. We need to point out a few things we are informed. We know what we can and cannot do but the public may not.

It's very important to give parameters of what is possible and what is not possible. You want to see what's possible but you need to tell people what's not possible so that they don't spin all the wheels. There was a lot of wheels spun on this one, and it went nowhere. Park and Rec still doesn't know what to do with that beautiful building.

We are talking about multiple piers here. We've got to be careful as we go out with this that we also put the reality checks of what they need to consider so that we don't get our hopes up, and we don't spin a lot of wheels. As much as I'm excited about having lots of new and great ideas and I don't want to throw water on it. The other thing that I wanted to point out is I don't see Piers 30-32 on this list.

Elaine Forbes - First, we will absolutely tell respondents what we know about the condition of the facilities. The one caveat about telling what's allowed and what's not allowed, because this is coming out of the Waterfront Land Use planning process. There is an expansion of the concepts of public serving including active recreation, etc., and the desire to see the piers rehabilitated and to get the economic engines required. We're not going to be prescriptive of how much public versus private use might be allowed.

That's the one caveat where we are going to see the responses that come in and work through that in the RFP and future RFPs. With regard to Piers 30-32, we're only listing facilities that are buildings in the Historic District. Because the two piers at 30-32 were burned in a fire in the late '70s or early '80s, that's not part of the Historic District. That's a new development possibility on that site though a difficult one, as we know, from past experience. We're not including that facility. We're only including the historic pier facilities plus the agricultural building, which is also in the district.

Commissioner Woo Ho - But you understand my point if there's anything that we know that we need to share, we should not assume people know. They may not have all the background to know the history of the waterfront. They may come up with ideas that we're going to spend a lot of time on that. The other thing is



that you could potentially have people that come back with a master development plan for a pier and then somebody else who comes in with five different ideas for the single use.

We'll just have to see where that spreads out. I can see you have a big wall. You have lots of things. All these stickies are going to be all over the wall and all the ideas. You're going to have to rationalize and figure out how that works but not a bad process. It's good to have but just don't want to spin too many wheels for nothing.

Rebecca Benassini - Point well taken.

Commissioner Makras - Could you walk me through the rationalization of historic piers versus all piers? Why wouldn't we throw a broader net if this is part of the learning experience of what's out there?

Rebecca Benassini – You asked why would we limit it to the Embarcadero Historic District piers versus all piers? The primary response to that is that the prioritization of the Embarcadero Historic District came through loud and clear through the public process as well as our conversations with the State Lands Commission staff who are very supportive of investing in these piers.

One other point to make is that we've been looking at the timeline that we have on the Embarcadero Historic District with regard to sea-level rise. There is such a feeling of urgency with sea-level rise and the seawall rehab that needs to take place that, if we're going to save the Historic District, we need to act in the next X number of years.

I won't opine whether it's 10 or 15 years. So those factors led us to push towards the Embarcadero Historic District. I don't know if others want to comment on any of the other piers and however many there are.

Elaine Forbes - The other historic buildings, the primary area is the shipyard. We are working now on a separate process to find a ship repair operator and hopefully, that process will be successful. We'll understand which of those buildings are not included in the operation. We may have a proposal about how to see those facilities rehabilitated. But outside of the shipyard, I can think of one or two other piers that are not historic in nature, not on the register. This is the major assembly of our historic assets.

Commissioner Makras - It's just an observation. I support the item. But if you leave it up to the private sector to figure out which ones, you may not get everybody. That's just a reality. The private sector is going to look at this and say, historic? Well, probably that's more expensive. Probably there's more to putting in an idea there versus the other piers. You may not get as broad of a response as you're hoping because you have two tracks out there.

Rebecca Benassini - One other comment I want to make is you're right, exactly the experience that Commissioner Woo Ho had on the Palace of Fine Arts was, historic building, you cannot change the integrity of the building. Commissioner Makras, you're right. We're limited in terms of what we can do but because we have identified maintenance and enhancement of the Embarcadero Historic District as a trust purpose, then we can have uses that aren't traditionally considered trust uses, like office and PDR, in those facilities if they are contributing in a significant monetary way to enhancing a district.

Whereas facilities that are not in the Historic District, Union Ironworks or Embarcadero, we don't have that kind of use flexibility that we might be able to have in the Historic District.

Commissioner Makras: I think it does make sense. But for me in something like this, I want to capture everything and the unusual and crazy in a good way. I mean, that's why we're putting this out there, to broaden our thinking. The larger the net, the larger the response. If you limit it, you're going to lose some people out of the equation.

Commissioner Gilman - I want to say how excited I am for this process and to see what you come up with. As someone who lives near some of these piers and walks around them, I'd love to see them activated. I'm really excited.

I'm hoping, with your outreach and it might be a little non-traditional, but if you could also reach out to some of the current small operators that are on Port property. They might have ideas and also to look at use for the hundreds of people who actually work on our waterfront every day.

I hear from some of those individuals that it's hard for them to find just an environment that I would find working downtown or in other environments that actually cater to the workforce from either the pedicab drivers or the sailing companies to the folks on the ferry. It might be an interesting way to look at a different use that would be publicly serving to serve those folks as well so just a little extra outreach. I'm super excited to hear what you come up with. I support this item.

Commissioner Adams - I really appreciate the discussion and all the commissioners weighing in. This is long overdue. I agree with Commissioner Makras. I think we have to broaden this and there's some good discussion. I think we have an opportunity to do some good work here. It's really long overdue. I agree with Commissioner Woo Ho that Piers 30-32 needs to be on that. I'm hoping that some visionary, some billionaire, Elon Musk or Tom Steyer or somebody with a big vision can come in and do something here or even somebody that just got a vision.

Commissioner Brandon - Rebecca, thank you. This was a great presentation. It's very exciting and long overdue and looking forward to the responses that we get. My only question is one that's been asked and that is why isn't Piers 30-32

included. I heard the rationale but I still don't understand. Just because it's not a historic pier, it doesn't mean that we can't ask if there's any interest in it.

Elaine Forbes - We could ask. Why don't we let staff think about this? The reason it's not here is because Rebecca answered it, and I'm going to answer it again using almost the same language. There's flexibility that we have from the State Lands Commission to rehabilitate the historic piers that will allow for a different mix of uses. We also heard from the Waterfront Land Use Planning group. We care about the historic piers and we want to see them invested in.

These are some of the activities that we would like to see more of, more Exploratoriums, more things that serve us. We don't have that consensus on Piers 30-32. We don't have the flexibility that it's a historic resource. Preservation itself is a trust value for these piers. That's why it feels very different to us. It doesn't mean we shouldn't do a solicitation or some kind of request for concepts but they're very different because of the historic nature of the facilities.

Commissioner Woo Ho - Elaine, can't you just carve it out and say in the RFI that Piers 30-32, which has different characteristics, we still want your ideas because we're going to the public. It's a one-time effort. I agree with what Commissioner Makras said and just say, here are the caveats or whatever it is.

Elaine Forbes - Here are the caveats and then put those on a list for you to look at and for the public to consider. Does Mike or Diane have any comments that you'd like to offer? This has been long discussed.

Michael Martin - Commissioners, you hit on something that we've talked about quite a bit. The fact that we all have something to say is not surprising. Having seen and participated in some of the working group meetings, there is a great sensitivity around Piers 30-32 because of the scope of the projects that have come in to try to develop it and the fact that they didn't have the community engagement ahead of time. It became a bit of a fight. In terms of the historic piers, we have a consensus with our regulators at State Lands and the community to see what we can do there. I am not worried about inviting ideas for Piers 30-32.

The ideas that we're going to get from these public-oriented tenants, they may be site specific. A lot of times they're going to be waterfront specific. We want to be more visible. We're associated with maritime opportunities.

Those ideas we could use to think about Piers 30-32 if they're not part of an RFP for a historic pier. We're just seeing the dwindling amount of time we have to save the historic piers and seeing that historic preservation as being something endorsed by that working group process is something we wanted to hold out as the key to making this RFI actionable quickly. Ultimately, I don't think there is a problem in casting a bigger net. Our focus as staff based on that working group and the update of the Waterfront Land Use Plan is going to be the

historic piers because, while they are more challenging and they may not be inviting to everybody, they represent a resource that is one of a kind. We feel like this is a chance to put our traction in and try to do that.

Commissioner Brandon - We want to focus on saving all of our piers, historic or not. Whatever we have left, we do want to focus on trying to save them. If there is no real reason why we can't include 30-32, I think we should really consider it.

Commissioner Makras - I'd like to add the historic part and getting them in good shape makes sense but there's an economic component to it to be successful with an outside game of funding the seawall and all. We shouldn't limit the options if we're trying to look for global solutions. If we want to say to ourselves we're only going to take 80 percent of what we have and we're going to deal with the other 20 differently, I'm okay with that if that's a conscious decision.

But in the goal of trying to get the most ideas in the broadest sense, I don't believe 80 percent is the game. I think it's 100 percent game to get the ideas on the table from the public because we have to assume they're going to put energy into it. They're going to spend money. They are going to risk themselves having more competition because they're exposing their ideas to the public. There is some risk when they do participate in building out their ideas and going public with all of it.

I believe that, if it's all open, that will have people participate more. If we're going to have two programs working at it, some prudence is going to say, let's wait for the second round.

Elaine Forbes - Let me make one more appeal. Staff has been working on this, and we're seeing concurrence from the commission that the historic piers are ripe. It is time to find out the widest range of options for these piers, the most public-serving options. There is broad-based community consensus on that approach. Piers 30-32 has been a controversial site. It's really different from the historic piers.

I would suggest, while you all have very good reasons to be interested in Piers 30-32, which has every expensive substructure, it is one of our most troubled assets. I would like to propose that perhaps we should do it in a different forum, in a different way to seek those big ideas because, unlike the things you're telling us about the Palace where you can't do windows, and there's lots of constraints as it relates to the Historic District, it's a broader, wider solicitation.

I would suggest we start with this. This is big. This is 13 facilities that you let us start here and we see how it goes. We come back and keep this on the table of what would be the future of plans for Piers 30-32. The third phase of the waterfront planning process is thinking about Piers 30-32. The public is still engaged in recommendations as it relates to that site. That is yet another reason to wait. Waiting on Piers 30-32 is my recommendation but of course, we serve the commission.

Commissioner Gilman - I actually like that recommendation just for two factors. I know I'm the newbie here but it did seem like there was extensive community involvement in this set of piers looking to see what the community really wanted to have activated.

While I agree that the activations at Pier 30-32 are vital, and they're actually something that, prior to my appointment, I spoke with Mayor Lee about, about how urgent I viewed those piers as someone who did not sit on this commission. I would like to see us move forward with this and then ask for a timeline from staff of when that phase three comes in or when we're going to have that kind of community process.

I think we all do know that, without good community process, any project no matter how beneficial to the Port or to our assets or to our income, if we don't have the community at day one, we're never going to get it to happen here in San Francisco. I'd like to see a similar process.

Commissioner Woo Ho - Diane, on the Waterfront Land Use Plan, it sounds like we did not get consensus on what is going to happen to Piers 30-32. Is that true? Was it just left in the open? Forgetting whether it's historic or not, are you going to come back at some point to discuss it? I'm not sure whether that came up specifically when you gave us the last report. Where do we stand with Piers 30-32 in the Waterfront Land Use Plan?

Diane Oshima - As Director Forbes was just explaining, we actually just last Wednesday had a public workshop focused on Pier 30-32 for the very reasons that she points out. The recommendations that came out for the Embarcadero Historic District and the priority for advancing their rehabilitation was the product of several meetings' worth of discussions.

Since Piers 30-32 is not in the Historic District, the recommendations framework that came from the working group does not apply to Piers 30-32. Last Wednesday's workshop walked through what those differences of conditions are and the challenges that are unique that we would need to solve for on any project going forward.

It was a good workshop in terms of really opening it up. But I can't say that we have a level of consensus around what the future of that pier should be. To Commissioner Gilman's point, I do think that it does warrant some further follow up. We haven't even documented everything that came out of that workshop yet and brought it back to the working group to see what kind of public comment and consensus and direction that we get from the community.

We could take that under advisement about how to move forward with Piers 30-32. Mike's point about the feedback that we do get about what range of different public-oriented businesses and developers in response to the Historic District is good information for all of us to think about for Pier 30-32 as well.

Commissioner Woo Ho - We've reminded this group and Kim and Commissioner would remember this. We thought we had a quick solution to Pier 38. That was in 2012. We're now sitting in 2018. I hope this round we get something that moves at least concretely even if it takes time to develop because it's been six years later. It was supposed to be a 12-month solution.

Commissioner Adams - Nothing ever goes fast here in San Francisco and that's just how it is. If you remember, the Warriors were willing to put up \$100 million in the infrastructure. That was then. The only thing that the public probably would have accepted would have been the Lucas Museum or something like that. I think the public would have said okay. It's hard for everybody in San Francisco to agree on anything. That's just how it is.

I do think we do as things go along because from time to time, maybe people call you guys, you and Mike, up and say, "Well, what do you think about Pier 30-32?" But a lot of people have big dreams. But do they have the money?

Are they going to really put up or shut up? I agree with Commissioner that we need to concentrate but leave that open. If somebody really is interested, you would bring it to the commission.

Elaine Forbes - We would. On reflecting on the differences, here we're really asking tenants large and small that want to be on the waterfront to understand these uses that don't exist now but people want to see and tenants can provide. On Piers 30-32, I would expect a more wide open in terms of concepts but narrow in terms of process where we would be prequalifying developers and going through an iterative process whereas here we're really getting ideas for future requests for proposals that will lock in who our development partner is. It would be different in terms of how it would be structured to be successful.

Commissioner Adams - I just want to say one thing to Commissioner Gilman and Commissioner Makras. They could even tell you what we're just doing to Pier 70 just trying to get another shipyard in there. It's been really tough to get somebody to come in to replace how Pier 70 used to be. We sent out an RFP and only one entity put a bid for. It's pretty tough. We're trying to save Pier 70. I believe, at the end of the day, it's going to look a lot different than the old shipyard as we remember it.

Commissioner Brandon - I think this is great and that we're doing this RFI but this is just an RFI. It doesn't mean we're doing anything with any of the piers. I do hope that we can get Piers 30-32 in there because there may be some interest that we don't know about. Whatever we can do to go down that path with community involvement all the way, I think we should do that.

Commissioner Woo Ho - To clarify, if they do something that is simultaneous versus in the same RFI, you're comfortable with that? Staff is trying to get direction. Are we saying that we would do this for the Historic District RFI? We're pushing to say that we all want to see some resolution to what happens.

Commissioner Brandon - Under new business, we should ask for it to come back because it wasn't really in this staff report to discuss today. We do need community input and involvement. We should direct staff to come back to us.

Elaine Forbes - On this?

Commissioner Brandon - Not on this. We're going to vote on this today so we can go forward. I meant come back with a recommendation on Piers 30-32.

Elaine Forbes - We can come back with a timeline and a plan.

ACTION: Commissioner Adams moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution Nos. 18-31 was adopted.

### 13. PLANNING & ENVIRONMENT

A. Informational Presentation on Waterfront Plan Working Group Resilience Recommendations produced in Part 2 of the Waterfront Plan Update public planning process.

Carol Bach, environmental affairs manager in the Port's planning and environment division - On February 27, 2018 Port staff presented to you an informational item on the waterfront plan working group's part two subcommittee recommendations, which you've heard more about today.

At that meeting, the commission asked staff to schedule follow-up briefings to allow time for more focused discussion on the work of the three subcommittees: land use, transportation and resilience. The briefing on land use took place at the April 10, 2018 meeting.

Today, we're going to be focusing on the resilience subcommittee's recommendations. Waterfront planner, Anne Cook, and I staffed the resilience subcommittee. I'll summarize those recommendations related to environmental sustainability. Anne will come up to talk about the other resilience recommendations related to emergency preparedness and response, seismic safety, sea-level rise and social equity.

Part two of the waterfront plan update process involved a review of a broad range of policy issues that had been identified in part one. The working group started part two by agreeing on seven guiding principles to provide a common framework for the work of the three subcommittees. The goal of the subcommittee structure was to allow for smaller groups, more free flow of dialogue and public participation that could be achieved in a larger group setting.

From November 2016 through September 2017, there were 24 subcommittee meetings which produced 161 recommendations. Fifty-three of those recommendations came from the resilience subcommittee.

The working group reconvened in the fall of 2017 as a whole to review the recommendations that had come from the three subcommittees. Some of the recommendations triggered spirited debate and were revised based on that. Ultimately, the working group accepted all 161 recommendations. One hundred sixty of those were accepted unanimously. Today, Anne and I would like to especially thank our resilience subcommittee chair, Pia Hinckle, who will comment after our presentation.

I'd also like to thank all of the resilience subcommittee members. Aaron Hyland, who was on our subcommittee, is here today and also working group members Corinne Woods and Alice Rogers. We thank them for coming today. Our subcommittee was ably assisted by a technical advisory committee led by Max Lowenstein.

Resilience challenges cross all ecological, financial and jurisdictional boundaries. Successful planning for resilience to address climate change, sea-level rise and disaster response requires working with others.

For this reason, the subcommittee hosted many speakers at our subcommittee meetings to discuss resilience planning from a citywide and regional perspective. These participants included staff from the Water Emergency Transit Authority (WETA), the Bay Conservation Development Commission (BCDC), our own Port staff, City Planning, San Francisco Department of the Environment, San Francisco Department of Emergency Management, the San Francisco Neighborhood Empowerment Network and the City Office of Resilience and Recovery.

The resilience subcommittee's work differed from that of the other subcommittees because, instead of undertaking an update of existing Waterfront Land Use Plan section, the resilience subcommittee was tasked with creating new policy recommendations on two subjects that the 1997 Waterfront Land Use Plan had touched on lightly or not at all. Those were environmental sustainability and resilience.

On the subject of the Port's environmental policies, the subcommittee began its work with a briefing on what the Port and the city are already doing to protect and enhance the environment. I'm sure you are all aware that the city is exceptionally progressive in its environmental policies, making San Francisco a leader in environmentally sustainable local government.

The city sets very high goals for environmental sustainability already. As a city department subject to those regulations and requirements, the Port incorporates as standard practice environmental sustainability measures that would be considered leading edge elsewhere.

In addition to these citywide efforts, the Port also has adopted environmental policies and practices unique to our own operations. The resilience subcommittee's recommendations reflect an overarching goal of prioritizing



environmental sustainability in the Waterfront Land Use Plan update and also generated many recommendations that belong in other plans such as the strategic plan, emergency operations plan or other operational and policy documents.

This overarching priority is reflected in the Port's strategic plan sustainability goal to limit climate change and employ strong environmental stewardship practices that protect the environment and promote ecological balance.

The resilience subcommittee produced 20 policy recommendations regarding environmental sustainability which generally fall into four broad categories: climate change and air quality; water quality and conservation; natural resources; and green building leasing and development.

The resilience subcommittee's discussions and recommendations covered a wide range of topics that we have called out and will be working on incorporating into documents other than the Waterfront Land Use Plan where they may serve best.

There were a few common themes that came out across all of these four different topic areas. Those included: pushing beyond the minimum. The subcommittee urged us to do more than what was required by regulation: to collect and share data; to participate in Bay-wide and regional collaborations; to improve habitat, biodiversity and ecosystem function; to seek multi-benefit solutions; and to educate and engage our stakeholders.

On the subject of climate change and air quality, the subcommittee identified priority goals of reducing greenhouse gas emissions and improving energy efficiency. The Port has taken significant steps to reduce greenhouse gas emissions and promote the use of renewable fuels by installing shore-side power for cruise ships at Pier 27 and the giant power cord infrastructure at Pier 27 and similarly at the Pier 70 shipyard.

The resilience subcommittee recommends that the Port continue and expand those efforts to reduce greenhouse gas emissions both in its own operations and by collaborating with tenants and development partners.

We recently took a year-and-a-half effort to clear technical, regulatory and administrative hurdles to using renewable diesel in the Port's own fleet and equipment. We also partnered with our maritime tenants which resulted in a commitment to convert theirs and our maritime operations to using renewable diesel, which can achieve a greenhouse-gas-emissions reduction of up to 60 percent. That's an example of the kind of collaboration that our resilience subcommittee is urging us to undertake. Echoing the common themes, the resilience subcommittee recommends that the Port collaborate with others to maximize our effectiveness and collect and share data.

One way that we're doing that now is by participating in the San Francisco Estuary Institute's Bay-wide monitoring program, which has been monitoring Bay water quality and condition for over 25 years. We are urged by the resilience subcommittee to implement the many water conservation and reuse requirements that apply to new construction, renovation, parks and open space and operations and maintenance here at the Port.

To continue our ongoing sewer inspection and repair program to prevent sewage discharges to the Bay, recognizing that the greatest improvements can be achieved by tackling the largest sources of pollution or the greatest opportunities for conservation, the resilience subcommittee recommended that we work with our fellow city agencies and development partners to construct new and improve existing wastewater infrastructure, to make our infrastructure more resilient to sea-level rise and extreme weather and to create more green infrastructure to reduce the volume and improve the quality of wastewater and storm-water runoff.

The go-above-and-beyond theme emerged here on the subject of green building. The resilience subcommittee recommends that the Port, collaborating with its tenants and development partners, comply with the city's ambitious green building standards. Those standards address LEED certification, energy efficiency, water conservation, use of environmentally preferred materials, designing and operating for zero waste and extending those standards to other facilities or operations where feasible.

Again, recognizing that the greatest improvements can be achieved where there are the largest opportunities, the resilience subcommittee recommended that, where applicable, the Port seek to promote district-level environmental sustainability measures.

The Port's maritime eco-industrial center, the area between Pier 90 and Pier 96 where tenants are located in a manner that facilitates recycling and reuse of materials and minimizing transportation and related air emissions is an example of that kind of district-level sustainability measure.

The Mission Rock development at Seawall Lot 337 where they're developing on really a blank slate and installing all new horizontal infrastructure is daunting but provides the opportunity to design and construct energy, water and transportation systems that maximize environmental sustainability. It's another example of the kind of district-level improvement that we don't always have the opportunity to but should seek when we do.

Many of the recommendations across all topics reflect the resilience subcommittee's and the public's wish to protect and improve habitat and ecosystems through various means. Recommendations about natural resources included: protect and enhance natural shoreline habitat; seek opportunities to build natural infrastructure such as wetlands and living shorelines into our

shoreline improvement project; find opportunities to integrate habitat into design and construction of our facilities.

Finally, the subcommittee recommended that we continue our work with partners to engage and educate the public and provide equitable access to nature on our waterfront.

Anne Cook - I'm part of the waterfront plan team. I'm happy to be presenting the rest of the resilience recommendations to you. I want to acknowledge Diana Bartram, who is our expert on everything related to disaster preparedness and recovery. We would not have been able to complete this work without her expertise. She has been an enormous help to us in understanding not just that world but also the land use implications of being prepared for disasters at the Port.

After we wrapped up the discussions of environmental sustainability, the resilience subcommittee began to look at how best to address the other resilience topics in the waterfront plan update.

The 1997 plan preceded our current understanding about the nature and extent of the Port's climate change, seismic and other public safety challenges. Staff recommended and the subcommittee agreed to develop recommendations for new waterfront plan policies that would build upon the Port's more recent strategic plan resilience goals and objectives and would also be consistent with the Port's emergency response and recovery plans.

We didn't start this planning effort from scratch or in a vacuum. We first reviewed and shared with the subcommittee information that we culled from resilience plans from throughout the region, the city, even the nation, especially Port-related plans so that we could build on the knowledge that already exists out there. Although all these plans varied, the common themes included how to prevent and recover from sudden threats like earthquakes and terrorism and slower moving or evolving threats like sea-level rise and more frequent and severe storms.

The subcommittee recognized that the city oversees resilience planning for the wide range of housing, social services, public works and communications and other functions required to bounce back from disasters. They instead focus on how the waterfront plan's new resilience policy should address our unique challenges, our public trust mission and our geography within this broader city framework. For this purpose, the subcommittee defined resilience as the capacity of the Port to maintain its function and vitality in the face of natural or human-caused disruptions.

Some of the resilience subcommittee recommendations addressed the Port's capacity to respond to and recover from a major disaster. We learned that the Port is one of only a few locations where the city can be accessed by water for

FEMA-planned recovery operations if a disaster damages regional bridges or BART.

The Port's docks, piers or wharfs would be needed for loading and unloading a wide range of vessels and to stage people and emergency food, water and other resources. It shows how many facilities we have in two areas of the Port. Some of these are vessel landings. Some of them are areas where we could stage food and water, where we could stage debris that needs to be taken out of the city. It is quite a complex network of operations that would have to take place. Many of the city's operations would depend on the Port's properties.

This photo is from the Super Bowl 50. It illustrates the kind of crowds we expect would gather on the waterfront after a major earthquake as folks try to get home to the North or the East Bay. If we were to have a major catastrophe during working hours, during the working week, we could expect tens of thousands of people to flock to our property and try to get out of the city. It could take two or more days just to move people, especially if there are no decent landing facilities to unload passengers at their destinations across the Bay.

This is a regional challenge for the Port to work very closely with other agencies. Debris removal and import of rebuilding supplies then would be required. This could go on for weeks, months, even years depending on the type of catastrophe.

To respond to these needs, the resilience recommendations called for: improving the capacity and flexibility of landing facilities at the Port; maintaining flexible areas like parks, parking lots and underutilized lands that can serve emergency functions if and when needed; continuing to monitor the effect of climate change and sea-level rise on our critical facilities and integrating the latest science and best practices into project designs.

The Port also should strengthen its planning and funding partnership with tenants, emergency managers and transportation providers to improve emergency preparedness and disaster recovery operations. This is an example of the types of events that Diana and other city folks organize so that we can be prepared when a catastrophe or an earthquake does happen.

The resilience subcommittee next turned to topics of seismic safety and sea-level rise. Their discussions were framed by the first guiding principle, which the working group agreed upon at the beginning of the subcommittee discussions. This guiding principle reflects the working group's understanding that planning and implementing the Port's critical resilience projects like the seawall resiliency program will extend well beyond the timeframe for the waterfront plan update process.

The subcommittee focused instead of defining the public values and criteria that should underlie and support these longer-frame planning efforts without prescribing specific solutions or projects. As part of this effort, the working group

hosted a designing for resilience workshop in May 2017 where the public identified what they valued most about the form and the function of the Port's waterfront.

The topics ranged from habitat and sustainability to urban design and historic preservation to transportation and mobility along the waterfront and economic stability and equity. The subcommittee and the public also emphasized the need to improve seismic safety of the historic seawall, vulnerable buildings and historic structures. They encouraged us to work more closely with our tenant and neighbors to prepare for an earthquake or other disaster. Some of the subcommittee ideas are best suited for the strategic plan or the emergency operations plan.

We accepted all of the wonderful recommendations. We have indicated some might be more appropriate to consider an update of these other plans. They're included in Appendix C of the staff report that we prepared.

For seismic, sea-level rise and other resilience projects, the recommendations promote an agile, adaptive management approach to planning and implementing resilience projects. For example, flood control and sea-level rise adoption measures taken in the near term should allow for future adaptive measures as conditions change over the long term.

One of the issues that became very clear was the public really doesn't want to see us overbuild now for a potential sea-level rise in the future. We want to enjoy what we have as long as possible.

In the meantime, there will be some better solutions and maybe won't need some of the solutions that we think we now need, so to be measured but also to take actions that allow us to build upon the actions that we've taken, so we're not wasting resources along the way.

We should also be taking a multi-benefit approach to each resilience project. Carol mentioned this in the context of environmental sustainability projects. You solve one problem. You can often solve another one at the same time so, for example, a shoreline resiliency project that also incorporates natural shoreline elements can improve habitat and ecosystem function.

We should be varying our strategies along the waterfront, taking into account each area's unique character. We should be ensuring that we're doing further education and partnerships to expedite our resilience planning and projects.

The final topic that the subcommittee tackled is the important role of social cohesion and equity in resilience. We learned that the more resilient communities are those that have planned and prepared for disruptions together, that have a sense of shared identity and feel that they have a personal stake in their community and its benefits whether those benefits are transportation, jobs, parks, whatever that is. But we really want to be planning together.

Again, the subcommittee looked at how best to further citywide efforts to boost community resilience given the Port's narrow geography and public trust responsibilities. The recommendations called for: identifying and protecting the maritime and historic assets that are most critical to our waterfront identity; involving our tenants, neighbors and stakeholders in emergency planning, so they have the information and the connections required for recovery; ensuring that there are recreational opportunities for underserved areas and people.

This was also identified as a need in the land use subcommittee recommendations that you heard about a few weeks ago and continuing to meet or exceed our goals for equitable access to Port jobs and business opportunities, something that you certainly were discussing tonight.

All of these efforts will contribute to making the Port more resilient. This is guiding principle number six. While it applied to all the working group subcommittee work, we felt that it was particularly important when it comes to resilience projects. What this guiding principle was really getting at was that, although the Port has very difficult financial choices it has to make and constraints, it's also important that we don't lose sight of our aspirations and our goals. We need a place where big ideas can be discussed and decided upon. We need to make sure that that happened. The waterfront plan should reflect aspirational goals as well as practicalities.

The recommendations call for further Port planning to identify short, mid and long-term resilience plans and projects, planning work that must continue with key agency and community partners long after the waterfront plan update is complete. This ongoing resilience planning, like for example the seawall resilience program, should incorporate and benefit from what we learn over time from our own adaption projects and from those taking place throughout the country and even throughout the world.

The subcommittee and ultimately the full working group spoke about the importance of encouraging big ideas that could emerge as San Francisco grapples with how to protect the most essential functions and qualities of the waterfront. As you were discussing here today in the last item, the historic resources was a particular important concern because we want to make sure that we enjoy those as long as absolutely possible.

In this regard, the Port should remain flexible and nimble, so we can continue to maximize our ability to take advantage of the latest science and technology. Because the waterfront is such an important city, state and national resource, we should look beyond our own resources towards new funding and other partnerships to help bring waterfront resilience projects to fruition. The funding for the seawall is just a great example of what the working group and the recommendations we're thinking about in this regard.

As we were discussing, we are wrapping up our part three outreach. We are compiling the input and comments received which includes input from comments

on Piers 30-32 and Seawall Lot 330. We'll be reporting those back to the working group and to the Port Commission in May and June. We will be seeking commission endorsement of recommendations and further direction before we begin to actually draft waterfront plan amendments, which we'll be doing over the summer.

We'll bring those amendments back to the Port Commission and to the public for review and comment in the fall. The final waterfront plan amendments can't be approved by the Port Commission until completion of environmental review pursuant to CEQA.

You authorized staff at your March 13<sup>th</sup> meeting to go out with an RFP for environmental consulting. We'll be doing that later this month.

Thank you for the opportunity to brief you. Your next briefing will be on transportation recommendations tentatively scheduled for June 12th.

Carol and I want to give a shout out to Pia, to Aaron and the other members of our subcommittee. We enjoyed working with them. We look forward to your comments and questions. Pia, our chairwoman, would also like to say a few words.

Pia Hinckle - I chaired the resilience committee. Welcome to the new commissioners. I wanted to start with thanking Port staff who did such an amazing job throughout this very long process with a huge group that was amazing, taken from different neighborhoods all over the city, people with different backgrounds.

I, myself, started out as an advisory team member in open space and recreation and ended up chairing resilience so anything could happen. The other strange thing for me personally was my first job out of college 30 years ago was working for Chris Martin at the old cannery when he was on the first citizen's advisory group to the first waterfront working plan. Some of these things have still been going on all these years that sounded familiar to me. Thank you to Aaron, all of our resilience advisory members especially Dilip Trivedi, who was co-chair with me.

I'm also a Bay swimmer. I see the Port lands and the waterfront and the historic piers also from the water and the city as a whole. I feel that resilience was the missing piece in the waterfront plan and in a way, is the story of the history of the Port.

The news this week was that California is now the world's fifth largest economy. One of the stories was the amount of money that Apple made was equivalent to Wyoming's output. That's from one company that's here in the Bay Area. The ability of the Port lands as part of the city and of the region to be able to operate in any kind of disaster or to be resilient in the face of sea-level rise is critical not just to our historic assets but to the city as a whole and as the region.

Commissioner Gilman - I want to thank all the tireless volunteers and Pia for chairing this committee. I know how much work goes into this and dedication. As a new commissioner, I probably need to read it three or four more times. I think resiliency is really important. I can say this without getting in trouble. I hope all of you will help us pass the bond in November because that's what we also need to work on our seawalls and do this work along with what's happening at the state. Thank you so much for your time and energy.

Commissioner Woo Ho - Thank you, Carol and Anne, for this report. I appreciate the task force, Pia and everybody. I was thinking back to when we first started the strategic plan and deciding on what some of the strategic plan goals were. As you know, that's when we first raised resiliency as one of our goals. We now have the blueprint and the path of how we actually execute against. The Waterfront Land Use Plan came at the right time for us to sort of fill that in.

We talked about it but what does that mean? We have done tactical things along the way. For instance, with the cruise ship terminal, we have onshore power. We've been doing things tactically and transactionally along the way to improve the environment and climate control. We were missing the pieces to integrate this in a way that we can see across all of the things that we're doing at the Port. This work that's been done is extremely important in terms of giving us a way to integrate it with everything else that we're doing.

This is a very important piece of the work and it was missing from the first piece of the plan. In the evolution of the strategic plan that we did and the Waterfront Land Use Plan, and now going forward, it's a great piece of work.

161 recommendations blows my mind. I'm glad that you didn't take us through every single one of them. But I'm not sure we would have remembered them. In reading the staff report, obviously they're all very important. And I appreciate also that you're cross-referencing many of them with the transportation subcommittee because things can't be done in a silo. There is a crisscross and integration effort that has to happen in order to make this effort work.

This is really a tremendous effort and wonderful to see that we've pulled it together. I can't thank the group enough so that we have something that we can be very proud of. Not only the city but particularly the Port, we've been a leader in this area in so many different ways. I'm very proud of what you all have done at the staff level. Thank you. We support you.

Commissioner Makras - Great presentation. Thank you.

Commissioner Adams - This has been a long process. I know it's been very tedious, a lot of meetings but I really appreciate the effort. This is where we really need to be because it's just a win-win situation and we're getting out front on this issues. I appreciate the Port staff for the long hours. You never get enough thank you. Thank you for your hard work, the community, the volunteers. All this tedious work has to really be done. I remember when they had the BART



strike and how people had to do different things. We've got six million visitors a year that take our ferries and stuff like that. Supervisor Yee asked me the other day "What about water ferries?" He was wanting to know about what was happening in the Port to do with everything that's going on down here and to be proactive to deal with the environment and to deal with what's going on, the citizens are going to benefit from this because we're out there. I know that they would voice what they may not know. But you guys are working tirelessly on their behalf. I appreciate it as a commissioner because you guys are doing the hard work and getting out there and getting this done and dealing with different personalities, as I said, trying to get everybody to agree on something is difficult. This is a lot of work. Some more is going to happen. Please continue the good work that you do. Your work is appreciated. Thank you.

Commissioner Brandon – Amazing! Carol and Anne, thank you so much for this report. It's a great report. Pia, Aaron, Alice, Corinne, thank you so much for all of your time, your energy, your input because all the waterfront updates are extremely important. I'm so happy that we included resilience because right now that is something that we really need to focus on. You guys have come up with some great recommendations. I want to thank you for all of your work and input.

When I first started on the commission, I served with Pia's mom, [Denise McCarthy], who is absolutely wonderful and we worked with Diane and Anne and Carol on the original waterfront plan. We're just coming full circle. I'm so happy that everyone is still involved and active and volunteering your time. We really appreciate it. These are great recommendations. Thank you very much. We're looking forward to transportation next. Out of the 161 recommendations, which one was not unanimous?

Diane Oshima - It's easy to remember because there's only one. It had to do with the sole source public process in the land use recommendations. Tom Radulovich on the working group had an alternative recommendation, which is in the part two report but that was the only one.

Commissioner Brandon - Interesting. Thank you, everyone, for this great presentation.

#### **14. NEW BUSINESS**

Elaine Forbes: I have one item under new business from your conversations this evening to have staff come back with a timeline and a process to solicit ideas and interest in Piers 30-32. Is there any other new business?

Commissioner Woo Ho - I would like one other and that is as it relates to what we heard as the first item that, because of the neighborhood and the ideas that we have for the 88 Broadway, it's time for an update on Teatro ZinZanni. What is happening with that project? Hopefully good news.

Commissioner Brandon - We would like to welcome our new commissioners. You guys have been great. We look forward to working with you. All of your real estate expertise is much needed right now. Welcome to the commission. Please let Elaine or the staff know if you need briefing or updates on any items.

## **15. ADJOURNMENT**

ACTION: Commissioner Adams moved approval to adjourn the meeting in honor of Lee Radner, Doris Ward and Governor Deukmejian; Commissioner Gilman seconded the motion. All of the Commissioners were in favor.

Port Commission President Commissioner Brandon adjourned the meeting at 5:45 p.m.