

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING AUGUST 14, 2018

### 1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:30 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Victor Makras and Doreen Woo Ho. Commissioner Adams was on a business trip.

### 2. APPROVAL OF MINUTES – June 25, 2018 and July 10, 2018

ACTION: Commissioner Woo Ho moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. The minutes of the June 25, 2018 and July 10, 2018 were adopted.

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

### 4. EXECUTIVE SESSION

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

ACTION: Commissioner Gilman moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

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

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

- a. Property: Railyard an approximately 455,416 square feet of land which comprises the Port's Intermodal Container Transfer Facility (ICTF) including approximately 2,500 square feet of land for an office trailer, bounded by Cargo Way and Amador Street

Person Negotiating: Port: Peter Dailey, Deputy Director, Maritime, Brendan O'Meara, Maritime Marketing Manager; Byron Rhett, Chief Operating Officer

\*Negotiating Parties: David Gavrich, President of San Francisco Bay Railroad, Michael Caprio, Area President, West Republic Services,

Richard Normand Jr., Area Director Business Development, West,  
Republic Services

- b. Property: SWLs 323 and 324 and the two adjacent street stubs (Paper Streets), located at Broadway Street and The Embarcadero  
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning and Development  
\*Negotiating Parties: Developer: TZK Broadway, LLC and Teatro ZinZanni: Darius Anderson

## 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 Gilman seconded the motion. All of the Commissioners were in favor.

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

## 6. PLEDGE OF ALLEGIANCE

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

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: 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. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

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

## 9. EXECUTIVE

### A. Executive Director's Report

- U.S. Army Corps of Engineer's Lieutenant General Todd T. Semonite's Visit to the Port – July 25, 2018

On July 25, 2018, Lieutenant Todd Semonite, a three-star general of the Corps of Engineers visited the Port of San Francisco. The general is the commanding officer of the United States Army Corps of Engineers. He was in town to attend the change-of-command ceremony for the Army Corps regional office, the South Pacific division.

He toured in a Black Hawk helicopter several of the Corps big projects in the region including fire recovery areas in the north bay as well as an airborne look at the Port's waterfront and what the Embarcadero seawall protects. We conducted a briefing for him and a walking tour. I found the general to be a very solutions-oriented leader. We're very grateful for his willingness to look closely at our project and to delve into the details with us.

He has a lot of relevant experience for us, the most recent being the response to Hurricane Sandy in the New York region. From our point of view, the visit was a huge success. Mr. Bierman is here from the Army Corps of Engineers today. He is the project manager on the new start for the seawall project. I'd like to thank the commander for coming out. We continue to be very excited about our new start and our collaboration with the Army Corps of Engineers.

- Global Climate Summit – September 12-14, 2018 at Moscone Center South

We're having a global climate summit here in San Francisco from September 12-14, 2018 at Moscone Center South. It's being held for five primary themes for the summit: healthy energy systems, inclusive economic growth, sustainable communities, land and ocean and stewardship, transformative climate investments.

The purpose is: to showcase public and private actions that have already been taken to reduce emissions; to secure bold commitments to do even more and to show that decarbonization, job generation and a resilient economy go hand in hand.

Governor Brown and Mayor Breed seek to galvanize a global movement for climate action that leaves no one behind. In addition to the summit itself, there will be a number of affiliated events happening all around the Bay Area in September to celebrate this summit.

I encourage the public to take a look at [GlobalClimateActionSummit.org](http://GlobalClimateActionSummit.org) events calendar and get involved.

- Global Climate Summit Sculpture at the Port at Harry Bridges Plaza

In coordination with the summit, the Port will be hosting a large sculpture in Harry Bridges Plaza to call attention to climate change. The sculpture was created by Don Kennell, and it's titled the "Long View." It's 36 feet tall, and it's a polar bear. It will be in Harry Bridges Plaza in the precise location that the

Port Commission previously approved for the Harry Bridges monument located between two light towers, although held slightly off to allow plenty of space for pedestrian movement.

I have waived the fee as it is in my delegated authority to do so, to support the summit. The sculpture will be installed on September 10<sup>th</sup>. I expect it to stay for several months. It's a really amazing, tall piece of art. I think it will be very invocative of conversation and should be fun for everyone.

- Second Seawall Community Meeting – September 26, 2018 from 5:30-7:00 p.m. at the Exploratorium at Piers 15/17

Our next seawall community meeting will take place on September 26th from 5:30 to 7:00 at the Exploratorium. Please mark your calendars. Building on the success of the first meeting, the seawall team will be hosting this meeting. It includes presentations on seismic and flood scenarios as well as existing assets and a programmatic approach. The attendees will be encouraged to partake in the interactive mapping exercises. We found that the first event went extremely well which took place on June 21st.

I want to congratulate our team and the public for such a successful event. Seventy people attended the first meeting. In addition to explaining the plans for the seawall program, there were exercises that allowed the public to think long term about the waterfront, which was very worthwhile. Please mark your calendars for September 26th at the Exploratorium from 5:30 to 7:00 p.m.

- The EcoCenter was awarded one of four California Natural Resource Agency Secretary Awards for excellence in sustainability.

The secretary award for excellence is a sustainability competition that recognizes outstanding achievements in California museum projects in two areas: public education or external operations. The competition is the joint project of the sponsors, the California Association of Museums.

The EcoCenter received its award for its EcoCenter internship program. This program empowers youth in the Bayview community to carry sustainable practices. The unique program facilitates very active learning with solar photovoltaic, wastewater treatment and management, living roofs, native plant landscaping. It prepares the intern cohort with lifelong sustainability skillsets. We congratulate our friends and partners at the EcoCenter for this prestigious award.

- B. Port Commissioners' Report: None

## 10. CONSENT

- A. Request authorization to accept and expend a \$80,000 grant from the California Department of Parks and Recreation, Division of Boating & Waterways,

Surrendered and Abandoned Vessel Exchange Program to allow for removal, storage and disposal of eligible surrendered and abandoned vessels at the Port of San Francisco. (Resolution No. 18-44)

ACTION: Commissioner Woo Ho moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. Resolution No. 18-44 was adopted.

## 11. PLANNING & ENVIRONMENT

### A. Request Port Commission endorsement of recommendations to prepare draft amendments to update the Waterfront Land Use Plan. (Resolution No. 18-45)

Diane Oshima, Deputy Director from Planning and Environment representing the Waterfront Land Use Plan staff team - We're very excited to be here on the waterfront plan update. We've finished a major chunk of the work that hopefully allows us to move forward on some next steps ahead to update the waterfront plan. We have been before you several times to provide a good, deep briefing, soaking on the recommendations that have been developed by the waterfront plan working group through a long series of meetings that were also supported by the waterfront plan advisory teams.

There were three sets of recommendations: land use, transportation and resilience. We had four different presentations to the commission previously. We're not going to go into a lot of detail today but happy to answer questions about any of the 161 recommendations that were forwarded, of which 160 were unanimously accepted and advanced to you.

This presentation focuses a lot on a series of meetings and walking tours and workshops that we held in April, May, and into June regarding the part three of the waterfront plan update. The purpose was to educate the public about the work and the recommendations that the working group developed. It was a long report. There was a lot of content that was covered, and it was difficult to try and absorb it all but through the walkshop walking tours and the workshops that we had, it allowed the public to understand better what was the variety of issues that the working group developed their recommendations around and allowed us to also answer questions and receive further public comment.

It's also a good opportunity to show people what the Port's facilities really look like. That hands-on look at our historic piers, the broad variety of industrial, commercial and recreational activities that take place on the Port's properties provided a great backdrop on which to educate them about the Port's open-space systems, the recommendations that came through on the working group meetings, maritime industries to talk through about how many different types of maritime activities we have, the recommendations around the Embarcadero Historic District, the series of finger piers and bulkhead buildings that we are trying to advance our rehabilitation and redevelopment efforts.

It conjured up a nice set of public conversations as we were able to walk along the waterfront so a big thank you to all of the Port staff and also to the San Francisco Planning Department staff who helped us put these programs together, supported the walking tours.

A lot of the discussions were also around how the working group recommendations highlight the integration and alignment of bringing Port policies in line with city policies and the types of improvements that will make the waterfront stronger and better. We spent a lot of time on the notion of the Embarcadero public realm or the notion of public realm itself, which is a new concept for the waterfront plan. The waterfront plan has open space, transportation, public access policies.

Since the time that the waterfront plan was created, the notion of how all of these spaces in our sidewalks, in our open spaces, in the developments that frame them all should be looked at holistically to create an integrated public space because that is the frame within which people come to the waterfront, connect and get here and spend time and engage with other people, with the city's variety of activities.

The planning department and the SFMTA have been the city agencies that have advanced many city policies about public realm that we need to be integrating into the waterfront plan as well. We talked about the Embarcadero as the case study for these walking tours. It allowed people to understand how these spaces have shared purposes. It also allowed people to give us comments about how to make further improvements for the transportation and public access open space and recreational needs that the city would like to have supported along the waterfront of our future. We followed up those walking tours with a workshop that was dedicated to a discussion of the public realm as well. This too was staffed with the MTA and the planning department staffs.

We could integrate all of the city's policies along with the waterfront plan public access policies to explain to the public how it is that the waterfront plan update could embrace all of these different facets, which relates to transportation improvements, both pedestrian, bicycle, water transportation as well as land transportation and public transit and roadways to how to make those pedestrian spaces delightful and improved for public access and open space enjoyment, how to improve the connections and the safety of crossings and create spaces for each of those modes to coexist together in an integral way and to respond to the city's complete streets and Vision Zero policies, which are aimed at improving public safety and pedestrian safety in particular along the waterfront and along the Embarcadero.

On the walking tours, we went through the South Beach and Northeast waterfront areas, primarily because those are the districts that have the majority of the Embarcadero Historic District facilities.

We talked about the request for interest to try and invite ideas about public-oriented use opportunities for those piers. In the course of going through the South Beach area, we also spent time looking at Pier 30-32.

Pier 30-32 is one of the few piers that is now within the Embarcadero Historic District. As this picture shows, it lost all of its historic sheds. The rules and the conditions under which it can be improved do not follow the same set of conventions that are set forth in the working group's recommendations for the Embarcadero Historic District piers.

We walked through in detail what are some of the opportunities and the challenges for Pier 30-32. People recognized, as the Port staff has expressed to them, that there are important uses as represented by the Matson ship in this image about its deep water berth and its maritime berthing and operational value. The revenue value of the use of the parking lot now is an important financial resource for the Port but there is a recognition that it is a deteriorating facility. In fact, right now, the waterfront plan calls this out as a major development opportunity.

But our experiences with development projects to date, structural condition surveys that have been done have shown that, in fact, in its deteriorating condition, it's a very costly facility and that the efforts and the finances required to improve it are quite high and beyond the reach of many developers to date.

The regulatory permitting issues we've described in a bit further detail in the staff report and the supporting documents for the part three work also are complicated. If you take it all together, we speak to the challenges that would have to be overcome. Yet, the location of this facility speaks to the idea that there could be a big idea where, if there were somebody with a compelling vision with the financial resources that were sufficient to carry the costs of the facility, that there's an opportunity there for this site.

It would take an extraordinary set of development team objectives to be able to address that. The waterfront plan now also identifies Seawall Lot 330 together with Pier 30-32 as a combined development opportunity site. That designation was set at a time when we thought that the Pier 30-32 was in good condition, that it would be financially feasible to develop it and that, if it was done in coordination with the improvement of the seawall lot, that you could have something that was a very positive improvement for the South Beach neighborhood that would complement the pier-side development and that, together, would generate a lot of revenue for the Port.

Our analysis and our experience now shows that, in fact, that is not the case. While there has been work on the part of the Port to lift the public trust use restrictions on Seawall Lot 330, which would allow some revenue-generating uses to be developed there, the revenues there as well as the tax increment would not be enough to carry and cover the costs of the improvement of Pier 30-

32. We explained this to the public in this public workshop. We talked about what were the different options.

At the end of the day, people see that there are some opportunities for maritime. There's a strong idea of being able to still try and get public-oriented recreation on that pier. There is now a renewed understanding about the financial challenges that that pier confronts for the Port Commission and for the Port staff. Based on the information that we now know, in terms of updating policies to the waterfront plan, the staff assessment is that Seawall Lot 330's future development should not be tied exclusively to the future of Pier 30-32, that there might be more value and opportunity to advance that site ahead and not to be used as a means for subsidizing the cost of the improvement of 30-32.

That's based on an assessment that we have today based on not just the discussions that we had with the public. There was also a prior staff report and presentation to the Port Commission which we are proposing to also bring forth to a future Port Commission meeting to present for further discussion and comments by the Port Commission. You had requested a presentation on Pier 30-32 specifically. We are planning on bringing that before you in the future.

There is a lot of excitement over the RFI that's just been released a couple of weeks ago for the Embarcadero Historic District piers. We think that this is an important market test to see what kinds of businesses respond to the opportunity to provide for public-oriented uses. What are the kinds of cost and revenue uses also that see themselves as part of the future of these piers? Hopefully, that information that we get from that RFI will also help advance our thinking about the possibilities for Pier 30-32 as well.

Moving on to next steps, which are covered in more detail in your staff report, we have tried to give you the overview of the scope of the topics that we covered in the part three meetings. Largely in terms of the public comments that we got back, people were very much aligned in large part on the comments with what we heard through the working group, their recommendations. There were some further ideas that are always good to just have a conversation about.

We feel the work that the working group has produced for us to date is solid. The work that's been supplemented by the city agency efforts in part three fit quite nicely so that, if you approve and accept the work that's been today, Port staff will then be charged with taking the body of this information and these recommendations and going in to actually update and draft amendments to the waterfront plan.

I think that effort will be fairly significant because we have new topics and goals that will require a restructuring and reorganization of the waterfront plan. But that draft will be released to the public for public comment and will have to go through the environmental review process before the Port Commission could take action on policies that affect physical changes to the waterfront.



There are some procedural requirements or recommendations that came from the working group as well and where we can make procedural improvements and operations, that is not subject to CEQA.

I wanted to highlight the fact that we will be able to improve the means in which we communicate and present information based on the work that the working group has provided to us. There are some other elements that we will be doing some research on that will influence the draft amendments to the waterfront plan as well.

One relates to the Fisherman's Wharf retail strategy and public realm. Troy Campbell will be following me. The Fisherman's Wharf Community Benefit District has done a lot of work together to take a holistic look at the Fisherman's Wharf area. It provides a good feeding ground for us to be able to use to update Fisherman's Wharf policies on top of the work that the working group has provided to us.

We are also working very actively with BCDC on draft amendments to BCDC's waterfront special area plan that covers the Port's properties. It would not make much sense for us to update our policies if BCDC didn't do the same. Those are happening on parallel tracks. We are taking the working group's recommendations and your direction into the negotiations with the BCDC staff to develop those amendments as well which will be covered under the CEQA documents.

There's all of the work that we're doing on the community engagement on preparing for the seawall which is also being very directly integrated into the draft amendments for the waterfront plan as well.

That's a quick breeze through a lot of work by an extraordinary group of citizens who have dedicated an amazing amount of their life to learning about the waterfront and all of the issues and a very insightful, responsible set of public discussions that has yielded these recommendations that we think are very important for the future of the waterfront both in terms of supporting feasible improvements, recognizing how many competing demands the Port Commission is trying to manage and how you have to make choices. You can't do everything.

We have also been blessed with great collaboration from the State Lands Commission staff as well as from BCDC recently through the special area plan discussions and through the city family. Multiple city departments have been part and parcel of the work that has been rolled up and presented to you to date.

I'd like to take a moment and recognize all of the working group and advisory team members who are here today. Rudy Nothenberg is here. Janice Li, the co-chair is on vacation today but you cannot imagine what kind of time and thought and direction that they gave to all of this. We owe a debt of gratitude to them.

My only two colleagues here from the waterfront plan core team are Byron Rhett and Anne Cook, who are here today but the rest of the team got too tired, and they had to go on vacation to restore themselves. avid Beaupre, Brad Benson, Kari Kilstrom, Dan Hodapp, and Mark Paez have all been instrumental in bringing us to this day. Thank you very much for your attention to all of this.

We hope that we have addressed all of your questions. If you have more, we're here to address them. We are asking your approval of the attached resolution, which would authorize us to start the work of actually drafting the amendments to the plan.

Christopher Christensen - I'm sure it's a no-brainer for you guys. But I hope you approve the resolution because the staff and the waterfront working group has tried to bring forward the best possible working group plan and 160 ideas for you. Thank you so much. It has been a pleasure working with all Port staff on this.

Dee Dee Workman - I represented the San Francisco Chamber of Commerce on the Waterfront Land Use Plan working group. I was on the land use subcommittee. I want to say that, for that 161 recommendations, to get to kind of agreement that the Port staff and the other folks who led this effort, the ability to do that in a room full of people who you know don't agree with each other on some of the finer points, but to do that with such respect and collegiality, without rancor, it was a very civilized, humane process. Speaking for folks at the chamber, we really can get behind this plan. It was a great pleasure to serve on the working group. We urge you to accept the resolution.

Alice Rogers - I had the privilege of serving as chair of the land use subcommittee. I just want to thank you once again for all of the resources that you invested in this long process. It was a completely energizing and humbling experience. As Dee Dee just said, it was conducted in such an atmosphere of collegiality and problem solving that it was just an amazing experience. I, too, hope that you approve the recommendations. We, at least in the land use area, are asking the staff to chart some new territory with BCDC. We hope that BCDC will go along. What we're really asking them to do is to follow the lead that you've already set with new and energetic uses and to continue to diversify and serve as diverse a possible population as can be done.

Linda Fadeke Richardson - I had the privilege of not only being on the working group, but I was also one of the subcommittee chair of the transportation. Diane Oshima came out here, and she thank everybody. I want to take advantage of this opportunity to let you know how grateful we are working with Diane Oshima, putting all these things together and your esteemed director Elaine Forbes. This has been a wonderful opportunity. We have presented to you a fine document that is going to guide your development for decades to come. So we have that much confidence. I also wanted to give a shout out to our overall leader, Mr. Rudy Nothenberg for his wonderful leadership. Thank you sir, and thank you all. Please approve this project.

Commissioner Gilman - I want to thank the staff. I want to thank all the chairs and co-chairs from land use to transportation to resiliency. As someone who was new and came to this process at the very end, I am astounded and so pleased by the amount of community input and process. I think this is a model in a lot of ways of how the city should work. I want to thank you all for your dedication and your recommendations. They really struck a chord in me. Diane, thank you guys so much for your work.

Commissioner Woo Ho - I want to echo what has already been said but, again, to recognize the co-chairs, Rudy Nothenberg and Janice Li, for their tremendous leadership and the process and for our staff also and all the members of the working group and the sub-chairs that have come before us and Diane Oshima for her leadership and all the team that she has mentioned.

This has been a labor of love. When we started out, I don't know whether we knew it was going to take three years. I think we were also very concerned at the time whether the commitment of all the volunteers would last and that the quality of the recommendations which have been superb.

We are absolutely amazed and flabbergasted -- at least I am personally -- with the results and the interest and persistence. We knew that we had many diverse opinions out there and that everybody was able to work it through. Again, the process of unanimously agreeing with the recommendations and that we have accepted them.

I have absolutely no issue with accepting and supporting the resolution today. I want to hit upon a couple points that Diane mentioned. I'm very glad to see that we are going to decouple Seawall Lot 330 from Piers 30-32. I'm hoping and you can confirm that we can bring that back up on the agenda quickly if an RFP or whatever process we recommend so that we get the ideas going for Seawall Lot 330. I know it's not part of the RFI that just went out but that ideas for Pier 30-32 continue to percolate. We really do need a big idea. It would be a real pity and a shame if we had to decide that that pier had to disappear because we had no other choice or no other idea. Even dissolving the pier, getting rid of the pier we know is going to cost a lot of money. If we can find some way without having a heavy use that requires a lot of infrastructure support, some lighter use on that pier for something that is more in the interest of the public or even revenue generating.

I hope there will be some ideas out there. You put that ship up there, Matson. I'm wondering whether we could have some sort of permanent ship, whether it's a museum or a floating hotel, which I know that's not a concept that everybody agrees with but it works in Long Beach with the Queen Mary.

I think that we'd hope that we'd find some ways to figure out a better use of Piers 30-32. I know that was not within the scope of the historic Embarcadero District. Those are the two things that really stand out in the presentation today that we

still haven't resolved now that we're trying to figure out the RFI for all the other piers.

It's just that every day you drive by there, you say what's going to happen to this? There's a huge legacy there. It's a great location, as we know, and I hope that we do find a use for it going forward.

I know you're working with the staff of BCDC on drafting amendments. I did not notice whether there had been a formal presentation to summarize the recommendations of the Waterfront Land Use Plan to the BCDC Commission who obviously we need to be in coordination and in sync with so that we get at least the oversight and policy making body of BCDC to be in agreement with us.

Since we are asking them to also be more creative and innovative in their thinking that they be more open in their thinking by looking at some of the ideas that are coming out of this plan. Maybe you can comment on how we're trying to get all of the influences and decision makers involved.

Diane Oshima - Thank you, Commissioner. That's a good question. We have made one introductory presentation to the BCDC Commission when we filed an application to formally let them know that we're planning on proposing amendments to their plan but that was last year. We were not ready to advance something formalized as the recommendations that the working group have since produced. We have been meeting with the BCDC staff over the last few months that we've got the recommendations, and we were confidently able to extend that to them.

They have been very receptive. I'm very confident and positive at this point that they are seeing that, in the last 20 years, to see where the waterfront was in 2000 and where it is now and how BCDC had a role in the creation of the Embarcadero Historic District and that they like the projects that have taken place, the Exploratorium, the Ferry Building.

We have not found them to be concerned or resistant, per se, to the objectives of what the recommendations are trying to drive towards. We will have to look closely at maritime berthing and operation needs versus desire for public access along the edges of our piers.

Those may be some pointed discussions. We will be looking for more different types of public-oriented uses that break outside the traditional public trust use interpretations of the past. Perhaps that might be something where we'll have to spend some time to convince them as to why that's a good idea.

Commissioner Woo Ho - I'm talking a little bit more at the higher strategy, kind of overall picture level landscape of what we see so that their commission gets an idea so that, when they are asked on specific issues, they will be able to reference why we're coming to them through this process. I think it's more of an overall presentation. I would say the same thing for the State Lands Commission

because, obviously, this is totally under their jurisdiction. The waterfront in San Francisco is governed by so many different agencies, even WETA even though they're more in the water transportation and ferry business.

It just seems every agency that touches the waterfront should have an understanding of what this plan is heading towards. We have a strategic plan, which is different. But we also have this plan which says specifically how we're going to use the real estate on the waterfront. Any agency that touches it should understand where we're coming from and that they have that as a reference and background.

Diane Oshima - We will definitely do that. State Lands has actually spent a little bit more time with us. I feel like they have that broader big-picture understanding. But you're right, we do need to spend some time with BCDC to bring them to the same frame.

Commissioner Makras - I'm supportive of the item. Thanks to all of the parties. My only comment is probably directed to the city attorney general to look at and advise us later. When we publish our environmental review, does it make sense to combine all of these issues? Or should the seawall issue be separated as a distinct issue particularly when it comes to appeals and engagement that may take place? It may be beneficial for us to look at the seawall being a stand-alone issue because it will stand stronger than 162 recommendations and lots of development. And changing development over time may put the city in a better position to separate them out as a document.

Eileen Malley, Deputy City Attorney - That's a good suggestion. As a policy matter, the way the Port is pursuing environmental review of the two projects, that they will be separate CEQA documents. You are soliciting environmental consultants at this point separately for the two projects.

Commissioner Brandon - Diane, thank you so much for all four of your presentations. This is just exciting. This is wonderful. I can't tell you how wonderful it is to have had such a great team to bring this to us in half the time the original document took. We were so fortunate to have you leading the team along with Rudy and Janice and our subcommittee co-chairs and just the phenomenal group of people that came together to come up with 161 recommendations of which they all agreed upon 160 of them.

That is just absolutely unheard of in San Francisco. I want to thank everybody for all of the time that they spent because of their love for the waterfront and their love for San Francisco and all that this beautiful waterfront has to offer. It's only going to get better. We appreciate all that everyone has done. Thank you.

**ACTION:** Commissioner Woo Ho moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. Resolution No. 18-45 was adopted.

B. Informational presentation on the *Fisherman's Wharf Community Benefit District Retail Strategy* report.

Diane Oshima, Planning and Environment – I would like to introduce Troy Campbell, who is the executive director of the Fisherman's Wharf Community Benefit District and a member of the waterfront plan working group. We are very happy to have him and his team to present on the scope of their work, which again will be taken into account in updating the Fisherman's Wharf policies in the waterfront plan as well.

Troy Campbell - I'm here to talk to you about the Fisherman's Wharf retail strategy that was published back in April of this year. The decision to create an actionable retail strategy for Fisherman's Wharf was driven by the need to evolve and elevate the district's overall presence in the marketplace to become an increasingly top-of-mind destination for the local customer base and to improve upon its retail strengths and opportunities.

The retail strategy document serves as a long-term roadmap to align property owners, developers, brokers, retailers and to generate interest and investment in the neighborhood. Over a 12-month period, Seifel Consulting gathered data through community outreach across a broad range of categories and disciplines.

The data was distilled to create the project goals and subsequent action items. Participants included the: consultant team; the FWCBD staff; retail strategy task force of which our chair Sina von Reitzenstein from Pier 39 is here today; local residents, businesses, property owners, brokers and visitors who present the largest customer base for the wharf.

The report was also informed by ongoing data collection done by the CBD, previous public realm studies and pedestrian-counting cameras that were installed by the CBD on Jefferson Street in 2014. We knew that, with the exception of downtown San Francisco, the wharf is the city's most dynamic commercial center with approximately 400 retail establishments, 3,200 hotel rooms and 20 attractions.

Previously gathered information also gave us insight of how people arrive at Fisherman's Wharf, their demographics and how they spend their money and how they interact with the district. For the purposes of this report, retail is defined not only as the goods and services sold at Fisherman's Wharf but also the physical and experiential environment encompassing the businesses.

The overall vision created by the task force was nothing unorthodox. It is simply for San Francisco's Fisherman's Wharf to be a vibrant and world-class destination that celebrates its unique history and historical importance in the fishing industry while offering an unparalleled retail, dining and entertainment experience that showcases the natural beauty of the waterfront.

So armed with a consultant, a task force, information and a vision, we then looked at the differing needs of the district and how patterns, focus group feedback, capital improvements and evolving needs and trends have affected the district. To better target retail planning, four neighborhood nodes were identified at Fisherman's Wharf. In brief, they are: the Gateway East, home to Ghirardelli Square, a node that straddles the needs and interests of both visitors and locals and a node that also contains a high concentration of art galleries.

The Jefferson Street corridor contains both Port tenants on the north side of the street, which has long-time tenants and low occupancy rates, and the south side, which has seen many tenants come and go over the last decade and the blocks in between Jefferson and Beach Streets where novelty and t-shirt shops have been on the decline.

The hotel and neighborhood service corps contains the majority of the hotels in district 10, and stores that cater more to locals such as Orchard Supply Hardware, Cost Plus World Market, Ross, Trader Joe's and Safeway. Pier 39 makes up the Gateway West. Due to its size, corporate support and strong brand identity in the area of the wharf, that has the strongest aesthetics and consistently high occupancy rate.

We also looked at investment and the study examined this. Since 2010, we determined that more than 300 million in private and public investments have been committed to the wharf and the mix of treasured businesses, destinations and hotel accommodations as well as the public realm.

The report has been timely in that Fisherman's Wharf is experiencing a renaissance that is reflective of modern trends while also reinforcing its rich character and vibrancy and more is on the way. This current map illustrates all of those locations of these investments where these investments have been made which are also listed by property and/or company in the report if you are curious to learn more.

Some public investments that are of note are the Port's Taylor Street project, which expanded the sidewalk in front of the historic crab stands by removing street parking, and the removal of the parking lot at Pier 43 with a new seawall promenade connecting Pier 43 to Pier 45. The completion of the first phase of Jefferson Street of the public realm plan, a project that in the first six months of opening saw an increase in monthly sales for those businesses on the street by 10 to 20 percent. Also on the horizon is Jefferson Street phase two.

Shortly after this report was published in April, the city was awarded a \$7 million grant from the state. That grant has now been matched by the city and the city departments are now gearing up for construction that's expected to start in 2019.

We also looked at private investments and how that can affect the public realm and potential for new retail offerings. Two of the projects have already come to fruition: Beach Street property and the Hotel Zephyr.

We had focus groups, visitors, local stakeholders shared what they liked most about the wharf, which includes the unique waterfront character and location, emphasizing its proximity to the Bay, its ambience, walkability, vibrancy and people watching, the wonderful variety of activities, seafood, restaurants, attractions, particularly crab and chowder stalls, sightseeing options, street performances.

They appreciate the wharf's working waterfront, that it is a working waterfront with strong ties to the fishing industry. Issues that they collectively feel this district should address are the wharf's lack of established nightlife, poor lighting in places and lack of sufficient public restrooms and seating areas.

Although the intensity of the crowds is what they enjoy the most, they also highlighted that as something that also makes it difficult for the wharf to overcome the label of a tourist trap. They emphasized the district's lack of local offerings and draw particularly to city residents who live nearby. Lastly, access challenges to the wharf including poor transit at peak services and high parking costs.

Finally, the report looked at retail opportunities and challenges. One of the district's biggest retail challenges includes an abundance of specialty retail typically purchased by consumers using discretionary funds, which represent a small amount of that household's retail spending. Specialty stores typically need to harvest customers from passing pedestrians to generate sufficient sales volumes particularly in the off season. However, in many locations outside of the normal paths of travel at the wharf and even with 16.4 million visitors a year, many retailers have learned that foot traffic on the sidewalk is not enough to sustain and maintain a profitable business.

So that brings me to the recommendations, which is the crux and heart and soul of the entire retail strategy. All of the meetings, outreach to businesses, property owners, residents, commercial brokers as well as surveys of visitors, focus groups, market information and the adopted Fisherman's Wharf public realm plan culminated into the recommendation of five core objectives, which incidentally were adopted by the board of the Fisherman's Wharf Community Benefit District. These five core retail objectives will collectively enhance the wharf and strengthen its position as a world-class retail destination where locals and visitors from around the globe are equally excited to visit.

The implementation of this strategy encompasses a five to 10-year timeframe but begins with actionable two-year priorities which are noted in the following slides by green boxes. Also denoted in the two-year priorities are the partners and agency that the CBD will need to collaborate with. The first is improve wharf appearance and connectivity: by implementing existing plans for urban design improvements for the public realm plan; leveraging public investment to stimulate more private investment; enhancing pedestrian and bicycle connectivity; improving transit service to the wharf; and making more efficient use of parking.



The second is: curating retail through targeted information to the brokerage community; expanding nighttime activity; a strategy on addressing cannabis in the district; strengthening the growing art sub-district; actively recruiting specific types of businesses that fit the needs of the retail district nodes; and expanding existing marketing efforts to broaden the customer base.

The third objective to connect to the waterfront by: developing a continuous well-lit path; encouraging year-round activities and events; and promoting enjoyment of the Bay through improved public spaces.

Next is promoting our uniqueness by: increasing visibility of fishing activities and access to fish sales; improving awareness of the wharf's unique character and by enhancing gateway entrances to better celebrate the wharf and to provide a sense of arrival.

Lastly enhancing the public experience through rotating events, performances and art installations; continuing to address street life and public safety and by enhancing lighting through the wharf including innovative artistic lighting installations.

As stated before, more detail can be found in the report. Thank you again for letting me present to you and your consideration because implementation of these strategies depends on our collective participation to make them happen.

Christopher Christensen, ILWU Local 10 - But for the sake of this item, president of the Bay Area Longshoreman's Memorial Association, whose hiring hall is in the heart of Fisherman's Wharf. I am one of the Fisherman's Wharf Community Benefit District's board of directors. I want to speak very highly of Troy Campbell here. Troy dedicates every ounce of his time to better the Fisherman's Wharf district for the public safety environ -- just the all-around experience.

I want to thank him very much when he brought this retail strategy to our board of directors meeting. It is beyond what we expected from him. I hope that, as you read it, you could understand how we want Fisherman's Wharf to grow and be part of the Port.

Kevin Carroll - I'm the executive director of the Hotel Council of San Francisco. I want to echo the comments that Chris made and thank Troy and the Community Benefit District. As he mentioned, we have 3,200 hotel rooms and probably 2,000 employees that are just in the hotel industry alone on Fisherman's Wharf. Looking at it, it's such a comprehensive and strategic look at how the retail components of that can help everybody including the city. I want to thank him for all the work and his team for putting this together.

Commissioner Woo Ho - Thank you very much, Troy, for that presentation. I think it was probably well timed or consciously timed to be following the Waterfront Land Use Plan presentation. It gives us a little bit more bird's eye view into a section of the waterfront that is near and dear to everybody's heart in

terms of the Fisherman's Wharf area. It was very informative in letting us know the areas that you're looking into. I don't have any specific questions other than to understand, what does success look like? How will you measure your success in following this retail strategy? How can we have a follow-up plan in front of the commission so that we know how you're tracking against that strategy?

Troy Campbell – We have 5 core objectives. It further breaks it down into the priorities. All of those have been broken down. Each one of the CBD's committees has been given whatever portion of those priorities that fits within that committee. There are some very obvious things to be able to track the success of this. One of it is our occupancy. We have some areas of the wharf that have a high occupancy. One of the areas that is suffering the most is Taylor Street.

Several years ago when the cable car was raised to six dollars, a lot of people stopped taking the cable car. The street car became much more affordable for families. So the transportation coming down Taylor Street from the cable car turnaround to Jefferson Street has dried up.

A lot of those businesses that were basically visitor-servicing businesses are now gone. Looking and filling those vacancies with neighborhood-servicing businesses and trying to bring North Beach a little bit closer, basically pulling those two neighborhoods together, so they overlap a little bit better, to me that will be one of the biggest indicators of success. But then, achieving many of the goals that are set out, the artistic lighting, Jefferson Street, phase two. We've got that one coming, so we're excited about that.

Overall, making sure that the businesses are working well, that there is no redundancy in the district. We already have high rates on Yelp, Trip Advisor, Facebook. We're averaging 4 to 4½ stars, seeing those numbers go up, seeing better reviews from visitors. There's a lot of different ways that we can measure success on these objectives.

Commissioner Woo Ho - I actually was curious because you used the word curate your retail space. Obviously, you have landlords. I'm sure some of them participated in helping to develop the strategic plan. They're anxious in renting out their space and maybe they want to rent it out to a t-shirt vendor or you would prefer to have a more artsy sort of vendor in there to add some character to the neighborhood. I'm just wondering how you balance that because it's a fine line to walk. Using the word curate because you can't force it but you hopefully can encourage it.

Troy Campbell - Yes. It's exactly leading that horse to water type thing. One of the things that came out of this study which was nice to see was the collaboration of bigger properties working with smaller properties who maybe don't have a signage program for the exterior of the building and collaborating with that and sharing ideas.

We've even had some properties that say I'm full. I've got all these people wanting in. They've actually turned over prospective new tenants to other properties because they thought it might be a good fit. This was just all a byproduct of getting together and talking about these things. One of the other nice things that has happened through this is we've now got brokers calling our office asking, where would be a good spot for this? Do you think it's a good fit?

Then, we also have property managers contacting us and saying, we're thinking of these two properties. What do you know? Because we are being shared with at the office and a lot of information that we are being asked to keep confidential.

Having that knowledge and being able to say, maybe you want to go with option B because we know that option A is going to be similar to something that's just going to be opening down the street in a couple months that maybe nobody knows about. It's kind of sharing that back and forth. It is a fine line. We are not forcing anybody to do anything. People need to fill their vacancies. We understand that but a lot of people are coming around and seeing that we really need to have a good mix.

With the traffic pattern being so clearly obvious around the wharf, coming through Pier 39, down the promenade, all the way to Hyde. Maybe they make it to Ghirardelli. Maybe they don't. Maybe they turn around and just come back Jefferson Street. That is the traffic pattern for Fisherman's Wharf. So knowing that and sharing this information. I have one very large property at the wharf that has an ownership that is outside of the country. He was telling me that he's been talking to the ownership and saying we maybe need to make this change or that change. He said it was falling on deaf ears. This report basically backed up everything that he's been saying and is now getting support from his ownership. So there's been some good headway.

Commissioner Makras - Are you planning for the benefit district to be similar to the others in the city where you're assessing to property owner?

Troy Campbell - Yes. We are actually in our renewal process right now. We were founded in 2005 and 2006. We are two different benefit districts. The land side which is south of Jefferson Street is a property assessment district. The north side, the Port side is an assessment district based on a percentage of gross annual sales. We are actually going through the renewal process right now because, per contract, we sunset on December 31, 2020. We're looking to renew for another 15 years.

Commissioner Makras: Fifteen years. Do you see it working very well with DPW and other city agencies versus the fact that you have the private sector kicking in doing some work, so city backs off and moves their resources other places?

Troy Campbell - Not really. In the district, from street cleaning on up, we do district walkthroughs with both Port staff and DPW pointing out items and

working together. DPW has been really helpful on the Jefferson Street phase two project. They actually wrote the grant that the city was awarded.

Commissioner Makras - That's great to hear.

Commissioner Gilman - I just wanted to thank you so much for this report. I wanted to say I was really pleased to see a strategy to bring North Beach past bay. As someone who lives in that part of the district, I know it's really hard sometimes for a lot of locals to get there. So I would also enjoy an update through Port staff of how you're doing with your retail strategy to make it more a place that locals or folks in the neighborhood want to go. There's a lot of things absent in the neighborhood also.

I know you're aware of that from a neighborhood-serving perspective. So if there's any way on the Taylor Street and just in this whole strategy to make it more of a destination for individuals who live there, I really appreciate that. I also really appreciate some of the lighting and landscaping work you've done. Jefferson Street has had a marketable improvement. Thank you for this report. It was really helpful.

Commissioner Brandon - Troy, thank you so much for this report. You do talk fast, and it was a little hard keeping up. I do look forward to reading the report but this is great. It's a lot of information. You guys have done a lot of work. I can see the benefit of everybody renewing their membership.

Troy Campbell - Thank you.

Commissioner Brandon - I just wanted to know, now that Jefferson Street is two-way, how is that working out as compared to the one-way?

Troy Campbell - It's working. There was a little bit of growing pains for the first couple months. We actually tracked that. It took a while to get especially delivery trucks in line because there was also imposed on there no deliveries after 11:00. It's worked out really well. There was some thought of turning it back to a one-way and the people that seemed to not want it to be a one way are now on the two-way bandwagon and don't want it to go back.

It's actually worked out well for the street. It's calmed it. It's slowed things down. It's not so much of a raceway. My office is right on the corner of Leavenworth and Jefferson. Having cars race by, I could hear them. That has quieted down quite a bit.

Commissioner Brandon - Thank you. This is wonderful. We look forward to continuing to work with you on all of the great work being done in Fisherman's Wharf.

C. Informational presentation of the San Francisco Municipal Transportation Agency Embarcadero Enhancement Project.

Lindy Lowe, Planning and Environment - I lead the resilience program. Item 11C is an informational briefing to be presented by Casey Hildreth from the San Francisco Municipal Transportation Agency. We also have Tom Maguire and Patrick Golier here with us today. SFMTA has been leading the Embarcadero enhancement project, a transportation project located along the Embarcadero designed to improve mobility and safety along this critical and heavily used corridor.

The Embarcadero enhancement project has three published goals: increase safety, support economic vitality, improve connectivity and accessibility. SFMTA describes the Embarcadero as a thriving business corridor, a key transportation artery, a key destination in the city's tourism industry, a popular recreation route and a worldwide attraction in and of itself.

In addition to these multiple functions, the Embarcadero is oversubscribed. It was designed at a point in time when we didn't have this many people traveling along it on this many modes and we all recognize that.

So many people use the Embarcadero on a daily basis at different speeds that it can no longer safely accommodate all of these users and uses. Much of the Embarcadero roadway appears on the city's high-injury network, which represents 13 percent of the city streets where 75 percent of the severe and fatal injuries occur.

The Waterfront Land Use Plan update and the Port's strategic plan objectives both support making safety and mobility improvements to the Embarcadero. The SFMTA has been coordinating with planning, public works and Port staff to support site analysis, design options, community engagement with transportation, city and waterfront stakeholders including Port tenants and businesses.

Mr. Hildreth will provide information about the next steps in the process and the project including upcoming public workshops, the project implementation requirements and schedule for implementing this very important project.

Casey Hildreth with the SFMTA - Together with my colleague Patrick Golier, we've been managing the Embarcadero enhancement project. The study area for the project spans the length of the Embarcadero from Fisherman's Wharf and Jefferson Street down to the Lefty O'Doul's bridge near the ballpark. Today, I will provide a brief but comprehensive summary of the project elements, outreach and engagement and the overall design direction as the project moves forward into the environmental review phase.

I will also highlight some of the safety improvement projects that we've been able to implement and then additional near-term safety fixes that are actively in design and should be in the ground starting later this year and into early 2019. Lastly, I will touch on some next steps, as Lindy mentioned, including a design showcase public open house, which has just been scheduled for October 25, 2018 just outside of this room in the grand hall.

First, the overall project -- what is it? What will it provide? We're saying that it's going to provide improved safety, comfort and access for all users by creating a complete street from North Point to Townsend Streets.

Up until very recently, the Embarcadero could have been considered a complete street since it does have dedicated bike lanes, the shared-use promenade as well as dedicated transit lanes. But as we know today, there is widespread agreement that, while still a jewel, the Embarcadero is oversubscribed. There's too much competition for space and too little separation between travel modes. It's often difficult, slow or scary for many to get around. Frustrations are running high, and collisions are on the rise.

What can we do about it? How do we make the Embarcadero complete? We believe it's focusing on and delivering these project elements. They include a physically protected two-way bikeway on the water side of the Embarcadero. That will certainly be the most visible and significant outcome of the Embarcadero enhancement project. But other key elements include shorter pedestrian crossings and better ADA access.

This is the other main way that we can complete the Embarcadero, as it addresses the main pedestrian safety issues. It also helps make the corridor more efficient since a lot of our traffic signals are tied to the length of time it takes to cross the roadway.

It's also worth noting the project will explore how to take advantage of these safety improvements to enhance urban design from important but small details along the promenade to potentially big place-making ideas such as reorganizing the space in front of the Ferry Building.

As Lindy mentioned, much of the corridor is on our high-injury network which accounts for the bulk of severe and fatal injuries. On the Embarcadero specifically, these collisions are on the rise. If we compare the last decade to the middle of this decade, we see about a 20 percent increase in those incidents. As many in the room here today will be reminding us and are all too familiar with, these stats reflect impacts to real people, too many people, individuals such as Kevin Manning, the pedicab driver who is no longer with us of no fault of his own but due to the reckless actions of others.

These stats also don't include the daily near misses that we hear about so often. So the drive behind the city's Vision Zero policy and the drive behind this project is that such tragedies are unacceptable and ultimately preventable. Yet, change

is hard and hard won. While the path to a safety design for the Embarcadero is being drawn up, it's equally important to engage and learn from the communities that are served by this corridor and to raise awareness of Vision Zero and build a broad base of support for the tradeoffs that are necessary to achieve safety.

How are we helping to do that? To start, we kicked off the project with an open house followed by a series of design workshops, engaging a diverse cross section of Embarcadero users to get a sense of stakeholders' collective values.

What are ideal conditions? What are acceptable tradeoffs? What else should the project consider or not consider doing? For anyone who's interested to learn more about that process, there is a detailed summary report available online at our project website, which is [SFMTA.com/Embarcadero](http://SFMTA.com/Embarcadero).

After the design workshop series, the project team focused a lot on technical development and data collection for this complex three-mile corridor, trying to understand existing conditions on a block-by-block basis -- no two blocks are the same along the Embarcadero -- and help develop an understanding of the impacts for two different design scenarios.

One, a new bikeway on the waterside, that two-way bikeway that I just mentioned, or just taking the existing bikeways and enhancing them along the three-mile corridor. The project team also spent time designing and implementing some near-term improvements. But by the fall of 2016, we came back to the public with more project details and had a specific question for stakeholders. Which protected bikeway design and set of tradeoffs makes the most sense for the Embarcadero?

We notified a broad swath of residents and businesses along and adjacent to the northeast waterfront and had a strong response both in terms of the turnout at the open house as well as participation in the online survey. Outreach efforts certainly went beyond just a handful of public meetings. We also spoke and met with a large number and wide variety of organized groups and individual stakeholders, many more than once. While we must continue and expand our engagement efforts as the project moves forward, we can say with confidence that many of the people that depend on the Embarcadero have heard of the Embarcadero enhancement project and have had a fair chance to weigh in.

This includes stakeholders in the Fisherman's Wharf and Pier 39 area. Troy and several others up there who had told us early on and told us repeatedly that their needs are slightly different than the rest of the corridor, which is partly based on the design of the Embarcadero in this area, and that a more focused traffic study and look at access was needed.

This led to the northern terminus of the enhancement project stopping at North Point, allowing for a separate traffic study that's currently being scoped for consultant assistance. This separate effort will include ongoing SFMTA coordination with the Port with Jefferson phase two as well as the ad hoc

working group of stakeholders to help shepherd that traffic study and guide next steps.

Let's talk more about the bikeway design. These next couple slides are relatively technical and perhaps are useful more as a reference for any Q&A. But a couple things I'd like to point out about the two-way bikeway concept -- there's a lot of variation in the two-way bikeway design depending on the adjacent uses. But it generally requires about 16 feet of space. In almost all cases block by block, this requires moving curbs or utilities and light fixtures. It's a significant capital project that requires lots of design and engineering.

That 16 or so feet required for the bikeway can be achieved in a number of different ways. Given the variability of the Embarcadero, we will have to use most of these tools in this toolbox, which range from removing general parking and a third northbound travel line to narrowing the median or the promenade. In some of the tightest areas, the bikeway could be narrower than we'd like, or there could be flex zones that would allow for sharing between loading and pedestrian traffic and bicycles for limited amounts of time and space.

In a few specific areas, circulation changes may be required such as converting left-turn lanes into through lanes and restricting left-turn lanes at certain intersections. At Folsom Street looking southbound, there is active curbside loading for restaurants and a muni streetcar stop. But there's not a third travel lane or a wide promenade that we can use to grab space. The proposal that is reflected in this design looks to restrict left turns onto Folsom, which actually should help transit coming out of the tunnel and achieve the project vision, a physically separated bikeway with better connections into the citywide bike network, shorter pedestrian crossings of the Embarcadero while still allowing the valet parking and the active loading that are vital for the adjacent restaurants with patrons navigating across the bikeway at marked crosswalks and other traffic-calming elements on the bikeway itself.

Here, you can see additional potential features such as comprehensive way finding, more pedestrian amenities in the promenade and the potential for new sustainability features such as landscaping and potential storm water flood measures, much of which will be determined later on in the detailed design phase. Our colleagues at public works who helped produce this rendering will be producing several more in the coming months to bring more of the concept design to life and allow more people to see and understand the vision for the project.

Moving to some of the actions that we have been able to complete while we've been doing the planning phase for the Embarcadero. First, working closely with the South Beach/Rincon Neighborhood Association, we tried to really max out the value of the existing bike lanes, making them more visible while also reinforcing on the promenade that it is a shared-use pathway but that pedestrians have the right of way.



At intersections, we've added advanced stop bars for vehicles and for bikes to help reduce the intrusion into the crosswalk and improve pedestrian comfort. In the northern section of the Embarcadero, we've made several waves of improvements to the southbound bike lane near Bay and Battery while at North Point we've added new bike signals and a dedicated turn box to more comfortably guide people back into the citywide bike network. Based on before-and-after evaluations, we know these are not major upgrades but every little bit helps. We're doing what we can to improve safety in the near term while advancing the long-term vision and we're not done. To that end, the SFMTA is committed to additional similar near-term safety improvements along the southbound travel corridor where the bulk of the collisions to pedestrians and bicyclists are occurring. That's between about Broadway and Mission Street.

In this area, we have what we call a floating bike lane where there's a third travel lane in the peak periods. There's parking restrictions. That does not allow us to really paint a full-time bike lane. So we are proposing and planning to remove the floating nature, allowing a full-time bike lane with all-day parking. This should not only help people on bicycles and people parking. We've seen a lot of confusion with drivers. This is image from Stanley Roberts' People Behaving Badly where people confuse this for a parking-protected bikeway.

Hopefully, this change will add benefit for all users, again, of the Embarcadero. We'll also be updating crosswalks where we have not already updated crosswalks along the corridor. We're also working quickly to establish and improve parallel alternative routes to the Embarcadero, namely the Battery and Sansome corridor towards the Financial District. These changes are in design and should be in the ground later this year for the southbound Embarcadero and into early next year for the Battery/Sansome connection.

Much of what I've covered today and many other details that I've left out will be shared and discussed at the concept design showcase scheduled for October 25th. At this event, we hope to dive deeper into the more complex sections of the corridor where tradeoffs are greatest including related circulation change concepts and specific ideas for transit stop adjustments.

The meeting will also provide a public forum to review the proposed near-term safety changes prior to their construction. We hope and expect to have more information about the scope and the duration for the environmental phase of the project, which we anticipate including a more rigorous study of the exciting big idea that I alluded to earlier in front of the Ferry Building.

Here is an image of a physical model that I think is somewhere in Pier 1 that was prepared back when the freeway was being removed and replaced. It's one of many urban design visions that ultimately were scrapped in favor of the current six-lane roadway design with Harry Bridges Plaza in the center.

With the enhancement project, we want to reconsider the urban design and circulation options that may be available now that certain design assumptions

have changed. For example, can we push all the through traffic towards the city side to open up more usable, flexible space directly adjacent to the Ferry Building while still including protection for people cycling? It's very complicated given the street car tracks and traffic signals. So we need to undertake more sophisticated traffic modeling to see if this is actually a feasible option. But if it is, we will work to clear the transportation-related components. We'll coordinate with the Port and city family agencies to potentially yield a newer and more exciting vision for what this grand civic space could be. On that ambitious and optimistic note, I'll conclude my presentation with an overall project schedule. I can answer any questions the commission has. Thank you very much.

Lawrence Li - Thanks for maintaining one of the best bicycling and running routes in the world. I have my gear here this evening in my bag. So this evening when you leave, please say hi to me. I'm meeting my run club at the base of the stairs here. This morning when I was packing my bags, I was reading in the New York Times morning briefing that there was another incident in London when someone used an automobile as a weapon to deliberately target and run over innocent pedestrians and cyclists in the public realm. When these type of incidents happen, it makes the world news. We're reading about it here in San Francisco. Officials are quick to respond overnight, helicoptering barriers, bollards, security personnel to protect the public realm. There's no discussion of cost and time. It just happens. However, when like non-sensationalistic tragedy occurs in the public realm, the news fades into the background. People continue to get killed and injured on our streets here at our very home. There's little mention about how it could have been prevented or prevented in the future. The discussions just doesn't stick in the media. I am asking, please don't let the safety of people like me fade into the background. Please take the necessary steps to prevent further loss of life on our streets. Treat this with urgency. As someone who walks and runs and bikes on the Embarcadero regularly, please implement these near-term hotspot improvements right now. They're really necessary. It's just paint and planters. Please commit to completing the project within four years. I'll be running and biking a little slower, but I'll still need the safety.

Michael Kramer - I'm here as an avid cyclist. I commute all over the city. I work in the Financial District and pass along the Embarcadero almost weekly. The lanes there are often frustrating, stressful, extremely dangerous and, honestly, sometimes embarrassing considering how tourists have to navigate through and the near misses that I witness every time. San Francisco deserves a good, protected bike network. The Embarcadero should be a high priority. We're long overdue. I urge you all to work with the SFMTA to make those near-term improvements as quickly as possible to push safety forward as much as possible especially over the concerns of speed and potentially parking and to really fund and approve this project as quickly as possible so that we can all be safe and that no more life is lost or blood spilled because we wouldn't move forward in safety projects.

Brad Williford - I work here on the Embarcadero. I bike to work every day on Howard and Folsom and to get to the Embarcadero. A couple months ago, I was hit by a car on Howard. It's a very similar bike lane where a driver basically saw an open parking spot and cut across multiple lanes of traffic and hit me. The short-term safety improvements really solve this by swapping the bike lane and the parking to kind of reduce conflict. I just wanted to be here to say please support the short-term safety improvements. It definitely makes a big difference. We've seen the city roll out those type of improvements on Folsom. It's made a huge improvement.

Jo B. - I just want to thank you for opening this up to public comment. I'm a cyclist. I'm a friend of Kevin. I drive a pedicab periodically on the Embarcadero. I will say that the short-term improvements have made a difference to my experience in driving up and down the Embarcadero, things like the brighter bike lane and the posts that are at the intersection near Lombard and Embarcadero. But we could use more safety implementations, things like the bike light that's at North Point and Embarcadero that lets the bikes go ahead of traffic is really helpful. There needs to be more signs to guide ride share drivers and where they drop their passengers off because that's a daily struggle in driving a bicycle or a pedicab on the Embarcadero. It's not the drivers alone their faults. I would look forward to some signs saying where those drop-off areas and having these parking fines enforced for people being in the bike lane. I'm mostly here with some recommendations for what I see as safety features that could protect bicyclists. In most European countries, there is a law that passengers getting out of cars have to open the door with their opposite hand. That would stop the car door from flinging wide open and also make people look behind them before they get out of cars. I feel like that's something that San Francisco needs to have. We need to protect the life along the waterfront. These areas are overused. I was driving in a pedicab two days ago and there was a Lyft driver parked in the bike lane. He wasn't paying attention. I had passengers. I tapped on his car to let him know that I was coming by so that he wouldn't just drive out again. After he got his passenger in the car, he swerved in front of my bike to frighten me with his vehicle. These things shouldn't be happening. These ride-share apps are a little out of control.

Bruce Halperin - I am a resident of the Marina District, and I work in the Financial District. I commute most days to work by riding my bike along the Embarcadero. It is, as the previous speakers have indicated, a very harrowing experience in terms of dealing with the fast-moving traffic, with drivers attempting to park. I found the earlier picture of the floating bike lane really humorous actually because the obvious question is, why don't you just put in a parking-protected bike lane? You don't have to have driver confusion in terms of having the bike lane against the curb or 10 feet or eight feet away. There have been too many deaths, too many injuries along this corridor. I'd like you to consider if it was you or your significant other or your child, God forbid. I'd like to strongly urge you to implement the short-term safety improvements as well as to continue to cooperate with the SFMTA for long-term improvements including the Jefferson Street phase two as well as the parking-protected bike lanes or, in

general, protected bike lanes along the water side of the Embarcadero. I'd also like to mention an additional short-term improvement that I'd like to see. My fellow cyclist here would agree that the most dangerous part of the Embarcadero for cyclists is southbound at Battery Street between Sansome and Battery with bikes having to contend with cars turning right onto Battery Street from the Embarcadero. I'd strongly urge you to consider working with the SFMTA on a solution similar to what was implemented at Folsom and Essex Streets where that's a Bay Bridge onramp. That's a similar setup where there's a forced right-turn lane. In that case, it's actually two right-turn lanes to get onto the Bay Bridge. What the solution was there was to move the bike lane from in between the right turn lane and move the bike lane over to the curb and then add a bike signal head, a separate phase where bikes could go straight and not have to contend with right-turn cars. I strongly urge you to implement that at Embarcadero and Battery.

Colin Sanders - I'm a fleet manager for a pedicab company as well as an independent pedicab operator. Pedicabs offer a friendly first point of contact for many of the waterfront's visitors and give local tips on restaurants, attractions and vistas along the Embarcadero. We're an important part of the tourism industry, and we need safe bikeways in order to operate and drive economic activity between AT&T Park and Ghirardelli Square. As I'm sure you're aware, on June 27th, our colleague Kevin Manning was killed in a hit-and-run incident on the Embarcadero. Kevin was a friend of mine. I know that his death at the hands of a reckless driver was preventable. If SFMTA's Embarcadero enhancement project was implemented sooner, our friend would still be with us. As they say, the best time to plant a tree was 20 years ago and the second best time is now. I urge you to begin construction with no further delays in order to prevent the deaths of other cyclists and pedicab drivers in the future. Perhaps one of the lives you save will be mine.

Chris Longenecker - I'm a community college professor. I'm an avid cyclist. For the last seven years, I've been operating the pedicab. Pedicabbing is something I truly love. It put me through graduate school. It allows me to afford to live in the Bay Area while working with often underprivileged students at community colleges and has introduced me to some of the most creative, most unique and loving people I've ever known. On Wednesday, June 27th, a cherished member of that community was stolen from us. Kevin Manning, a father, grandfather, engineer, innovator and selfless friend was murdered in a cowardly hit and run in an intersection along the Embarcadero long known by cyclists to be extremely hazardous due to lack of a safe bike infrastructure and a demarcated bike lane. This is the same intersection that my friend over there was just speaking about. While this accident has had a profound impact on Kevin's immediate network, devastating his friends, coworkers and family, the issue goes far deeper than just us. The Embarcadero is one of the most heavily trafficked cycling routes in the country, often populated by visiting tourists, many of whom never ride a bicycle back home. These guests, hundreds a day, ride down an unprotected, unbuffered bike lane directly next to stressed out drivers from the suburbs who were not expecting to have to wait in traffic for an hour or two in order to

advance a few miles. Unlicensed, unregulated taxi operators who commute from 100 miles away and who are unfamiliar with driving in major cities and interacting with bicycles on the road. The number of bike accidents I've seen personally on the Embarcadero where due to a driver's negligence, an amateur cyclist attempting to navigate the F-line tracks or any of the other hazards bikers have to deal with while navigating this popular route is truly mind boggling. If there is anything good that can come out of this horrible tragedy, it would be that this commission and other civic leaders ensure that every possible measure is taken to prevent such an incident from happening again. Cyclists along the Embarcadero need an innovative, protected, buffered bike lane that offers safe passage along one of the most popular cycle routes in the country. As pedicab operators, we need to ensure that those lanes are usable for us as well by being wide enough for us to operate side by side and also wide enough for us to safely pass other cyclists who are stopping to admire the view as we ride by looking for our next fare. If the needs of those of us who cycle for a living along this route aren't taken into account, it could push our business into the road itself, perhaps inadvertently creating an even more dangerous situation for us than we live under today. My understanding is that this project is generally about 18 months behind schedule. As the initial grief and misery from our loss began subsiding, I began to wonder if Kevin would still be riding with me today flashing his sly grin and entertaining tourists along the waterfront had this project not suffered from such deep delays. We need this bike lane project put back on track immediately, given high priority by civic leadership. We need to implement immediate hot-spot improvements yesterday. I hope something beautiful can come out of the preventable murder of my friend Kevin. No one else should have to bury their grandfather because of inaction here today.

Maureen Persico - I am a San Francisco resident of almost 30 years. For the last six years, I have used public transportation and my bicycle to get around. I consider myself an experienced urban cyclist, yet I hate biking along this beautiful stretch of Embarcadero. I'm here because I'm angry, and I'm extremely disappointed in this board's slogging pace to make Embarcadero safer for bicyclists. There is still nothing to keep cars from double parking in the bike lane, forcing cyclists to merge with fast-moving traffic. Mr. Hildreth, do you think green paint has magical properties? I'm one of the activists who stood inches from speeding cars on cracked pavement. We stood on the bike lane line protecting vulnerable bicyclists because you still have not installed even minimal safety improvements. Did you notice the dates mentioned by Mr. Hildreth? An open house in 2016 and still, despite the death and terror of biking on Embarcadero, there is nothing being done. Do we have to have another death before you implement immediate safety improvements? I'm talking about soft-hit posts and moving that floating bike lane. I'm prepared to join another people protected bike lane action on the Embarcadero. I hope I won't have to.

Carl Patrick - I'm a pedicab operator for about four-and-a-half years here in the city. I've worked down on the Embarcadero for almost 11 years. I didn't really have anything planned to say to you today. So I thought I would just share that, in about the three-and-a-half hours that I worked today before I came here, I had

maybe six or seven near collisions with cars entering the bike lane very suddenly while I had people in my cab, very nice families and senior citizens visiting from out of town. Luckily, because of the training that we get in our industry and the self-policing we get and the support we give each other, we have a degree of awareness and professionalism that allows us to avoid more accidents that I think would happen if we maybe got the training that an Uber driver gets, which is nothing. I know that there's not much you can do about that. There's not much you can do to regulate Ubers and Lyfts and these things which is really one of our biggest issues out there. There's not a lot you can do about most of these things. There's nothing that this commission can do to make drivers less stupid. But there is one thing you can do, which is to act quick and to treat this as a public emergency or as a potential public emergency. All the tourists we have, just today the five or six near collisions I had, that happens every single day that I've worked here, the hundreds and hundreds of days that I've worked here and the thousands of rides I've given. It happens almost every single ride I give and that probably goes for all of my coworkers. So you can kind of see how that multiplies and the risk that exists. When you multiply that and scale it up and as Chris mentioned, as other people have mentioned, we also have hundreds and hundreds of tourists, little children riding their bikes on those same roadways. I don't think there's any need to wait till something worse happens. I understand that planning takes a while. But I mean, come on. It can't be that hard. I really encourage you to do the right thing and to act as if this were serious because it is. Losing your friend is really not the best thing in the world. I'm sure you can all understand that and empathize with that. Also, from your family and your friends every day terrified that that could have been you or that's going to be you someday. I think you can empathize with that and understand that and understand what everyone in this community is going through. So just try to put yourself in our shoes, and do the right thing.

Cathy DeLuca - I'm the policy and program director at Walk San Francisco. I'm here today to urge you to support the Embarcadero enhancement project along with the rest of the community that's here today. As a pedestrian advocate, I am here representing and I work every day to make sure people who walk are safe and that's really all of us. All of us walk at some point in our day. We have this amazing waterfront that we've all been talking about today. But how do most people get here? How do most of our tourists get here? They actually have to cross one of our high-injury corridors to get to this beautiful destination, a street that we know is extremely dangerous for bicyclists, pedestrians and even drivers. Walk SF worked with South Beach/Rincon/Mission Bay Neighborhood Association and the Port and the MTA and the bike coalition to get some improvements on the shared pathway because we know that there's a lot of conflict there. But we need to protect the folks that are crossing that street every day. With almost 250 people hit in five years on the Embarcadero, that's about 50 people a year. Every year this project is delayed, we know that 50 people will be injured or killed on this street right here. I know that everyone who's spoken so far, including myself, we're not willing to let that happen anymore. We're not willing to lose any more lives or have anyone else suffer serious injuries for something that we know is fixable. We really need your support to work with the

MTA to get the near-term improvements in the ground, to get the long-term project going. We need you and lives are depending on it.

David Becker - I live in North Beach. I walk and bike the Embarcadero at least once a day. Right now, Embarcadero is kind of the worst of both worlds. It's very crowded. When I walk, I'm always scared that bikers are like flying around me. As a biker, if I take the bike lane, I'm just terrified that a car will just pull right in front of me. In some of those pictures, they show cars like jumping in front of you. But even when they're standing still, you don't know if somebody is going to open a door right into you. I've had many close calls where I'm just riding my bike straight along the bike lane. All of a sudden, my heart races and I notice and react. If I would have reacted just a little bit slower, I'd be just on the floor. I understand it starts out like let's do a shared lane here. It's incremental. But based on the traffic we have on the Embarcadero, it's time. It's time to give bikes a dedicated lane, give pedestrians their own space. It just makes so much sense. The near-term improvements. we need those posts. We need protection. We know there are hot spots where people get injured over and over again and have close calls. Let's have that resolved. The enhancement project should have been done 10 years ago for sure. Let's get that as a priority. It's very important and we saw how beautiful it can be. We saw there's so much optimism that can be had when we have a brand-new project rolling out and Embarcadero looking more beautiful than ever. I urge you to move forward faster. It's important for the community. It's important for San Francisco citizens. I love living in the city. I love commuting in the city. I love having my family visit. I want to be in a city where I feel safe and where my family feels safe as well.

Kristen Leckie - I'm a community organizer on staff at the San Francisco Bicycle Coalition. I'm here today on behalf of our 10,000-plus members because someone biking was hit and killed on the Embarcadero. Every day, we wait to install safety improvements, putting others in danger. Since the tragic death of Kevin Manning who worked as a pedicab on the Embarcadero, we pedicabs and others have come together to demand change. Kevin's death is the devastating consequence of unnecessary delays and a lack of interagency cooperation. Time and time again, it is left up to friends and family who are grieving to push for solutions that prevent further tragedy. We're here today to demand that the city do more with greater urgency. Everyone who bikes on the Embarcadero deserves better. I have worked hand in hand with many dear friends of Kevin over the past month and witnessed their tenacity in working for change on this high-injury corridor. You have heard from some already today. I want to take a minute to recognize and thank them for working to make our city safer for everyone even in the aftermath of a painful tragedy. Because of their hard work, the SFMTA has announced tangible commitments for their Embarcadero enhancement project, hosting a final open house this year, starting an environmental review process and implementing hot-spot improvements along the corridor as soon as possible. While we're excited to hear these new commitments to the project, we are concerned that the city is not asking fast enough to prevent further loss of life on the Embarcadero. It's been over four years since the planning process started. We are still waiting to see finalized

designs. We have the chance to approve designs that would have prevented Kevin's death. Yet, there have been delays time and time again. The city must commit to delivering safety improvements to the Embarcadero as soon as possible. You must act urgently and tactfully to prevent further deaths of San Franciscans who are simply trying to earn a living, commuting and see friends and family.

Peter Armour - I've been commuting to work since 1982. It's increasingly a frightening experience. I avoid the Embarcadero as much as I possibly can because I've had some really bad experiences down there. I am appalled and just absolutely stunned that you quoted this number of 209 people injured between 2011 and 2016 and that there's been a 20 percent increase over the prior five years. That's a staggering number. The way the city is growing, we know that there are going to be more people on the streets with their bicycles. We've got construction down with the Warriors stadium. That's going to bring in more traffic. Just exponentially, the traffic is going to grow, the foot traffic and the cycling traffic. Then, you've got the alternative vehicles, the single wheel things that some people like to ride. I am really upset about the numbers of people injured. I'm wondering why I've not heard about that before. My ignorance, not knowing where to look. But a number like that ought to be available so that everybody can see it because that's just not acceptable. I would strongly encourage you to implement the short-term changes as soon as possible. We shouldn't be waiting on that. We should be going ahead with that now. We're already overdue. I'd also like to see the long-term changes that would really help things. That would be separate curbs and the separation of cyclists and pedestrians.

Brett Bertocci - I'm an avid cyclist. I frequently bike along the Embarcadero. I take the train in then, I bike up to Market Street. I've stopped using the bike lane. I am, by all means, a capable cyclist. I do this all the time. I'm not afraid in the sense that I'm not going to let that stop me from riding. I am in the sense that it's just not enjoyable. I've stopped taking the bike lane on the Embarcadero. I take the shared path. It's not the best option. I have pedestrians walking, five people abreast. It's slower but it's safer. I don't come to work feeling like the pedicab driver who just mentioned that they had six near collisions. That was something that was happening to me regularly. Putting everybody on that shared path isn't good enough. We need to make a dedicated bike lane. One of the things about the long-term plans, it was a little unclear. They were talking about loading zones. For the long-term plans, it's very important that there are no drivers in the bike lane, no temporary parking to drop off passengers, as little crossing as possible. This is when we get into trouble. As far as the short-term improvements go, there was a mention of the southbound lane before Mission. As someone who takes it after Mission all the way to the train, the northbound side is bad. The southbound side is unrideable. You have parked cars, a narrow bike lane and then people driving pretty quickly. We should take it out the parking completely, around Battery where you're talking about all the way down to Townsend. Anything less is saying that we value those parking spaces more



than we value cyclists' lives. I urge you to make all the short-term improvements and the long-term improvements. It's absolutely necessary.

Katy Liddell - I'm your first non-bike person. Although I'm a long-term member of the bike coalition, I just gave my bike away a few years ago. I actually gave it to Alice, and she gave it away too. I'm the co-chair of CWAG and the vice president of the South Beach/Rincon/Mission Bay Neighborhood Association. We have worked for many hours with Casey and Patrick and they are terrific. I'm also a 23-year resident of South Beach/Rincon. I live two blocks from the bay. I've been walking the Embarcadero and that area for 23 years. I've seen some very worrisome changes. It used to be dead down there. The mid-'90s, the late '90s before the ballpark, it was dead. The ballpark came in. The Embarcadero and the whole neighborhood exploded, which was great. I think we loved it. We loved getting some life down there but things are getting out of hand now. I no longer walk on the Embarcadero unless I have to, in other words like to get here this afternoon. The proliferation of wheeled vehicles out there just make it too dangerous and too distracting. We do need to make the bicyclists comfortable with their protected bike lanes. I fully support them. Hence, the Embarcadero enhancement project -- we love it, love Patrick, love Casey. They have spent hours with this. They listen to us. They get it. We're the ones who asked them to put the stencils out there. They did. We asked them to put a video camera in Pier 38 and monitor what was going on, and they did. They've been great partners but it hasn't been enough. We want the cyclists to be comfortable enough to be out in the bike lanes. We want to get all the wheeled things off the Embarcadero pathway. We want pedestrians to feel safe again. I'm here today to ask the Port to please help expedite this project.

Jeremy Frisch - I live in the Mission District and work in SOMA. When I meet friends after work or on the weekends at the Ferry Building or other restaurants on the Embarcadero, I take the unprotected bike lanes wedged between speeding cars and a massive promenade. Most of the time, I end up having to swerve into the vehicle lane because an Uber is using the bike lane as their drop-off zone. Luckily, I've never been injured, but many others have. There have been over 80 people injured in bike accidents on the Embarcadero in the last five years. It has been over a month since Kevin Manning died in a bike lane on the Embarcadero. It has been almost two years since there was an open house for the Embarcadero enhancement project. As Mr. Hildreth said, Kevin's death was due to the reckless action of others or rather the inaction of the SFMTA and Port to work together to solve this problem. What are you doing about this? There are people being injured and dying on the streets you oversee. There has been no movement from this commission or the SFMTA. The Embarcadero has the potential to be the biking mecca of the city with plenty of space for transit vehicles, bikes and people. Safer biking means more tourists and residents will use the lanes and patronize the Embarcadero's businesses. The unprotected lanes we have now do not work. Protected and separate bike lanes are the only option. The Port and the SFMTA need to stop dragging their feet and approve, fund and construct the project by 2022. However, we cannot accept any more cyclists getting injured or dying. I urge this commission to work

with SFMTA to implement near-term improvements now. The SFMTA proposed hot-spot improvements in several zones. While that's a good start, we need to do more. The promenade zone of the Embarcadero stretches up to 20 feet in some places, which is plenty of room to accommodate cyclists including pedicabs. Pedicab drivers and their passengers deserve a safe journey and to be allowed to use the promenade. If you feel that creates an unsafe environment for pedestrians, which it may, then there is a simple solution. Let's use that space efficiently and paint a two-way cycle track directly onto the promenade. You can find them all over the world on much smaller sidewalks in places like Berlin and Taiwan. All it takes is some green paint. Whatever the solution is, protecting the people who ride on the Embarcadero should be your number-one priority. These are people's lives. What is more important? 2022 and beyond is not an acceptable timeline to prevent deaths. So please figure out how to protect bikers now. I took a few photos from Berlin and Taiwan and made a little mockup of what this protected bike lane could look like on the promenade.

Hank Hodes - I live in the Marina District. For the last 15 years, I've been biking daily to my job South of Market at Harriet and Main Streets. I go North Point to Embarcadero. I ride along unprotected bike lanes the whole way. That provides to me a false sense of security. Why is this the case? Because the bike lanes are unprotected. What's more frightening is the speed limit on the Embarcadero is 30 miles an hour. Many vehicles there drive considerably faster, especially in the morning. Vision Zero says you can survive a traffic accident if the speed is 20 miles an hour or less. I would encourage the city to reduce the speed limit on the Embarcadero to 25 or 20 miles an hour. I also find vehicles double parking in the bike lanes for unloading and loading passengers. Drivers look at their phones when driving. I haven't seen anyone mention that but the risk that it places bicyclists under. I also see many times when I'm biking southbound in the morning. I go around 6:45, 7:00 in the morning, cars veering in and out of the parking lane cutting across the bike lane to try to get around other cars. Every once in a while, police department has a traffic cameras and trying to track speeders along the Embarcadero at Green Street early in the morning. They do that maybe once a year for a week or two. Then, they're gone again. So I don't see that enforced. For the America's Cup in 2013, bicycle lanes were painted green. This past year, soft hit posts were installed around the Battery intersection providing a little better feeling driving through there. Still, just a few weeks ago, we know a pedicab driver was killed along the same route I ride every morning. You just get this eerie white bike they call them ghost bikes parked at the site of that accident. It just reminds me every time I go through that intersection that someone is going to be next. This will keep happening. I recall going to the Pier 1 event two years ago talking about these new bike lanes with next steps planned there. But it seems like that ball has been dropped. Nothing has happened until something had to happen that was even more concerning for everyone, the death of someone that shouldn't have happened. City leaders need to step up and take the necessary steps to prevent further loss of life on our streets and end any delays on the Embarcadero project. As someone who walks and bikes there regularly, I strongly urge the MTA now to implement near-term hot-spot improvements. Slow the speeds of the cars, and prevent drivers

from blocking bicycle lanes. San Francisco residents deserve a better Embarcadero made safe for all users of the street. The city needs to improve, commit to make these improvements, fund and construct the project no later than 2022. We need leadership that enables all users of the road to enjoy it equally.

Theo Fitzgerald - I'm a biker and pedicabber. I wanted to avoid redundancy. I didn't want to come up here and say the same thing everybody's been saying. But there's a bunch of us here. We're all really angry about what happened and want to see something done.

Alice Rogers - This time, I'm speaking as the president of the South Beach/Rincon/Mission Bay Neighborhood Association and also as a working group member. I can't have sat through three years of grappling with all of the issues that you all have to deal with without understanding how difficult this problem amongst your many others is. I understand the difficulty in moving fast and the additional difficulty that the seawall and all of its constructions bring to the table. But I am also here to encourage some really expedited and creative solutions in the near term. We just can't wait, as all of these people much more eloquently said. The Embarcadero can and I'm sure eventually will be a model masterpiece of a shared mobility network but let's start now. It's going to be even more complicated because it's not just bikes and pedicabs and we pedestrians that are trying to hide from everybody. There's all the other shared mobility devices. We need to start planning and accommodating and regulating those as well. I don't envy your task but I join all others in asking you to step up to it now.

Commissioner Gilman - I have a couple of statements. Then, I have a couple of questions for MTA and Port staff. First of all, as a commissioner, as a walker and a non-driver, I want to articulate all of our commitment to the safety of everyone along the Embarcadero and the walkways and particularly our pedicab drivers who help us with our tourism and help bring visitors all along the waterfront. As someone who lives in North Beach, I just really want to say we are all devastated by the tragedy even if we didn't know your colleague and friend. I don't want you to think that we weren't. I do think we need to look at and some of my questions will allude to it, how we can speed up these interim safety improvements because we have to look at the safety of everyone, our bicyclists, our pedicab drivers but also our pedestrians along the Embarcadero. If we're asking bicyclists not to be on the shared pathway, if we're asking them to have a preferred route that comingles them with cars, I feel we have a responsibility to make sure they're safe and also make sure pedestrians are safe. As a new commissioner who has only been on the commission for a couple of months, I'd like to understand what the delays have been in the short-term improvements. When we look at the slide that was presented to us that says they'll be done by 2019, does that mean on January 1st of 2019 these will all be completed? Does that mean a year from now? I'd just like to understand what's going on with those short-term improvements that folks are dating were in conversations with the community back in 2016.

Casey Hildreth - The short-term improvements we identified for the southbound Embarcadero lanes we can move quickly and get those in the ground this year. That's what we're committing to partially because when we did similar changes in the southern section of the Embarcadero, we did go ahead and approve environmentally the southbound changes. That helps us get ahead of the curve a bit. The other changes and I'm referring to the Battery/Sansome, which is largely off of the Port jurisdiction. We need to go through that process so that'll take us a little bit longer. But we are still talking about a relatively quick process for Sansome and Battery from Broadway to Embarcadero. We're not taking away travel lanes or parking. We think we can just reorganize the roadway but have to go through the environmental planning and approval process.

When I say 2019, we're looking at the first quarter of 2019 to get that project to Broadway implemented. There's thoughts to take that further towards the Financial District, perhaps shifting over to a different street. We don't want to overcommit but we're certainly looking at how we can take that further into the downtown core in that same timeframe.

Commissioner Gilman - I have a question I guess for Port staff. Maybe very high level if someone could break down for me what the different jurisdictional authority between the Port and the MTA on this matter? Because I feel we're being asked by the public to expedite this process. I'm a little unclear what true authority we really have.

Elaine Forbes - The SFMTA is responsible for traffic safety on the Embarcadero and for implementing the Embarcadero enhancement project and other safety projects. Our role is to collaborate with the SFMTA to help them talk with our stakeholders, whether it be pedicab drivers, our tenants and provide them space for open houses, etcetera, and to advocate for improvements on our property. There are things that we've done in concert with the SFMTA around the America's Cup when we had pilot projects. We've had pilot projects in South Beach. We are the property owner. We don't have staff, budget or expertise to provide for safety improvements along roadways. That is not what we do. Our SFMTA partner does those things and we support them wholeheartedly in their endeavor to do so.

Commissioner Woo Ho - First of all, I want to thank the public for coming today I also do want to thank SFMTA. We need to narrow the gap between what both sides are trying to do. It was a really devastating loss to hear about the pedicab driver. It seems a lot of what we're talking about is just better organization and figuring out the priorities here. Public safety is everybody's concern. Executive Director Forbes has just mentioned that our authority as a Port and a Port Commission is somewhat limited in terms of execution. We can certainly encourage and work more closely and hopefully take the message also back to the mayor's office that this is a huge issue that needs to be addressed. I'm wondering, in terms of the urgency and whether funding has been an issue in order to be able to get this project. Is that an issue at the MTA? Is the funding in

place? Can you expedite funding to get this moving? Because in many cases, sometimes execution is hindered by the fact that the funding is not in place.

Tom Maguire, director of the sustainable streets division at the MTA - We oversee all the parking, traffic and street safety aspects that the MTA oversees. So funding is a key concern here. The reason we're talking about doing an open house in October, the reason we're talking about reaching agreement about what our vision for the Embarcadero enhancement should look like is because we're at the end of a planning stage right now. What we're not really able to do at this point is to say we have all the money in hand to realize this plan. It's largely our job as the MTA to find those funding sources, put them together in a creative way to make the improvements, as Director Forbes said.

Commissioner Woo Ho - We've had a Vision Zero policy, which was more directed at pedestrians but it seems like we should expand the definition of Vision Zero. It should really include all of our bicyclists. As much as right now the bicyclists don't want us to talk about other shared mobility, but the fact of the matter is that we are going to have other shared mobility devices. We need to have a short and long-term plan to accommodate the other devices that are going to hit the city streets. Regulations are being formulated now, so you don't see them right now but it's going to happen. I don't know what time frame. I guess the Board of Supervisors is managing that issue. We are going to have more demand and we need to figure it out. On the funding side, which I surmise was probably one of the reasons why this hasn't moved faster. I think there has to be a much stronger collective voice. All of you sitting here in the audience, you can certainly also make that case. We just passed an \$11 billion budget. I don't know whether this was included in that \$11 billion city budget to make this a priority. I can't imagine that painting the sidewalks and putting some posts is going to cost that much but it obviously costs money. We need to figure out whether it's allocated. I guess DPW can move faster to help you execute this. If you could take that message back that we at the Port Commission I think unanimously would want to push to make sure that the funding gets in place, so you can move this plan faster. It's not just a question of asking you to work faster. We know what the obstacles that you must have in place to get the resources to execute as well because we support all the measures that you have mentioned.

There are some very specific tactical suggestions from the audience and I noticed you're taking notes. I hope you take them back because they're very specific areas that we can address. It was mentioned by one of the public what other cities have learned in terms of when there's limited space. It was interesting to hear about Taiwan and Berlin started to use the sidewalk because there's only so much space on the roadway.

The only other thing I have for the Port is to understand how much parking spaces we are going to lose. It's always sensitive to us because we lose revenue. But if we have to lose the parking revenue for public safety, that's a tradeoff that we will have to understand and make. That's something the Port

should come back and respond to us if that's going to be one of the cases because some of it is our parking space, not all just the city's parking space. I think those are some follow-ups that we would need to know. I never heard anything about smart traffic lights. Sometimes, you sit at a light, and there's no traffic. It seems like we should be figuring out how to have smart traffic lights and maybe more video cameras to capture. If people know that there's cameras on the streets, you watch some of the television series in Europe, CCTV is there watching. It changes people's behavior. I think that's something also to take a look at.

Lastly I just want to say, while this is really about public safety, overall, it's not unrelated to traffic congestion. An area that I always bring up is that, when we have a cruise ship come in, traffic on the Embarcadero becomes impossible. So I hope that's something that the MTA is also considering along with all these other issues, along with the public safety at the same time is it is related to traffic congestion. What are we doing to relieve that overall.

Commissioner Makras - I agree with everything that was said except for one item. One member of the public said that there's no movement from this commission. I'm not sure I can agree with that. You definitely have the sentiment your way. But I guess we can just sit here and say we support it or we could get a little more active. I concur that there's a meeting of the minds, at least three. We have the president yet to share her comments. But I'd rather see more concrete stuff. I'd rather see the MTA come back to us and put a business plan in front of us on what they're going to do. They should have a timeframe. They should tell us where the money is. If money is not there, we should know it. They should identify the sources. Then, we as the Port could engage. The public could engage. My guess is and my hope would be that the MTA has already done that but it really doesn't sound like there's a full-funding mechanism out there. I would suggest we should have you guys come back. Everyone on the waterfront is our customer. We are the front row of the city. This past election, one of the most profound statements everyone said is safety in a variety of different ways and this is one of them. We are better landlords if we manage the street in front of our property better. That's what our business is. That's what we should pay attention to. I would encourage the director to bring back the stakeholders in this and put the business plan in front of us. The commission then could be proactive in doing what we could with other agencies to the best of our ability.

If the others aren't the lead agency, I would advocate that we should be the lead agency for our jurisdiction in mandating what we believe the right thing to do is. For me, I like playing by rules. But if we have a safety issue, I am not going to be held back on putting some barriers for safety over an environmental analysis in review. I'd rather take the risk on the lawsuit on the end of the environmental person. My defense is going to be we did what was smart and safe for the public. I promise all of us, if we have a wave the other way, business drops.

Good business is not being reactionary. Good business is seeing the need and correcting it. I would ask everybody, MTA, the Port, all the members of the public, tell me who is on the other side on this issue. Tell me who is telling us slow it down. Tell us who is saying that we need more process. Tell me who is saying the money should go somewhere else. Let's hear that side of that equation. But if we don't have that side of the equation, then we should have a business plan. We should speed it up and we should get it done.

Commissioner Brandon - Casey, thank you for the presentation. I want to thank all the public for showing up today. This item is something that is critical to all of us. All of us were devastated by the loss. I want everyone to know that, at our last meeting, we had a moment of silence for Kevin, and we closed the meeting in his honor.

This is an issue that we do take seriously. We all have to work together to figure out how to quickly make improvements to keep everybody along the waterfront safe. My question is, what can the Port do to help speed up the improvements?

Elaine Forbes - I think that several of the comments that the public has made and the commission has made are things we can do. We are collaborating with the SFMTA. We need to collaborate more affirmatively on short-term improvements because the two-way bike lane, while it's definitely the goal and that's where we're heading toward, does require environmental review and significant funding. We have to be very mindful of what happens in the two, three or four years in between that time because we want it to be much safer. There are near-term improvements that the SFMTA has enumerated. We've heard other suggestions today. We should have a report back specifically on the near-term improvements. We should be tracking the data. I was also somewhat surprised by the injury number. I actually asked my staff, isn't this a citywide figure? Is this really the Embarcadero? That was a very alarming figure. We should be tracking how we're doing with that data and what the near-term improvements are buying us and how to advance those.

I also think the Port might be a resource in funding maybe in terms of bridge funding and maybe other sources that we might be able to bring to the table to help things along and we could discuss that. There is more we can do. I am very pleased that the commission provided the forum to hear from the community. It's clearly a very deeply important issue. We have a call to action to continue what we're doing. I would suggest focus on the short-term safety improvements.

Commissioner Brandon - when do you think that someone can come back to us with a plan of action?

Elaine Forbes - I think we could come back with a plan of action in a month or two. What do you think?

Tom Maguire - We could come back in a month or two with a plan of action. We could come back a little after that and talk about what we've done. We're hoping

to get the improvements, the removal of the floating bike lane and making it a permanent bike lane this fall. If we were to come back in October, we might be able to say we've actually already accomplished these.

Elaine Forbes - I would suggest October because it will give us an opportunity to see what's done, watch the data and chart out other new safety improvements that we've identified through these various processes that we'd like to see on the ground.

## 12. REAL ESTATE & DEVELOPMENT

- A. Informational presentation regarding the proposed development under the Exclusive Negotiation Agreement with TZK Broadway, LLC, for the lease and development of a 180-200 room hotel, a dinner-theater, a 14,000-square-foot public open space, and ancillary uses at Seawall Lots 323/324 and portions of unimproved Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street and the proposed first amendment to the Exclusive Negotiation Agreement.

Commissioner Gilman - Just for the record, I need to disclose that Jay Wallace, who is a partner of TZK Broadway, LLC, through being a partner in Kenwood Investments serves on the board of directors of Community Housing Partnership, which employs me. I need to do that disclosure before we start the item.

Ricky Tijani, development project manager with the real estate and development division of the Port - I'm excited to be here to finally give you an update on this project. I'm going to briefly discuss the Port-TZK ENA, which is the agreement that has given exclusive right to TZK to negotiate with the Port for the development of the site; the progress we've made to date and why it's taken us so long to provide this update because it's been almost 2½ years ago when you endorsed the term sheet; and the few remaining tasks to be completed; and a quick refresher on the term sheet in terms of the key deal terms; and then talk a little bit about the ongoing lease negotiations that we will be covering in the next couple of months before we will come back to you; and then the next steps.

Currently, the lease consists of four parcels at Seawall Lot 323 and Seawall Lot 324 and portions of unimproved Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street. Four parcels are going to make up the site. The location is on Broadway and Front. One of the attributes of this site is its easy access to all modes of transportation. The area is approximately 57,000 square feet. The current use is surface parking with SP Plus-Hide Parking, which is a parking operator that took over this space very recently. Permitted uses include hotel, entertainment, retail, open space. The height limit is 40 feet.

The current land-use control include Waterfront Land Use Plan, the public trust restrictions and the design and access guidelines that is part of the Waterfront



Land Use Plan. The neighborhood include the Northeast Waterfront Historic District. It is near the Financial District. It's a gateway to North Beach and Chinatown.

The ENA was executed back in November 2015. It's a one-year term with four six-month extension. The developer was expecting that we would get entitlement done within a year. However, we anticipated that, oftentimes in the land-use process in terms of going back to the community, getting consensus on the design, that it may take a little bit of a time. That is the reason for providing for those opportunity for extension. The purpose of the ENA is to provide an exclusive right for the developer so that, in the interim, the Port is not going to entertain offer from outside parties. So they have that right and provide for the number of predevelopment tasks that needed to be completed within a certain time frame. There's a fee required for them to tie up the property or have that opportunity.

TZK has been in full compliance with the ENA. They pay all the fees that are required. They demonstrated progress in the project. Some of the detail that was experienced is totally out of their control because it's part of the land use process in terms of going to the community and getting consensus. Because of those additional time that it has taken to come up to what I call project description, which is the basis for CEQA evaluation, they've exhausted those extension that was provided. The ENA will expire on November 4, 2018 and staff will come back to the Commission to request an extension.

In terms of a progress report, when they came to us initially, they have a basic concept of development in mind. We asked them to go back, do their homework and give us an updated development concept. They delivered within the time frame that was provided. They've met many of those requirement. Interestingly, their plan was to actually get an approval of the lease in September 2016. It goes back to the issue as to why it's taking that long to get to where we are. They're still working on their due diligence even though we say it's completed. Usually, when they receive feedback from the review body, they may need to go back and do some additional due diligence work.

They have a few remaining items that they need to get completed before we will come back to you for an approval of the lease to move the development forward. As I've indicated, given the nature of the site, its location in a unique urban context, the Embarcadero promenade, the waterfront historic district and gateway location, the project has taken a little bit longer than had been anticipated. The project description from the planning point of view is very critical.

The developers have been very busy and they've been pursuing this project on multiple tracks. Key among those multiple tracks is the community outreach to get input and support for the project. They've met with over 15 separate community groups in trying to get that input. On the design track, they've gone to the planning department. The Architectural Review Committee of the Historic

Preservation Commission, NEWAG as well as the Port's waterfront design advisory committee.

On the technical track, there are many studies that they have to conduct including site investigation studies, historic resource evaluation, archeological, transportation and multiple responses to street design advisory team (SDAT) of the city.

On the financing side, they've equally made a number of progress including talking to various lenders and a partner that they could bring on board as well as a meeting application to multiple city departments.

With them having Presidio Holding, LLC on board, they've been able to refine the project to a point where it's more financeable according to the developer.

As indicated on this slide, you could see the initial proposal that was presented back in 2015 and where they are currently. I'm not going to go through all the details but we do know that the estimated cost has gone to \$135 million, \$10 million than it was before. But it would have been a whole lot higher without the effort that they have taken to improve on the project. They eliminated the below-grade parking to reduce excavation cost as well as to increase the number of hotel rooms that could be built. As far as the public benefit, the public park now is 14,000 square feet. The park is larger than we had anticipated.

The lease is a 50-year term with a 16-year extension. The Port is not putting any money into the project. In the end, approval are going to be required from the Port Commission, Planning Commission and the Board of Supervisors.

This is just a few highlights as to how we were looking at the minimum base rent and percentage at that time. On top of this table is the packing operation. Currently, we're indicating \$960,000 a year because, on that new lease that we have with the current operator, the minimum base rent is set at \$960,000. But that hasn't been confirmed yet. We hope that it will achieve that. But for the project, we're looking at \$915,000. These are the key major points in the lease. In the tenth year, rent will be reset to take into consideration current market conditions at that time.

In terms of the next step, we will be coming back to seek an extension of the ENA. We're targeting September 25th given the few remaining things to be done on this project.

Darius Anderson, a principal at Kenwood Investments as well as the sponsor of the TZK project - I want to start by thanking the staff, Ricky and everybody else at the Port because this has been a long process. We are extremely excited about it because this really starts a new era of public-private partnerships to protect the arts. When we originally came to you, we talked about the need to go ahead and secure a location for that very beloved theater show called TZK.

We now have a proposal that'll do that. Everyone that knows me knows that I'm not a hotel operator. I'm a pretty good entitlement guy. We went out and got a great development partner locally born, raised and lots of success in the market.

We're very proud to announce that PresidioCo Holdings has agreed to be our partner on this project. They bring the breadth and depth of experience not only with regard to hotel operations but two things that make us very proud is they were positive in the response of operating with the union. We are very proud of the commitment that we've had from our brothers and sisters at all of the unions, the trades and HERE and have their support of the project.

I'd like to bring up Sushil Patel and have him talk a little bit about their company and the partnership that we've created.

Sushil Patel - I wanted to describe a little bit of our company. Presidio companies is a company I founded in 2000. We've completed around 23 projects from Hawaii to Texas. With all these projects, we found hospitality is a very unique way of interacting and connecting with the community. But no other project out of all the projects we have completed do I find the ability for us to extend and connect as the project before you here.

My brother and I grew up in the city. I'm currently a resident of Napa. My brother is still here in San Francisco. We've always found that executing our hospitality prowess would be well deserved in the City of San Francisco.

We have taken a look at many projects in the city but this project came to us in a manner where the complexities were certainly numerous to say. Our partnership with Kenwood and Teatro ZinZanni has proven to be one where our ability to execute and the overall complexity of the project that we have completed on a number of occasions is one where we feel that we are the right developer and partner for this project. We're very thankful for Darius and his group as well as TZK to introduce us and be part of this fabulous project.

Darius Anderson - Realistically, this wouldn't have been possible if we were just developers. I don't think we'd be here. You had to have a hook or something that had the panache. I want to bring up Norm, who is the founder of TZK. I will tell you what's exciting about where Norm is in his career right now is that, when originally they came to San Francisco, they were operating in Seattle. But today, I'm very proud to say that they now have a new development going on in Chicago. They're expanding their footprint. They have a new project that's being developed outside of the Seattle area. Norm will update you on that. But from our standpoint, he has been an ideal partner, unbelievably patient. I will tell you that every single project that they have has beat our timeframes. We hope at this point we will finally get approved, start construction, so we can open up the theater sometime soon.

Norm Langill - It's been a while. I've been up here before. I really appreciate the commission has gone along with this project as it's gone through its twists and

turns because taking a basic idea of combining a private business with a cultural institution and trying to figure out how to make that work over the next 50 and I hope 66 years was a terrific idea. It's been done in other cities. It wasn't easy to do but we're nearing the finish line right now. We look very much to come back and celebrate the wonderful, wacky world of San Francisco tradition in circus cabaret with Teatro ZinZanni and also to enliven the park, which is there, which we hope to call the Joan Baez Park, since she was one of the leading ladies in Teatro ZinZanni for a long time.

Darius Anderson - I'm going to bring Jay Wallace up, my partner, who has been so diligent in working with Ricky and putting together the details for you.

Jay Wallace, a partner at Kenwood Investments - Some of you have seen us before. ZinZanni has been a fabulous partner. I want to just give you a sense of what the project is. As Ricky said, we're living within the 40-foot height limit. It's a four-story building, no parking on the site. It's all off-site parking. We have an agreement with Impark to do valet parking like they do at the Vitale. We have been through, as Ricky said, literally hundreds of community groups. This is what the community and the planning department and the historic preservation folks and others have concluded is the right design.

As you can see, there's the ground level. You're looking at the Embarcadero. That's all commercial retail, restaurant, bar, activated ground-level space. At the right side is the glass gazebo. Inside the glass gazebo is the historic 100-year-plus Spiegel tent that ZinZanni's performance will take place in.

To the far right of this Embarcadero site would be where the park is. There are three levels of guest rooms above. There is a bar and gathering space on the rooftop that looks out at the Embarcadero.

At the top on the roof, you'll see a number of shades and areas where we're hiding our rooftop mechanical but it's really a compact, small, lightweight building that, as Darius and Norm said, fully integrates the theater into the hotel.

Here's the Davis side. When you're looking at the park, that top picture, where you are is you're at the corner of Green and the Embarcadero looking south towards the Embarcadero. You'd be seeing the tent. The park would be a major feature of what we're doing including the area at the end of the tent, which would be an indoor/outdoor area. There is a view of the park. As Ricky mentioned, we worked closely with the Port staff and planning department on creating this fabulous new amenity and looking forward to bring that online. This is the corner of Davis and Vallejo Street. We'll be dressing that up with the back of the house and public art in the park.

We're really excited to finally be here. We spent 19-20 months in the planning department going through all the studies that Ricky mentioned. We expect to have the initial study published and on the street within two weeks. So we are

well on our way to having our entitlement process beginning in earnest now. We'll be back to you soon.

Danny Campbell - I'm a representative with the Sheet Metal Workers Local Union 104. I wanted to say that Jay and his team reached out very early to us in the San Francisco building trades unions and committed to partner with our local union contractors here which, as a result, will mean good careers for local residents and our city's youth through our state-approved apprenticeship programs. They listened to our concerns very early on. We're excited to see the theater returning, supporting the arts, as Darius mentioned, here in San Francisco. It's a great project. My colleague Ian Lewis with the hotel workers was here earlier but had to leave. He wanted me to convey their support too for the project.

Bob Harrer – I'm representing the Barbary Coast Neighborhood Association. I also serve on the NEWAG group. Basically, this project is smack dab in the middle of our neighborhood association area. We've been very attentive to what it is, what it looks like, what it means for the neighborhood. I certainly want to testify to the extent that the project developers have been very open with us. They've been very clear and transparent about their plans. They've been very receptive to comments, any concerns we have. We feel that it's been a very good dialogue and a very good, well-done process in certainly dealing with our neighborhood group. We certainly support the project. We urge you as a board to do everything you could to expedite this project and help it move forward.

Kevin Carroll - I'm the executive director of the Hotel Council of San Francisco. I'm here to speak in support of this project. I also have served on the waterfront working group plan and the transportation subcommittee. I'm passionate about the waterfront. Our industry, the hotel industry, and our board of directors supports this project. It will bring the activation to the waterfront that's exciting, not to mention jobs. An organization and a hotel can always bring a lot of activation that will help with keeping activities on the street really focused on what they should be, which is welcoming our visitors and our guests to San Francisco. I would encourage your continued support.

Commissioner Makras – I'm delighted to see the neighborhood group support the project and come here. Thank you. Since this has been an ongoing project for a while, I'd like to start with the representative from the Teatro ZinZanni. If you can share with me and my colleagues when you were asked to leave for the America's Cup, walk me through your process as an operator and any promises or perceived promises you believe were part of asking you to leave and helping you come back.

Norm Langill - Before we left, the Port and Mayor Ed Lee at that point came and supported the notion that they had another site. It wouldn't have been on the water side, which we've been on for 12 years, but on the other side. We'd been talking about locations with various representative ports from six or seven years before that, always anticipating. We were on a month-to-month lease for 12

years. We had to be ready that eventually something would happen with that project. At that time, I think it was around November. It was offered by the mayor and then approved by the Board of Supervisors that we would have an opportunity to develop the site on a sole-source basis to make sure we stayed in town. We then did a process to develop a new site similar on a permanent basis. To be honest, it wasn't terribly attractive to the neighborhood. And also, the lease terms were too short to make it financially viable.

We turned to other cities and used some examples like with Carnegie Hall in New York and the Guthrie Theater in Minneapolis where you make a joint venture with a commercial enterprise, could be an apartment building, a hotel, anything because theaters are only used for three hours a day and you need to be in a part of town where people want to go. They feel safe. Generally, property in that part of town doesn't justify a theater being there for such little use. So they've created marriages in other cities.

That's when we worked with Darius. Darius actually worked with us when we first came to San Francisco in the year 2000 and helped with the entitlement process on a temporary site. We were set on a temporary site there. That went on for 12 years. You should have seen what our plywood boards and everything underneath the tent looked like when we got done. So we intended to do a permanent site. We jammed together with Darius and determined that not an apartment building but a hotel might be the way to go within the height limit which had been established at 40 feet.

That began the process and that started in 2013. For tenacity, we should get a gold star for not giving up on it. But I'd like to thank Darius and actually Ricky too for going through this process. That's the process that I've gone through at this time.

Commissioner Makras - When you went through the Board of Supervisors, would you share what the vote was at the Board of Supervisors?

Jay Wallace - We've been to the Board of Supervisors twice on this project exactly for basically as it is. Both times it was 11 to zero. Once we went on the exclusive right to negotiate, and once we went on the term sheet. As I said, both times it was 11 to zero.

Commissioner Makras - Great. In your diagram, you show three pieces of art on columns. Is that just the theater design that has gone through the Arts Commission as something that we're officially going to see?

Jay Wallace - That's a depiction only. That was a request from Planning Director John Rahaim that would dress up that corner because we are putting the tent there. He wanted people to see that this was an important aspect from the westerly side of Vallejo because people will see things on the easterly side when they're looking at the Embarcadero. But it's a picture only, not a final design.

Commissioner Makras - On one of staff's diagrams, it had \$960,000 for the first year. Could we see that for a minute, please? There it is. I'm good with that. Thank you for showing it to me.

Commissioner Gilman - I want to thank the project sponsors and staff for giving us this important update. I'm anxious to see the project get under.

Commissioner Woo Ho - This obviously have gone through several extensions. I know that was within your executive director's authority but I'd like as a process for us to be aware when you keep extending an ENA. I know I've been asking about what the status of the project is. I understand that there's been lots of issues involved. It's very difficult sometimes to develop in San Francisco. But sometimes, it's good for us to understand because when I think about it from 2012 to the time you probably open which is 2021 at this point, that's nine years. That's a long time. We need to continue to remind ourselves how difficult and how long it takes to do something. It's not a comment on anyone in particular because there's so many different agencies and departments involved. It's certainly not a good track record in terms of trying to get something moving here. I want to make that comment particularly for us since revenue is very critical to us to sustain the Port going forward.

One other thing that I also wanted to understand better and I appreciate that we do have representatives from all the partners. When was Presidio actually introduced into the venture?

Jay Wallace, Kenwood Investments - We began the process of interviewing hotel operators and financial partners probably a year ago. We communicated with the Port earlier this year. Probably March there was correspondence where we introduced them. We've had many meetings with Port staff where we've introduced Presidio. So it was probably in March, April, May when we first made the introduction. They've been operating with us since that period of time.

Commissioner Woo Ho - Okay. So my next question is, could you explain a little bit the ownership structure now with Presidio, Kenwood and TZK and how does that work? Because, to me, now we have another player and the liability under the lease agreement in terms of who is our tenant.

Jay Wallace - TZK Broadway, LLC is the limited liability company, who will be the Port's tenant. We will be the master tenant. Teatro ZinZanni is not TZK. Several people have said that. But Teatro ZinZanni, who is a partner in TZK, will be a subtenant to TZK, who is the master lessor of the site. Presidio and Kenwood are also partners in TZK. So if you have TZK here as the entity, three partners, Kenwood, Teatro ZinZanni, Presidio. TZK is the master lessee to the Port. Master sub-lessor to ZinZanni, who will have its own sublease with TZK. The Port will be in contract with and is in contract with today with TZK Broadway, LLC. That is the partnership that's made up of the three entities, Kenwood, Presidio and Teatro ZinZanni.

Commissioner Woo Ho - My next question would be and it may not be answered today but when we get the final presentation. Since the project cost has gone up about \$10 million and given the amount of time that's been involved and since time always costs money, I think that's admirable that you've been able to figure out ways to make the project more efficient in terms of design. But nonetheless, the costs have gone up. If we could understand exactly how each of the partners are contributing to the holding LLC and we need to understand the equity component as well as the debt component.

In addition to the fact that we have been given some pro forma financials on the rental income, what is going to be the balance sheet or what is going to be the actual financial statements of the new holding company? Who is contributing what so that would be helpful for us to know in terms of any final approvals here.

Jay Wallace - We'll come back to you with all of that information and have a complete financial package for you when we come back.

Commissioner Woo Ho - I appreciate that the gentleman from Presidio has said that they've been involved now with hospitality since 2000. Could he discuss some of the projects that he's done so that we have a sense of the types of hotels. You've mentioned the areas but you didn't quite mention the types of hotels that you've developed size wise and the target market, etc.

Sushil Patel - First of all, our brand partners are Marriott and Hilton. Those are the two companies that we primarily execute various different brands within that segment from luxury down to select serve. Our recent projects that we've completed a year ago -- talking about nine years or 10 years in terms of development project -- we started a project in St. Helena just next to the Beringer Winery. We purchased the property in 2010, went through the process of entitlements and finally opened up the project in March of 2017. That's under the Luxury Collection brand, the same brand that the Palace here in San Francisco would be under Marriott. That's a 68-room, high-end, luxury, five-star resort that we opened up. It's a little over a year that we've been open on that project. So that's in the luxury sector. We primarily play in the full service to upper and select-serve space. So that would be within Hyatt full service, Courtyard by Marriott, Residence Inns and so forth. We currently just broke ground on a full-service Hyatt in downtown Sacramento next to the Golden 1 arena. That will be a 175-room hotel there. Those are the two projects that would be more in line with the difficulty and the complexity of the project before you right now. But all our other projects are pretty much in the mainstream of Residence Inns, Hyatt Places, Courtyard by Marriotts.

Commissioner Woo Ho - So will this hotel be branded with one of those chains?

Sushil Patel - Yes. The current conversation we have right now is with Marriott. Within that brand of family, there is a brand called AC by Marriott, which is a new brand that was originated in Europe and has now come to the U.S. That is Marriott's number-one development brand right now as a portfolio in terms of



magnitude of development in the U.S. We feel that that brand fits the style and the delivery we need to make it financially viable as well as very much more complementary to how ZinZanni will be performing and executing their business plan as well. That brand stays in the upper higher end select-serve range right underneath full serve. It's a very unique product. We'll have more information on that certainly as we come back to you for approvals. But that is the brand that we currently are in discussions with.

Commissioner Woo Ho - So you will be continuing your ongoing equity interest in the project besides once you get it developed.

Sushil Patel - Yes. That is what we do. We are owners and asset managers. We don't manage our properties directly. We have a third-party management company that does those services for us but we will be overseeing that and all our projects, we are the majority equity.

Commissioner Brandon - Thank you, everyone, for a wonderful report. Thank you for an update. I just need clarification here. On the agenda, it has and the proposed first amendment to the ENA. Then, in the staff report, it has approval of an amendment to an ENA in September. Did we hear anything about this amendment?

Elaine Forbes – No, you're not approving an ENA extension today. But the staff report flags for you that I have executed my delegated authority in terms of extending the ENA and that, when staff comes back to you in September, they will be requesting your approval of an extension. I'm sorry that the agenda language included that dangling sentence about the extension. You're not being asked to approve an extension today.

Commissioner Brandon - So the proposed first amendment will only be an extension, nothing else.

Elaine Forbes – Yes, that's right.

Commissioner Brandon - And the proposed extension is until when?

Commissioner Woo Ho – The executive director could approve up to four. And now, we're going to be going beyond four.

Elaine Forbes - That's right.

Ricky Tijani - When we do come back to you to ask for an extension, we are going to be asking for a six-month extension because, currently under their timeline, they're hoping that CEQA will be completed by the end of this year and then lease negotiation in January. We think, by February or March, we should be able to come back to you for approval of the lease. If there is any further delay, we are going to include an option for another one six-month extension if it is necessary to get this project past the goal line.

Commissioner Makras - So you've granted four. Have they paid \$50,000 for each extension?

Ricky Tijani - Yes.

Commissioner Brandon - Thank you so much. We really appreciate the update.

B. Informational presentation regarding Anchor Hospitality Group's response to the Request for Proposals (RFP) for a Restaurant Opportunity at Pier 33½, located at Bay Street and The Embarcadero.

Mike Martin, Deputy Director of Real Estate and Development - I'm going to give a brief context for this item and then hand it over to Jay Edwards, our senior property manager, to go through the process. We'll also have our proposer for the restaurant site at Pier 33½ here to speak to you and to take your questions. This item is resulting from the issuance of two RFPs at the same time for two different restaurant locations, one, the former Butterfly site that we're talking about here at Pier 33½, the other Pier 40, the former Carmen's restaurant.

Each of those RFPs received one proposal. We, as staff, have worked through this proposal to ensure that it meets the qualifications that would justify coming back to you for this information item. As you've asked in the past, we're doing this ahead of requesting your approval of the award of the contract, so you have an opportunity to engage with the proposers. The Pier 40 site, we're still working with. We'll be back with you in September to talk about next steps on that one.

I wanted to thank the Port team that's here today that's worked hard on this to get this to you today: Jay Edwards; Bob Davis, who helped us out with coordination of community outreach as well as the tours and all the things that go into informing people about the opportunity. Sandra Oberle, who couldn't be here today but she was a project manager that did yeoman work in bringing us this far in the process. We also have our consultants from Century | Urban represented by Griselda Blackburn. That report was part of your staff report materials. From the proposer, we have Derek Smith, Mick Suverkrubbe and Richard Sandoval from Anchor Hospitality.

Jay Edwards, Senior Property Manager - As you may recall, we came to you last year with the request for proposal for this site. As Mike said, this is the former Butterfly site. It consists of approximately 4600 square feet that has great Bay views, has high ceilings, has a lot of appeal to it. We also did a full assessment of the site that was included with our RFP. There was a lot of code compliance and work that is required to be done to the site. Suffice to say, it would take significant investment to bring this into a new restaurant opportunity. We have a prospective respondent that is prepared to do so. In our request for proposal, we had quite an extensive selection process.

Commissioner Brandon - I hate to stop you but due to the lateness of the hour and we only got one proposal, can we just get to the proposal?

Jay Edwards - Absolutely. I did want to say we did extensive outreach, as you're aware of.

Commissioner Brandon - Wonderful.

Jay Edwards - We were going to convene an advisory process but that wasn't necessary with the one respondent. What we decided that was really crucial to do was to evaluate the proposal and make sure that it did meet the minimum qualifications that were outlined in our RFP. Through our work with Century | Urban, we did ascertain with Port staff and their expertise that the Anchor holding proposal did meet the minimum qualifications and not only met the minimum qualifications but was actually a very good proposal. It's very attractive in a number of different ways including aesthetically and financially.

I would like to introduce Derek Smith, the managing partner. He'll be handling the project management. Derek has extensive experience in this endeavor and has worked closely with the local community in hiring local people. He's got a community engagement plan that he's going to activate. We are really excited to have Derek, Mick and his partners here to tell you a little about their proposed concept.

Derek Smith, on behalf of Anchor Hospitality - We're here today to present Puerto SF, which is not the name of our restaurant but absolutely a placeholder until we figure out what we will name this restaurant. I have here today my partner Mick, Jim Maxwell, who is the architect, and our designer, Anna. We also have our culinary partner, Richard Sandoval, who has opened many restaurants around the world.

Our financial partner is H1 Hospitality, which is a local hospitality company that has been in business for the last six years with properties in San Francisco and throughout the Bay Area.

Richard opened up Maya back in 1999 in Marathon Plaza. He also has a Maya restaurant in New York, Dubai as well as Qatar. One of the concepts that we've been thinking about is bringing Maya back to San Francisco. That is where we are right now for this property.

Jim has designed 250 restaurants all over the world, local to San Francisco. His design partner is Anna, who literally lives across the street from the property as well as Mick, who also lives across the street.

In terms of construction timeline, Richard would like to be open before next summer. We've been at this for over a year now when Bob first reached out to say this opportunity was coming. We're all anxious to move the process forward, get our approval so that we can get a lease negotiated and start construction.

Mick will handle the day-to-day operations of the restaurant. He's been in the business for about 20 years and he will run the restaurant.

I've been in San Francisco doing business for 26 years as a small, local business. I've probably interacted with 90 percent of the small businesses in San Francisco over the years primarily through the construction but very familiar with CMD, CityBuild, all those organizations. We look forward to moving forward and getting this restaurant open. Thanks.

Jay Edwards - We did do extensive evaluation. It's in your written staff report. It's actually very robust. Century | Urban consultant made some recommendations and can confirm what they had projected and came back with a little slightly more practical approach. Lots of due diligence. We're very confident in what has been proposed. These are the business terms that they have met and have proposed. We will come back to seek Commission's approval to award this opportunity to Anchor Hospitality. Then, we will move towards finalizing a lease in October and then get the board of supervisor approval this November, so they can start construction this winter, which is the ideal time, so they can open next season.

Commissioner Gilman - I'm sorry if I missed this. I was just curious. How long has the space been vacant?

Jay Edwards - The space was vacated in early 2017.

Commissioner Gilman – Did the tenant's lease expire or his business failed?

Jay Edwards - His lease had expired. He was on a month-to-month lease. He had some other opportunities that were coming available. It was a mutual decision to part ways.

Commissioner Makras - Could you elaborate on the mutual part of parting ways? Wouldn't we want them to stay? Were we unhappy? Did we give them any notices?

Jay Edwards - We've had many discussions with the previous tenant about his business plan. His revenue had been decreasing. There had been some financial difficulties. He had regrouped. We had tried to look at an extension, a plan to put in place but he decided that he did not want to continue on. So we agreed. It was a month-to-month lease and it expired.

Commissioner Makras - Under our rent schedule, is that the \$3.50? Or is it different?

Jay Edwards - That's the minimum rent for the minimum guaranteed base rent. The rent is the greater of percentage rent or minimum rent.

Commissioner Makras - But we publish our rental rates annually. In that publication, is it \$3.50 for this space?

Jay Edwards - The retail rates are not set by the parameter rent. The retail rents are set in the request-for-proposal process that we went through prior. That minimum base rent is based on our market understanding of what a minimum base rent would be for a space of this nature.

Commissioner Makras - Did we publish it as a minimum rent in the RFP?

Jay Edwards - Yes, sir. We did.

Commissioner Makras - And what number was that?

Jay Edwards - \$3.50.

Commissioner Makras - So they just met the number we were asking for.

Jay Edwards - Yes.

Commissioner Makras - Could you walk me through the rationalization of 25 points for the rental rate, proposed rent and business plan? Could you walk me through the weight?

Jay Edwards - As I recall, that was roughly 25 percent of the points. I believe there were 100 points. We felt that that was certainly a very important component. However, we thought that was an important component but it was weighted equally with the experience of the operator, which we also thought was highly important. We had a concept plan, which we also felt was integral to the success of the restaurant. We had a community engagement plan. So there were various different components of that. That's how that point amount was determined.

Commissioner Woo Ho - It sounds like this is a very distinguished group that's come together. Given that we had our consultants tell us in terms of what they think the projections are for this type of space and the business plan that we've received, that there are some differences. If we were to look at other comparable-sized restaurants on the waterfront, how do the projections that we're receiving from Anchor compare?

Jay Edwards - Century | Urban did review what was proposed in terms of sales per square foot, which for the size of the restaurant is on the high side. It's a 4600 square foot restaurant. There's \$4 million dollars projected revenue. So that was on the high side but given the location and if you look at some of the competitors like Pier 23, they are doing \$5.5 million. Waterfront Restaurant down the street, slightly bigger in \$6.5 million. The previous restaurateur in the space at their peak did about \$3 million. So it is a higher level than what had been in

place. But if you look at some of the performing restaurants in the vicinity, they felt that it was in line.

Commissioner Woo Ho - Maybe we could ask them to say why they are so confident in not only the initial projection but I guess part of it was the growth rate too.

Jay Edwards - Would you like our consultant to address it? Or would you like the operator?

Commissioner Woo Ho - I'd like the operator first to tell us why they feel so confident in their projections.

Michael Suverkrubbe - I'm the restaurant partner and the operating person in it. I live right across the street. Over the years, I've seen Lappas when it was Lappas. I've seen Butterfly and so forth. The difference today versus then is the fact that those operators were operating -- especially even Butterfly at the beginning -- without the cruise ship terminal, and the Hornblower wasn't there yet when they were doing the Alcatraz cruises. Our thing is just the amount of foot traffic. It's got to be one of the highest foot-traffic areas of all of San Francisco. Between that and the streetcars going by and the amount of traffic, we just feel that the place has completely been underutilized for years.

We live across the street at 152 Lombard at Lombard and Sansome. I've been in the neighborhood for years and go to Pier 23 and go to Hillstone and go to all those restaurants in the area and see that it's just been an underutilized space there. The future projections are basically more on doing catering in the community, hopefully engaging more with the neighborhood groups, with the hotels that we're going to build in the future years. I was on the board of the Fisherman's Wharf Association for seven or eight years. I have a good relationship with them. I was speaking to Troy earlier today from the Community Benefit District. We've already reached out to them as far as working with the hotel groups and stuff like that. We see catering as our biggest growth part of it. The problem with Butterfly is they had a very small bar in there. It was probably 8, 9 percent of their entire square footage where we're going to create a central bar, which creates a lot more traffic flow, 30 seats around the bar, which creates a lot more beverage sales.

Commissioner Woo Ho - The Hakkasan approach.

Michael Suverkrubbe - A lot of activity, a lot of social environment. So it should be a very fun, very energetic place where the tourists can just walk by and grab something quick. We're planning on utilizing the to-go window a lot more than what they did and having breakfast burritos and so forth and keeping that open during the day, so the tourists that are walking by can grab a bite either on the way to Pier 39 or on the way back.

Commissioner Woo Ho - So you'll have takeout.

Michael Suverkrubbe – Yes, and the fact that we're the only Mexican restaurant in the whole neighborhood. There's one Mexican restaurant on Pier 39. We should capitalize that whole beverage industry of going into a Mexican restaurant and having a drink and some chips or the people that are having fast, casual stuff walking by and then the catering with the cruise ship terminal and Levi's Plaza just re-signing and all that development that's going in the area. It's very lively right now. I live across the street. You see the market right there, a line out the door for lunch every day. Before Levi's re-signed their lease, it was half empty. At Starbucks, there's a line out the door. I feel the area is very vibrant right now. That's why the projections are going up. I think it goes up about 10 percent a year for the next three years and then kind of levels out after that.

Commissioner Brandon - Thank you very much for this presentation. We really appreciate it. We look forward to seeing you guys in September.

### 13. ENGINEERING

- A. Request authorization to enter into an Federal Cost Share Agreement with the United States Army Corps of Engineers San Francisco District for the San Francisco Waterfront Storm Risk Management Project. (Resolution 18-46)

Daley Dunham, Port special projects manager – I'm happy to be here to present to you on our feasibility cost-sharing agreement with the Army Corps of Engineers. We're also fortunate to be joined here by these San Francisco district commander, Lieutenant Colonel Travis Rayfield, and the Army Corps' project manager of the year awardee, Mark Bierman that we're lucky enough to have assigned to us as a project manager for the seawall. Thanks for that assignment, Lieutenant Colonel Rayfield.

We wrote our first letter on December 12, 2012. I wrote it myself. It was for a little project that got some success and traction a few years later. The Army Corps determined that there appears to be something there. A couple of months ago, we were awarded a scarce new start appropriation, which is like the first slug of money that you get for one of these things which is typically a multi-year source of funding that indicates federal commitment. We're excited about that. They're extremely scarce. There were only six awarded nationwide last year. There were only two that were flood studies. We were one of two. The previous year, there were zero so we're feeling very fortunate about this.

What does that mean? To get anything constructed by the Corps, it's a four-step process. You have to get authorization by Congress to go ask for money for a study. Then, you have to go ask for money for the study. Then, you have to get authorized by Congress to go build something. Then, you have to go ask for money to go build something so a four-step process. We're lucky enough to be able to tap into the first step from 1986, which covered the whole side of the bay. Step two is to conduct the study with the Corps to get the money to do it and that happened through the new start appropriation, the work plan. The document that

you are approving today, the feasibility cost-sharing agreement is what kicks off the process. When we execute this, the Corps can start spending the money and we can get the study rolling. The end of step two is to get a chief of engineers report from the Army Corps of Engineers that says here is what the study came up with. Here is what we want to build. It's endorsed by the chief of engineers from the Army Corps of Engineers.

That chief of engineers is Lieutenant General Semonite, who we were lucky enough to spend a couple hours with on the 25th. It was a very rare opportunity to get to spend time with him. He was enthusiastic about the project. So we're very lucky. He's the guy that's would sign off on our study, so we can present it to Congress. Step three is to ask Congress to approve it in a WRDA bill. Those only come every couple of years. So we really want to catch that train before it leaves the station.

The agreement itself has a few key elements to it. It's 50/50 cost share on the study side of things. It's supposed to be no more than \$3 million and take no longer than three years. We're using the standard Army Corps form because that's the fastest way to do it. We want to get it done before the end of the fiscal year when the powers that be could change their mind.

Elaine Forbes - I just want to pause for a moment. The map shows a Port-wide view. The study area is, in fact, Port-wide. It is not limited to the San Francisco seawall.

Daley Dunham - Thank you for pointing that out. That's right. We've been thinking about it as just the seawall, the smaller \$10 million project. This is much broader. What are we going to do when? As soon as we sign the agreement, we can execute with the Corps. We give them a small amount of money to get things started. Then, as we get into it, we'll determine how much of the things that we are in the process of doing but haven't finalized we can get credit for and not have to spend cash, work we've already done. That'll happen in the first 90 days. Our \$1.5 million share of the \$3 million we'll roll out over the three-year period.

I do want to thank lots of people to get us to this very important pivotal point in the process: Commission President Brandon; Executive Director Forbes; Chief Operating Officer Byron Rhett; Brad Benson, director of special projects; all of your advocacy. We've had great support from Senator Diane Feinstein and Democratic Leader Nancy Pelosi, the South Pacific Division of the Army Corps of Engineers, more importantly the San Francisco District. Colonel Rayfield and all of his staff have been great. All the Port seawall staff, it's all sort of combined to get us this rare opportunity to move forward with the Corps. I did want to invite Colonel Rayfield to just say a couple of words.

Colonel Travis Rayfield - I'm the commander and the district engineer for the San Francisco district. I've had the opportunity to sit through this meeting. I really do appreciate your diligence for every person who came up here and all of



your comments on safety and response. It was really enlightening to see, and it was fun for me. I do want to highlight the Executive Director Ms. Forbes and the entire staff I've engaged several times. Everyone's conversations are, "What can we do today? What can we do tomorrow? What can we do in the future?" as it relates to safety. The Corp's responsibility is we have a vision to solve the nation's toughest challenges. I will tell you that the seawall is pretty tough from an engineering standpoint. We look forward to being involved in determining if it's a federal interest to partner with us in doing a transparent study that you can see the results of and see how we may want to work forward and into the future together as partners. So we really appreciate your time. And knowing that it's a late hour, thank you.

Miguel Galarza, Yerba Buena Engineering – I'm really excited about the Corps of Engineers getting involved in the shared-funds project with the seawall. I've had the opportunity to work on numerous shared-fund projects throughout California. The Corps of Engineers' commitment to small business and their opportunity to grow a small business within the community is going to be an outstanding opportunity to take advantage of small, minority, hub-zone-located businesses within the Bayview-Hunter's Point to actually grow their capacity and be a viable asset to the city and future development of seawall construction. I highly encourage you to look forward to expanding these opportunities with the shared-fund program and hopefully have a successful small business engagement.

Commissioner Woo Ho - We're all very excited and supportive. I want to thank Daley and everybody that has been involved to get us to this point because I know that we've worked very diligently. The fact that there's only been a few awarded, I'm totally supportive.

My question is what are we going to learn as a result of this? We talked about the seawall and it's a \$5 billion project. Does this help us figure out how complex it's going to be, how much it's going to cost? What will we learn out of this shared study that will help us determine what the seawall challenge is for us?

Mark Bierman - I'm the project manager for the Corps of Engineers. It's a great question. We like to think that, as we enter into this feasibility study we're not just trying to figure out whether the Corps has an interest in it, whether there's a federal interest in doing something. But we want to be part of a planning effort that helps to understand the problem and to understand working with the community and the Port and the city, what's the best way to solve that problem.

We have a very daunting challenge. We've got sea-level rise, a lot of uncertainty associated with that and seismic risk on top of that. We've heard about the heavily used waterfront. Obviously, it was really enlightening today to hear about just how complicated it is to manage the waterfront and how all of those pieces are going to tie into what the Corps does along with the Port and city.

We like to bring everyone to the table. We'll have planning charrettes. We'll have stakeholder involvement. Ultimately, our feasibility report will recommend a federal investment that may or may not be part of the local plan if the locals prefer a separate plan, bigger, different than what the Corps would in theory recommend based on our own policies and guidance. That can be done as well and recommended for construction with some exception requests to process.

Commissioner Woo Ho - Yes. We're just trying to figure out how to actually get our arms tactically around what this challenge is for us over time. We know it's big. We know it's going to take a lot of time. Some numbers have been thrown out but I think it's still a moving target for us. I'm hoping each study that we do is helping us to sort of get more form, more substance, a little bit more certainty about what it is that we have to do.

Elaine Forbes - Mr. Bierman, can you describe how you analyze flood risk? I think that would help the commission understand what you'll be looking at and how you'll look at current-day flood risk.

Mark Bierman - We will consider all of the available data that we have, high tide, sea-level rise scenarios. The Corps uses three scenarios to analyze future risk. California has their curves as well. We have our national economic development account, which is how we consider the damages that occur as a result of flooding. So when we project flooding to occur in the city, damages to BART, to Muni, to the Port infrastructure, we will annualize that and determine what the without-project future damages would be if the Corps did nothing. We'll compare that to the benefits of the project. That project could be anything from small sort of non-structural solutions to larger seawalls, to new seawalls, to seawalls beyond the current perimeter. We would consider a whole suite of alternatives and compare the costs of those projects to the benefits gained by implementation.

Commissioner Gilman - I wanted to thank everyone for the report. It was really enlightening. I'm looking forward to the study. Do you do any kind of data analysis with other areas or other places that have flooded when you do that flood analysis?

Mark Bierman - We're doing a lot of work right now particularly with New York MTA in understanding the impacts of that storm on their transportation infrastructure and the structures. We have the New York district of the Corps of Engineers. We've actually been meeting almost weekly with BART and MTA folks from here. We have a meeting next week scheduled with folks to talk about Sandy and how we can prevent Sandy here.

Commissioner Makras - I guess this is more to the executive director. It's a \$3 million commitment we're making, correct? A million and a half for ourselves and a million and a half from the Corps.

Elaine Forbes - We're making a million-and-a-half commitment of our funding, and they're matching it for a total of \$3 million budget for the project study.

Commissioner Makras - Was that contemplated in the last budget or is this going to be new money we're looking at?

Elaine Forbes - Actually, we were awarded \$5 million from the state for the seawall and we're going to use those funds for this purpose. The remainder of funds from the state we're going to utilize for the Seawall Earthquake Safety Project.

Daley Dunham - I'd also like to add, because the general investigation process for the Corps is on the kind of scale that we really need, had we not been lucky enough to get a new start, we were looking at alternative paths through other core processes to try to work out the study ourselves. We've been operating on this assumption that we may be in for the whole \$3 million.

Commissioner Makras - I'm okay if you want to pay it all.

Daley Dunham - Right. But just a very real consequence of signing this agreement is a \$1.5 million is now going to be shared, whereas we would be covering the whole thing.

Commissioner Makras - That's rewarding to hear that it's that high of a priority that you may pay it all yourselves.

Commissioner Brandon - I want to thank everyone for their patience this evening. I really want to thank Daley because we are extremely lucky to have a partnership with the Corps of Engineers I mean from Washington to San Francisco. We are so lucky. It's because of Daley and all of his work and all of his efforts that we were able to get where we were especially with that meeting in D.C. that he got sick and couldn't join us with. But he had us well prepared. From that, we got selected. We are so fortunate to work with such a wonderful team. I know that this is just the start. I know there's more to come. I am definitely looking forward to the study and our next steps to secure our seawall.

ACTION: Commissioner Gilman moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 18-46 was adopted.

- B. Request approval to amend Contract No. 2790, Marine Structural Project IV, with Power Engineering Construction Co., to increase the contract amount by \$3,211,575 to include the Pier 29 substructure repair scope of work, resulting in an amended contract amount of \$10,045,000 and authorize a contract contingency fund of 10% (\$1,004,500) for a total authorization of \$11,049,500. (Resolution No. 18-47)

Commissioner Brandon - I think we've seen this one before and this is the second time it's being presented. I know that the staff wanted to put this on consent calendar.

Elaine Forbes - We did.

Miguel Galarza with Yerba Buena Engineering - We're actually a subcontractor on this project and doing the LBE participation along with Power Engineering. I have been in good relationship and looking forward to the commission approving this change order, so we can continue the work. We've brought in two local-hire and two from CityBuild and continuing to teach these young men what it means to a pile driver. Having more opportunity to chip away at our pier and rebuild it is a good thing for their learning and obviously our bottom line. We look forward to approval of this agenda item.

ACTION: Commissioner Gilman moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. Resolution No. 18-47 was adopted.

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

Elaine Forbes - Under new business, SFMTA will come back to us in October along with Port staff to provide an update as to the plan for increasing safety along the Embarcadero with a focus on near-term safety and an update on the Embarcadero enhancement project.

Based on the comments I heard as it related to the Waterfront Land Use Plan update, I suggest having a separate item for Seawall Lot 330. We already have plans for Piers 30-32. I suggest we have a separate informational item on that seawall lot.

Finally, we will be asking the Fisherman's Wharf CBD to come back and update us on bringing more local-serving uses to Fisherman's Wharf when it's deemed appropriate.

Commissioner Makras - The answer can come off commission meeting but I was curious to see if we take our whole waterfront and people are cruising on the bay and want to stop and come to the city or restaurant, how many locations could they stop at?

Elaine Forbes - That's a great question. We actually have a good answer. We've been working a lot internally on our berthing and what's available and what needs investment to be made available. I'd like to schedule an item on that topic.

Commissioner Woo Ho - There would be a difference between drop-off versus having to berth for a period of time. Let's say it's somebody's own boat and they want to berth for a couple hours.

Elaine Forbes - There are two answers. We will expand this informational item if it pleases the commission to also discuss our business plan for expanding opportunities in berthing as well.

## **15. ADJOURNMENT**

**ACTION:** Commissioner Gillman moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

Port Commission President Commissioner Brandon adjourned the meeting at 7:12 p.m.