

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING SEPTEMBER 11, 2018

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:00 p.m. The following Commissioners were present: Kimberly Brandon, Willie Adams, Gail Gilman, Victor Makras and Doreen Woo Ho.

2. APPROVAL OF MINUTES – August 14, 2018

ACTION: Commissioner Adams moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. The minutes of the August 14, 2018 meeting 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 Adams moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor.

At 2:01 pm, 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: Portions of Piers 29 and 29½, located on The Embarcadero at Sansome Street

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

*Negotiating Parties: Michael Eggers, Member, Board of Directors, Hornblower Holdings

5. RECONVENE IN OPEN SESSION

At 3:22 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 Adams moved approval to not 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 Port Commission Affairs Manager announced the following:

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

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

9. EXECUTIVE

- A. Executive Director's Report
- Historic Piers RFI Pre-Proposal Meeting – September 13, 2018

Elaine Forbes, Port's Executive Director - As most of you are aware, the Port has issued a Request for Interest for 13 Historic Piers and the Agricultural Building. These facilities need investment and new life. The Port is looking for partners with ideas and capability to create inviting, public-serving destinations as part of the Embarcadero Historic District. The Port is hosting interested parties, that would be small businesses and master tenants, on this Request for Information this coming Thursday, September 13th at noon at Pier 1. This presentation will include question and answer session and it follows an online, interactive meeting which took place August 22nd with 40 people in virtual attendance. The Port will also host an Open House in selected Historic Piers in early October. The due date to respond to the RFI is October 31, 2018. RFI information is available on the Port's website or via email through historicpiers@sport.com.

- Coastal Clean-Up – September 15, 2018

Coastal Clean-Up is this Saturday, September 15, 2018 from 9 a.m. to 12 noon. Please join the Port and hundreds of volunteers in the State's largest annual volunteer event, California Coastal Clean-Up Day. We have been longstanding supporters of this event and we're partnering with the Recreation and Park Department and the Department of Public Works along with our tenant, Recology. We will provide supplies, logistics, waste management services and volunteers. Thank you to Recology for all your help. The official kickoff site is Warm Water Cove in the Southern Waterfront starting at 9 AM. After putting in a good morning of work, there will be lunch. There are five Port locations where you can volunteer. China Basin Park, the GreenAgers will be the captains. Warm Water Cove, we'll be the site captains. Islais Creek, Kayaks Unlimited will be managing that. Pier 94 Wetlands, the Golden Gate Audubon Society and Heron's Head Park, again the GreenAgers will be the site captains. I encourage you to come out and be part of Coastal Clean-Up Day. In advance, I appreciate those who come out and volunteer and dedicate their time to keep our parks beautiful and safe for everyone. Thank you so much.

- Third Contractors Open House – September 27, 2018 at 8 a.m. at Pier 1

Please mark your calendars for September 27th at 8 AM at Pier 1. We will be having our third Contractors Open House. We're doing this in partnership with the African American Chamber. This is a really excellent opportunity for small businesses to get to know larger businesses to compete for work in the City and at the Port. The Port is looking for talented firms, talented small businesses to do work with us, so please come to this event as a mentoring and outreach opportunity. In addition, for subcontractors to meet prime contractors, we will have our Contract Monitoring Division there. The Office of Economic and Workforce Development and the Contractors Assistance Center will be there to provide very valuable information. We will also have key partners such as Merriwether & Williams regarding bonding and insurance services. I use this opportunity to stress our commitment to

increasing diversity amongst all of our opportunities for both leasing and contracting.

- Seawall Coffee Brew

I'm very excited to announce that Ritual Coffee has a new coffee blend. It is called Seawall Stroll. Ritual Coffee and the Port of San Francisco may seem like an unusual outreach partner team, but this partnership underscores how critical the Embarcadero Seawall is to everyone for protecting our local thriving businesses and supporting our local economy. This Stroll coffee is available anywhere Ritual is sold through the end of the month and if you purchase the espresso beans at the store, you get a custom Seawall Stroll cup. Inside the label, you'll learn much more about the Seawall, so it's a way to inform the public about this unseen infrastructure. These innovative partnerships help us to educate everyone in San Francisco in playful and engaging ways, and I'd like to thank our talented communications professionals, Renee Dunn Martin and Kirsten Southey for this excellent outreach program.

- Global Climate Action Summit

We are in the midst of Governor Brown's Climate Action Summit and you may have noticed as you came to this hearing, a 36-foot tall Polar Bear in the Harry Bridges Plaza. This is a piece of art created by Don Kennell and it's titled "The Long View." You will see this piece of art from a good distance and it is to remind us of the risk and threats to our planet from climate change. The skin of the bear is made from automobile hoods. In addition to reminding us of threat of climate change, it also offers us opportunity to reflect on what we are doing about it as a community and personally.

At Pier 14, we have Sea Level Rise markers up as part of the Climate Summit. This also allows the public to see how high the waters will come in a 100-year storm as predicted today. It's a very alarming wake-up call out at Pier 14 and so I encourage everyone to take a look at that. We, of course, are dealing with both the threats of earthquake and flood risk through our Seawall program. You can learn more and get involved at sfseawall.com.

Commissioner Brandon – How long will the polar bear be with us?

Elaine Forbes – Three months.

- October 9, 2018 Port Commission hearing cancelled

The October 9th Port Commission hearing is cancelled.

B. Port Commissioners' Report. None

10. CONSENT

- A. Request approval for members of the San Francisco Port Commission to travel to Valparaiso, Chile on October 7-10, 2018 to attend the Annual Convention of the American Association of Port Authorities. (Resolution No. 18-48)
- B. Request authorization to issue a Request for Proposals (RFP) to solicit As-Needed Professional Services for Disposal of Hazardous Waste and Abandoned Marine Vessels, in an amount not to exceed \$1,200,000. (Resolution No. 18-49)

ACTION: Commissioner Gilman moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution Nos. 18-48 and 18-49 were adopted.

11. PLANNING & ENVIRONMENT

- A. Informational presentation on California Barrel Company LLC Mixed-Use project located on the former Potrero Power Station, including Port of San Francisco shoreline lands referred to as Pier 72 and 23rd Street directly south of Pier 70.

David Beaupre with Planning and Environment - I'm here to present the Potrero Power Station project on behalf of the Port and the project sponsor Associated Capital. I'm joined here today by Jon Lau from the Office of Economic and Workforce Development who will present some context for the project and how it's being coordinated through the variety of City agencies, as well as Tina Chang from Associated Capital, the project team and Enrique Landa who's going to present the project itself.

The Potrero Power Station project is located in the City's Central Waterfront directly south and adjacent to the Pier 70 area. The project is a proposed mixed-use development project and would include a Special Use District similar to the Pier 70 Special Use District. Tina will describe the project in its entirety.

The reason that we're in front of the Port Commission today is that within the project boundary are certain Port lands, identified in purple in the map, that the project sponsor proposes to improve for both shoreline Open Spaces along the Bay's edge and to improve 23rd Street within the Port's jurisdiction. So again, create Open Space along the shore's edge and to create a City-accepted improvement to 23rd Street.

As you'll see in the program and detail design of the project, the programming of the shoreline Open Space is consistent with the Port's 2012 Blue Greenway Planning and Design Guidelines.

Jon Lau will present the project context, then Tina, then I'll wrap up and we'll go into questions and answers.

Jon Lau with the Office of Economic and Workforce Development - My job is to briefly touch upon two context starting points before handing it off to the team to talk in more specifics about the proposal. The first is something that my colleagues would've been before you in the past to talk about something that we refer to as the Southern Bayfront Strategy which is an organizing framework for us to talk about and coordinate. It's a suite of development projects along the waterfront in the City's Southeast Corridor. Here you see those projects, some of which you are of course very familiar with being Port-partner direct development projects. All of which have obviously close proximity to Port holdings.

Together, they represent a significant amount of housing, jobs and Open Space. It will obviously affect the look and feel of the city for years to come. Also will contribute mightily to a number of other important elements of the community fabric from Sea Level Rise to transportation systems. Our goal is through these public benefits, arrangements that are codified in these development agreements that we negotiate to meet the needs of existing residents of the southeast sector as well as the future residents.

You see our categories. Affordable Housing delivery is key among those. The other quick point to mention is why we're here is that the City, through a legal settlement agreement, entered into in 2010 with then property owners, Mirant Corporation, the City has committed to collaborating with the property owner on a development and review of a Reuse Proposal for the site. Thanks to the great effort of staff from across the City, including your own, for the past year and a half, we are on the doorstep of publication of a draft Environmental Review document. That work is well underway. Thank you again for the engagement of your staff in that effort. I'm here to answer any questions after the presentation if you have any.

Tina Chang with Associate Capital, project sponsor - I'm joined here with Kevin Conger of CMG, our landscape architect, and Sam Yao of SGH, our shoreline engineer. David and Jon both provided a bit of context for our project site but we are absolutely thrilled to be one of the 11 Southern Bayfront projects breathing new life into this part of town.

Our site in particular has been closed off to the public for the better part of 150-160 years servicing a variety of industrial uses from barrel-making and gunpowder to power generation. In 2011, City staff including members of this staff and this Port Commission played a large part in helping to close down a polluting power plant allowing and paving the way to create this mixed-use development today.

As David mentioned, this shows our property area which is comprised of 29 acres, 4.8 acres of which is owned by PG&E who have allowed us to study their property in our EIR and design development documents, 2.8 of those acres are owned by the Port, most of which are along the waterfront and a portion along the 23rd Street corridor as David mentioned.

We envision a project that flows seamlessly into the Pier 70 neighborhood, the larger Dogpatch neighborhood and the rest of the Southern Bayfront. We've tried to pick up every possible connection we could through our street grid. What's shown in the dotted blue line is a pedestrian connection that connects through Delaware Street. To give a little bit of orientation, we are bounded on the west by Illinois Street, on the east with the Blue Greenway or the Bay Trail, and generally to the north and south by 22nd and 23rd Streets.

SFMTA is proposing a new route that would potentially go through our sites. We are planning for that. It will generally go across 22nd and down Maryland, across Humboldt Street, through our site. We are also planning for a Muni restroom, or layover which includes a restroom on our site.

Our Land Use Plan was developed with big consideration with our neighbors to the north at Pier 70. We are proposing 60% of our land uses to comprise of residential uses, 28% office and lab, and the remaining 12% to comprise of hotel, PDR and retail which will help activate our ground floor.

This massing diagram depicts our urban form. It is the result of months and months of collaboration with City staff at the Planning Department, SFMTA, DPW as well as community members. It is a massing study so don't be alarmed by the blank boxes but what it depicts here is that generally we have a mixed urban form with a variety of building heights that generally stepped down towards the waterfront, with our shortest buildings along the water.

With the exception of the existing Unit 3 structure and the iconic stack structure, our buildings on the waterfront will be around 65 feet tall and they gradually step up to a 300-foot tower that acts as a counterpoint to our iconic stack structure. The Director mentioned earlier about planning for Sea Level Rise and we definitely intend to do that on our site as well. We plan to raise grades to base flood elevations plus 66 inches. This image shows our Open Space network juxtaposed against that of Pier 70.

To get into a little bit more detail, we are planning for a very generous waterfront and ample Open Space mirroring our neighbors to the north, providing about 22% of our site with Open Space. This amounts to just over six acres most of which is provided along the waterfront at 3.7 acres. This constitutes a variety of Open Spaces which I'll describe later.

We have an east-west green that spans about two blocks that connects to a two block north-south paseo and then we're providing a rooftop soccer field. Members of the community have pleaded for active recreation which we intend to provide through this field.

This is a blowup of our waterfront Open Space. What's shown in blue is Port property. It's comprised of generally four or five distinct spaces. The Blue Greenway is the multiuse trail that connects our site to Pier 70 and the rest of the Southern Bayfront. What's shown in the dotted blue line there is a

connection that we are planning for should the owners to the south change their uses and decide to connect to our Bay Trail there at the point.

Stack Plaza and Garden will be our signature Open Space. It is designed around the iconic stack structure and intended to flow seamlessly with Turbine Plaza which will serve as both a physical and visual connection to the waterfront through the western portions of our site. Humboldt Street Plaza will be the terminus of our retail street. That space is intended to be a flexible use plaza that will accommodate things anywhere from casual seating to open air markets.

The Point is a little bit more of a natural Open Space. It will comprise of informal play structures, more contemplative in nature with picnic tables, etc. Finally we have a recreational dock which we are still studying the feasibility of, but provided that it proves feasible, we would love to give members of the public access to the water in a recreational matter.

These are just some three dimensional renderings of the Open Spaces that I just described. So the Point a little bit more natural and contemplative, Stack Plaza our signature Open Space and then Humboldt Plaza which serve as the terminus to our main retail street.

This is a rendering of the Blue Greenway. What you see on the left in the white structure is the existing Unit 3 power structure, Unit 3 structure that we intend to convert into a hotel.

In August we were before the Historic Preservation Commission and the Planning Commission providing an information hearing not dissimilar from this one. Early October, next month, we plan to publish our draft EIR, draft design for Development document and draft Infrastructure Plan which will bring us before the Historic Preservation Commission and Planning Commission again on October 17th and November 8th respectively. We hope to be before decision-makers in summer and fall of next year for our project full approvals at which point we will come before you again.

David Beaupre - A couple of points I just wanted to bring to the Commission's attention is compliance with the Port's Southern Waterfront Community Benefits and Beautification policy and also an issue that needs to continue coordination between the project sponsors, the Port, the Pier 70 Forest City project sponsors and OEWD.

First of all, in the consistency with compliance to the Southern Waterfront Beautification policy, the project sponsors propose to enter into two leases with the Port. One for the Open Spaces where they would design, entitle, improve, and maintain all liability associated with those Open Spaces along the shoreline. We would get the benefits of the improvements to the Open Space. It would open up Open Space to the public where they've never had access before and it would close a gap in the Bay Trail connecting Pier 70 to the south and eventually to Warm Water Cove in the future.

Secondly, we have 23rd Street which currently is a not improved, not accepted city street. We would request that the project sponsors lease that land, design it, and improve it. Once accepted, or completed, the Department of Public Works would accept it. Therefore, that would eliminate the liability that we have on the books today for those improvements. Each of those projects combined would help produce our cost in our 10-year Capital Plan and release us of those liabilities. Lastly, I just wanted to mention that along the project boundary between Pier 70 and the Potrero Power Station site is a proposed Craig Alley that wasn't originally anticipated as part of Pier 70 so the Port and OEWD and each of the project sponsors have agreed to collaborate and develop a solution to how that alleyway gets treated.

I also wanted to recognize John Francis who is here from the Planning Department. John's been the one coordinating all the planning efforts, the entitlements for the project.

Commissioner Gilman - This is a really interesting project. As a new Commissioner, I appreciate the briefing. I have a couple of questions for the project sponsor around your residential component of your program that you put as 60%. What affordability rates are you looking at for those units? I understand 33% is for the whole region, but what are you looking for as your on-site affordability? Also, what kind of units were you looking to build from a typography perspective?

Tina Chang - My colleagues and Jon Lau is here from the City to correct me where I'm incorrect, but we're still of course exploring exactly the right mix of our onsite and offsite Affordable Housing strategy. We do plan to provide Affordable Housing in the range that is provided by the other projects of our size and stature, but generally in that ballpark.

Commissioner Gilman - In your initial thinking, are you looking to build studios? One bedroom, two bedrooms or multifamily housing?

Tina Chang - There will be a mix of studios, one bedroom, two bedrooms and three bedrooms on our project.

Commissioner Gilman – The Open Space components look really lovely so I wanted to commend you on that and it seems like you've done a lot of community outreach. I just want to urge you and think about Affordable Housing here in San Francisco, as we are facing a housing crisis at all affordability levels up to 150 of AMI. I'd really encourage this project to do onsite to have an integrated community like Pier 70 has done and like Mission Rock has done. I wanted to articulate that to you as you're going through the process.

Tina Chang - Absolutely. We share those goals.

Commissioner Woo Ho - When is this neighborhood going to have a name? I mean, it's kind of Potrero Plant. It's California Barrel. It seems like it's a new neighborhood, so what's it going to be called?

Enrique Landa, project sponsor - That's a very sensitive question Commissioner. The Dogpatch neighborhood feels very strongly that this will be integrated into a greater part of Dogpatch but we look forward to seeing how these neighborhoods get named and what part comes as a name. In the future if these projects are successful, there will be Pier 70, there'll be the Power Station and they will all integrate nicely into Dogpatch.

Commissioner Woo Ho – But the Power Station's gone so it sounds really weird to keep referring to it as the Power Station project.

Enrique Landa - We have the hotel in the Power Station that is part there. You can see that the mold is there. The exhaust within the stack is 300 foot and you can never escape that was a portion of the Power Station. If this remains as part of the hotel, it'll still be a Power Station that will exist and will be repurposed into a hotel. That would still carry very much the look and feel of that but we're very open to seeing how this neighborhood will get named. For now, as a former Power Station, that's what we've been calling it.

Commissioner Woo Ho - My other question related to the improvements for 23rd Street, the Open Space and now this Craig Alley. Is the Port responsible for any of the funding for those improvements?

Enrique Landa - No.

Commissioner Woo Ho - Great. So all we are here is to more or less, as far as the Port lands is concerned, approve the design of the Open Space because everything else is obviously not exactly within our purview. But that's really our role here.

Enrique Landa - Correct.

Commissioner Makras - I would expand it a little bit. I think our purview is much broader than that. Because our land is part of their entire project and their entire project is relying on our Open Space for the integrity and beauty of the project they're putting together. So as I always say, sometimes the 1% has much value as a 20 or 30% participant and we have the waterfront. We actually have the best piece of land that expands the beauty of what they want to develop. For me, I would like to see the entire project before we go forward. We need to know about what the affordability is, 150 of AMI is it?

Commissioner Gilman - It's from 30 on up or 20 to up to 150.

Commissioner Makras - I believe that we should know all of that in this informational public hearing. I would ask our Director, since we're part of the project, will this fall under going to the ballot?

Elaine Forbes – No.

Commissioner Makras - Can you explain why not?

Elaine Forbes - Projects that need to go to the ballot on Port property are changing heights on Port property. Here, our property is being used for shoreline and park improvements with no height change, so this would not require a vote of the ballot and San Franciscans.

Commissioner Makras - Okay, so it's only limited to height.

Elaine Forbes - That's correct.

Commissioner Makras - So even if you're contributing to the project, that's irrelevant.

Elaine Forbes - That's right.

Commissioner Makras - I'll take that under advisement. I'm not sure I'm going to agree with that. Because for me, I think that this project should look and act like the project next door. To the degree that we are participating in it, we could have those discussions with the project sponsor. From my point of view, we should look at it, at our narrow lands of just our waterfront, and they're improving it. We're part of their project so we should engage and make it the best project that we could since we're part of it. I would ask that this item be continued and that we had the project sponsor give us a more detailed explanation of the entire project. Affordability of housing being one of them.

Commissioner Adams - The one thing I like about this Commission, we all have our own opinion and we really engage. I like that. I don't think two projects are ever the same. I like it so far, what I know about it. I'd like to know a little bit more about it. I appreciate what Commissioner Gilman said about the housing, that is definitely an issue. I understand Commissioner's concern, but this is just a presentation. I really like the way the team effort came in and how everybody laid out the project. I know there's still a lot of questions, but it looks like it's going to be a good project. Commissioner Woo Ho said that we don't know what the name's going to be, but these things have a way of forming. It's in the infancy stages moving forward. So far I like what I see. I think we've heard the Commissioners want more information and I'm clearly going to be listening. But I like what I've seen so far. This is a new San Francisco. It's out of the box. It's good. It's progressive and this is how things are going to be looking in that area. I'm excited about it.

Commissioner Brandon - Thank you David, Jon and Tina for the presentation. It was a very good presentation, very informative. It's exciting all that's happening in the Southern Waterfront but it's also very scary. All these projects and all these people and all these transportation needs, it's a little daunting. Just considering what's there already and what's coming. It's really important that we all work together and understand exactly what we're doing out there. Is the parcel that is by the water, is that in the Trust or out of the Trust?

David Beaupre - The shoreline land and 23rd Street are in the Trust.

Commissioner Brandon - They're both in the Trust. As far as this project goes, once everything is built and up and running, we have no responsibility, no liability for anything.

David Beaupre - That's correct.

Commissioner Brandon - Forever.

David Beaupre - Well, not forever. The lease for the shoreline land would be 65 years and then the City would accept the street. We do have the ability, and we would work with the project sponsors on authorizing the types of activities that could occur on Port land. So that, Special Events just like we're talking about with Pier 70 and Mission Rock, we would work with them. Detail design, make sure that the connections work to the park. We're not relinquishing everything. We're just giving them the liability of designing, entitling, permitting, constructing, maintaining and managing.

Commissioner Brandon - Sounds good. It's really exciting what's happening in the Southern Waterfront. I would ask that when we do our outreach on the Southern Waterfront and we have these large projects, we make sure that the Southern Waterfront Advisory Committee along with the Central Waterfront Advisory Committee know about these activities and opportunities. I would encourage the project sponsor to also speak to the Southern Waterfront Advisory Committee. As far as what we're going to get from all this, what does that look like? Besides new Open Space?

David Beaupre - That's what we've discussed to date, the new Open Space. Getting relieved of the responsibility to maintain and manage it and the liability on it plus an approved and accepted city street. That's what we've talked about to date.

Commissioner Brandon - So there's no buts. The lease is not going to have its --

Elaine Forbes - Not as currently proposed. Because this does hit some major policy objectives of ours in terms of the Open Space and the connection to the Blue Greenway, we felt that is the right policy balance to strike because we get what we want in terms of the connectivity and we're not burdened with the liability of maintaining, programming, etc.

Commissioner Makras - So, being more bold, it's a rent-free arrangement for all the improvements in exchange for the improvements.

Elaine Forbes - Right. It would be an exclusive lease for the property for 65 years. We don't earn revenue from those spaces today.

Commissioner Adams - Is there any benefits for the Southern Waterfront as far as benefits and beautification?

Elaine Forbes - The project sponsor and David can speak to this, but there is a public benefits package that's being created as part of this project approval.

David Beaupre - The benefit that we saw right off the bat is closing a gap in the Blue Greenway and creating that connectivity between Pier 70 and points south. Beyond that I'll let Jon discuss other public benefits and community benefits.

Jon Lau - To clarify from the earlier conversation, we're happy to come back again in the future to talk more fully about some of the specific program elements of this. The intention of today was to paint a broader picture of the project for you in advance of the publication of the draft EIR. Some of the specific questions on housing, we just haven't landed on those particular deal points yet. It's not as if we're choosing to keep that information from you. We look forward to having a more robust conversation on those things.

Housing is probably the biggest driver in that public benefits package but there are many other components. Open Space is one of them. Like any negotiation, one has to be careful to keep the project feasible at the same time as deliver an extremely rich benefits package. As to the point specifically on the Port's benefit, I would highlight what David and Tina touched on that a key provision of this project, and I think one of the most exciting ones, is that it is actually opening up shoreline space that has never been accessible before in its history of existence. For the first time, this project will weave together neighborhoods of the Central Waterfront with its Bay shoreline which happens to be Port property. So we're very excited about that aspect.

Commissioner Gilman – Assuming there's going to be a Development Agreement, is it possible for you to bring back the deal points as a component to the SUD?

Jon Lau – Yes, there will be a Development Agreement on this project.

Commissioner Gilman - Although I know it may not be perfectly under our jurisdiction, I think we're an interested party to see at least when you're getting close to what that draft looks like.

Jon Lau - Absolutely.

Commissioner Gilman - For community benefits, both for the Southeast Waterfront, affordability which we've expressed an interest in. Before that's put to bed or not as finalized, I would definitely be interested in seeing the DA and how it links to the SUD for this project.

Jon Lau - Happy to do that.

Commissioner Woo Ho - I'd like to add a few comments. While I responded that we were just looking at that one piece for the Open Space which is extremely important, I understand that the transportation and its impacts is going to be studied. But because we have Pier 70 next door, to understand in the greater context how this project and Pier 70 and anything else that's going on is going to be impacted, because we are really close neighbors.

I see Jack from Pier 70 is in the audience. I'm sure the project sponsors probably have compared notes about what's going to be in Pier 70 versus what's going on here so that there's some rationale for how they're both going about it. You're from the Mayor's Office so you'd be interested in seeing the compatibility as well as the differentiation when it should be. For us just to understand that whether it's on the housing component, or on any other aspects of the PDR or other uses that are there since most of the area in the area, not this particular piece of land, is within the Port's purview and interest.

It would be good for us to understand how that neighborhood is going to be developed and what's going to be in it and even architecturally. Hopefully there isn't going to be some total contrast or contradiction which I'm not saying we should get into that, because it's not our purview but at least to know that there's some good collaboration that has gone forward and people have looked at it and particularly from your point of view from the seat that you sit.

What we're saying is that we're probably more interested than you thought we were. You've heard from all the Commissioners. We're not necessarily going to try to approve everything. We are not in that mode but we are interested in learning more about the project and not just about the Open Space so that we understand how it affects us overall in terms of our own plans for the Southern Waterfront and all the other things attached to it.

Jon Lau: - Thank you for your comments on those notes, Commissioner. We'll work with your staff to come back and do a deeper dive on some of these exact points that you've raised including most importantly the integration of the project with Pier 70. We think there's a lot to talk about. We've worked with a lot of the same planners, consultants, etc. We believe there is a lot to highlight and we'll make sure we'll get that information to you.

Commissioner Brandon - We would also like to know more about the community benefit package and local hiring, your LBE participation goals. All that good stuff that we follow here at the Port.

Jon Lau - Absolutely.

Commissioner Makras - Is the Port going to be part of the Development Agreement or not? Or is it just the lease we're going to look at?

Elaine Forbes - I'm assuming no. We would only have a lease at the end as proposed. Is that correct?

Jon Lau - That's my understanding in my discussion with the attorneys thus far. Obviously those lease agreements would be before you for action and the rest we're happy to continue to talk to and present and hear your input on, but I don't think there'll be an action item before you on those.

Commissioner Makras - With respect to site, it's about 29 acres big, right?

Jon Lau - That's correct, including the other areas that you saw, the potential PG&E portion and the Port lands.

Commissioner Makras - And the Port property is 10% of that or 2.9 acres? How much Open Space does the 29 acres have altogether?

Jon Lau - It's 6.3.

Commissioner Makras - So the Port property is about half.

Elaine Forbes - A third.

Jon Lau - Right, there is a right-of-way there which will remain a street access point.

Commissioner Makras - I'm not looking at streets as Open Space. I'm looking at parks and walkways so sidewalks wouldn't count. Roads would not count for Open Space.

David Beaupre - Within the 29 acres, approximately 2.9 acres are Port-owned property, of which 1.6 acres would be for the shoreline parks and Open Space.

Commissioner Makras - But how much Open Space throughout the 29 acre project?

David Beaupre - 6.3 acres.

Commissioner Makras - I think your chart said that you were up in front of Planning before today. So you made your full presentation to Planning and you never revealed what Affordability component you're dealing with up to today to anybody?

Jon Lau - To date, we have given a version of this informational presentation to both the Historic Preservation Commission and the Planning Commission. Because the negotiations are ongoing, we have not had more detail to present on the housing program specifically.

Commissioner Makras - What would your starting position be on offering affordability?

Jon Lau - I didn't make that clear, my apologies. Our starting point in the negotiations for the housing program in all of these Southern Bayfront projects is the 33% target. We expect that on the other end of the negotiations, we'll emerge in something around that target point of 33%.

Commissioner Makras - I appreciate it.

Commissioner Adams - Jon, either you or David can answer this question. When we talk about traffic congestion, I'm surprised Commissioner Woo Ho didn't say nothing about water taxis and ferries because I know that's one of her pet peeves and mine too. I think San Francisco's got like the third worst congestion in the world, I think behind Moscow and New York and L.A. Pier 70 is so close, these are going to be great neighborhoods to live in and stuff like that. Are you looking at more ferries and water taxis to take a lot of traffic off the road? Are you encouraging more people in the city to get healthy, stop driving their cars, ride a bike, walk, roller skate or something? What are you thinking?

Jon Lau - More broadly to the question of transportation, obviously the sponsors are agreeing to a robust TDM program. So they'll be spending a lot of money doing a lot of things to reduce trip generation as all large development projects will. All of this will be analyzed in our EIR which is coming out shortly. In terms of the water-specific transportation, it's things we can look at certainly. There's not a specific piece of the program as of yet on that point. It's certainly an area that we need to look at further in line with the comments I'm hearing from you as well.

Commissioner Makras - If we had some interest in some type of pier for water transportation, would this be the time to vocalize that so it gets included in the EIR? Because we don't want to lose our opportunity if this was something that we wanted to explore.

Enrique Landa, project sponsor - There is a recreational dock being studied as part of the EIR to expand greater public access in recreational to this location. We thought that was an important component of getting the public closer to the water. That idea has proved very popular with members of the community and the public at large and it is being studied in the EIR.

Two questions came up about reaching out to CWAG and the Southern Waterfront Advisory Group. We've had tours with CWAG. We've presented to CWAG. We've offered the Southern Waterfront Group a tour and we're trying to

get that coordinated this month. I invite all of you to come, individually or as a group if you'd like to come, just to see the site and understand it. The site's much better understood having seen it, walked it and seen just the various portion of this. As my colleagues have mentioned, that has been closed basically to the public since 1850. So you just don't get the opportunity to go around it. We welcome the opportunity to have you at any time.

Commissioner Woo Ho - We obviously have a lot of experience with Pier 70 and they've done an enormous amount of community outreach over the years, had special events and not just meeting with the neighborhood advisory groups. When this comes back to us, maybe you could just tell us the amount of interaction there's been with the community, besides the neighborhood advisory groups. We've seen with Mission Rock and Pier 70 that that has been a tremendous integral part of what they've been doing and it's helped too, obviously on both sides. The community as well as for the developer to understand what's needed.

You mentioned recreational pier. I think what we're talking about is not recreational pier. We're talking about for actual transportation. It's probably not something you, and your project alone, which is why we directed these comments to Jon. I think now we're aware. You're developing 29 acres, and there's 25 acres at Pier 70 or something in that neighborhood. You're just now putting two brand new neighborhoods, and the density of people in those areas raises the issue of what kind of commuter transportation should be thought about for the area.

It's something for the area that needs to be thought through. Just like we're doing the Mission Bay Landing now, there's another reason why there should be something done on a larger scale basis to consider that. That should be part of what the proposal should be. It's not just your individual project by yourself but combined with Pier 70 and anything else that's going on in the area that we don't even know about.

Enrique Landa - Commissioner, I appreciate your comments. As a city and as a greater area, we don't use our water enough for transportation. We look forward to being part of the broader conversation when that comes to do. I will say for as far as community outreach, that's been a core pillar of our project. We've held eight onsite community meetings. We do monthly tours that I lead myself for the public that sell out. We do weekly developer office hours where anyone can come and meet us. We sit in a café for an hour and chat as well as presenting to local neighborhood groups and other interested parties. I think to date we've done more than 100 events, whether it be individual stakeholder meetings, large community meetings, tours.

We are hosting La Cocina Street Food Festival which previously was at Pier 70, as well as the Burning Man Decompression event which previously was at Pier 70. Both events will be at our site coming up this month, so we're trying to give as much access to the site as possible. Our site is actively being remediated by

PG&E, so it's not as accessible as it always was. But when it is available, we can get the public on the site and make them aware of it.

Commissioner Brandon - Is there any collaboration or partnering with Forest City or Orton Development? Are we working together in any way?

David Beaupre - Both project sponsors, Forest City and Associated Capital are coordinating and working together. There are logical and obvious points of connection between the projects, so there are ongoing meetings. That collaboration will continue to evolve and go forward until all issues have been resolved. There is ongoing collaboration, coordination not only between the project sponsors, also between the Port and the Planning Department and OEWD as it relates to the use program and development of the Potrero Power Station in the context of Pier 70 and the Central Waterfront.

Commissioner Adams - I'm going to take you up on that offer. I'm going to bring Commissioner Makras with me. We're going to come down there. Because I would like to see it. I want to be hands on. That was a good suggestion and thank you for offering it. I hope all the Commissioners will go down because I'm a visual person. I'm a hands-on person. I like to see things. I'm going to take you up and I'd like to come see it.

Commissioner Makras - I accept the invitation.

Commissioner Woo Ho - We can't have more than two at once. We'll have another group that goes a separate time. Let's have Amy coordinate that.

Commissioner Makras - Did we look at transportation for this site?

Elaine Forbes - We have looked at providing additional water taxi landings throughout the waterfront and have been somewhat opportunistic. When we have a development partner with us, we look at their sites. Here we have not explored this site in particular for a water taxi. We can talk with the developer about what might be possible here. I agree wholeheartedly with the comments of the developer. We need more water transportation opportunities. As we grow and get more congested, it's certainly in everyone's interest to maximize the water for transportation.

Commissioner Makras - I just don't want us to lose the opportunity if they're publishing the EIR not to have that included in it as an option for us. I think that would benefit us better if their EIR included it so when a lease comes our way, we don't have to backtrack and worry about publishing our own.

Commissioner Woo Ho - Elaine, I would just say that I think water taxi is the first step but we're talking about more formal water transportation than that. Obviously that's a huge step of what we're doing with Mission Bay Landing and all that but that's really the end solution. It is really more than just a water taxi.

Elaine Forbes - Absolutely. We're actively working on a ferry landing off 16th Street. That is in this neighborhood and that's an active project for the Port.

- B. Update on the San Francisco Recreation and Park Department (RecPark), Build, Inc., and the Office of Economic and Workforce Development (OEWD) India Basin project located at Innes Street between Earl and Griffith Streets; and presentation on the proposed Port-related transaction documents for the India Basin project: (1) consent to Development Agreement between the City and India Basin Investment, LLC; (2) approval of a Public Trust Exchange Agreement with the California State Lands Commission and India Basin Investment, LLC; (3) approval of an Open Space Covenant regarding the India Basin lands exchanged into the Public Trust; and (4) delegation of authority to Port's Executive Director to enter into one or more Memoranda of Understandings with various City agencies, including RecPark, the San Francisco Public Utilities Commission (SFPUC), the San Francisco Public Works Department (SFPW), and the Department of Building Inspections (DBI), relating to the roles and responsibilities for the lands subject to the Public Trust.

Martin, Real Estate and Development - I'm here representing a small group of folks, including Ming Yeung of the Planning and Environment Division as well as Eileen Malley who's helped us out as the Deputy City Attorney as we've worked through a very similar situation to the item you just heard.

The India Basin project sponsor is Build, Inc. It's another of the Southern Bayfront projects that you saw on the initial map that Jon Lau showed just now. It's an interesting spin on the proposals that we were just talking about in that again, the Port's involvement is to facilitate shoreline parklands and also to confirm in the Trust the shoreline lands and to release upland lands from the Trust.

This project has already proceeded much further. The Development Agreement negotiations are being finalized and the approvals are being sought in the next few weeks. This is an opportunity to see a project that's been more fully defined, so I have answers to a number of the questions you've asked the last item.

Then we'll talk a little bit about how the Port is stepping into its role as trustee and limiting its liability per the questions that were asked at the last item. Today's presentation will begin with Courtney Pash of Build, Inc. with a more detailed review of the park improvements that are focused for the Port Commission's attention.

I want to take responsibility for having counseled them not to do more general slides about the overall development. We'll give you those facts verbally, but the facts will focus on the parklands. That'll be followed by Anne Taupier from OEWD with an overview of the City objectives and public benefits in this effort. Then I'll get back up to talk through the specific agreements that we'll be bringing back to you with a request for approval should you be so inclined.

Courtney Pash - I'm the Senior Project Manager for India Basin project. I work for Build, a local San Francisco developer. Our EIR project boundary encompasses four projects. Three Rec & Park Department parks are managed by RPD, one of which we are designing and redeveloping, that India Basin Open Space and two that we partnered with RPD to design and entitle so that they would be eligible to apply for and receive future funding at full build-out.

You zoom out into the ownership of just our piece of the project, the 700 Innes project and India Basin Open Space. You'll notice that Port has jurisdiction over a few of the streets that are in our Open Space, about three acres. The majority of our site outside of the Port jurisdiction between the two hatched black lines was conveyed by the State to private parties under an 1863 Legislative Act. Whether the conveyance had the effect of terminating the Trust in the granted lands is an unsettled legal question that would be resolved to the parties with the Trust Agreement and Settlement Agreement.

The area upland of the lower black line and the non-Port owned property in the park is all free of the Public Trust. Our goal with the proposed Trust Exchange Agreement is to rationalize the Public Trust Lands such that the majority of the Park is put into the Trust or deeded to the Port and the development area is cleared from uncertain Trust status.

The site in question is mostly vacant land with an existing park at the shoreline. The site is mostly Bay fill that was placed in the 1950s and '60s and has since been the subject of numerous regional, local, private and community-led planning efforts. The most recent and notable was the India Basin Shoreline Community Vision that was created by existing residents of the area. Build used that plan as a starting point for our design.

We also hosted over 150 outreach meetings over the last four years with community groups and stakeholders in India Basin and the Bayview to craft and refine this plan. We have held events, workshops, stakeholder meetings, small working groups comprised of community leaders and taskforce meetings. We also have met with the tenant associations and HOAs of all the surrounding public and private housing developments.

We've looked at the site comprehensively, taking into consideration the surrounding community and proposed new park system currently built or underway along the southeastern shoreline. In fact, our first undertaking was to work with RPD and the task force to create the India Basin Waterfront Parks and Trails Plan to ensure these eight parks would be designed and developed comprehensively. From Heron's Head Park down to Northside Park, the northern most area of the Hunters Point Shipyard project.

The first step in executing that vision is creation of a unique signage pallet for the entire 1.5 miles of shoreline. We are underway with this effort working collaboratively with the Port, RPD, PG&E, OCII, Planning Department and FivePoint. With that said, we configured the development grid and the Open

Spaces with an effort to increase Open Space, public access through public view corridors, periodic public gathering spaces and multiple paths to, from and parallel to the shoreline.

We are proposing to build 1,575 new housing units including 25% affordable, approximately 200,000 square feet of neighborhood serving retail, small office, community space and childcare facility. This program allows us to dedicate a new five-acre park to the city which combined with the rehabilitated India Basin Open Space will result in a new 11 acre park for the neighborhood plus approximately three acres of public Open Space within the development.

This will be supported by 1,800 parking spaces including approximately 225 public spaces for park users. In order to accommodate all of these improvements, we concentrated development towards Innes Avenue and have two 14-story buildings tapering down to one-, two- and three-story buildings at the water's edge. The intensity of use is also concentrated along Innes Avenue with the primary retail corridor planned for New Hudson.

We have a diverse pedestrian network traversing the site, from created foot paths to more structured Bay Trail linking this site both to the adjacent 900 Innes Park and Northside Park. We also have a robust bike network including a Class I, grade-separated commuter bike path along New Hudson which is shown here in the heavy turquoise line. That's also our primary retail corridor.

I'm going to focus on the Big Green and the shoreline. Although the first slide is our main gateway to the project. It's at Aurelius Walker and Innes. It will be a bus stop for the future Hunters Point Express bus which will go from Hunters Point, stop here and go straight downtown.

You can also see a direct view into the Open Space and the public market that will house startup, small, temporary or semi-permanent retail to support the public park and the development. Here's another view of the open public market and how it interfaces with the Open Space. This slide illustrates the Cove Terrace which is where 900 Innes and 700 Innes merge. This is the pinch point of the site and we worked very closely with Rec Park staff to figure out how to address the grades and all of the uses that we need to accommodate here, bike, pedestrians, park and Sea Level Rise.

One of the other unique features of the Big Green in our park is the interface with the private dwelling units. It's one of the few places in the city where residential buildings are immediately adjacent to the park providing for a gradual transition from private to public space. The park will be layered and provide ecological as well as functional amenities to the development through the storm water treatment ponds which will seasonally fill and provide a unique habitat and visual experience to park-goers.

As discussed, the park will have a diverse trail network including a multi-use recreation path and the park will be sprinkled with sculptures providing periodic

surprises and points of interest. At the southeast corner of the site, we are proposing a perch beach with an adjacent kayak launch providing for an active waterfront and linking this site to the kayak launch at the neighboring RPD park.

Finally, the shoreline treatment here is unique in that the site is elevated and situated in such a way that there is minimal impact from Sea Level Rise. The existing wetlands will accommodate much of the inundation and we have thus created a series of terraced wetlands to allow for habitat migration through the years. We have also located all infrastructure above the end of century 100-year flood projection line.

Finally the project will be built in three phases such that with each development phase we will build a commensurate amount of park space. The first phase is the Hillside Phase which is located on the southwestern portion of our site between Earl, Aurelious Walker and New Hudson and the middle of the park encompassing the public market and the stormwater treatment. The second and third phases will be the cove area next which is between Griffith and Aurelious Walker and the adjacent park space and the flats with the beach and additional Open Space.

Anne Taupier, Project Manager with the Office of Economic and Workforce Development - I'm going to provide just a brief overview of the Development Agreement for the project. As Mike and my colleague Jon pointed out, this project is also in the Southern Bayfront Strategy so we used the framework to guide the public benefits negotiations for the Development Agreement.

The Southern Bayfront Strategy seeks to maximize the public benefits across the entire neighborhood in seven principal areas. Housing, Transit, Open Space, Sea Level Rise, Sustainability, Equity and Community Facilities. Each project is then negotiated to respond to the community's needs to leverage other investments and to provide greater collective value to the residents and neighborhoods.

The Affordable Housing Plan has been designed to facilitate development of 25% of all market-rate residential units built within the project site. The developer may satisfy this obligation by constructing at least 139 onsite inclusionary units within market-rate buildings, conveying up to three onsite development parcels at no cost to an Affordable Housing developer for site development, for construction of up to 180 below market-rate units and by paying an in lieu fee on a maximum of 300 market-rate residential units which could yield up to 75 low income units off site.

I'd like to emphasize that this program caps the number of affordable units that may be built offsite at 75. The remaining 319 below market-rate units will all be built on the 700 Innes project site and 180 of those will likely be in partnership with 100% Affordable Housing developers.

The Mayor's Office of Housing has committed to applying all the in lieu fees generated by the project site to Affordable Housing projects within District 10 and could use these dollars for acquisition of small and large sites for rehabilitation, new 100% Affordable construction or rental stabilization for existing low income residents. All of the affordable units are subject to the City's 40% Local Preference Program to encourage existing community stability.

The next most significant component of this agreement is the commitment to publicly accessible parks and Open Space. The project proposes a mixed use development that will include a new network of improved park land and Open Space incorporated throughout an urban village. At full build-out the Open Space will include a total of 14 acres of publicly accessible parks, plazas, bicycle trails and pedestrian pathways. Eleven of those acres will be comprised of improvements of the existing six acres of Rec Park owned waterfront Open Space as well as nearly six acres of private land that will be developed into what is identified as the Big Green.

The new park will be dedicated at no cost to the City to become part of the City's Southeast Waterfront network of public parks. Once completed, these Open Spaces will connect a nearly 1.5 mile continuous waterfront park beginning at Heron's Head to the north, continuing through Rec Park's properties at Shoreline Park and 900 Innes and eventually terminating in the Shipyard's Northside Park.

The project sponsor has also committed to providing a Services CFD which will yield \$1.5 million annually. This funding will provide enhanced maintenance and operations support to all of the public parks as well as to other eligible public realm improvements throughout the sites. The City has reserved the right to draw up to \$750,000 from these CFD dollars over the term of the DA to use toward job training in the areas of landscaping, horticulture, sustainable infrastructure and Open Space management at the project site.

Like Pier 70 and Mission Rock, the India Basin project will also be required, as part of the community benefits package to create a Facilities CFD. The first tranch of funds from this site-specific special tax will be eligible for use by the developer to construct infrastructure and public streets. The second tranch of funds will be used by the City to address area-wide Sea Level Rise needs, shoreline stabilization and protection of the areas beyond the borders of the project.

Additional community benefits include the construction of an open air community market and a potential future grocery store. First Source job opportunities for both construction and permanent onsite jobs, local hire requirements for infrastructure work on existing City streets and parks, and an 18% Local Enterprise Business target as established by the Office of Contract Monitoring. The project will make an approximate \$10 million contribution to offsite transportation improvements, as well as construct neighborhood transit, bicycle and pedestrian network improvements including the Class One bike lane.

The project sponsor will also deliver a 3,000 square foot warm shell to a certified Bayview childcare provider as well as establish an endowment fund to be used at the sole discretion of the selected childcare provider for tenant improvements, rental subsidy or discounted rates to neighborhood families for the first eight years of occupancy on the project site.

Finally, the City reserves an option on 5,000 square feet of commercial space for a possible future community facility such as a reading room, library or other community space.

Mike Martin - Now that you have the overview of the project, I'm going to do a quick run through of the documents that would be the Port's to approve in conjunction with this transaction being approved over the next month or so. Then I'll run through the next steps in the calendar going forward. Obviously as my colleagues have noted and our presenters have noted, we're here to answer questions from there.

The four items that would come back to the Port Commission for approval are a Consent to a Development Agreement, the Approval of a Trust Exchange Agreement, the Approval of a Declaration of Open Space Covenant and a delegation to the Port's Executive Director to enter into MOUs with other City agencies to address the operational requirements of owning this land.

The portions of the Development Agreement that will be subject to the Port's consent are the parks and Open Space, 9.5 acres of which will be in the Port's jurisdiction after the Trust exchange. The vacation of the streets, we're negotiating right now about the full scope of that. But you saw on the map that those streets, we want to clean that part up as well as the Trust ownership. In addition, the actual Infrastructure Plan and the Trust consistency over the overall Park Plan would be before the Port Commission as part of the Consent to the Development Agreement.

The Public Trust Exchange Agreement describes the exchange of lands to both go in and leave the Trust. So it would place in the Trust 9.5 acres within India Basin Open Space and the future Big Green. State Lands has also asked us to look at 17 additional acres of submerged lands that could also potentially be clarified as within the Trust. The acceptance of those would be subject to a condition of them being remediated and cleaned up before being brought into the Trust. But we're going to need to talk with State Lands and the project sponsor and the City about the format of that and we'll be back with you with specifics as we come back for our next hearing.

Trust lands would also be subject to seasonal wetland and stormwater outfall easements to allow for some of the stormwater measures that you saw in the presentation earlier. This agreement would also remove from the Trust 19 acres of uplands and former filled and reclaimed tide lands. As you saw on the map, we have now a clarified set of lands along the green area, along the shoreline that is in the Trust and the red and hatched areas that are outside of the Trust.

The Declaration of Open Space Covenant is fairly self-explanatory. It's a covenant that restricts these Trust lands to be used as parks and Open Space. It will call out that Rec Park will be responsible for operation and maintenance of the park as described in the MOU. This Declaration of Open Space Covenant would run with the land. It could not be amended or terminated without the consent of the Port Commission, the Rec Park Commission and the Board of Supervisors.

The Memorandum of Understanding may be one, it may be several but the primary counter party for the Memorandum of Understanding is Rec Park. As the park is developed and put into service, Rec Park would take over operational responsibilities, would coordinate with Port staff on final plans and crucially the Trust consistency determination for any subsequent improvements. Special Event permitting would be run through Rec Park. The underlying operation, maintenance, repair and assuming liability and indemnifying the Port would also be taken on by the Rec Park Department under the Memorandum of Understanding.

The San Francisco Public Utilities Commission would oversee the construction of any public utility infrastructure to be accepted by SFPUC and they would then accept, operate and maintain such infrastructure to the extent it was in the Trust lands.

SF Public Works and the Department of Building Inspection, we'd like to rely on them for permitting and construction oversight and acceptance. We're negotiating potential exceptions. The Chief Harbor Engineer recommends looking at the shoreline structures because of the Port's unique expertise in that way, looking at the shoreline improvements etc. in such a way that the Port would still be involved in that and wouldn't be totally delegated. That's under negotiation and we'll come back to you with the specifics when we've got all that mapped out. Generally speaking, the goal of the Memorandum of Understanding, or the Memoranda of Understanding is to make sure that the Port doesn't have ongoing financial liability going forward.

The Development Agreement and project itself is before the Board's Land Use Committee on September 17th. Full Board on September 25th and October 2nd. Other agency approvals will trail that Board approval. The SFPUC is hearing the item on October 9th, the Rec Park Commission on October 18th. We would anticipate, pending the outcome of this discussion, to come back to you at your October 23rd meeting for the approvals of the items that I just described.

Yolanda Jones, Yolanda's Construction, Bayview-Hunters Point business owner. Bayview-Hunters Point President - I'm not even here for this, but when I heard this was Build, I think you guys need to know that Build out in the community is very disrespectful to the tenants. They're out at the FivePoint project and my daughter lives across the street from one of their sites.

They start before time, before they're supposed to be out there. We've talked to La Shon Walker. We talked to Kofi. They damage your cars. They're rude to the tenants. They're rude to mostly all the African American people that reside out there. This is not something somebody told me. Because my daughter told me they were doing it, I went out there myself. They were literally starting up before 7 AM. The people that they have onsite are disrespectful to the community.

Before Build is awarded anything or allowed to do anything in District 10, there needs to be more of an understanding with the people that are on the ground. Of course the people who run Build will say, "We have a beautiful relationship with the community. We've done 154 meetings. We've done this. We've done that. We've reached out to you. We love you." But once they touch down, they have no respect for the community. I'm asking the Board to monitor that and have someone in place that can make sure this doesn't happen.

Because I've witnessed them start before 7 AM at least 10 times. They've been talked to about it, warned about it. They have no respect the community. They still move forward.

Courtney Pash - I thank you for that. I do however want to clarify that I believe this happens all the time. Yolanda is talking about Build Group and not Build. We're two entirely separate organizations. Build Group does construction and I believe they're working on Hunters Point Shipyard. Build Inc. is not working on the shipyard at all. We do not do our own construction. I wanted to make that point of clarification for you.

Commissioner Woo Ho - Thank you very much for this presentation. It seems like we're hitting all of the Southern Waterfront projects and it's been very informational to learn about a lot of things that are going on besides just the Open Space itself. When you think about Pier 70 and what we heard earlier with the Power Station project in India Basin, the size of the properties are not too dissimilar. These are obviously major impact in terms of the number of housing units, residents.

What is the projected population for this project in terms of residents and workers? What is expected in this project in this neighborhood?

Courtney Pash - Somewhere between 3,600 residents and 4,200 residents.

Commissioner Woo Ho - That's a little bit lower than the other two but again creating more density than we've had before in the neighborhood. I didn't hear as much office, it's more residential.

The other thing that we emphasized in talking about the other projects, I wasn't sure whether there was any water landing even for recreation anticipated. This is much further south than the other two projects that we talked about. What are you planning for in terms of water transportation? I'm talking about water taxi landing. This is probably further south that you wouldn't necessarily anticipate a

major water transportation landing but something that would still facilitate water transportation.

Courtney Pash - We did look at that. However our site is really shallow. We would have to build a pier far out to accommodate water taxi. We also were talking with Hunters Point Shipyard and they're contemplating a water taxi landing not too far from our site on the northern portion of their property. The adjacent India Basin Shoreline Park has a pier and in order to get far enough out even to launch a kayak or hand powered boat, I think they have to go six hundred feet out into the water to get deep enough for even that.

Commissioner Woo Ho - The lease term is again our typical lease term for the Open Space? First of all, we have to exchange properties, correct?

Mike Martin - This is a little different. We'll own the property but the MOU will be limited to the 66 years.

Commissioner Woo Ho - So it will be 66 years. I'm not sure I fully understand all the Trust exchange of the ins and outs. If you could summarize that again. You said there's 19 acres that go in and then some of it goes out because we want to get the land to be contiguous for the Open Space. Is that correct?

Mike Martin - It's a total of 14 acres, 9.5 acres will be within the Port's jurisdiction after the Trust exchange.

Commissioner Woo Ho - And yet, but Rec and Park will have full responsibility for maintaining the space?

Mike Martin - Correct. The MOU will cover the entire area.

Commissioner Woo Ho - We're granting a rent-free lease because it's Open Space?

Mike Martin - That's a fair way to look at it, although we own the property. Basically it will be maintained as Open Space but it's with Rec Park and not the developer unlike the other situation.

Commissioner Makras - On one of your slides you indicated that there's going to be a fund of \$43 million for roads and Sea Level work. How much of that is roads and how much is going in the fund for Seawall?

Anne Taupier - The Community Facilities District (CFD) that provides the Sea Level Rise is actually the future funding for that, all of that will be for Sea Level Rise for the City. So the, there's two separate. There's a Facilities CFD and then there's a Services CFD. The Services CFD has \$1.5 million annually. So it's a Pay-Go CFD that allows for \$1.5 million that will be used mostly on enhanced maintenance and operation of the Open Space but can also be used in the

public realm on some of the public infrastructure that's above and beyond what DPW provides.

The Facilities CFD, the first tranch of bonded funding will be available to the project sponsor for construction of roads and public Open Space. The second tranch of funding in 30 years will be taken by the City for the Sea Level Rise outside of the boundaries of the project. The entire amount will be rebonded in 30 years.

Commissioner Makras - So they'll rebond \$43 million in 30 years and it's the City's to do what they want with?

Anne Taupier - Yes.

Commissioner Makras - is it the Port or the City?

Anne Taupier - It's the City But it has been designated for Sea Level Rise improvements, mitigation all along the southern shoreline. We haven't specified a boundary that that money can be used in. It will be used by the City for Sea Level Rise, sort of on Rec Park property and on property surrounding the area.

Commissioner Makras - And in 30 years that's going to drop to us as, the \$43 million as a payment? Or will it be given to us over time?

Anne Taupier - No, it will be rebonded. We have not yet negotiated the RMA for the CFD so that will actually trail the approvals.

Commissioner Makras - Elaborate, when you say, "Trail the approvals."

Anne Taupier - Once we've gotten through the project approvals at the Board of Supervisors, we will then work with the project developer and the City family as well to negotiate the terms of the actual CFD.

Commissioner Makras - Thank you very much. Great presentation today.

Commissioner Gilman - I know these questions may seem a little bit late in the game so I apologize but you're at Land Use on the 17th, is that correct?

Anne Taupier - I think we're actually going to be continued to the 24th.

Commissioner Gilman - I was a little surprised by the affordability mix. Can you walk me through the rationale about why there's so little onsite? I understand you're dedicating parcels on the block but mixed in with their market-rate development, it seemed a little low to me. I was just wondering what the rationale for that was.

Anne Taupier - Out of 394 units total, 319 of them will be on the project site.

Commissioner Gilman - No, didn't you say 139?

Anne Taupier - There'll be 139 inclusionary throughout the buildings. In addition to that, there's three parcels onsite that the project sponsor can dedicate to a non-profit developer and that will yield a total of 180 units onsite as well. The third way that they can satisfy that obligation is by paying an in lieu fee on a total of 300 market rate which would yield approximately 75 offsite units. So out of the 394, 319 are onsite.

Commissioner Gilman - I'm addressing the inclusionary throughout their property. How many overall market-rate units are there going to be and in how many buildings?

Anne Taupier – The total units on site are 1,575.

Commissioner Gilman - How many physical buildings will that be?

Anne Taupier - Twenty.

Commissioner Gilman – Twenty. I'm just curious why out of 1,575 only 139 of them are going to be intermingled, interspersed as affordable.

Anne Taupier - So they can satisfy their obligation, their below market-rate housing obligation by pulling any one of those levers. It could be that there will be more inclusionary. The two things we've capped is the offsite at 75 and the dedicated parcels at 180. So if they determine that they want to build a market-rate building on one of those parcels that they could possibly dedicate, that will also have inclusionary in it rather than 100% affordable. We were trying to get as broad a mix as possible of low income, middle income, that makes the most sense for the area and with an average AMI across the site of rental at 100% and of for sale at 110%.

Commissioner Gilman - I know we're not the Planning Commission but it's just more the commitment that the Port's made when it's had opportunities to do development. Looking again at Pier 70, Mission Rock, 88 Broadway, we really want to see Affordable Housing because we want to contribute to the crisis that's facing the City.

I really want to encourage the developer because I heard a little bit about it from the community actually before I came to Commission today that folks are really looking to see a lot more inclusionary interspersed versus dedicated parcels. Even though I know it's on the geographic footprint but I think there's an interest to see more of that so I just wanted to articulate that as something I heard. I know there's no one here for public comment, but that I heard from folks.

I was also curious about how you were looking to partner with a non-profit developer if you go to your parcels like if you were going to do an RFP. Can you

walk me through how you would select your non-profit partners? Since there are developers in the Bayview, I want to understand what your process is about that.

Courtney Pash - We've actually identified two relatively small sites of about 25-30 units each that we would like to partner with Habitat for Humanity on to develop for sale Affordable Housing units for 30-80% AMI. Then the third parcel, we've just starting talking to Affordable Housing developers. We'll continue the outreach process. Not sure that we're going to do a formal RFP, but we'll definitely solicit proposals from a number of different Affordable Housing providers.

Commissioner Gilman - For the public record, I urge you that there are developers that are Bayview, District 10 based. They're the smaller of our community of Affordable Housing developers. I think sometimes because of that, they're not afforded the opportunities to do these public partnerships that are not done through a formal RFP process. I really want to encourage you to look to those developers, and the City knows who they are, that are District 10 and Bayview based that have partnered with other folks on these deals to really make sure the community is reflected in your project.

Courtney Pash - I 100% agree with you and we've already begun talking to one such local developer about a possibility there.

Commissioner Adams - Great presentation. Mike, I bet you feel like you're at home in the old days. Having you as a lead off is just a natural thing for us. You're just eloquent. You just make it so simple for everybody to understand.

It's really amazing to me. This whole day, we've talked a lot about parks. We're going to have more parks in this city than any city of the United States it seems as though. I think that's good. I really like what you were talking about, the job training, the jobs and the local hiring. What I find really exciting about this is we're building a new city within our own city. This is really exciting times. I'm really proud of San Francisco. I think we're taking a lead in affordable housing.

I really want to know a little bit more about the Public Trust but it seems like we're moving in the right direction and to give Director Forbes the go ahead to negotiate with the different agencies. I support that. To Yolanda, I hope that if you got disrespected by anybody, this Commission, we don't like that kind of behavior. I'm really sorry if something happened to you.

Yolanda Jones - It's fine. If they're going to be in the community, they should just know us well. The community is very sensitive.

Commissioner Adams - We understand. Thank you. I just wanted to say that. Thank you for the presentation and I'm looking forward to you coming back and I think this is a great project.

Commissioner Brandon - Thank you so much for the presentation. This is a wonderful project. Back to the Trust swap, right now, we have about three acres in this area. We're going to acquire another 6.5, so we're going to have 9.5 acres that we're taking on.

Mike Martin - That's correct.

Commissioner Brandon - What happens if for some reason this project doesn't move forward?

Mike Martin - We're negotiating the terms of the Trust exchange right now. Basically, one of the conditions for the exchange of property is the MOU being in place assuming those obligations. If the Trust exchange happens, we will have the relationship with the other departments to manage all the operational capabilities. Once this project is entitled, it has a level of value and is moving forward. Obviously, like our projects, I think they want to catch the cycle.

We're working out, "What are the right constraints around when the property can transfer?" Because there is an interest broadly in reconciling the Trust. The question is, "When does that happen in relation to it being improved?" I think we have our interest in making sure those things go as close together as we can.

Commissioner Brandon - What is the cost to this park?

Courtney Pash - About \$20 million approximately.

Commissioner Brandon And Build is paying for the park?

Courtney Pash - Yes.

Commissioner Brandon - Build is paying for the park so we will make sure that all funds are accounted for and the park will be developed before we do this swap, right?

Mike Martin - I think the swap is going to happen before the construction happens. It's the question of, "How close in time can we get to make sure that we know --?"

Commissioner Brandon - Can it be tied to the funding?

Mike Martin - Build is obligated under the Development Agreement to deliver the park.

Commissioner Brandon - They can go bankrupt tomorrow. I just want to make sure that we're not stuck with 9.5 acres of land that now we're responsible for maintaining. I just want there to be whatever needs to be put in place to make sure that we have no liability, no responsibility.

Mike Martin - I have some ideas about what you're saying Commissioner. But let me go back and we'll talk about it. When we come back for the action item, we'll describe those mechanisms. It's something that's already been a source of, "What's the right timing?" "What's the right source of funds?" Including that Services CFD we talked about. Your point's well taken and we need to draw that picture more clearly. Ultimately there is going to be a point in time where it hasn't been built yet, but it's the right time because it's about to be built. We just want to have the right milestones in that Trust Exchange Agreement to know that when that happens and they're about to send the bulldozers out, that's when we get the Trust exchange.

Commissioner Brandon - I also noticed that I didn't see the Southern Waterfront or Central Waterfront Advisory Committees briefed on this. I would really like to know their thoughts on this project prior to you coming back.

David Beaupre - I was working on this project earlier when we last reported to the Commission. We did go to the Southern Waterfront Advisory Committee. It was some time ago. When we did go to them, they were supportive of the entire project in its whole including the Port's participation in the swap to accommodate the new Open Space. I cannot recall if we went to the Central Waterfront Advisory Group or not, but we have the opportunity to go to them as well.

Commissioner Brandon - Maybe you want to update both of them on where we are.

David Beaupre - We will.

Commissioner Gilman - Commissioner Brandon made me think of something. The Development Agreement's for 15 years?

Anne Taupier - The initial term of the Development Agreement is 17 years. Then the developer has the option to add eight years onto that if they are completely in compliance with everything and the City would have to agree to that. But the initial term is 17 years.

Commissioner Gilman - Just as someone who's seen people get entitled due to Development Agreement and the projects sit for a whole variety of reasons, from financing to construction costs, I do just want to reiterate what Commissioner Brandon mentioned about making sure we don't do the exchange too early and then have a liability on our hands. When you come back to us Mike, think about that and knowing now the terms of the Development Agreement and the extension, I'd like to see some of those things tied to those as well. So that we don't do the swap and have possession too early.

Commissioner Makras - This is a similar follow-up. When will the park be completed and turned over in the construction? Is it at the time they do the roads, right up front? Or are they doing the park at the end? That's always a question. Because that leads right in to where you're at.

Anne Taupier - The development project itself has identified three phases. They have to come forward with a phase application for each phase of the project. As Courtney pointed out in her presentation, the expectation is that each phase will have to have all of its required infrastructure around it and tied to each phase is a portion of the park.

Commissioner Makras - Just for everyone's observation. This rolls in to 12B, but just to put into focus. The developer shared that the cost for the 9.5 acres Open Space is approximately \$20 million. I would just like those numbers to be viewed by everyone when we go to Item 12B when it comes to what's being shared as a per acre cost or a cost to what we're going to be looking at on another item.

Commissioner Brandon - Thank you so much for this presentation.

12. ENGINEERING

- A. Request authorization to award a contract to Hollins Consulting, Inc. for Technical Support Services for the Pier 70 and Mission Rock Special Use Districts in an amount not to exceed \$2,400,000, with a term of four years and the Port's option to extend the term for one additional year. (Resolution No. 18-50)

Boris Delepine, Port's Contract Administrator - The item before you is an action item to award the Technical Support Services Contract for Pier 70 and Mission Rock's Special Use Districts to Hollins Consulting, the most qualified and highest ranked proposer to the Port's Request for Proposals issued on May 31, 2018.

The amount of the proposed contract is \$2,400,000 with a term of four years and the option to extend the contract for one additional year. This project complies with a number of our Port-wide strategic goals including proactively working with agency partners to ensure an integrated transportation plans to ease traffic congestions on the waterfront and provide parks, housing and facilities for the arts. It also includes prioritizing Pier 70 and Mission Rock developments to create vibrant new neighborhoods and it also helps increase the portion of funds spent by the Port on services provided by LBEs and micro LBEs. The development projects at Pier 70 and Mission Rock are now in their implementation phases and will be going through extensive planning, engineering and construction activities in the next few years.

The underlying agreements with respect to the developers of these projects allow the Port to contract with a third party to assist Port staff with efficiently fulfilling their obligations for processing submittals related to the developments. The Port is required to review and issue permits, coordinate the review of engineered submissions by other departments and facilitate the purchase and acquisition of infrastructure.

The scope of work under the proposed contract includes facilitating the interdepartmental cooperation agreement process on behalf of the Port, review of submission with respect to the Port's proprietary role and authority for permitting, advising the Port on infrastructure issues and providing constructive feedback on recommendations, troubleshooting and resolving plan review comments.

There's a detailed summary of the project's scope in your staff report beginning on page two. Kevin Masuda, the Project Manager is here and prepared to provide additional specifics about the scope of services at the conclusion of this presentation.

The RFP was advertised on May the 31, 2018. With the help of Tiffany Tatum from the Engineering Division, we created a project Web page that featured the RFP, infrastructure plans for Pier 70 and Mission Rock along with the sign in sheets from our preproposal meetings, answers to the RFP questions and all of the RFP's corresponding submittal documents. On June 13th, we hosted a presubmittal conference in this room to review the RFPs terms and to create a networking opportunity for potential respondents. Given the specialized nature of the contract services, we were pleased that 30 individuals attended the conference.

We then convened a three member evaluation panel. The panel members included Ashur Yoseph, a Senior Project Program Manager from the Mayor's Office of Economic and Workforce Development, Lila Hussain, a Senior Project Manager with the Office of Community Investment and Infrastructure and the Port's Chief Operating Officer, Byron Rhett.

Minimum qualifications are often barriers to small local firms bidding on City contracts. Whenever possible, we strive to develop minimum qualifications criteria that is inclusive to LBE firms at the prime and subcontractor levels. For the purpose of this solicitation, the minimum qualifications were: (1) five years' experience providing multi-disciplinary engineering support services; (2) experience working on three projects with construction costs over \$10 million within the past 10 years; (3) current engineering and land surveyor licenses and knowledge of local, state and federal regulations governing infrastructure planning.

On July 20th, the proposal deadline, we received three responses to the RFP. All three firms met the RFP's minimum qualifications and all three firms were certified LBEs. The City Administrative Code, Chapter 14B known as the LBE Nondiscrimination in Contracting Ordinance establishes bid discounts for certified local firms. All three firms are Minority Business Enterprises and are entitled to a 10% rating bonus.

Hollins Consulting had the top ranked written proposal score and they also attained the highest score in the oral interview phase. On August 17th, we

issued a Notice of Intent to award a contract to Hollins Consulting, highest ranked firm. No protests were received during the five day protest period.

For professional service contracts over \$110,000, the Contract Monitoring Division, or CMD, sets LBE subcontracting requirements based on the availability of LBE firms. CMD set a 23% LBE subcontracting goal for this project. Hollins Consulting exceeded the 23% subcontracting goal by committing to subcontract 54% of the overall contract to certified local firms. With combined with the 46% of work Hollins Consulting is self-performing, 100% of the proposed contract will be completed by small, local San Francisco businesses.

Lotus Water, an OBE/LBE firm will be performing 38% of the contract work. They'll be working on civil engineering. They'll be performing civil engineering work. Vara Land Surveying, a woman-owned firm, will perform 8% of the contract work. Geotechnical Consultants, a minority business firm will provide 4% of the overall scope and two OBE firms, Urban Fabrick and Leahy Engineering will perform the balance of the contract. Again, we're very pleased to bring a team before you for contract award that's 100% LBE.

Hollins Consulting, the highest rank proposer is a minority-owned LBE firm headquartered on Third Street in the Central Waterfront. Hollins Consulting specializes in planning, permitting and delivery of horizontal infrastructure. They are experienced as both prime and subcontractors. They currently serve as a subconsultant on the Port's Seawall Resiliency Design Contract.

They provide infrastructure permitting support at the Hunters Point Shipyard Redevelopment, Treasure Island Development and the Redevelopment of Candlestick Point. They come highly recommended by OCII and the Department of Public Works. Again, their team is 100% comprised of LBE firms. Guy Hollins is here from Hollins Consulting and Derek Cooper, the Project Manager was here earlier but had to leave. They'll be here to answer any questions that you have about their firms and the scope of work.

This project is fully funded by developer reimbursements in the Waterfront Development Project Fund. If you approve this contract award today, we will issue the Notice to Proceed in October and anticipate completion in 2022. In conclusion, we respectfully request that you award the Technical Support Services for the Pier 70 and Mission Rock Special Use District Contract to Hollins Consulting in the amount of \$2,400,000 with a contract term of four years and the option to extend that contract for one year.

Commissioner Gilman - Thank you for the presentation. It was really nice to see since it's been an issue that I've heard resonate at every Commission meeting I've been around local hire and LBE to see that this bid proposal has all of that. I'm generally supportive and just want to say, "Thank you."

Commissioner Makras - I support the item.

Commissioner Woo Ho - My question is not related to Hollins Consulting. I appreciate that we do have an LBE and someone that we've worked with and is recommended. I know you presented this for us to approve the RFP, all the items that they would be providing us, have we not had consultants that worked on this before? Is this the first time we've actually put all of this into this kind of consulting contract? How did we decide on the four year term? I'd like more information on the actual work itself and the need for it in terms of having outside resource versus our own resources.

Boris Delepine - I'll defer to the Project Manager but this contract is dedicated specifically to the Special Use Districts at Mission Rock and Pier 70.

Kevin Masuda, Project Manager for the Port - This contract is a very important strategic contract for the Port's delivery of our obligations to the developers for these projects. We are now entering into a very important phase of implementation where we have active construction. We have just entered into the contract with the Giants for Mission Rock. Right now, the workflow is exceeding and growing dramatically. We need the outside help of consultants to help move these projects forward and deliver on our obligations.

Commissioner Woo Ho - Since these projects are ongoing for a long period of time, would we have prepared to have internal resources?

Elaine Forbes - I would argue not because of the broad swath of expertise here from mapping streets and utilities to land use transfers. There's a lot of very deep expertise. Though we have two big development projects underway with lots of acreage, staffing up for this range of expertise would not be in our best interest. We do want the consultant services regardless of whether or not we could bring in internal FTE.

Commissioner Woo Ho - The question on the tenure of why we chose four years.

Kevin Masuda - That was designed to time out with the Phase One of both projects which are expected to be three years for the horizontal development for Forest City and the Mission Rock project is lagging by about a year. So that would be about the four-year term. We wanted to have some consistency and we wanted to have a team involved from the beginning to the end.

Commissioner Woo Ho - We are reimbursed by the developer for this cost. If they should for some reason get delayed and we keep going and the contract get extended, it's the developer that's funding this.

Boris Delepine - Yes. In addition, it is an as-needed contract. The budget is a ceiling, not a floor. We will issue task orders as needed along the way over that four, potentially five-year period and we have to return to you for approval for increase in funding.

Commissioner Woo Ho - So there's some incentive on the developer's part to get through their project otherwise the bill gets bigger and bigger.

Boris Delepine - Absolutely.

Commissioner Adams - I speak in support of this project. Boris, thank you and to everyone for their work. Just like Commissioner Gilman said this has been coming up a lot. I support this and I just wanted to say, "Thank you."

Commissioner Brandon - Thank you Boris. This is a wonderful presentation and it looks like our community open houses are working. I want to commend staff on having 100% LBE project. This is a first for us. It's great to put our local businesses to work, so thank you.

ACTION: Commissioner Adams moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. Resolution No. 18-50 was approved.

B. Informational presentation on the status of the Pier 70 Crane Cove Park Project.

David Beaupre with Planning and Environment - I'm joined tonight by Erica Petersen, the new Project Manager from Port Engineering for Crane Cove Park. I also wanted to recognize the Port senior staff that's provided a lot of support in developing this presentation and the staff report including Director Forbes, Katie Petrucione, Diane Oshima, Byron Rhett and Rod Iwashita who again have provided a lot of support in creating this presentation.

The purpose of the presentation this afternoon is to provide the Commission with the history of the project including the cost estimating, the funding and the budgeting and the phasing of the project throughout its time over the last 10 years. There are kind of three large issues I'm hoping to convey as a part of this presentation along with Erica's support.

The Crane Cove Park project is more than just a park. We have a sediment cap. We have the 19th and Georgia Street and we have a parking lot as well. When we started this project, we knew that the scope of the project and the funding of the project would evolve over time. We started in 2011 after the success of the 2008 bond and the 2012 bond was in front of us and we were confident that we would get additional funding from that.

Throughout the duration of the project where we've presented numerous times to the Commission in going through this, the research to develop the presentation and reliving the last 10 years of this project, it's easy to recognize that while we have communicated consistently to the Commission, not all of our communications regarding the budget and funding have been explicit. I want to recognize our shortcomings in that.

I'm going to go through a timeline of the project and the slides in the upper right hand corner will have key dates during the presentation. Then we'll go over how the funding and budgets evolved over time.

Starting in 2008, we joined with Recreation and Parks for the 2008 Clean and Safe General Obligation Bonds. The bond was successful. The Port received \$33.5 million of which \$22.5 million was designated to the Blue Greenway projects. Right off the bat, there were three projects that got prioritized, the Heron's Head Park expansion, the Mission Bay Shoreline project and planning to determine how the Blue Greenway projects would look, feel and be programmed across the board. Through that process, working with the community and the Commission, we were going to identify how we would expend those 2008 funds between Crane Cove Park, Warm Water Cove Park and the Islais Creek projects.

In 2011, we had sold our first bond. The Blue Greenway planning was sufficiently complete. We went out to request bids from consultants to help us with the park planning and we had just been wrapping up the preferred Master Plan for all of Pier 70. When we went out to bid for consultant services, Port staff had estimated the total project cost of \$30 million. That was based on comparable projects and some back of the envelope due diligence.

At that point in time, we had secured \$10 million and the project had not included the parking lot, 19th and Georgia Streets or a sediment cap. We selected AECOM as the consultant team. Our overall schedule was presented to the Port Commission in May of 2012. We had looked at beginning construction in 2014. We retained AECOM to do park master planning, phasing and cost estimates for the total area of the park and then we were going into detail design and bid an award for construction.

The planning and design schedule is an enlargement of that green phase and that's what we had awarded AECOM to do which was to existing conditions and opportunities and constraints, improve the due diligence we had done as a part of the preferred Master Plan and Blue Greenway planning, develop alternative Park Master Plan concepts, develop a Draft Plan and Phasing Plan. Again, our estimate was \$30 million. We knew that we didn't have \$30 million so we had to work with the consultants who had a cost estimator on board to determine, "How are we going to spend the funding we have in place? How are we going to scale the project based on the funding that we have in place?" And then finally, identification of a first phase of construction.

We had awarded the contract to AECOM for \$700,000 to do that initial work also recognizing that the San Francisco Public Works wanted to retain the right to do the detail design work should they have the capacity when we got through the planning process. Again, the award of the contract to AECOM recognize that the scope may expand.

We were successful with the 2012 bond. We added \$11.5 million to the project utilizing 2012 bond proceeds. At that point in time, we had completed the Park Master Plan alternatives through the AECOM consultant team. The total park cost which had then gone up to \$45 million. That cost increase was due to increased site due diligence and a better understanding of the coastal conditions, adding scope including 19th Street and Georgia Street and understanding some of the shoreline cleanup conditions and site conditions.

Based on the \$21.5 million, the Port worked with the consultant team to identify what would be an initial Phase One of the project. This is a slide that we presented to the Commission in 2013 showing Phase One at \$21.5 million from the 2008 and 2012 bonds. We had identified that as the initial phase, slipways 2, 1, 2 and 3 would be a later phase of the park.

Nineteenth and Georgia Street was added to benefit not only the park but all of the Pier 70 project, providing more direct access to the ship repair operations, pulling trucks off of 20th Street to improve the Orton project, a continuation of the Blue Greenway and connections along 19th Street for added capacity to support the Pier 70 Special Use project. Again, this shows how we matched the scope of the project with the funding that we had in hand.

In March of 2014, we still had to go through design review process with both the City's Waterfront Design Advisory Committee and BCDC's Design Review Board. Through those design review boards and community pressures, our project was conditioned on getting permits by having to deliver the northern shoreline area. You can see here in the brown, we didn't have that northern shoreline. Here the project was conditioned to get permits.

There was also strong community demand and desire that the project provide access to the Bay because of the limited access to the Bay that occurs in the Southern Waterfront. What we did at this point in time is we looked at how we could de-phase certain areas east of the slipway and reach to areas to the north to get the northern shoreline.

Again, we have Building 109, Building 110, the areas east of the slipway. We added areas to the north for the northern shoreline, but we also deleted Building 109, 110 and those areas east of the slipway. In eliminating Building 109 and 110 in those areas, we saved approximately \$5 million by pulling those projects away. But the addition of the northern shoreline was about an \$8 million cost which also include the sediment cap as a part of the northern shoreline project.

In March of 2014, recognizing the additional funding that we had, we went to the Department of Public Works and said, "We're ready to move forward with the detail design." At that point in time they did not have the capacity to move forward with the project. So as the scope was originally written in the Request for Proposals, we returned to AECOM and amended the contract the first time to meet the cost of the increase in budget from \$10 million to \$24.5 million and to

move into the detail design work. If you look at the budget and fee, they're roughly at 10-12% based on the total project cost for soft cost from AECOM.

In April of 2014, we pursued a grant with the California Coastal Commission for Bay Trail improvements along 19th Street and Georgia Street as a part of a project to improve the Bay Trail and Blue Greenway. We were awarded a \$1 million grant. What that grant did is it allowed us to use funds that were going to go into the 19th Street and Georgia Street project to be used to help with site preparation for the children's playground. So we took funding that was intended to go to the roadway, pushed that to advance the project to deliver a children's playground in the northern shoreline area. So that increases the project budget to \$25.5 million. The source of the funding was the MTC Bay Trail grant.

In October of 2015, the Port Commission approved the Park Plan and a bond sale. April 2014 we were at the Commission. Eighteen months had gone by and in retrospect, the Port should've come to the Commission in that 18-month period and shared with you what was going on with the project. We did not. That was our staff mistake and I apologize.

Between that time, a few things had happened. We were delayed in getting our permits from the Army Corps of Engineers. Time had gone by. Escalation and the bidding climate increased. We can attribute that to about \$3 million. Additionally, through that process, we determined that Building 49 which is in the center of the project, needed to be added to the site. It includes important park infrastructure and utilities. It includes the park restrooms that we need as a part of a park of this magnitude and we added that back into the project.

We also felt that it would add security when we brought on a development partner and would help activate the park which would help us with our security and maintenance. That was an additional \$3 million. Our budget is now up to \$31.5 million. We accomplished that by defunding Warm Water Cove Park just to the north which was bond funded. There was interest generated from bond proceeds we had not been spending down.

In August of 2016, we came to the Port Commission with the Port's Capital Plan and an update to the project. We decided that 19th Street project was a high Port priority project that ranked high as a Capital project. It's not really related to the project, but it's immediately adjacent. It was funded by the Capital Plan for \$2.1 million. For efficiency, we added that scope to the project for design and delivery recognizing their adjacencies. We had to amend the AECOM contract once again to do the design work for the parking lot. That was Contract Amendment 2. The budget is at \$33.6 million.

In 2017, our project permits were continuing to be delayed. We had bond funds in our pockets that we weren't spending that the clock was ticking on. We had promised to the community that we would deliver the project at the end of 2018. We stepped back and said, "How can we move the project forward without the

permits?" Get the project moving to spend the bond funds that were burning a hole in our pockets and keep the project on schedule to the extent feasible.

At that point in time, we decided to break the bid packages from two bids to three. The reason we had started with two bids was as the Coastal Conservancy grants that we received for 19th and Georgia Street have federal funding in them, procurement of construction projects with federal funding has a different process. So we always knew there were going to be two projects.

At this point in time, we said, "Let's break the package down to three packages." Start with site improvements that we can do without the existing permits. We prepared a bid package with an engineer's estimate of \$5.6 million. We awarded the bid to Shimmick for \$4.1 million and in the end, just a few months ago, the Commission approved an amendment to that contract for a total of \$4.8 million, still well within the engineer's estimate of the project.

We then released Bid Package 2 in mid-2017. The original engineer's estimate for Bid Package 2 was \$20,100,000. Bids came in at \$27.2 million. We did not accept these bids and we did not have the funding in place to do them. We stepped back from the project and said, "What can we do to deliver a project with the funds that we have in place?"

We did a series of things including value engineering, descoping components, eliminating alternative options, proposing to bid Building 49 separately. We expanded the contractor outreach. All of this repackaging required an amendment to the AECOM contract because the Bid Package 2 had to be broken apart into multiple packages and certain elements had to be descoped.

Even with the value engineering that was done and the outreach that we did, we knew that there was still going to be a shortfall for delivering the landscape portions of the park. So we went back and said, "What can we do for the project?" We had \$500,000 in federally economic development administrative funds that had to be spent on Pier 70 that has a clock ticking and needs to be spent by the end of this year. We decided that doing hazardous material abatement to Building 49 was a good expenditure of those funds. The EDA approved that.

In addition we had \$2.5 million of Capital funds sitting in account for Phase 2 of a sediment cap between the park and the ship repair operations. We decided to defund that and put it into the park to get to the project that we felt was deliverable and what we had promised to the community.

Here is a summary slide of those expenditures, the timeframe, the budgets over time. Starting in 2008 with our \$30 million estimate and our \$10 million of 2008 G.O. bonds. Leading to today where we have \$36.6 million for the project, the park project, the sediment cap, the roadway and the parking lot. It's complex. It's a lot of steps. It's a long time.

This shows that between 2008 and today, we've been to the Commission approximately 17 times with both informational presentations, approval of amendments to consultant and contractor contracts, approvals of bond sales, approval of the park schematic design. If we were to do this over again, there were times that we should've checked in and been more articulate about how the project cost and budget were increasing over time.

In addition to going to the Commission, between March of 2012 and August of 2016, we held 39 community meetings. Since August of 2016, I've been out to the community for project updates three to four times a year including to the CWAG, Potrero Hill Boosters, Dogpatch Neighborhood Association and continual updates to the City's General Obligation Bond Oversight Committee.

In addition to the Commission outreach and the community outreach, over the last 10 years, we've secured 11 actions or permits to support the project starting with BCDC Design Review Board approval, the City's Design Review approval, and NEPA extending all the way to the 19th Street grant where we had to do a NEPA review for the project. So 11 different actions that we've had to, or permits we've had to secure with the support of extensive Port staff team and consultant help.

Erica Petersen will discuss the various bid packages in detail, the cost by park component, the expenditures by date, how we can control costs moving forward and project cost of similar comparable projects within the city.

Erica Petersen, the Port's new Project Manager for Crane Cove Park - I'll be discussing the cost analysis of the park and our path forward on this project. This diagram shows a plan view of all Phase One of the park. It is separated out into different items that will be delivered.

Starting over on the right, 19th Street and Georgia Street. Number two in blue, Building 49. Number three in green, the 19th Street parking lot. Number four is the slipway. Number five is the northern shoreline. Number six in purple is the northern uplands. Number seven, multi-purpose green. Number eight, Building 49 Plaza. Number nine, in blue, the Crane Plaza. Number 10 for the whole site, site preparation. And number 11, Building 30 relocation.

This pie chart is associated with the same plan view of the park shown on the previous slide. It shows the estimated cost of each component of the park. Cost estimates include soft cost, which is design, project management and construction support and hard costs which is construction. The grand total for Phase 1 is \$36.6 million.

The slipway repair is a significant estimated cost and this was mostly due to the need to construct a new pile supported foundation for the crane gantries. The northern shoreline is also a significant estimated cost because of the need of a sediment cap. Site preparation was about \$4.3 million and part of that cost was for surcharging the soil in preparation for the park and the roadway.

This chart shows a breakout of the \$9.3 million that we have spent to date, distributed amongst the areas of the park. A significant amount of the money has been spent on the slipway and cranes, as mentioned before, the gantry foundation work as well as site preparation. The rest of expenditures for other areas of the park were spent on project management and design work.

This diagram shows how the project is currently broken up into five bid packages within the park. Package 1 in blue is contract 2740 to perform site preparation including surcharge. Construction was started in November 2016 and is now complete. Package 2 in red will construct most of the park along with the 19th Street parking lot. Package 3 in green will complete the roadway along 19th Street and Georgia Street. It is federal funding that needs to be bid separately as David mentioned and consistently with federal bid standards. Package 4 in orange will provide hazardous materials abatement for Building 49 and package 5 in yellow will complete the rehabilitation of Building 49 including public restrooms.

This table summarizes estimated costs of the five proposed bid packages. Costs are divided by design and planning cost, estimated or completed construction bids, construction management and a total. Bid Package 1 is site preparation and it is complete. The combined cost for this contract were about \$6.2 million. Bid Package 2 will construct most of the park along with the parking lot and we currently have bids for this contract. The estimated cost for this whole package is \$25.1 million.

Bid Package 3 is to complete the roadway along 19th Street and Georgia Street. We are expecting to have this completed by the end of 2019. The estimated cost is \$1.5 million. Bid Package 4 will provide hazardous materials abatement for Building 49 and it has federal funding and is estimated at a cost of \$372,000. Bid Package 5 will complete the rehabilitation of Building 49 including public restrooms. This is anticipated to be a bid in 2018 and completed in 2019 and the estimated cost of this is \$3.4 million.

Port staff researched recent projects of similar scale and complexity and determined cost per acre were similar to other projects within the city. Crane Cove Park has an estimated cost of \$4.3 million per acre which is well within the range shown here on the table. It's similar to the \$4.2 million cost per acre Bayview Gateway. The two parks that are lower cost per acre, Dolores and Joe DiMaggio were both rehabilitations of existing parks and not new parks.

Projects of this size and complexity are at risk of change orders and cost overruns. Port staff will implement the following strategies to control cost. We'll work with the contractor on delivery methods and phasing to control change orders and budget. We will closely monitor the progress during construction and if needed, during construction we will try to continue to value engineer. We will also keep on schedule.

Once completed, the park will be an exciting destination providing access to the shoreline showing connections with its historical shipyard roots. The completed Phase One of the park will include items listed on this slide: a beach and sediment cap, lawn and plaza areas, the slipway with stabilized crane bases, site-wide interpretative elements, Building 49, public restrooms, 19th Street and Georgia Street and the parking lot.

There are two components of the project that are currently not budgeted for. These include the children's play equipment and the crane cabs with an estimated cost of \$4 million. Their locations are circled here in pink. The San Francisco Parks Alliance and Dogpatch community have agreed to assist fundraising for these items.

The Port and Parks Alliance and community believe these items are strongly supported elements of the park, and that a fundraising campaign being led by the community and Park Alliance would be successful. Should the Port Commission desire, opportunities exist for future improvements using private funds, bond funds or Pier 70 infrastructure financing proceeds. These could include areas listed and outlined in blue on this slide and also is a dog run.

Port staff seek to work with the Port Commission and the public to deliver Crane Cove Park and the surrounding roadway and parking in the most efficient and effective manner within the total secured budget of \$36.6 million. We wish to build upon the prior investment and achieve the park improvements in alignment with 10 plus years of planning and community engagement and in accordance with the General Obligation Bond and grant funding requirements.

Toby Levine - I'm the co-chair of the Central Waterfront Advisory Group. Needless to say this has been a much studied project at CWAG. Although I have to confess we haven't seen too much of what has been just explained, at least in terms of the funding in the past year or so. As you all know, this is an extremely difficult project. It has everything in the world that makes things difficult. It's got many agencies involved. It has many different goals. It has a strange property full of toxic materials plus we have a goal of trying to reflect in an honest way the historic nature of the park. All of this combined together could cause people to be very exasperated but at the same time, it's a beautiful plan.

A few days ago I was over at 113 and 114. I hope you have all been over there recently. It is to die for. It is, I remember at first how awful it was. You couldn't imagine that it was ever going to be something beautiful. But now it is practically a work of art and certainly is a work of fine engineering and architecture. That project was also quite aggravating, not only to the committee itself but obviously to the Orton Development Company who had to wrestle with all of those problems there, including the raccoons.

This is one of those situations where you just have to hold on, look for the end of the line when we're going to have something very beautiful and something

important to the city. Try to get the Port to do the things you want them to do to make it efficient and cost effective, but this plan is worth following.

Rusty Hoseley – It's a pleasure to be here for the second time. Last time I was standing here, we were trying to get an award for backlands Pier 94. We will be breaking ground here in the next week or so. It's going great. This is a really cool project. It's complicated but it really is going to look nice in the end. I think you have an excellent team on board to do this project also. We've been doing a lot of work since I've got here and spoke with you last time with the community. Hal understands how important it is also to work with the community. I've worked with Hal since the early '80s. He was actually my project manager when I got out of college. He's the kind of guy that's got a lot of smarts. He can help with the design and shortcutting costs if that's what's necessary. I've spent many hours through the night in the Arizona desert coming up with some pretty neat schemes and ideas for projects with him. The team that we have and working under Gordon N. Ball, I don't know how you could do much better than that.

Hal Stober, President Gordon Ball - I came here because I want to make sure you understand, it takes a company to put something like this together, to put a bid together that is the lowest bid presented. As your staff has determined, it is the most responsive bid and it takes a company to do that. I wanted to make sure you see a face to the company, and hopefully a smiling face.

Because we've put a team together that can put this together. My company is well-poised to do this. We were the first contractor in, first contractor out on the Bay Bridge. We built the touch down on the East side, at the Oakland end for the Bay Bridge. We did all the site work around the Caldecott Tunnel. Everything outside of the Caldecott Tunnel, we did that. We were the contractor that moved a million and a half cubic yards at Hunters Point mass grading parcel A. We did all the shoring, wall work, exterior work at the Devil's Slide Tunnel.

In the context of just completing all the demolition, heavy grading and the finished concrete work that you see right now at the Transbay Terminal. We're well-poised to do this. We have a great team put together to do this. I understand the needs and wants of the community there. We are working with them now and we haven't even been awarded the project. So we're on this. We can do this and we are your contractor. I'm very excited to be able to do this. It's a great looking project and we can do this. We've got a great team assembled here that can do this and I think there's more of that team that would like to talk to you.

Commissioner Brandon - I would just like to let everyone know that this is about Crane Cove Park and the status of the park. This has nothing to do with contracting at all.

Gregory MacDowell – I'm here on behalf of Hoseley Corporation. It's been a real good challenge for me, experience-wise at the age that I am and given the opportunity to work with guys on the construction team. I'd like to see things

continue go forward so I can continue to learn. Hopefully, I can retire from this real soon.

Carla Tucker - I'm the owner of CLT Construction Services in the Bayview-Hunters Point community. I am in total support of Hoseley Corporation and Gordon N. Ball because it's companies like these that are in our community that give small businesses like myself, YCAT-C, up and coming companies like Eworks Electrical Inc. opportunities. I think the Crane Cove Project is going to be a great project because I was born and raised in San Francisco. It's projects like this that seeing them become developed before my eyes, after all these years, to add a beautification to the area that I'm very familiar with and to see it being just developed in such an intricate matter. I'm very proud of it and I'm looking forward to seeing the end results.

Yolanda Jones - I know this isn't for contract, but I too am here in support of seeing Crane Cove developed and Gordon Ball and Hoseley being the contractors out there because they truly work with the community.

Bo Barnes - I'm a kayaker, and windsurfer and all that. I'm a water guy. I want to put Crane Cove Park into a bigger perspective in the boating community which includes high school training for outrigger canoers, kayakers, whale boats and all, the whole magnitude. I represent Kayaks Unlimited, a volunteer kayak club that is also associated with and work together with the Dragon Training Club so that we have a bunch of high school kids out there. We've got lots of energy and ooh, thank goodness. Because we have a great presence up there at Islais Creek now. My other hat was Bay access. This is an idea 10 years ago that we said, "We should start a San Francisco Bay Water Trail that will be like a spider web all around the Bay so that people can move here, get in there, put out there, take here." It's not a linear trail. With that in mind, we started off very slow. Then we discovered BCDC. And then we discovered ABAG. Then we discovered California Coastal Conservancy, the ones with the money. Then a plan came about.

I see one of the planners is here right now, so I don't want to step on if he's going to say anything. But it started with Mission Bay. We worked with Catellus. We made the Mission Bay storage and pier. I worked at UCSF at the time. That's how I got in there and it came out really nice. Then our next step was the first San Francisco Bay Water Trail site in 2015. It was at Islais Creek because it was pushed by us. Now there are six. Candlestick Park, which I know is not part of your venue here, is where a whole bunch of us are paddling out to Candlestick Park next Thursday because they're opening the only camping in San Francisco. So that's part of our plan.

The creme de la creme, the crown jewel of this whole plan that's been going for 10 years is Crane Cove Park. Crane Cove Park provides access for total beginners in a safe manner, in a fun manner.

Maureen Gaffney - I'm with the San Francisco Bay Trail project - I'd like to give each of you a map of the Bay Trail. As most of you probably know, the San Francisco Bay Trail is a planned 500 mile trail around the entire San Francisco Bay running through all nine Bay Area counties and all 47 cities. Three hundred and fifty five miles are currently in place and in use today. The Bay Trail is the green in the Blue Greenway. We have been a part, from the outset, we have been a part of the extensive community outreach that has gone into Crane Cove Park and Pier 70 to date. It's not small feat, as you well know, getting a very involved San Francisco citizenry and dedicated stakeholders to agreement. For that we congratulate both the Commission and staff and the community.

While the Bay Trail at Crane Cove is just a couple of thousand feet, this is how the trail gets built. It is rare that our trail openings these days are counted in miles. While miles are great, it is often the closure of just a couple hundred foot gap that gives us the most momentum. New public access on this part of the waterfront is one such place where a fairly small number of linear feet will have an outsized impact.

Given how long this part of the waterfront has been closed to the public, it is not surprising how much passionate interest there has been. I'm the planner for San Francisco, Marin, Sonoma, Napa and Solano Counties so I'm obligated to have those places be my favorites. I have to say one of my favorite places on the Bay Trail is the Shipyard 3 in Richmond. I've always envisioned Crane Cove Park at Pier 70 to be very similar to that. Its combination of history, industry both current and historic, the Bayfront views, the recreation and alternative transportation options for the Richmond community is very, very similar to the Crane Cove Park vision.

I'm really happy to report how well-loved and used that park and segment of Bay Trail are over there in Richmond. We encourage and thank the Commission and staff for moving full steam ahead to implement the both park and the Bay Trail at Pier 70.

Ben Botkin - I'm a planner for the San Francisco Bay Area Water Trail. Bo gave a great introduction. But the Water Trail is a network of non-motorized, small craft launch and landing points throughout the Bay Area. The Port has been a really fantastic partner since the Water Trail's inception and even before that in providing some of the most premier facilities throughout the entire Bay Area. Crane Cove Park really promises to take that to the next level. This really is an area where boaters would have access to a very safe and sheltered area of water. A beach launch are pretty hard to find throughout the Bay and are ideal for all sorts of different types of watercraft and provide an accessible way for people that are either just beginning or experienced to come get onto the water.

A place like this also provides a particularly welcoming place for programs. With San Francisco Rec and Park, having swimming programs for many school children, San Francisco really could be a model for the entire country for

providing access and expanding access not just through swimming but also to the Bay and get more of the citizenry out onto the water itself.

Thank you for all of the hard work and the time that's been spent planning on this project. It really is one that's been embraced by the boating community and appreciate your leadership on this project.

Charles Imbault - I serve as the Associate Director of Partner Experience with the San Francisco Parks Alliance. This is my first time presenting before this Commission so thank you for the opportunity. The Parks Alliance is the largest non-profit organization supporting San Francisco's diverse city parks and public spaces as you may know. Serving as both a fiscal sponsor and planning for partner for about 200 small community park partners or what we call friends groups in working with the City to develop new and innovative recreational spaces in underserved areas of the city.

Together with our partner organizations, the Parks Alliance raises millions to improve the city's parks, playgrounds and Open Spaces and there was an example in the presentation. Today I am speaking in support of the completion of Crane Cove Park and to emphasize it's important to the city and the region. The park is regarded as an important Blue Greenway project and a regional and neighborhood park resource which has been mentioned. The Parks Alliance has served as a public convener and partner with the City to realize a Blue Greenway vision of an expanded Bay Trail, connected Open Space and recreation areas along 13 miles of the city's shoreline from AT&T Park to Candlestick Point State Recreation Area.

For too long, the city's Central and Southern Waterfront have been disconnected from their adjacent and adjoining neighborhoods. Crane Cove Park helps to reconnect residents and visitors to the city's historic Maritime industry with accessible and attractive public space with the added benefits of shoreline cleanup and stabilization. This project's completion, as has been mentioned, is a priority for the Parks Alliance and we hope you will join us in continuing to move the project forward.

Ted Choi - I operate a business called City Kayak in San Francisco. I am on a dock, basically, manmade structure. Now, with Crane Cove, what's interesting is it is going to be a beach. When you have a beach, it invites people with lots of watercrafts, not only kayaks, stand up paddleboards and whatever that could be, it's also more inviting to families and beginners. I think it's going to be a great feature to the city where at this point, you don't have a lot of beaches in San Francisco. You can go to Aquatic Park. You can go to Crissy Field. But this will be the next nearby beach access to especially people in the southeast area. It's going to be a very inviting place. For that reason, it has a lot more significance for people. I'm in support of this project.

Katherine Domoni – I'm actually a member of the CWAG group. I also live two blocks away from this site. I've been there for 20 years. I've lived there since I

had my daughter who is now 14 and I've been working on this park and hoping it would come to fruition since she was four. She just started high school two weeks ago. Part of me is in a state of disbelief that it's still not done and it's extremely frustrating. Because I also am working on a lot of other community projects as we watch the cranes go up and unending pile driving and the building all around us. I'm all for density but I also think the City has really fallen down in giving us the amenities they promised when they rezoned the Eastern Neighborhoods in 2008.

We're looking at a tripling of our population to 5,000, which isn't huge, this coming year. But by 2030, with the projects that you saw today, and of course you're well aware of Pier 70. It's not even counting what the Giants will be building, we're going to be near 18,000 people only in Dogpatch. We have no new facilities. We have no new Open Space that the City is actually contributing to. They always point to you and they point to the Port and they say, "Oh, they're providing it." So this is it. I really hope it's happening now. The building is non-stop, 24/7, including the Warriors stadium in Mission Bay. Please make this happen as soon as possible, maybe even before my daughter goes to college.

Commissioner Makras - For my point of view, I don't think it's a commitment to the park. It's a money issue and a timing issue. I don't see what's here is a full business plan to get the job done for me. For one, I don't like asking the community to go out and raise some money because we're short. We should figure out what to do with building the parks with our own money and our own resources.

Commissioner Woo Ho - Having sat on this Commission since 2011, I can share some of the frustration that the community has presented in terms of how long this park has taken. I don't think there is any question that we all believe in the mission and value of Crane Cove Park. But it's been a very tortuous path which David, I will commend you for being very honest in tracking all the development and all the changes and everything that we went through. It's not a path that we would say was the best path that the Port has ever taken. I'm sure there are many lessons learned that hopefully we adopt for any other projects in the future.

Because this has taken much longer and more than any of us had expected. But it is, as someone mentioned, expected to be sort of a crown jewel of all the parks that we do develop. Having been out there and at least seen the view from the park, it's extremely exciting. We could review and recommend and all that stuff and try to figure out what we could've done better. Right now the important thing is to figure out how we go forward as quickly as possible. I understand what we can do in terms of the budget going forward to complete this park.

I'm not sure I still understand the percentage of completion. We've spent \$9 million. I'm not sure where we are in terms of percentage of completion and in terms of where we're going to solve all the funding issues related to it.

Having gone through this process of presenting today, staff's probably already gone through a lot of self-examination, so I don't need to get the whip out any further in that regard. We want to know what the path forward is in terms of, "What is the percent of completion at this point?" Is there any danger in terms of some of the dates that you mentioned? How are we going to find the rest of the money?

David Beaupre - We believe that with the \$36.6 million that we have today, we can deliver a complete Phase One of Crane Cove Park. If we had another \$4 million, I would love to say we would deliver the children's play equipment and the crane tops. But those are two things that we felt, and the community felt, the Parks Alliance, that were good components that could be delivered through philanthropic giving from the community and outside the community.

There is a bid that is within 2% of the engineer's estimate to deliver the remaining portions of the park with the exception of 19th and Georgia Street and Building 49. However the park could feasibly operate without each of those components. As Erica mentioned, we know that there's no more funding to go into the park. What we would do to control cost is work closely with the contractor to phase the construction of the components to meet the project budget and if required, continue to do value engineering.

To deliver it in a timely manner means to make decisions quickly with what we have. If we delay, it's my sense that it's just going to increase cost which likely means delivering less of the park and not delivering what we have all promised the community and promised the voters with the bond funds that we've secured from the voters. It was, indeed, an interesting path for myself going through the project history, but I think we can deliver it.

Commissioner Woo Ho - Thank you. I do want to commend everybody for going through this. This something we need to complete. It's a very important project and it will also add a lot to all of the neighborhoods, not only to one of the speakers who is living in Dogpatch today, but in terms of some of the new neighborhoods. All of the other Open Space that we've talked about today, it's very exciting. We have to be committed to complete it and that we will look back and hopefully look at the lessons learned and figure out how we go from here.

Commissioner Gilman - Thank you David for the presentation. I too don't feel any need to unpack the history or how we got here today. I'd rather focus on moving forward. I concur with my fellow Commissioners' comments. I do want to say I definitely feel strongly, like everyone on the Commission, that we need to deliver this park to the community. The fact that it has taken this long is disheartening. I hope there's no other projects that follow a similar path while I sit here on this Commission.

I think we should deliver it. While I agree with Commissioner Makras that we should be able to find the money, I do want to do a shout out to the Parks Alliance. As someone who lives directly across the street from Joe DiMaggio

and went through that construction, and saw what the Park Alliance was able to do to fundraise within the community. I actually think it brought more community investment to the park and stewardship to today that we all feel more invested in it as people who took part in that philanthropic drive.

I do concur that the \$4 million is an easy raise at least from what I've seen take place for parks and to the Parks Alliance. I'm excited to have them partner on this. If there's anything the Port can do or help with those philanthropic efforts, you should ask us as a Commission so we can get this project done.

Commissioner Brandon – Thank you, David and Erica. I really appreciate this presentation. This was very in depth information and a great summary of what has happened over the last 10 years. I agree with everyone else that this has taken a long time but I really want to thank you for involving the community throughout the process and trying to keep this thing moving with whatever funds we could pull together.

I think that it was an ambitious project for us and that somewhere along the way it's gotten a little away from us. I think this will be a crown jewel. I think it is something we have to deliver. I'm just really concerned on how we're going to deliver it and with the bid package, I'm still not sure of what exactly we're delivering versus what we promised. I'm having a hard time with where our budget is now and what we're trying to deliver. There is no margin for error anywhere along the way.

We've already experienced that we're in a very high development cycle. If one of these phases goes over just a little, we're back to square one. Where are we going to get the money to finish this? Since you guys have done so much work here, I thought we should just step back a minute and say, "Okay, what can we really deliver within the \$36 million that we have, but leave a little bit of a contingency just in case?" Because costs are only going to go up. Right now with this plan, there is no margin for error at all. We have to deliver this park, but we have to deliver it responsibly. So that's my two cents.

Commissioner Makras - That means you should have a 10% contingency because that's what we do with the other projects.

Commissioner Brandon - Yeah, we do. We always have a contingency.

Commissioner Makras - That would be the prudent way to proceed and it would be the way we proceed with other contracts. That's how you would eliminate the risk that you're suggesting. Because what's being proposed is that we have a direct hit without a contingency.

Commissioner Brandon - Also the fact that some of the things that are funded that are outside of the park should be done. It shouldn't have to wait for this. That can go ahead and be done. But what we're actually delivering to the community, we really need to be proud of that. We can't just put something out

there because we made a promise. We have to be able to put something that we think is going to be beneficial to that community that we've made this promise to.

David Beaupre - To reconfirm, the project cost and estimates by those bid packages includes a 10% contingency. So that contingency is in there. I will note that in Bid Package 1, we did have to come back to the Commission because we exceeded that 10%. But if you go back and look at the notes, the bid came in under the engineer's estimate. Even when we exceed the 10% contingency, we were still under the engineer's estimate and we got additional benefit out of that project.

Commissioner Brandon - I'm not quite sure what was in Bid Package 1 but I also, I know that AECOM came four times even though it was still within it. It's just the amendments and the fact that from what we promised in 2011, and I think what we have now is maybe half of that.

David Beaupre - We amended AECOM's contract three times. In the beginning we understood that scope would expand because we started with \$10 million. We were about to get the 2012 bond approved and so we meant for it to expand. When we went to the community in the very beginning and started the process, we thought it was a \$30 million project. We thought some of the funding would come from some of the development parcels that were now park today.

We never promised to the community delivering everything. In 2013 we told the community, "This is what we can deliver with \$21.5 million." We knew it was \$45 million. So it was an evolutionary process where we said, "This is what they can deliver." We got pushback. The community said, "We need to have access to the Bay." So we pushed the expansion to the north and restricted it from the east.

I believe where the design stands today meets the commitment we made with the community and the stakeholders and also includes benefits to the larger project itself including the parking lot, 19th and Georgia Street projects. But I also understand and hear the Commission's concerns.

Commissioner Brandon - Like the other Commissioners, I don't want to go back and discuss how we got to where we are because I want to commend you and all the community who, with being engaged in this process for the last 10 years. It is a very expensive project. We are in a very high development period. The cost of this park is escalating every day. Right now. So my opinion is we need to deliver something we can be proud of. Not something that we started 10 years and we're trying to piece together now with the funds that we have. I want to make sure within the funds that we have, we are able to produce something that the community wants to be a part of, that will be beneficial but not just a beach.

Commissioner Adams - I'd like to call on the Executive Director. I'd like to hear what you have to say.

Elaine Forbes - I would reflect the comments that President Brandon has made about the construction climate. We have had 21 months of increases, month after month, in the construction pricing. It's absolutely true, it's a very expensive time and it may just go up. I do think that in the presentation I saw presented in addition to thinking about all the lessons learned, I also saw a lot of staff effort and incredible tenacity over a long period of time in terms of getting a whole series of permits and dealing with changing scope from a community planning process. The City is not unfamiliar with parks that change scope from community planning processes. I saw a lot of effort and tenacity on the part of staff with some changing costs and scope that was took a lot of effort and forbearance.

I want to congratulate staff for that effort and forbearance over all of these years. I do regret, along with the community, that this park isn't in the ground now because it would've been cheaper. Getting the permits including all this in-water construction. It is a dirty site. In-water construction in a dirty site is very complicated. We could only get the permits when we could get the permits. Staff really tried hard to get it done earlier and would have loved to be celebrating the park's completion.

We want to work with the Commission on delivering a park we can be proud of. We want to get the park done. We do have \$36.6 million of budget, G.O. bonds and grants. Mostly G.O. bonds and a little bit of Port capital for our parking lot. Port staff has presented a plan today of how to spend those funds, \$9 million of which has been expended already. We can follow that plan. We can take a step back and go through a little more community outreach to see if the plan that we're presenting today hits muster and is something we can be proud of.

David and Erica will be proud of the park that they presented today. David has been the closest to the community planning process all these years. I trust his judgment in what's been discussed. But we could certainly hit the pause button and go out and confirm. I heard some of the Commissioners say they don't feel we have a cost control plan in place that meets muster. We could would harder on that in terms of the phasing. We do have phasing already planned, but we could hit that even harder.

We are standing forward for Commission recommendation. We share your desire to get the park done and we share the desire to deliver a park that everyone will be very proud of.

Commissioner Woo Ho - Elaine, our issue is not so much that there hasn't been the appropriate engagement. David does an excellent job of reaching out to the community. I appreciate going through the history of this project and David explaining how we got to where we are. I'm sure it was not comfortable for him to do that but he did an excellent job. Thank you for that. It's more for us to understand specifically now what we are going to deliver. Not so much whether it is going to meet the community's expectations. The community that's sitting here will be very happy with what we deliver because the general concept has

been discussed over and over again. I think we're not missing that. It is, however, what is going to be delivered?

Elaine Forbes - Erica, can you come back up please and walk through the slide that shows what we will be delivering? And acknowledging that these figures all do have 10% contingencies included.

Erica Petersen, Project Manager - There's 19th Street and Georgia Street in orange. That is included. As well as the parking lot in green. Number nine, an entry plaza with trees and benches. Then number four, the slipway area that's going to have some ship outlines showing different sizes of the ships that were built there. And that leads down to a view of the water.

Number seven is a green, grassy area. Also there's currently a Building 30 that's in that area that's going to be relocated offsite. Number eight we've got the Building 49 plaza with picnic areas and some stormwater treatment interpretive elements. Number two, the Building 49 rehabilitation. That's going to include the public restrooms and potential commercial opportunity. It also will be eyes on the park, people who can watch for security.

Moving on to number six, northern uplands. There's walkway, lots of landscaping. That's where, hopefully the children's playground will be and that leads into the boat staging area for the northern shoreline which is the beach area which also includes the sediment cap and a bunch of debris removal.

Commissioner Adams - First of all, I just wanted to say to David, "Thank you." This is a tough discussion but this is what we do at the Commission. I really appreciate it, and I saw the emotion in your eyes and heart but we're going to be okay. I want to thank the community and the staff for being patient. Because, today, I think this Commission, we heard the mood of the community. They gave us some direction. They want to get this thing done.

It's kind of like we're driving in a car. Are we spending all our time looking in the rearview mirror? Or are we looking at the windshield in front of us? Well, for me, I want to look at the windshield in front of us. We have to move forward. President Brandon was right on if we have to pause but we have to get this park done. This is something that we have to do. This Commission has the ability to do that. We are the leaders of this Commission at this time, and this is as difficult as it is.

Managers lead when things are easy. Leaders lead when things get tough. We've got to figure out a way to get this thing done. We have an obligation. It's on our watch. It's at our doorstep. We need to get it done. President Brandon, you're right. I think we recalculate whatever we need to do. We have an obligation. I'm fully on board of getting this thing done and deliver this.

This is also a part of Mayor Lee's thing, something that he wanted to see done. We have an obligation to get this thing done and we will get this thing done. It's

important. Thank you David. Just hang in there brother. It'll be alright. You've got the support of this Commission. We've just got to figure this thing out. But we will get this thing done.

Commissioner Brandon - I would strongly recommend that you take this presentation to the Central Waterfront Advisory Committee and the Southern Waterfront Advisory Committee just so they're updated on where we are also. This is great. This was really wonderful. Thank you very much, sincerely. This was great information and now we're all on the same page. We all understand what we're dealing with. Hopefully we can just take a pause and come back in 60 days or so and have a Business Plan for moving forward.

David Beaupre - Thank you.

13. NEW BUSINESS

14. ADJOURNMENT

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

Port Commission President Commissioner Brandon adjourned the meeting at 6:30 p.m.