

**CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION**

**MINUTES OF THE MEETING
NOVEMBER 13, 2018**

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 3:15 p.m. The following commissioners were present: Kimberly Brandon, Willie Adams, Gail Gilman, Victor Makras and Doreen Woo Ho.

2. APPROVAL OF MINUTES – October 23, 2018

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

3. PLEDGE OF ALLEGIANCE

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

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

5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Mark Dwight - I'm a homeowner and manufacturing business owner in the historic Dogpatch neighborhood and a founding board member of the Dogpatch Business Association, a small business commissioner and the founder of SFMade, the organization that supports local manufacturing. I was also a member of the Back Streets Business Advisory Board formed by former Mayor Gavin Newsom to consider land-use policy in our eastern neighborhoods including zoning for production, distribution and repair businesses, commonly referred to as PDR.

I'm here today to voice my concern that JUUL is hoarding valuable PDR space in Dogpatch and Pier 70. I am told that JUUL has made offers to buy out leases of

longstanding PDR businesses in the American Industrial Center, one of our most precious enclaves of small eclectic PDR businesses.

I'm also concerned that JUUL was permitted to sublease the entire Pier 70 space previously leased to Tea Life, also known as Tea Collection, a San Francisco-born infant clothing company. I question the developer's motives in subleasing the space rather than writing a new lease for JUUL.

In my experience, most commercial property owners forbid subleasing. I view the situation as an attempt to lease the space under the radar of our local community groups that have worked tirelessly over the years to assure that Pier 70 remain accessible to the public and that it be populated with businesses that have some benefit to the community.

JUUL clearly does not meet those criteria. Finally, I believe it is imperative that JUUL be prevented from leasing any additional space at Pier 70 and that its current leases at Pier 70 and the American Industrial Center be evaluated for their compliance to rules and regulations governing the leasing of public lands at Pier 70 and PDR-zoned properties in the city's purview.

Becky Barton - I'm a long-term Potrero Hill resident. I'm a mother of a nine-year-old and a four-year-old. Both of my children are either attending or on track to attend our local elementary school, Daniel Webster. I'm also a member of the Potrero Residents Education Fund, which main mission is to keep families in San Francisco. I am also here today to voice my displeasure with the current path to give public land space to JUUL as a corporation.

I believe, in the past, Pier 70 has been very responsible in terms of meeting the public's need and addressing the needs of the public. A very concrete example of that is Pier 70 has been very near and dear to my heart in hosting some of the largest fundraisers for Daniel Webster Elementary, which fund \$550 per student in terms of additional resources we need. If we can keep the public land focused on those that align with the public interest and can support our community, we'll all end up in a better place.

Katherine Doumani - I'm here today to express my strong opposition and disgust to the leasing of Pier 70's historic buildings 102 and 104 to JUUL Labs. As a longtime resident of Dogpatch, a CWAG member, a parent of a 14-year-old, I am appalled that the many years of planning with and for the community on the new iteration of historic Pier 70 has resulted in a de facto privatization of public land and utterly fails the community. That the expansion of private use on public land is for JUUL Labs, a tobacco company that has come under fire by the FDA, the CDC, UCSF and Stanford and whose core mission is nicotine addiction, is unconscionable.

This company has given us a new verb, JUULing, because of the rising number of teenagers and pre-teens using their slick, high-tech e-cigarettes, up more than 77 percent in high schools and 55 percent in middle schools in just one year. In fact, their flavored tobacco products are so addictive and attractive to youth that the City of

San Francisco has outlawed them. But somehow, the Port and City quietly allowed these subleases and leases to be signed for JUUL to occupy building 104 and now 102 in Pier 70's historic core.

You may have heard that, today, JUUL announced that it will stop selling most e-cigarette flavors in stores and halt social media promotions. But don't let that news fool you. JUUL is as addicted to its profits as kids are to JUUL's nicotine vape. Just read the fine print of their announcement. Buried in the back of the announcement, the company said that it would renew sales of those products at retail outlets that invested in age-verification technology because, even with JUUL's capitulation to not sell their flavored pods for now, the genie is already way out of the bottle.

Anyone can get the pods online. There's a huge secondary market of manufacturers, distributors and e-sellers, most with no or minimal age controls. I ask that we get back to renovating and rejuvenating the waterfront in a way that brings us all together and allows us to look back on a project that serves the community and pays homage to San Francisco's history with a true sense of dignity and pride.

JUUL has and will continue to use the kids it has addicted to do its marketing for it. There is no place for JUUL in our much heralded and beautifully remade historic Pier 70. Privatizing public space with a company that profits by addicting youth to their products that are illegal in the City and County of San Francisco will not be the way to do it. We insist that you remove JUUL Labs from the public's Port land and buildings of historic Pier 70.

Christine Chessa - I'm a 20-year resident of San Francisco. I have three teenagers born and raised in San Francisco. After I found JUUL products in my teenage son's backpack twice this summer -- something no parent wants to do is go through their kids' stuff. But unfortunately, JUUL products are so insidious, pervasive and difficult to detect, we're left with no other choice. I did some research. I asked my son and some of his friends why they do it and these were their responses. You get a short head rush and then, it's over. You go to class and there are no side effects. People do it in the bathroom. Last year, half my friend group got suspended across all grades for one to two days. A decent portion of my friends are addicted. They have withdrawal symptoms when they try to stop. Lots of athletes use it. Even non-drinkers do it. At SI, you will now get expelled for JUULing, but that hasn't stopped anyone yet.

There's nothing that says it's not safe. If you do too much, you can throw up. It's called nic sick. We'll just have to wait until the next big thing comes along for us to stop this. You can buy it at Goodfellas in Haight and most gas stations if you have a fake ID or are a regular. I see it every day in class at Lowell. Probably about 50 percent use it regularly and more have at least tried it. This is a tobacco company in the city of San Francisco masquerading as a tech company.

They fully embrace the tech company mantra of move fast, and break things. Unfortunately, what they're breaking is our children and our teenagers in San Francisco, which is also a stress on the parents and the families. I urge the commission to reconsider the expansion of JUUL in our great city of San Francisco.

Allison Thompson - I am a longtime resident of San Francisco. I have a 14 and a 16-year-old daughter. We were at a place not long ago where the majority of teenagers would not even think about smoking. They understood the health risks and it wasn't cool. But now, thanks to JUUL, it is very cool. A majority of my children's friends do vape. I think it's unconscionable that the city of San Francisco is rewarding a company like JUUL that has reintroduced the inhaling of nicotine into our children with public grants to occupy public land. I really hope that you will reconsider and renegotiate this lease. I would love to see them leave San Francisco completely but certainly not have them occupying public land.

Commissioner Brandon - I'd like to say that we've also received a stack of letters regarding this issue. Director Forbes, would you like to comment at all about this?

Elaine Forbes - We received many letters over the weekend addressed to the Port Commission that also came to me. My staff has been aware of this issue and has attended several community meetings where the community has expressed quite a bit of concern about this tenant in terms of their business practices specifically, as you've heard, relating to encouraging young people to vape.

This is a sublease and a lease of ODI. As we do our master development projects, we do not have authority over those subleases. ODI is our tenant. They lease within the parameters of the building types that are in the master lease. They also need to conform with all city policies. There is nothing in city code or city policy that would exclude JUUL from being a subtenant. There is nothing before the Port Commission to approve or disapprove the lease because they approved the master lease with ODI some time ago. It is their subleasing abilities to bring in a tenant of their choice as long as they meet the requirements of the building. There are other bells and whistles related to historic preservation and public access. We're trying to attract PDR. We have context in the lease to improve the public experience of these important historic resources but we do not have approval authority over the subtenants. And I've written a letter to the commission that really lays that out.

6. EXECUTIVE

A. Executive Director's Report

- Port Commission Vice President Willie Adams Elected as President of the International Longshore & Warehouse Union

Elaine Forbes, Port's Executive Director - I have very big news to report about our very own vice president, Willie Adams. The first contested election in 18 years for the ILWU resulted in a new leader for the organization in Willie Adams, who is the first African American person elected to this position. Vice President Adams became the union's seventh international president. The ILWU represents 50,000 members working in California, Oregon, Washington, Hawaii, Alaska, Canada and the Panama. We are so proud of you, Vice President Adams. Congratulations to you.

Commissioner Adams - I appreciate it.

- Seawall Program

Elaine Forbes - In keeping up the very good news, last Tuesday we received results from Proposition A, which was a measure on the ballot to repair San Francisco's seawall, a down payment of \$425 million. I'm very happy to report that we received an overwhelming yes vote of 82.48 percent of ballots cast and that means 251,983 people voted to improve our seawall. The Port could not be more encouraged by this overwhelming support for the infrastructure. Port staff also feels we had a great opportunity before the measure was sent to the ballot to tell the story of the seawall, to explain to the residents of San Francisco what the Port does, not only what you see on top but what it protects underneath and behind. We made clear our need, and the voters responded so overwhelmingly. I'd like to thank our mayor, Mayor London Breed, who got 100 percent behind the measure. She said that Commissioner Brandon and I convinced her. Then, she convinced everyone else because it's such a huge, overwhelming vote for this.

I'd like to also thank the whole commission but most specifically our president, Commissioner Brandon, who's just been there 100 percent for the seawall. It was a huge victory for the Port and the first of its kind in a Port-only measure. Congratulations to everyone. Now, we have lots and lots of work to do to get our seawall safe for the public.

- Historic Piers RFI Responses

Elaine Forbes – I would like Rebecca Benassini to provide the Commission the initial results of the historic piers RFI response.

Rebecca Benassini, Assistant Deputy Director of Real Estate and Development – I'm very excited to present some of the initial results we have from the request for interest. The request for interest was issued earlier this summer. It's been open for about three months. What we were seeking in the request for interest was concepts that are public oriented in nature for facilities within the Embarcadero Historic District.

This included 13 piers and the agricultural building. We spent quite a lot of time over the summer promoting the RFI and going directly to associations that represented industry types that we thought might be public oriented according to our definition, which means invites the public in. This included associations relating to arts and cultural uses, recreational uses, entertainment, and education.

We received 52 responses when the RFI closed on October 31st. Respondents were able to self-identify as tenant type. Master tenants meant that the entity thought that they could take on a full pier redevelopment, a lot of space, and a lot of cost. They could also respond as a smaller tenant,

meaning they were capable of leasing a smaller part of the facility but had a concept that would benefit from being on the Embarcadero and could benefit the Embarcadero.

They could also self-identify as either, meaning they thought they could take on the whole pier redevelopment or could be part of another program or potentially looking for partners.

Finally, we had several respondents who have expertise in designing, planning these types of piers and wanted to provide some of their concepts as well. When we received the 52 responses, we laid them out on a table. Then, we started categorizing them. We came up with nine categories for the responses, arrayed here from top to bottom with the most number of respondents to respondents in the smallest category.

Education, training, incubator and innovation included programs that were educational in nature, different types of specialty schools, training, professional types of training, incubator space that focused on one public interest type of use or another and innovation space. We also had a number of responses that had live performance associated with their use, attractions like gondola rides, entertainment uses that are unique for the waterfront.

Food and beverage uses -- small proprietors of food and beverage locations on up to larger food halls and beverage halls, museum and cultural space, waterfront-wide concepts that were primarily partner organizations who had a vision for the waterfront and were looking for tenants to take up their ideas.

Active recreation including tennis, basketball, future sports -- which is gaming and robotics -- swimming as well as running were the types of active recreation uses we received. Artist space, maker space and then associated retail where they would sell pieces or sell their wares, maritime excursion, charter and transportation uses as well as two responses, which were mixed use in nature, but which focused on hotel as a potential use understanding that Proposition H prohibits hotels in piers.

In terms of next steps, today, we'll be posting all of the responses that we received. We provided printed copies for your review as well. We're anticipating quite a bit of public input on the website. You can now respond with the types of categories you're excited about, the locations you think would benefit from these types of uses being incorporated into the piers.

We'll be holding a public open house as well where you can comment in person on Tuesday, November 27th. We'll come back to you in December and give you a full informational that delves in to the types of uses and the locations that were noted in the responses.

We'll be scheduling other input opportunities for early next year with the goal towards having an initial staff analysis of the RFI and potential concepts that may be brought forward through an RFP process in February of next year.

- Pier 70 Shipyard Request for Proposals

Elaine Forbes - As the commission and the public knows, we've endeavored hard to have a new ship repair operator at Pier 70. We've put out two RFPs to that end, one in 2017, which we cancelled because we only had one respondent, and the second again in 2018.

Unfortunately, we do not have a submission which we can bring to you. We did receive two submissions, one from Vigor Marine of Portland, and the other is from Sustap, LLC. But we've determined they're infeasible in terms of having a sustainable ship repair enterprise and do not match the scope in terms of the RFP.

We will bring neither forward to the commission. Instead, we are looking to see what sustainable options we have for maritime industrial activities at the site. We will be looking closely at what options we can bring to the commission and to the public.

We plan to be back in March of 2019 to discuss what is possible. We do believe there are market opportunities for maritime industrial work at the yard. We think that it is its purpose. We are going to do our very best to bring options to the commission.

- National Trust for Historic Preservation Annual Conference – November 13 to 16, 2018 at the Hyatt Regency

Elaine Forbes - The National Trust of Historic Preservation is having its annual conference here in San Francisco from November 13th through 16th at the Hyatt Regency. It's expected to draw over 1,500 attendees across the country and internationally. The theme of the conference is PastForward and will showcase San Francisco as a city that is tackling climate change, urban density while maintaining cultural landscape and tangible heritage. It should be very interesting. I encourage people to look on the website if they would like to participate.

Commissioner Brandon – Since this is a long executive director's report, can we have public comment on the first half before we get to Mr. Kelly's presentation as it is so important by itself.

Commissioner Woo Ho - I think it's great that we had such a terrific response to the RFI. We sort of expected 1,000 flowers flowered. I understand that we're going to continue to get input and have the community engaged, which is very important. I wonder if we could have a little more discussion with the

commission input on guidelines of how we are going to approach this given that there's such a variety and also since there are so many piers involved.

It's not like one size fits all. It could be we have to separate. I know that staff is going to work very hard on trying to give us some ideas. I think there should be a little bit more of a dialogue with the commission. I would like to ask how we're going to provide that there is some sort of opportunity to figure out how to simplify the complexity of so many responses and what guidelines or criteria that we would set to take this forward.

Otherwise, it's going to be very difficult. We don't want to waste the opportunity. On the other hand, some of these opportunities may or may not be great ideas but we may not find them operational, executionable or financially feasible. Somehow, we need to figure out how to put some gates on this. How are we going to winnow it down? Otherwise, it's going to take a long, long time. We've been waiting on some of these piers for a long time already. We don't want to wait another five years.

Elaine Forbes - Thank you so much for the question and the guidance. This process, which is a request for information, or an RFI, is to seek maximum feasibility in public-serving uses or uses that serve the public, bring the public in because we heard loud and clear from the Waterfront Land Use Plan update that that is the goal in addition to historic preservation that the public seeks.

These thousand flowers are different ideas of how to bring the public in. Staff will be listening to the community groups, listening to what happens online but importantly doing analysis to bring to the commission to say, this is what we think we ought to do in terms of going for an RFP for a rehabilitation of X and Y pier.

We may do interim leasing in other piers that are less well positioned for investment. We will be bringing the results of our own internal analysis and understanding of the facilities combined with what we've heard from the public and coming to the commission to work through the details with you of next steps.

We have every intention to engage the commission heavily on the next steps following this RFI. Rebecca has a schedule of how that will occur should you have more questions. But we will be sure to get Port commission input as the process evolves.

Commissioner Woo Ho - Could we have a calendar or schedule of the process to give us an understanding of the landscape and fitting in the forest before we start looking at the trees so we know how to approach this strategically. Because I'm afraid that we're going to start looking at the trees, and then it's very difficult.

Elaine Forbes - We will look at the calendar. Should you have additional feedback, we can modify as is appropriate. We think it's an exciting start but there's much analysis to come.

Commissioner Gilman - On this same topic, it's slightly off. But we have been having conversations led by Commissioner Makras around looking at when we do our leasing, what our leasing strategy is, what our lease structures are. We just heard from a community that was disappointed in how we do some of our master leasing. I would hope, before we enter into a request for proposals, for these piers, that we take some time to look at that strategy. It's been brought up here several times. I don't want to see us repeat missed opportunities or mistakes that we've done in other places with this new set of piers. I would hope that could be part of the conversation.

Elaine Forbes - Certainly.

Commissioner Brandon - I would just like to congratulate Commissioner Adams on his presidency with the ILWU. That is just huge. We are very fortunate to have him here on the commission with us because he brings such great insight. I have had the pleasure of serving with three of the seven presidents of ILWU. The San Francisco Port Commission is extremely lucky to have local representation.

I also want to congratulate and thank everyone on the Yes on A campaign. Everybody went out of their way to get this measure passed. All the commissioners were involved. The staff volunteered their own time. Director Forbes was everywhere. She was the cheerleader for Yes on A and ran a great campaign outside of being the executive director of the Port. I want to thank everybody for their time and thank you for your commitment to the passage of Yes on A because the funds are extremely important and a great start for what is to come.

It's absolutely phenomenal that we got so many responses to the RFI. I look forward to going through this binder and getting the calendar of what's going to happen next and seeing what actually comes out of it.

- Schedule of Port Commission Meetings for 2019

The schedule of Port Commission meetings for 2019 is included in the Commission's packet.

- San Francisco Public Utilities Commission's Social Impact Partnership Program

Elaine Forbes - I have the pleasure to introduce Harlan Kelly Jr., who is the general manager of the PUC. General Manager Kelly is an incredible public servant and offers guidance to many of us directors, especially when we're new on the job, and has taken his organization into a whole new arena of

triple bottom line, quadruple bottom line, understanding the public benefits framework.

He and his staff have been a huge resource to the Port as we've looked to enhance equity in contracting. He agreed to come and talk about some of the work he's been doing at the PUC.

Harlan Kelly - I want to thank you for inviting me here today especially since it is a commission day for the PUC. Given that we had a heated exchange about the Bay Delta where the PUC has a position of protecting our water supply, and then environmental has a position where they want us to release more water for the fish. We were talking about trying to come to some negotiation and it got heated. All of a sudden, they pulled me out and said I needed to be here. So I said, "Great. I'm on my way."

It's with great pleasure to be here. First, I wanted to say that the Port has been an organization -- as the director has mentioned, I look at the Port as a sister or brother to the PUC because we, of course, provide water service to you guys, wastewater and the Hetch Hetchy Power as well.

You've been a great partner of ours. I wanted to congratulate you on Prop A on the seawall. You may remember it was a Prop A at the previous ballot on CleanPowerSF and we got 78 percent. You keep raising it up to almost 83 percent. That's great.

I also wanted to congratulate Commissioner Adams on your appointment. It's well deserved.

I wanted to talk about what the PUC is working on as it relates to our community benefit policy. My staff, Yolanda Manzone, will help with the presentation. The first thing that we wanted to point out is we had to work on what our mission statement is. We wanted to make sure our mission statement reflects who we are as an agency.

Our mission statement is to provide customers with high quality, efficient and reliable water, power and sewer services in a manner that is inclusive of the environmental and community interests and that sustain the resources entrusted with our care. Basically, what the last part talks about is that we want to make sure that we be a good neighbor in how we deliver our services and how we do business and that's really part of our DNA.

In coming up with our mission statement, there are some policies that our commission passed. I'm proud to state that these are policies that are the first public utility in the country that have passed these policies.

The first policy is our environmental justice policy. The second one is our community benefit policy. Yolanda will go in more detail about how we're implementing these policies. These policies kind of guide the way that the

organization implement our work. It's been very helpful to the staff to look at that.

We are doing a lot of work and not only trying to make sure that staff understand the policy but it's embraced by staff of how we can make it even better. Yolanda will give you some examples on how we're implementing the program.

Yolanda Manzone - I'm the director of community benefits and social responsibility at the San Francisco Public Utilities Commission. I'm delighted to be here to explain a little bit about how we, at the SFPUC operationalize these big concepts around being good neighbors and environmental justice. As General Manager Kelly mentioned, we have two landmark policies: our environmental justice policy and our community benefits policy.

Those two policies together enabled us to create what we call our community benefits program and that is a program that's agency wide, that is across water, power, sewer. It is organized into six discrete program areas.

I'm going to do a deeper dive on our social impact partnerships or how we embed community benefits into our contracts because I understand that to be of most interest for the commission today. But before I get to that, I'll just give you a quick overview of the various program areas for a little bit of context.

Our first program area is education and it's quite simple. We are growing the next generation of environmental stewards who are going to care for our water, power and sewer systems.

Our second category is around arts. We manage all the public art enrichment dollars for the agency working in close partnership with the SF Arts Commission. We also have a program area around workforce and economic development, which is important for us and I'm sure for the Port as well. That's where we're investing in programs to develop our own talent pipeline but also doing that in a way where we're seeking out opportunities for local workers and small businesses.

Additionally, we have our environmental justice and land use program area. This is where we're looking to make sure that we're doing our part as a utility provider to help support healthy communities where our residents can live, work, learn and play.

Finally, we have neighborhood revitalization and that is to recognize that certain communities within our service area have more impacts than others. In those more impacted communities, we go above and beyond to make sure that we're trying to do our best to create that healthy environment for people to live, work and play.

As a quick example, the community Bayview-Hunters Point is home to our largest sewage treatment plant, which processes 80 percent of the city's rain and wastewater. That represents a disproportionate burden to that community. That's one of our more impacted communities that we really focus on.

Finally, what we're here to talk about today is our program area around social impact partnerships or you may have heard this referred to as community benefits in contracts. This represents the most progressive, most unique process that we have undertaken here at the SFPUC.

For any contract that we estimate is going to be valued over \$5 million, we utilize that solicitation process through the RFP to embed community-benefit criteria to say to our private partners, come join us and give back to the communities that you're going to be doing work in. This is an important note that I'd like to emphasize which is this process is completely voluntary for our contractors in the RFP process. They are eligible to receive up to 5 percent of the overall RFP points.

Typically, that's five out of 100. Sometimes, it's not quite out of 100, but it's 5 percent and it's a voluntary commitment. That is, they can leave that part of the RFP blank. In fact, some firms have. They've still been a successful proposer.

Practically speaking, most people like to get a little extra credit where they can. So that is the point where firms will tell us what they're willing to give back to the community in the form of in-kind contributions, volunteer hours and financial contributions. Those community-benefit commitments go directly to the community. They don't come to the PUC. There's no role for us to have, directly into the community.

These voluntary commitments, if the proposal is successful, they become part of that final agreement and, therefore, are enforceable alongside all the other terms of the contract with these providers.

This is a snapshot of some of the firms participating in our community benefit in contracts or social impact partnership program. You may recognize some of these firms. They do work across the city.

Some of them are international. Some of them are local. We've got a nice mix of firms. Diving in a little bit deeper into the program parameters where the rubber really meets the road, again these commitments that are voluntarily made by the private sector are meant to go directly into the communities impacted by whatever contract service or program we're operating in and those go to 501(c)(3) non-profits or local schools. That's how we verify that it is, indeed, going directly to the community. There needs to be a community entity, a 501(c)(3) non-profit or a local school that receives those.

It goes hand in hand with that, but the benefits must not go directly to a city department or any particular employee. They must be delivered at zero cost to the SFPUC. That's an important one because, for our rate payers, what we're really doing here is leveraging the existing corporate social responsibility or corporate philanthropy that these firms already have and tapping into that and saying you can create a better value for the community if you align it with local needs.

Again, these are firms that have existing typically corporate social responsibility platforms or corporate philanthropy. We're inviting them to localize that for our communities and that is at a zero cost to the agency.

Another important point is to mention that these community benefit commitments are separate and apart from any legal requirement. For example, we have a great local-hire rule here in San Francisco. A firm could not say, "I'm going to use my community-benefit dollars to comply with local hire." You already must do that. That's why it's the law. Here, what they could do is say, "I'm going to use my community-benefit dollars to put in place an internship program as a pipeline into local hire," for example. That's above and beyond those local rules.

Lastly, those community benefits are delivered throughout the life of the contract. As soon as we have a notice to proceed, where everything is all checked and ready to go, those commitments can start flowing to the community. But they're really meant to be delivered over the life of the contract. Say, if it's a 10-year contract, that's how long they must perform on those community benefits.

Lastly, because the SFPUC water, power, sewer, we are a regional authority. We have projects and contracts across seven different counties in the Bay Area. This graphic shows our system and how we work to align geographically where the scope of work is happening or the services with the local communities for the community benefits to make sure that, again, we're maximizing impact where we can.

I'm going to end with just a couple examples of how these commitments have taken shape once they've been implemented. That is specific again to our commitments and contracts.

The first is our SSIP, which is our Sewer System Improvement Program, our biggest capital program at the SFPUC. We have our CityWorks internship program. This is an internship program for youth from the southeast neighborhood, mainly District 10, 15 to 19 years old where students, again, are partnering with our private firms to get inside their offices and explore careers around engineering, architecture, urban planning, operations, finance and even communications.

Those are all jobs at the PUC. Those are all things that we're excited to have these youth exposed to through paid summer internship programs. To date, we've had 147 interns participate in this program that is funded through our social impact partnerships with our private firms.

A next example that aligns a little bit more with our education strategy as I said, we're grooming the next generation of environmental stewards at the PUC. For us, emphasis around STEM education, science, technology, engineering and math is very important.

A few years ago, the first new school in Bayview-Hunters Point in decades was built, the Commissioner Brown Middle School. It has a focus on STEM education. Our firm partners have invested in SPARK, which is a national non-profit that runs mentorship programs. They partnered with SPARK to bring those mentorship programs to Commissioner Brown Middle School. As of this year, we've had our partners engage in mentorship programs directly with these youth from Commissioner Brown for eight consecutive semesters.

Lastly, as an example just to show how this plays out outside of San Francisco, one of our projects down on the peninsula, a firm Brown and Caldwell sponsored an organization, a non-profit called Youth United for Community Action, which is an environmental justice non-profit. They funded the non-profit to do research to educate the community about the history of water access in East Palo Alto so sort of that intersection of environmental justice and water in a community on the peninsula east of Palo Alto. These are all examples of how these commitments take shape once those contracts are signed, and they become part of the agreement.

Harlan Kelly - In closing, I wanted to also say that we've been working on a national level. There are other water agencies that are using the community benefits because they see the benefit that it'll have on areas that they impact. We have Hampton Roads. We have Camden, Seattle, Atlanta and Louisville are agencies that are taking our community benefits and starting to apply them and New Orleans. We are very proud of our community benefits.

Currently, we're working with the city attorney to write some legislation so that we can help legislate it. We've talked to the Port, DPW, and the airport and all are interested in having the flexibility at doing something like this.

We want to make sure that we set it such that it won't be taken advantage of because there are certain things that you should not do. We want to make sure those are known.

Commissioner Gilman - I just wanted to thank the PUC for the presentation and to congratulate you on having a vision that is so inclusive of the community. Sometimes the public struggles with seeing that connectiveness between government or government entities and the community. I wanted to commend General Manager Kelly and your staff for doing this. There's a lot

of great ideas that we can learn from here at the Port, particularly if that legislation passes. Thank you. It was very interesting.

Commissioner Makras - I think we should just copy it. Thanks for sharing.

Commissioner Woo Ho - I'd like to echo the comments of Commissioner Gilman and Commissioner Makras. It's a great program. I certainly think we do want to implement something similar. Many times, we've talked about what we're doing and we've been encouraging LBE in our contracts, etc. I think that this is a missing link for us because we do find that many times, we do not have LBEs that have the skill and the background to be able to be part of the contract. It's that missing link to figure out how can they get over that hump. They need the training and development. A program like this would help to train them and give them that opportunity to be part of it.

I think that's very important because we can keep reaching out and saying, put your proposal forward. But if you're not qualified, we're also very sensitive because we do have a fiduciary responsibility to be sure that the people that we award the work to are qualified to do the work. We need them to have some leg up in terms of being able to get qualified and able to do the work. I think this is a link that we've been missing. I think that's important. To have a funding source is a great idea. I guess, at the PUC, you probably don't do as many capital projects.

We do certainly have enough capital projects here that we could also have this be something as part of our regular program. I think it's a great idea. Since we're going to be talking about contracts later today, I don't know what we can do to sort of even introduce it as we go forward.

Commissioner Adams - General Manager Kelly, excellent job with you and your team. I appreciate the due diligence. It's well thought out. Your diversity and inclusion, stakeholder engagement. I think it would be good if you could come once a year to the Commission and remind us. I would like for you to come back. I think this is a good education not only for commissioners but for the community. A lot of times, the community doesn't know what you're doing. And a lot of times, people just complain and stuff.

This lays it out. A lot of good things are happening. I would ask Director Forbes that we invite General Manager Kelly and his team back next year. Thank you again for the presentation. Please, let's continue to get this out. This will even help us with what we're trying to do at the Port.

Commissioner Brandon - Thank you. General Manager Kelly and Yolanda. You guys did a great presentation. Thank you so much. I know that we have been talking about sharing all the incredible work that your agency has been doing for a while now. I'm happy that you are here. This is great. At this point, the Port is in the process of developing a community benefits program for the overall Port. This is right on time and we can adopt this. I've told you over

and over we'll be your guinea pig in any way that you want to share resources and valuable information. Thank you so much. We really appreciate you taking the time. Hopefully, you can get back to your commission meeting.

Thank you. We really do appreciate. This is invaluable to us as our contracts are getting bigger. We really need to have something in place to make sure that we are reaching the community and that we are reaching our LBEs and our local workforce. Thank you very much.

Elaine Forbes - I'll give a final thank you to General Manager Kelly and Yolanda. These are terrific ideas. Port staff is diligently writing them down and looking forward to copying most of them because you have done extraordinary work. As the commission said, as we move into projects like the seawall, which is such a bigger scale for us, it's very important that we think of the framework in advance. Thank you so much for your time today.

Commissioner Brandon - On the schedule of Port Commission meetings, there's one error. October 8th should be October 9th. October 8th is a Monday.

Demetrius Williams, Bayview resident for 47 years - I'm a union plumber contractor, small business, local business, minority business. I am following up on what Charlie Walker brought up at the last meeting, which was a bad odor over in Bayview that lingered over Bayview with the old sewer treatment plant. He wants to know how the SFPUC would control that. Are they going to involve the Bayview residents on some of the work that's going on in the Bayview?

Commissioner Brandon - Thank you very much. Unfortunately, that's not on our agenda but you might want to go to the PUC Commission meeting and hopefully get answers to those questions.

B. Port Commissioners' Report:

Commissioner Woo Ho - I want to add my congratulations to President Commissioner Adams on his election. We're very proud of you. You've been a tremendous contributor. That's very exciting for us and I'm sure we'll benefit as well.

Commissioner Adams - It's an honor to have been elected as president of the most progressive, militant and powerful union on the planet, the ILWU. It's an honor to follow in the footsteps of Harry Bridges, Jimmy Herman and Bob McElrath. But also, it's a great pleasure to be on the best commission in San Francisco, the San Francisco Port Commission, and to serve with the best five commissioners pound for pound of any commission in this city.

I would like to give a shout out to our former commissioner, Eleni Kounalakis, who was just elected lieutenant governor, the first woman lieutenant governor in the state of California and a woman that had a grasp of real estate second to none. She was a former Port Commissioner. It's great to have her there as lieutenant governor at State Lands. She understands unions. She understood working people. She'll be an asset to Governor-Elect Gavin Newsom, and she will be instrumental in helping the Port as we continue to move forward.

C. Informational presentation to review (1) the results of the 2018 Federal and State Legislative Program and, (2) the Port's Proposed 2019 Federal and State Legislative Program.

Daley Dunham, special projects manager for the Port - I'm joined here by Brad Benson, the director of special projects, to give an update and get your feedback on our 2018 legislative program and 2019 priorities.

After we receive the Port Commission's feedback, on December 13th, we'll go to city hall and present before the city, state and federal legislative committee our priorities for the coming year. At that time, the mayor's office will integrate it with other city departments to come up with the city's priorities.

Over the last six months, Regional Measure 3 (RM3), which is the transportation measure designed for bridge tolls which essentially pay for measures that relieve congestion on the bridges went to the voters and was approved in June.

We also had our new start award from the United States Army Corps of Engineers and the administration, which was a very big event for us, the gold standard for partnering with the Corps on the seawall.

Our infrastructure financing legislation did not make it out of the California Senate, unfortunately. But we will try again.

Executive Director Forbes reported out and everyone heard our GO bond. We were successful with over 80 percent of the vote. We had also crafted some language and hope to benefit from the statewide water bond, SB5 but that failed at the statewide ballot on the sixth.

Priorities going forward -- at the state level, we do want to pursue infrastructure financing district legislation again. RM3 passed. We're eyeing the China Basin Ferry Landing for that. Upcoming regulations to the California Air Resources Board could potentially have a big impact on our cruise business. That's something where we very much need to stay engaged.

On the federal level, we're proposing funding from the US Army Corps work plan in year 2 funding. But we also have another larger ask for a Pier 70 project. The way the Corps determines how they're going to fund big federal projects like the seawall are up for review. We would like to weigh in on that as best we can. The

Central Basin, given the developments at Pier 70 and the shipyard, to hold that over for the future to see if it can work for whatever comes next.

IFD legislation -- we are looking to the state to help us out and invest. We were fortunate enough to have Assemblymember Chiu as author and Senator Wiener as a strong advocate. However, it didn't get out of the senate. It died on suspense because we think there were a few other similar bills that died on suspense that also had a larger-than-average impact on the state's general fund. But we're going to have a new budget, a new governor. We'll take another crack at it next year.

Starting soon in January and February or even in December, we'll begin our outreach for the next round of our work. Part of that will involve refining some of our financial analyses to be more flexible, give a few different looks at what's going on.

We want to emphasize also that the state built the seawall. It's all on state tidelands. The state ought to be involved somehow in this giant project. So far, there's no real strong nexus. We feel strongly that there needs to be.

There's talk of redevelopment 2.0. We're going to be keeping an eye on that. Cap and trade is something that would be a bit noble for this use. But we do want to look at if there's any way that it could work for seawall. There's a fair amount of money in that project but it would be a bit of a marginal application. We are doing more strategizing on that. The seawall has our consultants and advocates. We're working with them to make sure that we get that right the first time.

If not done correctly out of the gate, it's an idea that could not have the outcome we're looking for. Fortunately, RM3 funding passed with the ballot. We've been looking for about \$25 million out of that. We're working with the MTC and WETA. That's an ongoing conversation. There are a lot of other priorities. We're going to continue to be at the table to make sure that that project is fully funded through this, which is the perfect funding source for it. Ferries relieve congestion from the bridges. We like where that money is going.

Lastly, at the state, the California Air Resources Board has been really ratcheting down on the kinds of emissions that are allowable at ports, requiring plug in, all kinds of electrification and consideration of other things that are not particularly practical for us. There are a lot of other ports and organizations around the state that share our concerns. We've been working through CAPA and CLIA and several other organizations to make sure that, as those regulations come out over the next few years, that they are taking everything into account and aren't inherently uneconomical or any other manner of hazard to our operations.

On the federal side, the Army Corps work plan is due out in about two weeks. We'll know if we're going to get funded or not on these two big projects. The

second is year-two funding for the seawall. It would be very unusual for us to not be funded. Usually, once the first year is funded in the new start, we get the full three years. We're looking forward to confirmation of that.

The second project is something that was authorized from legislation going back to 2007. There are five piers authorized for repair or removal with a large authorization. We are back in the hunt for that. It's almost \$6 million. The Army Corps put forward the full amount of that. If we're lucky enough to get that funded, it will have some major improvements to the pier 70 shipyard area.

Part of the Water Resources Development Act of 2018 which is the primary funding vehicle for the Army Corps of Engineers, had in it a reflection of all kinds of ports across the country and other Army Corps users that were dissatisfied with the way the Army Corps does its cost-benefit analyses, that it was too restrictive, didn't allow for the individual complications of jurisdictions like, for example, seismically active regions. That's not part of their mission. We were disadvantaged in that way. Other jurisdictions are disadvantaged in other ways. Part of that legislation created two one-year studies where they're going to take another look at all of that, turn it upside down, see if they can improve on it. We very much want to be at the table for that too.

We're working diligently to make sure our advocacy strategy is solid on that using both the city's federal advocates and the advocates we have through the seawall contract, our consultants.

As for next steps, we're looking for Port Commission's feedback today. We will continue to meet with our state delegation and their staff in pursuit of funding for the seawall, as well as with federal delegation to advance our federal agenda. We look forward to returning to the Commission with updates as we make progress with this agenda.

Commissioner Makras - I think it's a good plan. Could you share the rationalization of why you think the state should pay for the seawall -- and I agree with you -- when all control has been turned over to us, and we manage the whole thing?

Elaine Forbes - The state receives multiple tax benefits from the Embarcadero seawall and from the assets that it supports. It has the state interest in the economic activities that happen in San Francisco and it did build the original harbor. We are under the State Lands rules and regulations of a public waterfront. We are serving a state mission in our core functionality. When we developed the proposed capital stack, we always had the state as a major contributor along with the city and the federal government and private entities.

So that's the general rationale but if the seawall were to fail, the state stands to lose far more in tax value than we are asking for it to contribute.

Commissioner Woo Ho - Thanks for that explanation. It's obviously a very active agenda, I appreciate it. Obviously, some of them have not passed but to understand, in the longer-term particularly as it relates to the seawall, if we have a better feeling for where the funding sources are through some of this legislative activity that we're looking at so that we can get a sense of how this is going to help us. Is it covering 50 percent of our needs?

Obviously, we know that there's a probability that not everything is going to get passed. But to tie it into the application practically speaking of what we're trying to do with the seawall in addition to what we've just passed, which is obviously a great first step, but we know that's just a small step.

We have a long way to go. There's a long runway ahead of us. If we could understand how this feeds into that so that we understand strategically just how much more of a gap we have that we don't know the answer to. People ask me that question and I really can't answer the question except to say the seawall bond was a terrific first step. I couldn't answer the full roadmap of what must happen next.

Daley Dunham - We're happy to report on that at a future date. I can give one brief answer to potentially the largest pot of funding, the Army Corps of Engineers. The initial study is a three-year study. 2021 is around the time that they would wrap that up, at which point the Army Corps recommends a project to send to Congress for funding. We'll have a number of options. At that time, what they can justify of a cost benefit will give us an understanding of how much potentially in federal resources is at the table at least for an Army Corps of Engineers project.

Commissioner Woo Ho - With the composition of what we have in Congress right now, we have some allies in the House.

Commissioner Gilman- I concur this is a comprehensive plan. I think it's ambitious. On the IFD legislation, do we know if Assemblymember Chiu is willing to carry it again and be our advocate to try to get it through the finish line?

Brad Benson - Commissioner Gilman, yes. Assemblymember Chiu indicated a strong desire to carry the bill again. At one of the press conferences on Prop A, he explained that, because the vote had not happened yet on Prop A, he had difficulty selling the bill last year. He thinks that now, with this positive vote, that he'll be able to make a stronger case in Sacramento.

Commissioner Gilman - I don't want to see staff sort of chase a rabbit down a hole that we may not be successful in. I was really intrigued about the cap-and-trade idea. Historically, at least in San Francisco, cap and trade is used for transportation or affordable housing projects. Have we been in conversation with the MTA and OEWD to see if this is a strategy from a city perspective that they will support?

Brad Benson - Ed Reiskin from SFMTA has encouraged the Port to pursue this source because not all of it had been fully allocated. The trick is being able to show the climate benefits of the seawall project and that's the work that Daley was referring to that we're doing with our consultant team on the project.

Commissioner Gilman - I would encourage us also to make sure that OEWD and the Mayor's Office of Housing are aware of it since they sponsor most of them. I don't want us to step on someone's toes and then have an inner-city drama or misunderstanding between each other. I think it's an interesting idea, as someone who has done a cap-and-trade application. It could be a good source.

Commissioner Adams - This probably should go out to all the commissioners that we should think about. Once a year President Brandon and Director Forbes has led a delegation back to Washington D.C. to lobby. Now, with Nancy Pelosi likely to be our next speaker again, we've really got to press our issues. We've got to be back in D.C. quite often. We need to make appearances back there and talk to people on both sides of the aisle that have our interests at heart and lay out who the Port of San Francisco is and what's important.

We may not like politics, but we can't live without it. It's just one of those things. Now with the new governor, it would be good for the commissioners if we went up to Sacramento and lobbied up there and they see us carrying the water. They see the staff but we, as commissioners, need to lead. They need to see us going in and out of those offices on the hill with our staff talking about our issues with passion and vigor and talking about this is our port.

We're a representative of the public. This port belongs to the citizens of San Francisco and we should be leading the charge. We should be up there saying that, not just laying back expecting the staff to do everything. I'm willing to go to Washington or go up to Sacramento and carry our water. We need to try to get Senator Kamala Harris down here and get them to understand it. We've got to lobby those Southern California lawmakers. They have the seniority right now. The speaker is from Southern California, the Senate pro temp.

One day, David Chiu and Scott Wiener will have the seniority. It's about seniority. And when you've got seniority, you've got the power. You've got the whip. That's why Nancy Pelosi is so effective. She's got the power. She's got the whip. We've got to be more effective getting the Port out there and letting them know who we are, what we're about. I'm supportive. I hope my fellow commissioners will get involved and be willing to go up to Sacramento to lobby sometime with the staff, knock on doors, make calls, do whatever. We've got to do whatever we can to uplift this port because we represent the community.

Commissioner Brandon - Thank you, Daley. This was a great report. It is full of great things that we have on the horizon. I want to echo my fellow commissioners' comments, which were all very good but especially the fact that I think you need to use the commission more. We could be more successful if the commission were out front because our trips to D.C. have been extremely

successful with myself and Director Forbes and Commissioner Adams or whomever else is on the team. We need to do that in Sacramento also. It's great that you're reporting to us, but you should attempt to use us a little more, so we can get some of this stuff done.

Commissioner Woo Ho - On that comment, if the executive director would organize a day trip to Sacramento so that we could go as a group or include two commissioners at a time. Don't wait for us to call you, you need to organize us.

Elaine Forbes - We will do so.

7. PLANNING & ENVIRONMENT

A. Informational presentation of the San Francisco Municipal Transportation Agency Embarcadero Enhancement Project and plan to increase safety along The Embarcadero.

Dan Hodapp, Port's planning and environment division - I am here only to introduce the Embarcadero Enhancement Project, a city effort to improve safety, mobility and accessibility for all modes of movement along the Embarcadero.

The project is led by the San Francisco Municipal Transportation Agency, SFMTA. On August 14, 2018 the SFMTA provided a project update to the Port Commission where the commission made requests regarding near-term actions that could be implemented to improve safety and information on SFMTA's work to advance the project.

Today, Casey Hildreth with SFMTA will describe recently completed and upcoming safety and circulation improvements, summarize public feedback from the recent project workshop held on October 25th and will outline the expected timeline and next steps for the longer-term enhancement project.

Casey Hildreth, project manager for the Embarcadero Enhancement Project - Dan gave you a nice introduction. The Embarcadero Enhancement Project is a project to predominantly improve safety for all who travel along the Embarcadero. It does represent one of the handful of streets that results in the overwhelming number of collisions and severe injuries, fatalities in the city of San Francisco.

The drive behind Vision Zero is that that is not acceptable. I'm excited to report out on some near-term improvements that have hit the ground and others that are planned and coming, review the October design showcase and then talk a bit more about some of the details of our next steps and plans for the larger Embarcadero Enhancement Project.

Most noticeably, we've been out on the street with a lot of paint over the last several weeks. This slide is a picture of the condition along the southbound Embarcadero curb lane between Broadway and Mission. The way it was striped

before, there was a sort of floating bike lane. In the peak periods, a third travel lane would open up presumably to relieve congestion, but it largely just resulted in uncertainty and ambiguity about how to use the street. Working with Port staff, we were able to quickly obtain approvals and move forward with removing that peak period restriction and hopefully helping remove some of that ambiguity around how to use the street. Now, we have two full-time travel lanes with full-time right-turn pockets at the intersection. We are able to add some striped protection and a full-time bike lane, pretty unambiguous compared to the previous condition.

This particular image shows an area that used to be a third all-day travel lane but we're trying to ensure safety by adding some physical protection where possible. You see those safe-hit posts next to the bike lane. We only have a couple limited areas but we're happy to get this in the ground and show progress. We are actively looking for and getting feedback on this design.

You will likely see our shops out there making tweaks as we learn more and sort of see it in action. Our shops are also anticipated to be out there over the next many months looking to upgrade and pick off some of the remaining areas, intersections predominantly where we know we can do a bit more.

This is a snapshot at Bay Street but probably is very similar to the conditions at Chestnut as well as at Lombard where the crosswalks do not contain high-visibility markings. We will be doing that. Through the intersections, the bike lane tends to disappear. This is in the northbound direction so looking at adding additional markings to demarcate the travel zones trying to adhere to some of the principles of the larger project where we're just trying to reduce ambiguity and get each mode their own space to travel.

Another near-term improvement that is planned and in the works is along the Battery and Sansome corridors. This resides both in Port jurisdiction but predominantly under the SFMTA board jurisdiction but looking to provide an alternative route for faster cyclists to the Embarcadero, coming to and from the northeast waterfront and the Financial District.

Particularly at the intersections of the Embarcadero, Battery and Sansome are the last two north-south streets that hit the waterfront before streets like Front and Davis are sort of removed from the Embarcadero.

These are the widest, the largest and some of the more complicated intersections in the northeast waterfront. Through this project, we're able to provide some alternative means of getting around this part of town as well as address some of these problematic intersections within Port jurisdiction.

This project is currently undergoing environmental review. We hope to be out in front of our MTA board the first or early second quarter of next year and actively implementing bike lanes on these streets and improvements to the intersections of the Embarcadero by mid next year. I'll point out one particular intersection.

This is looking northbound from Sansome to the Embarcadero with Chestnut on your left. Currently, both lanes go straight and are able to access the Embarcadero. This is an early sketch. We have more work to do but wanting to advance some of these ideas as quickly as we can, adding the bike lanes as part of the Battery-Sansome scope but addressing the physical nature of this intersection.

It's quite wide. As a pedestrian, you must cross multiple crosswalks even to walk along the Embarcadero. We think we've come up with a good scheme to shrink the intersection, provide more protection while still moving people and goods. The way we achieve this, again, one of the broad strokes of the Embarcadero enhancement is to simplify the intersection, so not allow of the turn movements. That opens the opportunity to do things like this.

Speaking of the October 25th design showcase, it was held in this building just outside of this room. We had a very large and very diverse turnout. I was very happy as project manager. We had probably about 200 people in attendance. Folks that I had seen throughout the planning process, familiar faces, but a lot of new faces. We did a very good job engaging parts of the corridor that we hadn't heard from before, some of the residential areas, Telegraph Hill as well as around Levi's Plaza area.

We presented a refined vision for the project, trying to gain feedback and show signs of momentum moving forward. But these are some of the key themes and elements of the project that we walk through in greater detail, a two-way waterside bikeway helping to physically separate cyclists from other modes but also helping to achieve other goals including reducing the distance that pedestrians must cross as part of simplifying intersections to keep people moving despite having some other changes for safety.

We also talked on the edges about the promenade urban design and coordinated wayfinding. The key themes are simplifying the intersections, providing physical protection for all modes and shortening those crossing distances for pedestrians, which opens some of the traffic signal time that we can give to the main corridor to keep folks flowing.

Here's another slide that speak to some of those details. It's a very long corridor to try to provide digestible pieces of information, trying to get specific about which left turns and which U turns we would be restricting, talking about the third northbound travel lane and removing that travel lane and repurposing it for other elements of the project.

We did introduce in a bit more detail the concept of larger changes potentially in front of the Ferry Building, trying to consolidate traffic on the city side of Harry Bridges Plaza and opening up a frontage road and more of a local circulation, slower speed, more of a people-oriented flexible space in front of the Ferry Building.

Clearly, some of the themes that came out most prominently were -- and concerns and both -- how are we going to address the pedestrian and bicycle interactions both within the bikeway and how that affects the promenade so looking at promenade width and how pedestrians and cyclists in the bikeway are mixing was certainly some of the key feedback that we received and some of the focus areas that we're going to be diving into over the next six to 12 months.

In summary, we received a lot of positive feedback for the concept of the project and the key elements and a lot of gratitude for being able to hit the ground with some near-term improvements but also clearly heard that more should be done and must be done in the near term as we wait for the longer-term project and also heard a lot of sensitivity around the new mobility options.

We had discussed this a little bit last time I was here with electric bicycles and scooters on the promenade. Just loudly and clearly heard the sensitivity to those issues as we look to design solutions with this project.

I mentioned that Chestnut/Sansome intersection -- certainly, the tradeoffs with simplifying intersections, reducing some of the turns -- it does inconvenience certain routes and certain areas of the city. We heard some of those concerns from the residents in that area. We'll have to continue to work with them to make sure that these tradeoffs are acceptable.

A lot of details about the bikeway itself but mainly just doing it -- more sooner is a clear message that we heard. We will be looking at ways to simplify and expedite our environmental determination. One of those ways may be sort of the big vision in front of the Ferry Building kind of seems out of scope right now compared to what we think we can achieve with the rest of the project.

Our plan is to advance some of the technical analysis for that concept but perhaps cleave that from the overall enhancement project. Part of the reason why we may have seen strong turnout from certain portions of the neighborhood is we tried to introduce just concepts for reducing the travel time for transit. That included potentially removing a couple of stop pairs. We clearly heard from folks up in that part of town that the Greenwich Station pair was well used and much beloved and was in the right spot. That's also good feedback to have. We are exploring all options but certainly want to listen to and hear from the public. We will share a bit more of these details.

We did have a survey as part of the open house but trying to get at some of the key themes around what folks are excited about, what they're concerned about and just one question about where they would prioritize. We'll use this information as part of the technical information we gather over the next six to 12 months to make more informed decisions about where we go and where we hit the ground running first.

This is the timeline that we shared, trying to be realistic, not having funding beyond the environmental and preliminary engineering phases but also trying to

show progress. Again, hearing a lot that 2022 is too long to wait and ways that we can expedite this process.

Our next steps would be continuing the near-term safety improvements that I mentioned earlier, continuing to work with Port staff about making sure that we are finding all opportunities, that no stone is left unturned but continuing to move forward on that bigger vision. We want to release the concept design report, so folks can see the full breadth and width of our outreach process as well as the design, continue to work with key stakeholders on refining the design and then bringing in consultant assistants to help us through that, having pushed through the environmental and preliminary engineering phase.

By later next summer we'll be able to report back an additional layer of details and have a much higher confidence level of both where we're going to be focusing our efforts design wise as well as the overall project timeline.

Looking past the next phase, we are trying to look at funding options as well. We are trying to program local funds to show at least a commitment or down payment on an initial segment of the Embarcadero or some match of a grant funding. We're continuing to work with staff to identify those opportunities.

Kristen LECTIE - I'm a community organizer on staff at the San Francisco Bicycle Coalition. Thank you for the opportunity to speak. The Embarcadero Enhancement Project has come a long way since it first kicked off in 2014. On behalf of our 10,000-plus members, I'm expressing both support for this project as well as impatience for change. I want to thank the SFMTA and the Port who have heard our members in patience and worked to move the long-term project forward and implement near-term improvements along the corridor after Kevin Manning's death earlier this summer. I also want to thank Kevin's friends and family who have continued to demand that the city do more and faster to make the waterfront a safer and more inviting place for those walking and biking. Because of these combined efforts, last month the SFMTA hosted an open house where we finally saw designs for the two-way protected bike lane along the Embarcadero. At the open house, the long-term plans for the protected bike lanes had overwhelming support. However, it was clear that there is an urgent need for more aggressive and meaningful near-term improvements. We have the opportunity to create a comfortable, protected bike lane on the southbound lane while we wait for the long-term project to start construction in 2022. Safety improvements along the Embarcadero cannot wait. Those walking and biking the waterfront every day know this firsthand. Between 2011 and 2016, 239 people were injured on the Embarcadero including two fatalities alone. When the SFMTA implemented near-term changes earlier this month, we should have put people first on the Embarcadero. Instead, they replaced the flex parking lane with all-day parking, which could easily be removed to allow for more protected blocks for the thousands of people biking along the Embarcadero each week. In fact, most of these parking spots are in front of parking lots. We have a great example of what a people-first Embarcadero can look like with the recent

protected bike lane put in at Washington, which was just shown. I'm asking for your help to make this a reality for the rest of the corridor.

Commissioner Gilman - Thank you, Dan and Casey for the presentation. I wanted to the public comment that we heard today. I had the opportunity to walk from Bay to Mission twice today all along the Embarcadero. I'm hoping for part of the plan, besides doing near-term solutions, expediting the bicycle safety. I do think we need more signage particularly for tourists with the avalanche of scooters and electric bicycles. Those should be in the bike lanes. It was very hard for folks to move around who were walking or taking photographs of the waterfront today. I wanted to add that in places like Sydney or other places I've been to along the port, there's so much more signage in multiple languages telling people how to recreate and use it. If we're going to make these improvements, that might be more successful. I wanted to put that out there. I wanted to urge the MTA and staff to move this as fast as possible. We heard at the last commission meeting how important this is. There really are lives on the line. I'm hoping we can move this forward very, very quickly.

Commissioner Woo Ho - The tone of today's presentation and the public comment compared to the last time this was presented at a previous commission meeting has improved tremendously. I've been listening to not just the last commission meeting where we had discussion on this project but about the overall traffic congestion on the Embarcadero for many years. We've heard from the MTA. This was the first time I've seen execution of action that we can see visibly. I want to commend the SFMTA for doing that and quickly since the last time we talked about this because we were always studying and studying and studying and trying to figure out what we should do. It seemed like it's going to be a long-term effort, but I do see some actual execution. I want to commend you all. I'm impressed, and I'm encouraged that we're moving that direction.

Of course, we can still do a lot more, as we heard from public comment. I think that there are other things that we could do. It sounds like the parking spaces have not necessarily been taken away because that was something considered at some point in some of the earlier discussion. You mentioned shorter crosswalks, which is an actually good idea. I presume the traffic lights will then move more cars faster. We're not here to address the motorists but on the other hand, people have been in their cars. Being stuck in traffic on the Embarcadero is also a frustration. We have all the stakeholders to consider. If we're figuring out how to move everybody faster and more effectively, that is obviously a win-win.

Do we know whether we are moving cars faster through the traffic lights? Is everything moving? Are we timing and understanding the flow of pedestrians, the flow of bicycles and electric scooters? We still have motorists. We can't just ignore that. It's a combination of everything. Are we able to improve and enhance for all the categories as we smartly think through this redesign, which I think is absolutely a terrific idea?

You have the brilliant mind to do it. We may not have all the funding to do everything at once. We need to figure out how to get more of that done, which I don't know how much the Port can help you, but we do need to get that done.

Casey Hildreth – In answer to your second question, we certainly are looking at every possible way that we can move everyone more safely and efficiently. I want to be careful that some tradeoffs may be necessary. I don't want to over promise. Our initial traffic analysis does show a slight delay in travel along the full corridor of a couple of minutes between the ballpark and Fisherman's Wharf by removing that northbound travel lane.

The caveat is that we have not gone deeper and tried to model the efficiencies of those shorter crossings and the modified signal timing. A lot of that technical analysis is going to be in this next phase where we get a consultant to do a lot of that work for us and to amp up our confidence level that we can come back and say, we are improving all modes. Certainly, we want to keep in mind motorists' travel time and frustration because that is a big part of why we do have a safety issue. Folks are waiting a long time at every intersection. If you see that yellow light, you're going for it because you don't want to wait.

Meanwhile, if you're waiting a couple minutes, you see the green light. You're taking off. Motorist behavior is a key part of it and motorist convenience. We have pretty good confidence that we can address and certainly not make their lives worse by also making everyone else safe and give them their own space. I have a high confidence. Certainly, when we come back to the commission, we'll have a lot more of those details to be able to share.

In terms of the initial question around parking, these near-term changes have not adjusted or removed parking beyond making them full-time. There has been some discussion around some of the existing load zones coming northbound, perhaps making those wider and longer so that folks who are stopping off currently in the bike lane have space to move over to the curb. Those discussions are ongoing with Port staff.

Commissioner Makras - It looks like the project is sort of in play. I believe some of these answers need questions before the final decisions are made. Sort of like, where is your weak link? What makes this design better versus slightly something different? Because at the end of the day, we're going to have our bottlenecks in any design. I'd like to be able to focus on where the weak link is in this design. Can we do better than what you've given us?

Casey Hildreth - Conceptually speaking, we spent a lot of time in our planning process trying to determine whether that was the right move for the two-way bikeway. That did take up a significant portion of our planning process to determine that was indeed the best configuration for the Embarcadero. I could certainly stand behind that comment. How we approach the details of making that happen and the tradeoffs on a block-by-block basis are currently where we're at. No two blocks of the Embarcadero are the same. It's difficult to weigh

one approach versus the other holistically when we're going to use all of those block to block to block. We do have options for fitting this bikeway in. Whether it's a slightly narrow promenade versus something else, a slightly narrower median that might cost more, that's the level of analysis where we're at.

In terms of the congestion piece, we can confidently say that we believe it can work even without optimizing air traffic signals. But we want to do that work to make sure that we are optimizing the project.

Commissioner Makras - What's the order of priority? Is it pedestrians? Is it the bikes? Walk me through the full priority so I can see what the last one is. Would it be people? Bikes? Scooters?

Casey Hildreth - Our first priority is people. People travel in a lot of various forms along the Embarcadero. I would not want to put them into a category of how they get around. We want to be able to move everyone safely. There's a lot of interplay between the signal timing, the shorter pedestrian crossings, which are safer for pedestrians, and implementing the bikeway to do that. There's a lot of synergy between those three themes within the project.

Commissioner Makras - So you don't have a priority? You're looking at them all the same? I would hope there's a priority.

Casey Hildreth - Safety is the number-one priority. We spend a lot of time figuring out how we create dedicated space for each mode. Clearly, that move is with the bike facilities along the Embarcadero. That is the biggest challenge physically and engineering wise that we must solve is to provide a physically protected bikeway.

Commissioner Makras - So that would be the priority, protecting the bike lanes.

Casey Hildreth - That's a key part of the project that will then contribute to a lot of the other goals. I don't know if I could or even should prioritize between safety of anyone traveling. We're trying to achieve all of those things. So all of the above would be answer. I'm not trying to be coy.

Commissioner Makras - No but at the same time, I want to see your plan. Now that I have it, I'm going to go out and drive and see how it goes and what I think is practical from my point of view. But at the end of the day, when you have cars backing up, that's where your frustration comes. Then people are jumping the lines and doing crazy things and that's where the risk comes. I don't want to see the moving of cars not be looked at properly and that becomes a weak link and that becomes a safety issue because there's the cars that are doing some of the damage.

Casey Hildreth - Yes. What we've heard from some stakeholders in terms of their concerns around having only two travel lanes, for example, would be that the lane closest to the parked vehicles or the loading zone -- if that becomes sort

of a chaotic Uber and Lyft parking lane, effectively reducing the Embarcadero down to one lane. The interaction of two travel lanes and what's happening on the curb is certainly an issue that we've heard and are diving into and how curb space management relates to traveling along the Embarcadero in a vehicle or on a bike, that's a key issue that we need to study in further detail.

Commissioner Makras - Thank you very much and thank you for your enthusiasm.

Commissioner Gilman - I had one more question brought up by Commissioner Makras' questions. Because I was impressed that over 200 people came to the design charrette process that you did here at the Ferry Building.

Casey Hildreth - We had 140 surveys that were completed. I believe there were more folks there who did not complete a survey. I'm ball-parking it around 200 people.

Commissioner Gilman - I think that's great community outreach. On the public feedback, it seems that Broadway to Folsom was, by far, the biggest priority for the improvements first. I'm just wondering if that's going to be adopted or your recommendation to the MTA commission. Because I think it goes maybe to some of the prioritization that Commissioner Makras was talking about.

Casey Hildreth - We will certainly share that information with my board. I don't think we have a full enough picture yet to say that will be our priority segment. If there's other segments that can be implemented sooner, depending on what happens with other projects happening along the Embarcadero and opportunities to coordinate. There are a couple other criteria that I would like to see and be able to study in a bit more detail before I would wholly adopt that segment as our number-one priority.

Commissioner Adams - First of all, this is a no-brainer for me. This is a society problem. San Francisco is third in the world in congestion -- Moscow, New York and L.A. This is a society problem. One death is too many. Any kind of fatalities is too many. A city with the congestion that we have on the Embarcadero and stuff like that is second to none. On top of that, we have people that are so short with patience, they just get unhinged, road rage.

I understand what Commissioner was talking about. That is true. We have an opportunity to get behind this, to take this thing forward and in the end, we will be looked at as being out front on this issue, doing the right thing and trying to deal with it and being on the offense, not being on the defense.

I'm in full support of it. It's sad. I appreciate the sister from the bike coalition coming out. They've been talking and I see them. I run on the Embarcadero every day. This is about safety. Another thing we've got to remember is that we have over 30 million tourists a year that come to our city. We must be responsible. That's the economic driver of our city. We've got to think of it like

that. It's enough that we're getting bad press all over the country about all the homeless that we have and the needles on the streets and stuff like that.

We have a cruise terminal at Pier 7. We must be responsible for everyone that goes up and down and all these tourists that come. We want them to come back to San Francisco. We're number two behind Disneyland as the second attraction in this state. We're responsible. We have an opportunity. I'm on board. I don't know where the funding is going to come. Come back and I hope you can answer a lot of Commissioner Makras' questions. I understand it because I've traveled a lot of places all over the world. I understand this. I see this. This is a no-brainer. I support it.

Commissioner Brandon - Casey, thank you very much for this presentation. There's been a lot of public and private comment. This is something that needs to be addressed. I understand that we are trying to solve for several modes of transportation. I know that a lot of thought and analysis must go into that but it's not just one mode of transportation that we're trying to solve for. It's several. I'm wondering, are we looking at putting bike lanes on both sides of the street? Or a two-way bike lane on one side of the street?

Casey Hildreth - We currently have bike lanes traveling one in each direction. The vision is to provide a consolidated two-way bikeway adjacent to the promenade. That sort of leaves open the question, what happens with the southbound bike lane that exists? My recommendation would be to keep it unless there really is a pressing need to use that real estate for something else. If we're successful in our goals of increasing the amount of bicycling and scootering or active modes, we will need both facilities ultimately.

Although, the two-way bikeway should provide the simple, easy way to access the waterfront for a much broader slice of the population, sort of call it the eight-to-80 facility whereas the southbound bike lane could be for the hardier type of rider. That's certainly a question that can be ongoing and, as we get into the design, is not necessarily part of the two-way bikeway design. But it's more about if we're going to spend time in the near terms improving the safety of the southbound bike lane. Thinking about the long-term viability of that strategy is certainly something to consider. We've heard a lot of comments that people still use the southbound bike lane.

Commissioner Brandon - Are we looking to remove parking from both sides of the street?

Casey Hildreth - The concept that we are moving forward with looks predominantly at removing the parking along the waterfront side, maintaining loading where it's vital for business as well as providing accessible loading for folks accessing the waterfront.

We certainly plan and are baked into our designs maintaining all of the existing load zones or the capacity for the existing load zones and then looking to

expand loading opportunities where possible. But parking certainly, on the water side, would not be one of the big winners of this project.

Commissioner Brandon - Once we have these dedicated bike lanes, would bikes still be permitted on the sidewalks?

Casey Hildreth - That's a question for the Port, predominantly in terms of it's a policy choice where there's a speed limit provided on the promenade. Although, we did clearly hear from the public that not having a sense of refuge along the waterfront is very problematic to a lot of people. Where I'm focused on the design of the bikeway and trying to make that the most attractive for folks who want to travel faster than a couple miles an hour, I think that's a question for the Port in terms of the long-term policy around what the promenade looks like with a bikeway adjacent.

Commissioner Brandon - During this analysis, we should look at everything because we're trying to solve for several modes of transportation, not just one. I think it's vital that we look at pedestrian safety, we look at bike safety, we look at car safety, we look at all safety of transportation. It's something that we should look at.

Commissioner Makras - I'm going to give one observation. If you can answer it, that would be great and then bring up a different subject matter so we can all be on board with this. The drop offs for Lyfts and Ubers and all of that, how will you manage that with two lanes? Are they just going to stop in the middle of the road to pick them up and drop them off? That's the problem for gridlock all the time. Are you going to have designated pullover spots for that type of car service?

Casey Hildreth - Great question. The vision is to provide dedicated passenger loading and unloading areas. That's not to the exclusive use of Uber and Lyft. We want to be clear that whether you're a personal vehicle, a paratransit vehicle, we're designing the loading areas necessary to achieve access for all of those types of vehicles. I do think that a key strategy with the TNCs, with Uber and Lyft, is helping to improve the customer experience with these dedicated loading areas such that they feel comfortable in baking some of those locations into their applications.

If I'm on the Embarcadero, I can't just be wherever I want and wherever is most convenient for me, just stop and request a ride and wait there and expect somebody to pick me up right there.

Commissioner Makras - That's the real world.

Casey Hildreth - The vision is that we provide real options. If I'm on the app, I will be nudged over to the first appropriate and safe location to be picked up. Unfortunately, we don't have a lot of tools to regulate Uber and Lyft. That's happening at the state level. Our current conversations are around having a partnership to make it work such that it's convenient for everyone including Uber

and Lyft but that, in their application, they're telling their patrons where to be to get picked up. I think that comes with real safety benefits and that has happened near Caltrain Station. It's happened over on Valencia. These are ongoing pilots. The laboratory is very busy right now how we solve for this problem.

Commissioner Makras - One way is giving them tickets when they stop in the middle of the road.

Casey Hildreth - Enforcement is part of it. We can't engineer our way out of this for sure.

Commissioner Makras - What's your estimated cost? What amount is funded? What's not funded?

Casey Hildreth - We are going to dive a bit deeper into that over the next few months. We heard from the public that cost wasn't a major issue for them but obviously, it's a major issue to get something real on the ground. I will put a pencil estimate of \$50 million to \$80 million to do the entire corridor. It's not a small project. One of the questions we asked of the public, trying to get at what's an achievable first segment is something that is certainly on my mind.

We will try and tease those details out and have that contribute to our thinking, which goes back to my earlier comment about wanting some more information before we really dive head-on into a particular segment of the study area.

Commissioner Brandon - We really appreciate you coming

B. Informational presentation on the proposed Crane Cove Park Project maintenance, operations and program management and recent community outreach regarding the park design.

David Beaupre, Planning and Environment - I'm here to give a presentation as a follow-up to the September 11th presentation on the Crane Cove Park Project. I plan to cover three items: (1) some of the lessons learned about the planning of the design phases that we've been through for the last 10-plus years; (2) a little bit about the maintenance and operations and the cost and funding for Crane Cove Park; and (3) a follow-up from the commission's request that we do additional community outreach to confirm that the community is pleased with the design and programming and our understanding that, should we be successful in delivering the park, that this meets the Port's obligation for Crane Cove Park.

To highlight some of the lessons learned, we went back and reflected on some of the decisions made along the way and came up with these four topics. One is establishing a firm budget for the project early on which conflicts a little bit with the second lesson learned, but it's worth noting that, if a project is anticipated to scale over time because of the opportunity for future funding, we need to clearly articulate that to both the commission and the public so that, going into it,

everyone recognizes that we might start with a budget that's \$10 million and end up with a budget that's \$34 million.

Secondly, for a project that takes the duration that we have and even for projects that don't take the duration, is that we need to provide more details to the commission and the public about the budget and the cost increases and changes over time.

Lastly, we need to make certain that we conservatively estimate the amount of time it'll take to secure necessary other entitlements and permits. As an example with this project, we thought we'd be able to get an Army Corps of Engineers permit a little bit quicker than we had. It took longer, which created complexity for the project and delivery. Additionally, not listed up here but it's always to keep an eye on a way to potentially break packages up through the bidding process and be flexible if we need to if we are delayed in a permitting issue or something else.

The commission asked us to confirm that we had the revenues needed to maintain the park and wanted to know how those revenues were going to be generated. This slide shows that the total estimated cost for maintenance and security of the park is approximately \$650,000.

This maintenance program was developed in close coordination with our real estate staff, our maintenance staff, our financing and real estate divisions and Homeland Security. We're very confident in the numbers as it relates to maintenance and operations cost. The funds needed to maintain the park at \$650,000 includes a community financing district, a CFD, from the Pier 70 project.

The purple area is the CFD tax from both the Orton and Parcel K developments and that generates \$650,000 a year. That CFD also needs to be used to maintain the Illinois Street Plaza on the corner of 20th and Illinois Street and the 19th Street extension east of Illinois and Georgia Street connection to 20th Street.

We have a \$650,000 need for maintenance to Crane Cove Park. We think that the total CFD in 2017 dollars is \$625,000. Where we close the gap is with special event parking at the 19th Street parking lot, not all parking revenues, not all special event parking revenues. But in order to close that \$25,000 gap, we think we could use the special event parking from the 19th Street parking lot. Additionally, we know that the maintenance of 19th and Georgia Street and the Illinois Street parcel is approximately \$60,000. So that, too, could be funded through the 19th Street parking special event revenues.

This shows the other CFD districts within Pier 70 where the Forest City site generates about \$3 million, also to be used to maintain and improve the parks and infrastructure. There's the Irish Hill CFD that would generate \$480,000 to maintain the Irish Hill playground.

As it relates to programming of the parks, it should be noted that coming out of the Waterfront Land Use Plan update, something that we heard from a number of members of both the working group and the community is that the community and residents and visitors would like us to more actively program our open spaces.

The Port's been working with the Office of Economic and Workforce Development on a citywide public space initiative. That initiative is looking at 12 to 14 parks within the city that this non-profit entity would help activate and program parks. The types of activations we've talked about at Crane Cove Park through the planning process and with the citywide public space initiative are community events, so farmer's markets, movie nights, potential events relating to water recreation.

This initiative could help us with event reservations. If folks wanted to reserve picnic tables or have small parties within the park and reserve certain areas, they could help with that. Those are the types of programs that we think are appropriate for Crane Cove Park.

As it relates to community outreach, since the September 11th meeting, we went to the Central Waterfront Advisory Group on October 1st, the Southern Waterfront Advisory Committee on October 11th. Additionally, we went to the Potrero Boosters on September 25th and the Dogpatch Neighborhood Association on October 9th. What we generally heard is that everyone liked the design and are excited for the park to come online. They understood that the design fulfills the Port's commitment to Crane Cove Park and that, in the past, while we've talked about later phases, that's not a part of what we're delivering today or talking about.

They encouraged us to move forward with the current bid and move forward quickly to build the park. We recognize that the Dogpatch Neighborhood Association was somewhat frustrated that we weren't delivering the crane tops and the children's playground. But they also recognize how and why those were value engineered out. Some of the community members have offered to assist in fundraising along with the park's alliance to deliver those options. That was not new information for them.

The neighborhood association expressed their frustration that that couldn't be delivered as a part of this bid package. Lastly, we met with board of supervisors' president, Malia Cohen, who also encouraged us to move quickly and deliver the park as quickly as possible.

Should the commission approve the award of the contract to construct the project, we'll continue to work with the community and the Parks Alliance on raising the necessary funds for the crane tops and children's playground. We'll work with OEWD on defining the programming of the park. We'll continue, if needed, to refine and maintain the operations plan as it relates to the maintenance of the park.

Drew Becher, CEO of the San Francisco Parks Alliance - We were here in September and really supported this project. I wanted to be here personally and let you know how important this project is to the future of open space and public space and parks in the city of San Francisco. We really need this project to complete. I always say it's the keystone of Blue Greenway. It's one of the pieces of property that everyone looks at. When we do our tours of the Blue Greenway from AT&T Park down to Candlestick Point, everyone is always like, "I hope that's going to be open space." I always am like, "Yes. It is." And I would like to say, "The bid has been awarded." But I also want to say you have my commitment as the CEO and our fundraising and our board of commissioners that we will undertake along with partnership with the community and your staff and others to raise funds for the playground and other needs that were taken out for value engineering. We believe it's important to get it underway and move it forward. We've been very successful with raising playground money throughout the city from Joe DiMaggio to our \$30 million that we're raising with the city for the Let's Play initiative. We would just roll that basically into our Let's Play initiative that we're working with the city. We support this project. You have our support in order to make all the pretty pictures a reality up there with private and public funding.

Penny Wells - I am a sea kayaker. I belong to San Francisco Bay Area Sea Kayakers, which is a club of about 600 people. From the very beginning, the Port has been very proactive about engaging the community and soliciting input and ideas from all of us. The result is a design that we're happy with. I mean, it's got everything you could possibly want. We're here today to encourage the Port to also support this, to move forward and to build it.

Bruce Huie - This is a long time coming. I'm part of the Dogpatch Neighborhood Association. We've been looking forward to you approving this bid package. I'm an 18-year resident and property owner in Dogpatch. I've got three pieces of good news for you. The first good news is Dogpatch has made a proposal to work with the city to extend the capacity and initial three-year term of the current Central Waterfront Navigation Center located at 25th and SF Bay. The term is about to expire in about a year and a half. We're asking the city to consider extending that term, increasing capacity, doubling capacity. The neighborhood wants to be part of the solution that is a citywide issue. We want to play our part. We hope other neighborhoods do the same. The second piece of good news is that we support the current proposed plan for Crane Cove Park. In addition, the community is working on a proposal to provide a gift to Crane Cove Park from Dogpatch. In light of the removal of our beloved what we call Nick and Nora, the two Crane Cove tops, the DNA board has initiated discussions with an artist to fabricate a light-filled crane top and assemble all funding for design, creation, installation and maintenance.

Our ask is for your thoughtful consideration of this neighborhood offer. We take on fundraising, work with the artist to confirm all the details of the proposal and continue outreach to an extended SF community on the best plan to move the proposal forward. Allow me to cite one example that will hopefully encourage

you to move forward on this proposal. We in the Dogpatch community have given back key neighborhood assets. One of those assets is the Dogpatch playground at Woods Yard. We raised \$150,000 over four months, installed that park in about nine months with the help of MTA. The project is now four years old. That's one example where the community works in concert with the city departments to bring forward neighborhood assets.

Third piece of good news is that the Dogpatch Howlers and the Bayview Bombers bocce teams are going to be playing at your bocce ball court at Cargo Way and Third Street. I want to just let you know that we found a way to bridge our neighborhoods along the Third Street corridor. Finally, for consideration, Dogpatch wants a place at the table for continued discussions on the best approach to assembling funding and resources. Working with the San Francisco Parks Alliance and the Port, we'd like to move forward with the proposed children's playground as well as the return of Nick and Nora.

Commissioner Woo Ho - Thank you for this great report, David. I think that you did take to heart the feedback that we gave you last time and have given us what we asked for in terms of the lessons learned and more information about the ongoing sustainability of this park because that was important not just to build it but to understand how we could maintain it. It looks like the numbers do pencil out, that we will have the revenue to support the maintenance cost. That's important to know because the worst thing is to build a beautiful park and then see it kind of deteriorate over time because there just isn't enough to maintain it. That was a critical thing that we've learned today.

We also heard a lot of outreach last time where there seemed to be some sense of whether the Port really supported this park. Hopefully the community realizes that we absolutely do support this. But we did have questions related to just how the park was going to be constructed, the costs involved, which we'll address. I appreciate the community comment that we've already received which we know that they are in great support.

Today is obviously Crane Cove Park. We have three items on it. I'd like to reiterate that we are supportive. Hopefully, as we go through the bid process, it's not going to be about whether we support the project but whether the bids are appropriate. I think that we're prepared to address that as we go through those agenda items that are up after this. I want to thank you very much for this report.

Commissioner Gilman - I'm very supportive of Commissioner Woo Ho's comments. It's nice to have a commitment from Dogpatch and from the Parks Alliance. That was a question last time about whether those groups really come together to commit for the children's playgrounds and the crane tops. Thank you for that. That helps us move this project forward. We have heard loud and clear how much this community wants us to move this forward and the commitments that we've made from years previous.

Commissioner Makras - Good report. No comments.

Commissioner Adams - Good report. This is a long time coming, a lot of work involved. I just want to say to Bruce, I remember when you came as president of Dogpatch and we needed to put a navigation center in Dogpatch. You stepped up to the plate with some parts of the city. They treaded very lightly. You said, "Bring it. We support it. We're going to help the Port." Once again, Dogpatch is stepping up. I really appreciate that. I'm in favor of this. I think that we will eventually get there. I agree with Commissioner Woo Ho. There was a lot of questions but as commissioners, we just must be accountable and ask the hard questions. I am fully in support and looking forward to the finished product.

Commissioner Brandon - David, thank you so much for this report. Thank you for getting all the permits. Thank you for doing all of the outreach. Thank you for bringing this project to where it is. I'm happy that we just took a moment to just actually look at everything and that we have come up with value engineering to hopefully make sure that we can produce a world-class park at Crane Cove Park. I want to thank the community for hanging in there with us and understanding that we want to make sure that this is the best park available. We're sorry that we ran out of funding even though we're spending \$36 million. We are so happy to have the Parks Alliance as our partner and to help us finish the park. Bruce gave us great news of how the community is going to step up. I'm sure that this is going to be a wonderful asset to the Port. Thank you everyone.

8. ENGINEERING

- A. Request authorization to award Construction Contract No. 2812, Park Improvements and 19th Street Parking Lot, to Gordon N. Ball, Inc. in the amount of \$17,845,000, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,784,500) for unanticipated conditions, for a total authorization not to exceed \$19,629,500 (Resolution No. 18-61)

Erica Petersen - I am the Port's project manager for the Crane Cove Park Project. I'll be giving today's presentation along with Tiffany Tatum, the engineering division's outreach coordinator. This is an action item to award Crane Cove Park Improvements and 19th Street Parking Lot Contract to Gordon N. Ball, the lowest responsive and responsible bidder to the invitation for bids published on May 15, 2018. The amount of this contract is \$17,845,000. This authorization includes a 10 percent contingency request for a total authorization of \$19,629,500.

This project complies with a number of Port-wide strategic goals. The park will be a major new space in the Dogpatch area of the southern waterfront that preserves historic maritime resources, provides public access and recreation opportunities to the bay, contributes to a vibrant new Pier 70 neighborhood and opens to the public an inaccessible former industrial shoreline.

The contract promotes living-wage jobs by providing opportunity for local business enterprises, LBEs, and by meeting mandates for local hire in

construction projects. The park is designed for 28 inches of sea-level rise, which was recommended by the State of California and San Francisco Bay Conservation and Development Commission.

Park design and construction include best management practices for storm-water management, water-efficient landscaping and energy-efficient lighting. The project site comprises 7.2 acres in the southern waterfront located at Pier 70 near Illinois Street running north/south on the west side of the site and 20th Street running east/west at the southern end of the site.

The Port Commission approved the park master plan in 2015. Currently, the park project is divided up into five contracts summarized in this table. It was originally divided up into three contracts, 2740, 2781 and 2813. When all the 2781 bids were rejected, it was split up into more contracts in order to be more cost effective. Contract number 2781 was intended to be the second contract, which would have performed most of the work.

The Port opened bids in August 2017. Three bids were received, all considerably exceeding the engineer's estimate and were, therefore, rejected. Contract number 2781 was then de-scoped and sub-packaged into smaller contracts for re-advertisement.

Construction of the first contract, 2740, surcharging and site preparation, was started in November 2016 and is now complete. Construction of contract 2810 is currently underway.

Multiple iterations of value engineering have been performed to keep the project budget within check. As David mentioned in his previous presentation, based on feedback from the Port Commission at the September 11th commission meeting, Port staff performed additional outreach to the Port's Central Waterfront Advisory Group and Southern Waterfront Advisory Committee on the status of the park.

Port staff additionally presented the Dogpatch Neighborhood Association and Potrero Boosters. The presentation included a review of the current design, project delivery methods, cost control, maintenance and established future expectations regarding the park improvements.

This slide compares the bids for 2781 and 2812. The engineer's estimate for 2781 back in 2017 was \$19.7 million and the lowest bid was \$27.3 million, which was about 40 percent more than the estimate.

For this contract, 2812, the engineer's estimate was \$17.5 million. The lowest bid was \$17.8 million, which is within 2 percent of this estimate. Since ProVen bid on both contracts, we can compare how close their bids were to the engineer's estimate.

In the first contract, their bid was 40 percent over. This time, it was 13 percent over. This along with the fact that the lowest bid was within 2 percent of the engineer's estimate shows that the Port's efforts to revise the scope and value engineer the contract resulted in more accurate cost estimates and reasonable bids.

The scope of work for contract 2812 is shown on the site plan. I'll go counterclockwise around the slide and list the areas of work: Crane 14 gantry, northern shoreline improvements, northern uplands show Building 49 limits of work, which is not part of this contract, southern lawn and Building 49 plaza. The purple area shows limits of work for the 19th Street extension and Georgia Streets, which are also part of the different contract -- part of this contract, the 19th Street parking lot, entry plaza, Slipway 4 work and Building 30 relocation.

Tiffany Tatum - I am the outreach coordinator for the engineering division. I'm here to outline our efforts for Contract 2812, Crane Cove Park rebid two. Our invitation for bid was published on May 15, 2018. Prior to advertisement and during advertisement, we contacted 384 firms via phone and email. Of the 384, 209 of these firms were certified LBEs. Of the 209, 119 were from supervisorial district 10 and 99 from zip code 94124 Bayview-Hunters Point.

The project was posted on the Port's website, Office of Contract Administration website and the SFPUC's planholders' room website. We also took advantage of the free advertising opportunity provided by the board of supervisors, which is published monthly in seven San Francisco neighborhood publications as well as running a seven-day advertisement in the Examiner.

Printed copies were available for review at the SFPUC Contractors Assistance Center and the Southeast Community Center, both in Bayview. We also arranged for the Port project team including our chief harbor engineer to meet with the African American Chamber of Commerce. They were encouraged to reach out to their members and encourage them to bid on this contract. On May 24th, an optional pre-bid meeting was held at the Contractors Assistance Center in Bayview. Seventeen contractors attended including four LBE firms. As a result of our efforts, all of the LBE firms on Gordon N. Ball subcontractor list were firms contacted by Port staff.

Erica Petersen - The city's public works contracting ordinance requires departments to award contracts to the lowest responsible and responsive bidder. A bidder's responsibility is based on the contractor's prior relevant experience. For the purposes of this solicitation, the bidder's requirements were: a class A license with five years' experience; experience with three civil engineering projects in the last five years; experience with three public works projects in the last five years; and their safety history.

Minimum qualifications are often barriers to small local firms bidding on city contracts. Whenever possible, we strive to develop minimum qualification criteria that are inclusive to LBE firms at the prime or subcontractor levels. A responsive

bidder is a bidder who conforms to the material requests in the invitation for bids. This includes price, quality, quantity, delivery requirements and LBE subcontracting requirements.

On June 21st, Port staff received three bids for the Crane Cove Park Improvements and 19th Street Parking Lot Project. The engineer's estimate, again, for the project was \$17.5 million. The final bid rankings are shown on this slide.

The city's administrative code, chapter 14B, also known as the LBE and non-discrimination in contracting ordinance, establishes bid discounts for certified local firms. NTK Construction is the sole local business enterprise proposer as an SBA and is, therefore, entitled to a 2 percent bid discount.

However, Gordon N. Ball's bid was still significantly lower. CMD determined Gordon N. Ball to be the lowest responsive and responsible bidder. For construction contracts over \$600,000, the contract monitoring division, or CMD, sets LBE subcontracting requirements based on the availability of LBE firms.

CMD set a 21 percent LBE subcontracting goal for this project. The project also includes a mandatory 30 percent local hire requirement imposed by the Office of Economic and Workforce Development. McKee Company, Yolanda's Construction Administration, Toure Associates, Giron Construction and Solher Iron are all minority-owned businesses.

Team North Construction Services is a woman-owned business. Gordon N. Ball has committed to 24.54 percent LBE subcontracting, which is above the CMD requirement. Post-bid opening, Gordon N. Ball had committed to increasing YCAT's contract by 86 percent as a second-tier contractor to Hoseley. They are also planning on using MBE firms for trucking between \$100,000 and \$500,000. This results in a potential of increasing the LBE participation from 24.54 to 27.34 percent. Therefore, Gordon N. Ball exceeded the 21 percent LBE subcontracting requirement by committing to 24.54 percent of the overall contract to certified local businesses.

Gordon N. Ball, the lowest responsive and responsible bidder, is headquartered in the East Bay in Alamo. Gordon N. Ball has participated in many Bay Area public works projects. For the Port, they worked on the Heron's Head Park Project at Pier 98, the Amador street improvements adjacent to Pier 94, the India Basin shoreline improvements at Hunters Point and grading at Hunters Point Parcel A for Lennar. In 2017, Gordon N. Ball was the prime contractor for the San Francisco Public Works \$6.8 million Mansell Streetscape Improvements Project from which we received positive feedback from DPW. They've worked on eight projects in the Bayview-Hunters Point neighborhood and performed 30 projects for the city.

They perform their own outreach to LBE firms during the bid process. They contacted 178 LBE firms, 84 of which were from the 94124 zip code. Six of the

seven firms listed in their bid are from the Bayview-Hunters Point neighborhood. Hal Stober, the president of Gordon N. Ball, has more than 20 years of construction experience.

Port staff reviewed Gordon N. Ball's references and received positive comments from San Francisco Public Works and other references. This project is fully funded by the 2008 and 2012 Clean and Safe Neighborhood Parks general obligation bonds and Port capital.

If you approve this contract award today, we will issue the notice to proceed in January and anticipate substantial completion in January 2020 with final contract completion anticipated March 2020.

In order to deliver the project within budget, the Port staff has developed a cost-control plan to minimize the potential to exceed the 10 percent contingency recommended for the proposed contract. Port staff will work with the contractor on delivery methods and phasing to determine whether certain areas of work should be left to the end in case they need to be de-scoped if there are cost overruns. We'll also monitor progress during construction through construction management services.

I wanted to note and apologize that there's an update that I need to make here. The staff report says we will be using DPW for construction management, but we will now be using Port staff for our CM team. This should allow for even more oversight and attention to the project. We'll also be value engineering throughout, working with the contractor to determine if there are recommendations for cost savings during construction. The schedule will be closely reviewed by Port staff throughout.

In conclusion, we respectfully request that you award the Crane Cove Park Improvements and 19th Street Parking Lot Project to Gordon N. Ball in the amount of \$17,845,000 with a 10 percent contract contingency for the total authorization not to exceed \$19,629,500.

Mark Morey - I'm a member of Kayaks Unlimited. We are a kayak club in Islais Creek Park. We are on Port property. We thank you very much for that. Our mandate is to get people out in the water and we do that in a variety of ways. It's a cooperative club. We have a low barrier to entry. We try to get any members of the community out into the water and having access to the water in where they live. We fully support this measure. We encourage you to authorize it just so this could be the crown jewel of the waterfront. Many members of the Bayview-Hunters Point, Mission, Dogpatch and Potrero neighborhoods just don't have a way to access the water and get out and find out what it's all about and just have the ability to just have water exercise and get out and enjoy the area. That's why several of our members are here. We ask you to authorize this.

Larry Beard - I'm also a member of Kayaks Unlimited. I was also on the working group on the revision of the Port plan. Obviously, we don't need to convince you

that this project is a good idea. We would just like to see you make this a reality by funding it. Something that hasn't been mentioned -- people do talk about the Blue Greenway. This will also be a key part of the San Francisco Bay Trail, which will enable people to be able to paddle the entire circumference of San Francisco Bay. San Francisco has very few access points for this project. The proximity of this wonderful beach that we worked hard to get into the plan to the two restaurants nearby, The Ramp and the Mission Rock Resort, will be a real boon to people participating in traveling the Bay water trail. I urge you to fund this project, to fund this contract and make this a reality.

Hal Stober - I'm the president of Gordon N. Ball, Inc. I've been leading the firm since 1995. Erica said I have more than 20 years' experience in the industry. It's hard for me to say this. I have 40 years' experience in this industry. Commissioner Adams, to your comment, I am excited. I'm very proud to be here today. We, Gordon N. Ball, Inc., are the right company for this project. You know, I often tell people that we're big enough to pull off and build a project like this but we're small enough to be very hands on in how we operate. That is how we operate. We're very hands on. It's one of the reasons why I'm here today. We have the experience and knowledge needed for this very complex project. We would not be in this position without a lot of our past experience on similar difficult projects.

Our experience on the new Bay Bridge, the new Caldecott Tunnel, the Devil's Slide Tunnel, the Hunters Point mass grading project and just recently finishing up at the Transbay Terminal will provide a solid foundation to build upon for this project. We have crews and managers ready to get the project started. When the logistics will allow, we will have multiple crews and firms working at the site. We have assembled a very good team, a team that not only has the experience and knowledge but also, at the same time, are composed of local and diverse firms. Some of those firms are here today to support me and to support your decision to get this project going.

This team will employ local residents to create the park and will work with the pride that comes from that, at knowing that we are developing this historic site and building a park facility for all the residents of the city of San Francisco. At same time, I'm sure many of our own friends and families will use this facility. We'll be building it. We'll show that pride in our construction. I commit to you that we'll complete the vision and the ideas that your planners have been working so very long on putting together.

You have the right contractor. We are set up to go. I will personally see that we build this project to the very best of our abilities. I'm proud to do that. That's my job and that's what I do. I'll offer to come back to you at some point in the future. Just tell somebody, and I'll come back. I'll give you an update report and a project status report from the contractors' perspective.

Ginger Jones - I work for Yolanda, YCAT. She's not able to make it. She's out actually on an unexpected medical leave. I am here to say that we support

Gordon Ball on this project. As they have mentioned, we have full faith that they are going to employ the small business in the communities that are here today.

Tonette Phillips - I'm with Hostess Express. I'm here in hopes that Crane Cove Park is awarded to Gordon N. Ball. Even though this contract wasn't awarded, Hal, the president of Gordon N. Ball, has committed \$2,500 for turkey dinners to the Bayview-Hunters Point community. Even though he hasn't received this contract yet, we need people like Hal in our community. Bayview-Hunters Point, Dogpatch and Potrero Hill would benefit greatly from this park. Please award this to our community.

Maureen Gaffney - I am speaking for both the San Francisco Bay Area Water Trail and the San Francisco Bay Trail so both the blue and the green in the Blue Greenway. I want to say that I am here to very extra super enthusiastically support award of this contract. We've been working with your staff, with David and others for many, many years going to the BCDC commission, the design review board meetings, going back to the community as they make tweaks, as the commission and other of the regulatory agencies make tweaks on this project. It has been a long time coming. We're excited to be at this point today where you are hopefully about to award the contract. Go Crane Cove!

Katy Liddell, co-chair of CWAG - I spoke with Toby Levine on the phone a few hours ago. She couldn't be here this evening, but we agree that we can say CWAG is so excited about this. Please award the contract. I want to say a huge thank you to David Beaupre for all the years of hard work he's put into this. We really appreciate it.

Commissioner Woo Ho - I certainly not going to talk about the fact that we all do support this project. We heard the presentation earlier from the PUC and we already heard some voluntary efforts by Gordon Ball to support the community even before the contract is awarded. To sort of advance or leapfrog into some other ideas on community benefit program that would be obviously not part of our approval per se but we would just encourage that could be part of the thinking process here since that is the direction that we're going to go to. That's a suggestion to have Hal here to consider that as something we go forward because this is a fairly substantial project. I think it does qualify for that type of idea.

Because of our fiduciary responsibility and I'm not questioning that you have all done the best in terms of awarding this bid but I'd like to understand, when you compared the bids, where were the differences? Was it in the labor cost? Materials? You did say you want to minimize the number of change orders so we don't go into contingency funding.

For us to be ahead of the curve and since we have known that on this project, the estimations have changed a lot over time, not because of the contractor actually working. We've had a lot of changes in terms of the cost. What was the

difference in the comparison and since we are interested now obviously in maintaining this within a tight framework and budget?

Erica Petersen - That is an excellent question, but I don't have a good memory of the comparison between the contractors. I know that Gordon N. Ball was able to give a great deal on the parking lot because that is something they are very good at grading and flat work like that.

Elaine Forbes - We can write a memo to you with analysis. We did it at the time. It's hard to remember all those details. We'll put it in writing so you understand the difference between the bidders in terms of where the price differential was.

Commissioner Woo Ho - I hope that we can accomplish what you said in terms of being able to minimize going into contingency. We'd like to have that documented.

Commissioner Brandon - Are you asking for this bid or the prior bid versus this bid?

Commissioner Woo Ho - This has been a painful process for us since we've had to rebid it twice. I'm talking about this bid and comparing it to the other bids just so we understand where the differences are and that we are trying to minimize going into contingency as much as possible. Although, there will be the unforeseen circumstances that you all will have to address. It's our fiduciary responsibility to ask the question and to achieve the objective given this has been a long time coming. We must work this through.

Commissioner Makras - No comments. I'm prepared to support the item.

Commissioner Gilman - Same here. I'm prepared to support.

Commissioner Adams - Finally, we get to vote on the people's park. Hal, I'm going to hold you to coming back to the Commission in six months. What says a lot to me is the support that you've received from the community. We work for the community. They're our bosses. They're in support. You have my support.

Commissioner Brandon - Erica and Tiffany, thank you so much for the presentations. Thank you so much for the extended outreach to our LBEs. We are extremely lucky to have such an experienced firm help us with this project. I know that, since we have value engineered and we have cut at every corner that we can, that it is going to come in under budget, on time, and produce a beautiful park. We are looking forward to working with all of you. Thank you very much for your patience with us.

ACTION: Commissioner Makras moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution No. 18-61 was adopted.

B. Request authorization to advertise for competitive bids for Construction Contract 2814, Crane Cove Park Building 49. (Resolution No. 18-62)

Erica Petersen, Port's project manager for Crane Cove Park Project – This is an action item to authorize advertisement of Crane Cove Park Contract Number 2814 Building 49. This is bid package five, as discussed in the September 11th informational presentation on Crane Cove Park. The contract scope is to perform a partial rehabilitation of Building 49. Once this contract is completed, the Port will have fulfilled its commitment to the community for the delivery of Crane Cove Park.

Based on feedback from the Port Commission, Port staff have been investigating alternative project delivery methods and contractor procurement methods to facilitate mentorship of local community contractors. Since the design phase of this project had already been completed, we were limited to only looking at contractor procurement as opposed to project delivery alternatives. We performed our own research into alternatives, had Public Works staff present on best-value procurement and reviewed the bid documents from the four city projects that have utilized best-value procurement so far.

This project will be the first at the Port. We feel like it will be an excellent pilot project, as the cost estimate for construction falls within the recommended range of \$3 million to \$5 million, as recommended by DPW. As part of the greater Crane Cove Park, this project complies with a number of our Port-wide strategic goals listed here on this slide.

Building 49 is situated within the Crane Cove Park Project site, which comprises 7.2 acres in the southern waterfront located at Pier 70. Building 49's west face is at the intersection of 18th Street and Illinois Street. As part of the rehabilitation of the building, that will be a demolition and removal of damaged roofing, siding and concrete slab floors, installation of concrete pile caps and steel piles for the building foundation, exterior and interior painting, installation of restrooms, building shell work including structural steel and roofing and the other items.

The intent is to make the building ready for future development or lease opportunities. The hazardous materials abatement contract is already in construction to prepare the building for this contract. The final engineer's construction cost estimate is \$3.9 million and, including the 10 percent contingency, is \$4.3 million. Note that the engineer's cost estimate came in higher than previously anticipated due to escalation and a predicted increase in material costs due to recently imposed tariffs. While the engineer's estimate was being evaluated by Port staff, the Port real estate department was also analyzing the option of issuing Building 49 scope as a development opportunity.

At the time of the September 11th informational presentation on Crane Cove Park, Port staff have been using a previous construction cost estimate for Building 49 but we're already pursuing methods to reduce the cost of construction. Port engineering staff have heard from real estate that the Port

should not pursue procuring a developer at this time. Therefore, Port engineering staff have updated the overall project to include the latest engineer's estimate for Building 49.

Based on the final engineer's construction cost estimate, funding based on previous project budgets was not sufficient to cover the entire scope. Staff have addressed this concern in two ways. The first method is a revised budget plan to fund this contract by using Port staff for construction management, CM services, for this contract, the roadway work contract 2813, and the park improvements and 19th Street parking lot contract 2812, or park improvements.

The previous overall budget for Crane Cove Park Project assumed the Department of Public Works would provide CM at an additional cost. Using Port staff for CM for the park improvements contract alone will save around \$1.5 million. There's a potential risk that Port will not have staff available to provide construction management services for Building 49 and roadway contracts but there should be sufficient lead time to plan staff availability for this contract.

The second method to potentially save funds and stay within the construction budget is to include bid alternates to the construction contract. Port staff will include the restrooms of the bid alternate and will look into structuring the bid specifications to include other design aspects that may be included as alternates. With the reallocation of construction management funding of \$1.5 million to the budget for Building 49, this contract is fully funded at \$4.3 million, which includes the 10 percent contingency.

The contract monitoring division, or CMD, set an LBE subcontracting requirement based on the availability of LBE firms. For this contract, they have set a goal of 23 percent. Port staff will work with CMD staff to outreach to LBE contractors in the trades represented with this contract. They are listed here on the slide. This contract has already been represented at a contractor meet-and-greet in the Bayview neighborhood and the minority business mixer at Pier 1 we held in September. Staff's future outreach will include phone calls and emails to LBE contractors, newspaper advertisements, posting the bid opportunity to San Francisco Contractors Assistance Center and facilitating introductions at the pre-bid meeting.

Because this contract will be bid as a best-value contract, there is an opportunity to ask the potential contractors questions regarding their efforts to mentor and hire local subcontractors and employees in the questionnaire section of the specifications. The city administrative code defines best-value procurement as a procurement process for construction services whereby a contractor is selected on the basis of objective criteria to determine the best combination of price and qualifications. How this varies from the low-bid process is that the bid documents contain a best-value questionnaire that the contractor fills out. The questionnaires would then be scored by a panel of Port staff. The total bid price is divided by the score. The contractor with the lowest resulting number is the best value. You can see on the screen an example of two bids in which the one

with the higher cost ends up being a better value because the bidder received a higher score on the best-value questionnaire.

One item to note is that the best-value method does take a bit more time upfront than our typical low-bid method, as time is required to develop the questionnaire and have the panel review it during the bid process. The contents of best-value questionnaires vary project to project but typically contain questions regarding safety record, past performance, relevant experience, labor compliance, management competence and financial condition.

For this contract, we plan to include questions regarding safety record, project experience and the contractor's mentoring efforts in the local contracting community and possibly its record of meeting LBE goals on previous projects. This is a way in which the Port can encourage growth and experience in the local contracting community. Port staff are working with the Port legal department and CMD to determine acceptable questions. Port staff feel that procuring a high-quality contractor for this contract through the best-value method will offer benefits for the community that will offset the extended procurement time.

The project is fully funded by the 2012 Clean and Safe Neighborhood Parks general obligation bonds and Port capital. If you approve this authorization to advertise today, we plan to advertise in January. We'd be on track to have substantial completion in March 2020. In conclusion, we respectfully request that you authorize construction contract 2814 Crane Cove Park Building 49 to advertise for competitive bids.

Commissioner Woo Ho - I support this project.

Commissioner Gilman - I have no questions. I'm prepared to support.

Commissioner Makras - In your comments, you said that the city is going to undertake the construction management component of it. You said we're going to save \$1.5 million. Did I get that right?

Erica Petersen - Yes.

Commissioner Makras - That's a very large percentage of the contract for construction management.

Elaine Forbes - I want to give a little more clarification, though what Erica said is true. DPW charges for construction management. They put on an overhead rate, which reimburses them for the other parts of their freight. It's not direct. It's direct with overhead. While we're saving those funds, we're deploying our own Port staff resources to perform that work. We will be adding some operating budget effort into the construction management work from the Port side. We've performed this work before in other similarly sized projects or similar projects. We feel confident that we can do it here too.

Commissioner Makras – Usually, construction management contracts are 10 percent of a job. If we go to DPW it is 5X what the market would charge. We use them with that disparity?

Erica Petersen - The \$1.5 million is between all three of the contracts, the roadway, the building and the park improvements. About \$1.3 of that is for the park improvements contract, the one that's \$17 million. That is around 10 percent of that.

Commissioner Makras - It's not just this contract.

Erica Petersen – Correct.

Commissioner Brandon - So this contract is \$200,000?

Commissioner Makras - \$4.3 million.

Commissioner Brandon - No. I mean in savings.

Erica Petersen – About \$200,000.

Commissioner Makras - Okay so that's about 7 percent. Do we know by name and some type of framework on time that we've done this work? Have we done five jobs like this in the past five years of this dollar volume for construction management?

Rod Iwashita, chief harbor engineer - The contracts that the Port staff are working on right now is the Pier 94 Backlands, which is a \$7 million project. Port construction managers are working on that project. We have a staff of three construction managers and two resident engineers. They are working on all our projects.

Commissioner Makras - So that's their job?

Rod Iwashita – Yes, that's their job.

Commissioner Makras - When we undertake it internally, have we found any problems when there's a dispute with the contractor that we do that portion in house?

Elaine Forbes - We have not to date, but we do have a partnering setup where we escalate disputes through a partnering framework. That would be the way in which we resolve disputes, but we have not found that us versus DPW is any better positioned in the dispute framework once we enter a dispute.

Commissioner Makras - I may have a few offline questions regarding that for us. Next, I'd like to explore the decision to do best-value procurement versus low-bid. Is this the first time we're doing it?

Erica Petersen - This will be the first or pilot project. In the city, it's become more important to emphasize safe work practices. We decided this was a method in which we can encourage that. We have also heard from the Port Commission the desire to get local community more involved and trained. As we've been looking into it, we see this as a way to encourage supportive and inclusive behavior from contractors. From our research, best value due to the demands on staff time is more effective in projects that have a construction value of \$3 to \$5 million, as DPW cited. We thought this was a good example.

Commissioner Makras - Have we modeled how much more it could cost? Is there a cap or is it an undetermined dollar amount that could separate the bids from low bid to best-value bid?

Elaine Forbes - Undetermined.

Erica Petersen - We haven't looked at that in too much depth but from our discussions with DPW who has a little bit experience of doing these contracts, they did not think that it was going to increase the cost too much.

Commissioner Makras - Has staff explored putting the bid out as both? We can pick low bid and best value and that we can pick collectively from that.

Erica Petersen - We have not explored that. I don't know if we're allowed to do that but we will think about it.

Commissioner Makras - Everyone would be bidding for the same thing. Everyone would have the same set of rules. We would at least have the opportunity not to have a 10 percent differential in the cost.

Elaine Forbes - The reason that we're proposing best value is we received advice from General Manager Harlan Kelly that the best value is a preferred methodology to pursue some of the social impact values that we're trying to advance. We will have more ability related to mentorship, partnerships, reach to the community. In a low-bid contest, the price dictates everything. Here, we're able to express other values and have the bidders compete. We were warned that price could go up, from the PUC's experience, but not substantially or not in a way that they couldn't manage.

Commissioner Makras - I support the benefits that we're looking for from best value. Where I have a problem and why I'm saying could we put them both and where I caution us. I will support this item this time, but it is a slippery slope on not knowing what we're paying for things. If we are choosing best value to do business, then we should know what that best value is costing us at a minimum. We should have no blind spots on what any component of a construction projects costs us when we're the decision makers in funding these projects.

Elaine Forbes - The city attorneys are conferring. I don't think there's a prohibition on putting it out in two ways. It may discourage bidders. But they're discussing whether we could, in fact, put out two methods to select concurrently.

Commissioner Makras - I'm not suggesting two. I'm suggesting they would bid them both. There's a distinction there. If you have two, then you'd have to pick which of the two. Then, you're going to have to have someone be the master.

Elaine Forbes - If this is something the commission wants us to explore, we're going to need to take it offline and think about it more and talk with the PUC and DPW and make a proposal about how we might do this. I'm curious if the best-value process does allow us to price the various components, so we know the pricing the same way we would know a low bid.

Erica Petersen - It's true. When we receive the bids, it's the same as our low-bid process where we have bid list items and they give their prices. We have the engineer's construction cost estimate, which is a basis on how we judge whether it's within a reasonable realm of cost.

Commissioner Makras - I'm not trying to slow this down. I will support it, but I think that there may be some work on making it better. At least from my point of view, I believe we should know the cost of everything. We are opening a door to do very good things that I support but I also believe I want to know what we're all paying for those good things that we're doing.

Commissioner Brandon - So why is there an additional cost?

Commissioner Makras - It could be an additional cost.

Commissioner Gilman - If they do a training program and they mentor 12 kids from the Bayview, we need them to monetize that so that, if the cost is 3 percent above what it normally would be if they didn't do that program. That's what I'm hearing you say, that you're going to monetize it.

Erica Petersen - Well, that's not part of any of the requirements in the questionnaire. We haven't fully developed what the specific questions will be but we will ask questions about their efforts they already do and their future efforts to mentor the community but that's not included in the bid.

Commissioner Brandon - Right but that's their sole cost, not our cost.

Erica Petersen - Yes, that's just what they're already doing.

Commissioner Brandon - So I'm just trying to understand why if we did it this way, the cost may be more.

Commissioner Makras - Go back to your slide that shows that the low bidder may not win.

Elaine Forbes – Exactly, the low bidder may not win.

Commissioner Brandon - Got it. That's where I was going to ask if you could go back to that formula.

Erica Petersen - A bid might come in higher but still be evaluated as better value. That's is up to us at the end to determine if we're rejecting bids or not.

Elaine Forbes - The key here is, with a low-bid contest, price is everything if they meet the minimum qualifications. It's a competition 100 percent on price. Here, we're expressing best value which has additional criteria. A bidder may score very well in the additional criteria and come in higher than the lowest price point and win this award.

Commissioner Brandon - Okay. I got it.

Commissioner Makras - It opens a door for protests to have more legs on them than just a raw low bid.

Elaine Forbes - I'm not certain that's the case because in the professional services world, we don't do price only. It's qualifications. Price is either a factor, or it can be not a factor opened at the end and then, you negotiate on price. We have protests, but we have a very well understood ability to base contests on other qualifications than price.

Michelle Sexton, general counsel - One of the requirements for doing the best value is set forth in the administrative code and it's how it's scored. It sets forth a process. Other agencies throughout the city and other enterprises including the SFPUC have undertaken the scoring methodology. We're confident you're not going to face new challenges based upon having an RFP on the market using this as your criteria.

Commissioner Adams - I'm in favor. I wanted to make sure we were all on the same page. I heard a lot of different things here. I'm supportive. Thank you for the presentation but I wanted to understand what Commissioner Makras was saying. Are there other options that you can do? This system here benefits the community, as Commissioner Gilman indicated.

Elaine Forbes - Potentially. Yes. There are other options. On this is one, we've used a low bid for a very long time except, with the cruise ship terminal, we used a CMGC, which was not a price competition but another-factor competition. We have been talking in earnest with the PUC and with DPW about ways in which we can have more social impacts through contracting. We've consistently heard that best value is a good tool to try. To try a new tool and this is the first time we've used it. We've been waiting for the right-priced contract. Some of our contracts have been too small. Some of them have been too big. This seems to be a sweet spot. It's slightly lower than recommended but it's close enough. This is in the toolkit and is recommended to us. I think that it's a great conversation.

I'm glad we put this on the regular calendar because it is a different methodology.

When we come back with the responses, we can take a very close look at how it worked and what we found before you make an award. Obviously, this would come for award. We'll have an opportunity to see how it went. We're as curious as you are.

Commissioner Adams - Is this a pilot program?

Elaine Forbes - For us, it's the first time.

Commissioner Brandon - Erica, thank you so much for this presentation. I think it's great that we are trying the best-value approach at least just to see how it works. It's great that we will be able to ask about the safety record and the project history and experience, so we don't just get the lowest bidder who we don't know how many times they're going to come back for an amendment or something goes wrong. I hope this will save us money in advance. I want to understand the bid alternatives. What's the base bid? What are we putting in the alternates?

Erica Petersen - The construction estimate is \$3.9 million, \$4.3 million with the 10 percent contingency. Right now, we have an option for a deductive alternate of the restrooms. At the time, we were looking for ways to save money. The project is already value engineered a lot. You can't really take out the roof. You can't take out the foundation work. We saw the restrooms as one of the only options at the time. That's a backup if things go wrong.

Commissioner Brandon - I personally don't see spending \$4 million without a restroom.

Commissioner Makras - If I can add a different component to it. I do not support taking out the restrooms because you're just adding a higher cost later. At a minimum, I would do the infrastructure for the bathrooms so that we don't have a double-up cost after because we're going to put concrete floors in. We're going to do all the grading. We're going to have a slab and then later go in and cut it and then go find where the main line is for the sewer pipe and bust up what we've just built. It has no logic. I would support putting in the infrastructure at a minimum and then just do the physical part of the bathroom from the floor up if you want to save.

Commissioner Brandon - Right but I would not support spending \$4 million on a shell.

Elaine Forbes - Understood. We were trying to scope it in a way that we could save a project if bids come in higher because that's been the bidding climate. But of course, you'll be approving. We want the restroom included. It's a deductive alternate. In the long term, we're looking for a partner to run the café

out of this facility. There is an opportunity for tenant improvement down the road. But that said, we're pushing ahead to get a restroom in the facility. We hope to come to you with an award that would do so.

Commissioner Makras - But our \$3.9 million engineered estimate will tell us how much the estimate is to put in the bathrooms, correct?

Erica Petersen – Yes, \$3.9 million includes the bathrooms.

Commissioner Makras - Do we know what that portion is?

Erica Petersen – They estimate the restrooms are about \$750,000.

Commissioner Makras - \$745,000 is underground. I mean, a super majority of that is the pipes that are underground.

ACTION: Commissioner Adams moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. Resolution No. 18-62 was adopted.

9. NEW BUSINESS

Elaine Forbes - For new business, I've recorded that you'd like to see Gordon Ball back in six months to give the contractor's report. We'll put that on the forward calendar. For Commissioner Woo Ho, when we do the seawall project update, we will look at the total funding sources and the gap that we currently have.

Commissioner Brandon – I would suggest an update on Gordon Ball's project six months from when they start.

Commissioner Gilman - I would like to have the master tenant for Pier 70 do an informational presentation regarding JUUL in response to all the letters we received.

Elaine Forbes - Okay. We will have ODI come in.

Commissioner Adams - Commissioner Woo Ho was talking about the historical piers RFI responses. She wanted more information on that and wanted the commission to do more of a dialogue on that.

Elaine Forbes - Yes. We're going to get you a calendar of our plan.

Commissioner Makras - On Pier 70, please send me a copy of the lease so I can review it.

Elaine Forbes - Sure.

Commissioner Brandon - I think it's a good idea for ODI to come give us an update on their project and where they are.

Commissioner Makras - I can't help but support what the neighbors are saying. The Board of Supervisors support no smoking and they're telling everybody's business operations that they can't smoke all over town. Then the Port gets a tenant that promotes smoking.

Elaine Forbes - We'll put it on the agenda.

10. ADJOURNMENT

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

Port Commission President Commissioner Brandon adjourned the meeting at 6:25 p.m.