

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING OCTOBER 22, 2019

### 1. CALL TO ORDER / ROLL CALL

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

### 2. APPROVAL OF MINUTES – September 24, 2019

ACTION: Commissioner Woo Ho moved approval; Commissioner Makras seconded the motion. All of the Commissioners were in favor. The minutes of the September 24, 2019 were adopted.

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

### 4. EXECUTIVE SESSION

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

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

At 2:32 p.m., the Commission withdrew to closed session to discuss the following:

- (1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS. Discussion and possible action on anticipated litigation matter pursuant to Section 54956.9(d)(4) of the California Government Code and Section 67.10(d)(2) of the San Francisco Administrative Code. (Discussion Item)

- City, As Plaintiff, regarding Pier 33 and San Francisco Pier 33 LLC, as Defendant.

### 5. RECONVENE IN OPEN SESSION

At 3:15 p.m. the Commission withdrew from closed session and reconvened in open session.

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

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

## **6. PLEDGE OF ALLEGIANCE**

## **7. ANNOUNCEMENTS** – Leah La Croix, filling in for the Port Commission Affairs Manager who is on jury duty, announced the following:

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

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

## **9. EXECUTIVE**

### A. Executive Director's Report

- San Francisco Fleet Week – October 7-14, 2019

Elaine Forbes, the Port's executive director - Fleet Week was held on October 7-14 where the Port was again a very proud sponsor of the event. It was exceptionally well attended. It's an event honoring our sea services. The city participated in disaster-debris management exercise, which DEM felt was extremely helpful and important to exercise our own planned removal and opening of major roadways. And also to practice with our federal partners was very helpful. We also had several joint military civilian exercises as well as the parade of ships and, of course, the air shows.

I want to thank Port staff that put so much time and energy into making the event another smashing success. Staff worked evenings and weekends at Fleet Week. Much of their work goes unrecognized because they're behind the scenes making sure nothing goes wrong. First, Joe Reilly and Ken Tashian were on security. From the maritime division, we had our maritime team making sure all the vessels came in and were safe and secure, Aaron

Golbus, Anita Yao, Brendan O'Meara, Dominic Moreno, Michael Nerney and Edgar Alvarado.

In the maintenance division, we had lots of crews out before, during and after and making sure our waterfront looked wonderful for our guests. I'd like to recognize the laborers division, the truck drivers, iron workers specifically Tim Felton, Oscar Wallace, Alex Chong, Dave Gibbs, Kevin Patterson and Bill Berndt. Thank you to Port staff for making us shine once again.

- SAFE Embarcadero Navigation Center

Elaine Forbes – I wanted to update you on the advisory group, which is to advise us as the center gets sited and services provided. I have appointed Rick Dickerson and Alice Rogers as chair and vice chair of the Embarcadero Safe Navigation Center advisory group. Alice is in the audience. Mr. Dickerson is a well-known person here at the Port. He is a former co-chair of the Mission Bay CAC. Ms. Alice Rogers is the co-chair of South Beach-Rincon-Mission Bay Neighborhoods Association and a chair of CWAG. Thank you, Alice, for serving.

The next meeting of the advisory group is on Wednesday, October 23, 2019 at 5:30 at the South Beach Harbor room. The group will get an update from homeless and supportive housing. They'll be announcing who they've selected as a provider for the center, Five Keys. Five Keys operates the Bayshore Navigation Center, which is a 128-bed facility. We hear very good things about Five Keys. The Public Works Department will provide an update on construction.

If you've been by the site, the facility is up. The insides are being constructed now. The police department will be providing an update on police incidents within the safety zone. There's good collection of data. Incidents in September totaled 90, which was showing a continued downward trend since June when 125 incidents were reported. Getting the baseline for the community in the area is incredibly important and that is something the police department is doing.

- State Assembly Bill 451, State Historic Tax Credit Program

Next, I would like to happily report that State Senate Bill 451, the state historic tax credit program, has been passed. This is something the Port worked for some time on in partnership with the California Preservation Foundation. The historic state tax credit program can be used in conjunction with the national tax credit program. With tax reform, the value of the historic federal tax credit program is lower than it was before the corporate tax rate went down. But having this additional program will be very important for our finger piers that you'll be hearing about today, potentially a financing tool for our historic piers.

The program has a cap of \$50 million, with \$10 million set aside for smaller projects. Projects will be screened by the California tax credit allocation committee to demonstrate return on investment. Of course, all projects will have to conform with the secretary of interior standards. The federal tax credit program has helped other pier restoration projects and historic restoration. The timing couldn't be better for us. I want to thank Mark Paez, Bran Benson, Daley Dunham and Mayor Breed's legislative staff for supporting this effort. Congratulations to everyone at yet another tool for historic preservation.

- San Francisco Chamber of Commerce City Trip to Seattle

Brad Benson and I joined the Chamber of Commerce for the city trip to Seattle on September 25-27. We were excited to join the new CEO of the chamber, Rodney Fong. We were also joined by many business and elected officials and a great delegation.

The first slide shows the delegation. We also had some of our consultants who were on the seawall team, specifically one of sub-consultant CMG, who is the urban designer. We had two representatives from CMG. You can see it's a variety of elected and business leaders on the city trip.

We kicked it off with me and Brad and some of the consultants talking about the Embarcadero seawall program and what we're trying to accomplish Port wide. It was a great way to start because we framed for the delegation what we're trying to accomplish in San Francisco and then proceeded to look at what's happened in Seattle.

Seattle has a lot of similarities to San Francisco. It's earthquake country. When we had our big earthquake Loma Prieta, the Embarcadero Freeway had a collapse issue. When they had their big earthquake in 2001, their seawall failed. Their double-decker freeway stayed up but their seawall failed.

They began a very aggressive effort to replace their seawall to deal with seismic risk. It was fascinating for us to see the parallels in construction of a seawall in earthquake country, to see a historic seawall and some of the decisions they made in terms of keeping the piers open through construction, what they did about water levels in their historic fabric.

The state actually pulled down that double-decker freeway because of earthquake risk. Now, the community of Seattle is engaged in a multi-billion-dollar effort to connect their city with their waterfront in the way we have a connected waterfront with our city. It was very interesting. I have to admit I didn't realize how strongly paralleled our experiences would be and just how much we would learn from this trip. It was very exciting.

Some of the points that Brad has highlighted here is the parallels. They had a multi-year program to plan, design and build. One of the things their project team said is you can't design and implement as fast as the world changes. There's such a far lead time on the effort to plan a capital work like a seawall replacement.

The other thing we learned, which many people might think is obvious, is you can't replace a seawall in the same place the seawall is coming out. The seawall has to continue to do its job while you construct the new levy and protection.

We can't say we're keeping the line of defense because the line of defense will be different with the new seawall. It was just from looking at construction which was very interesting for the team. They have a lot of coordination with their community and stakeholders. We could talk more about that. But they have a lot of homelessness issues and concerns around a new waterfront that has just so many parks and open spaces and how that will be managed for the benefit of the community and how to deal with some of the issues that, frankly, we're having in San Francisco too and creating a waterfront for everyone that's safe and secure.

They, interestingly, did already what we're thinking of doing, which is they taxed the businesses and the property owners adjacent to the waterfront to pay not for the seawall construction that was GO-bond funded but for the multiple billions to create parks and open space and connections to the waterfront.

They had a tax rate that acknowledged the closer you are to the waterfront, the more value you are getting from the improvements. They taxed condominiums and homes as well. The person in charge of the project, Marshall Foster, says he still has some scars from negotiating that special tax but it did get approved. It's very supported.

It took a while to get there but it's a major funding source for their improvements. We are planning to do the same with our downtown CFD. That gave us a shot in the arm that it's possible.

It was an excellent trip. In terms of next steps, we are going to want our commissioners to see the seawall in Seattle, to bring the project team here or bring you there. There are excellent parallels and lessons learned from our sister city up north, not true sister city but Seattle up north, who really has a lot of parallels to what we're going to undertake.

- American Association of Port Authorities Annual Convention – October 14-16, 2019 in Norfolk, Virginia

Next, I would like to talk about the American Association of Port Authorities conference. Port Commission President Kimberly Brandon, Michael

Nerney from the maritime division and I attended the 108th American Association of Port Authorities conference October 14-16 in Norfolk, Virginia. The American Association of Port Authorities has 130 members, all public ports. It was founded in 1912. It is the biggest association of ports. At the convention, long-term CEO Kurt Nagle retired after 34 years. We welcomed in the new CEO, Chris Connors, who is a shipping and logistics veteran.

The host city, Norfolk, Virginia, is known as America's first port. It is a settlement dating back to 1607 that was rich with history in terms of the Jamestown settlement. It is the largest naval base in the country. It's the sixth largest containerized cargo complex in the United States.

President Brandon, Mike Nerney and I were very impressed with the tours that we saw. There's a robust ship-building and repair industry, a thriving export and breakbulk, roll-on/roll-off, MARAD and cruising. It's an eclectic and very active historic port.

The conference was interesting. There was an excellent panel on coastal resiliency. There were other topics related to economic development and green ports. We also had an unparalleled opportunity to network with colleagues across the country.

As I previously announced, we received the AAP communications award for the Embarcadero Seawall Campaign. It was nice to be there and see our own staff awarded an honor.

The next convention will be held in September in Quebec City. This is really an important opportunity for us to network with colleagues across the nation. I want to thank President Brandon for leading our delegation. It's really nice to have leadership at the conference. It's important to show San Francisco's best foot forward.

- Port of San Francisco – Award Recipient of Outstanding Environmental Protection for the Wetlands and Upland Habitat Restoration at Pier 94

I have a late-breaking announcement. At the 14th Biennial State Estuary Conference today, the Golden Gate Audubon Society and the Port of San Francisco received an award for outstanding environmental protection for the wetlands and upland habitat restoration at Pier 94. The project was recognized for an exceptional degree of public engagement. Having a 10-year agreement with the Port enabled long-term commitment and investment of grant funds in the project. I want to give a huge shout out to Carol Bach and David Beaupre and our tenant, Hanson, who donated a lot of material to help us with the work and also graciously accepted public access adjacent to their leasehold.

Commissioner Gilman - I wanted to make an announcement that many people recognized the great work at the Port for Fleet Week. I had the honor at the close of Fleet Week celebrations on October 14th to represent the Port with Bette Bolivar, the commander of the Navy's regional southwest sector. The committee that puts on the Fleet Week celebrations presented the Port this plaque. They wanted to recognize all the work that we do every year to welcome hundreds of thousands of visitors and service members to the Port of San Francisco. It was a lovely closing ceremony. They wanted to make sure that they recognized the Port for all the work they did.

Leah LaCroix - I've been asked to move item 10A to the end of tonight's agenda.

## **11. PORT SEAWALL RESILIENT PROGRAM**

### **A. Informational presentation on Citywide Resilience Efforts.**

Brad Benson, the Port's waterfront resilience director – I'm here to introduce two presentations today. Everything that we're doing in the waterfront resilience program is nested within a broader citywide policy framework. In December 2018, Port and city staff presented some of these citywide efforts to the commission. We wanted to provide updates about two of these efforts. First, Brian Strong, the city's chief resilience officer, will speak about the hazard and climate resilience plan. Then Adam Varat, the deputy director of citywide planning, will provide an update about the sea-level rise vulnerability and consequences assessment. These are two very important plans for the city, advancing our understanding about hazards that the city is facing and how we can be more resilient in the face of them.

Brian Strong - I'm the chief resilience officer and the director of the Office of Resilience and Capital Planning. It's very nice to be here, appreciate the opportunity to come and talk with you. In December 2018, we came and did a presentation on this hazard and climate resilience plan. It was really all the things we're intending to do. It's nice to come back some 10-and-a-half months later saying that most all of those things have been completed. And that's part of what I'll give you an update on. We're beginning to put together the strategies and then get ready to submit this document to FEMA.

This is a recent picture we got. We shared it with some of our public information research. I know a lot of people are talking about. I'm the last person that should be marketing San Francisco, which is why the Chamber of Commerce never invites me to anything. I'm jealous. However, this is more in the area of what I end up dealing with from the city's perspective, which is how are we preparing for hazards.

Now, we've been doing this local hazard mitigation plan. It's a FEMA requirement. If you don't complete it, then you're not eligible for FEMA funding.

And that includes general assistance funding after a major disaster. That also includes hazard mitigation grant programs of which the city applies for a number of them that we receive on a regular basis.

It's a very big carrot that they have for us to get this done. So we will get it done. In the past, it came out of the Department of Emergency Management. It was more reflective of some of the efforts in our capital plan and some of the approved plans, reflecting on what's happening as opposed to starting to what we think set some strategy for where we want to go as a city.

That's how we're changing it this year. We're trying to make it a little more forward thinking. There are some state legislation as well, SB 379 that requires that we do a climate vulnerability assessment where the climate action plan has to be folded into this. You can no longer think of hazards as just earthquakes and some of these other major things and tsunamis that we face. Now, you also have to think about heat and climate and air quality and sea-level rise per the state's requirements.

It fits with what we're doing. Two years ago when we were doing a lot of our resilient planning work, we never thought air quality was going to be an issue. We really barely thought heat was going to be an issue. It's a rapidly changing environment that we're facing. Certainly, the 30th anniversary of Loma Prieta -- this shows one of the buildings in the marina and that has been a big part of our program all along. It will continue to be a big part of our program, making sure we're resilient for the next large earthquake. Certainly, the seawall applies to that as well.

Some of the goals that we have is to make San Francisco a safer place. That's really what it's about, reducing risk, advancing partnerships among agencies throughout the Bay Area but within San Francisco as well. There's a lot more work around coordination. One anecdote is we were looking at how many departments are working on climate change or on sea-level rise. Seventeen departments are working on it.

Getting the San Francisco departments to work together is part of what we want to do, addressing inequitable impacts that we know are happening, especially in the southeast side of the city, increasing awareness and building capacity. Those are some of the goals.

Now, as we're working with the Board of Supervisors and the mayor's office, we expect some of these goals may change as well. So thinking about how we put the plan together, these are the primary hazards that the city is facing. We are focused only on natural hazards. We're not talking about terrorism, cyberterrorism and some of those. Those are addressed in the city's emergency's response plan. But we're not addressing them in this plan.

You can see there's the geologic, the weather related I mentioned to you, high wind, as we know, with the public safety power shutoff program. That's



associated with high wind and dry air and heat. You could have three of these things happening at one time, which could be extreme heat, poor air quality because of fires and winds, which contribute to all of it. We have combustion related like fires following earthquakes.

Then, we have some of the biological and toxic, which has to do with pandemic flus and those types of things and hazardous materials and some of them can be naturally occurring. Some of them can be from former shipyards and so forth. But some of that can also get stirred up after earthquakes or different events or with sea-level rise or groundwater. If groundwater goes up, we need to be aware of those issues.

In developing the plan, we understand the hazards. We've gone through, and we've looked at all the assets that the city has. These are categorized around people, emergency response, housing, business and industry, transportation, utilities, parks and open space. We do mention contaminated lands as well, utilities and infrastructure. Those are the assets that the city has. We're looking at how those hazards are going to impact those assets and that's the vulnerability and consequence assessments.

We combine the two. Now, we're able to understand what assets are exposed. What's the risk of their exposure? What's the consequence of that exposure? What does that mean for the communities? What does it mean for equity, the economy, for our environment?

From there, we're looking at how do we address these issues? That's the strategy development. That's the phase that we're in right now. We've actually been in it for several months. This has really been a lot of the work of getting down and meeting with departments and understanding what's in your strategic plan. What are you doing that affects resilience? Or could you do things a little bit differently to think about resilience when you're doing it, so it would be broader and have multiple benefits?

While we've been doing this, we also made sure that we did public engagement. So this started in June through early September. This is prior to submitting the document to FEMA. We had workshops with about 50-plus community-based organizations and 10-plus companies or local businesses to talk about resilience and hazards and their concerns around those issues. We did a survey. We received 500-plus responses from San Franciscans asking them questions about how have you been impacted by a hazard? You can see the table on the right.

If we had extreme heat, what types of facility would you be willing to go to? Would you be willing to go to a library or to a rec center? Or what are your concerns about maybe going to some of those types of places? We've done that. You can see in the survey. It's not surprising the number of people who were exposed to poor air quality and heat and it's been a recent issue. But I was even surprised that you had 15 percent or so that had experienced storm flooding. We expect those storm flooding and these things to happen more and more often.

We expect these numbers will go up and we're going to want to follow up with additional surveys in the future.

FEMA requires that we submit the plan to them in December. They give conditional approval and then, the board gets to vote on it. That's their process. Once we submit it to FEMA, we do want to make sure this is actually a living plan and not something we just tuck in a drawer for five years but that we're going to have a website. We're going to have constant discussions about it.

We also know from our public engagement that there is a real craving for information. They want more information about what's happening, about what hazards they may face, what the city is doing about it, how we're able to communicate with them before and after an event. What's the processes for doing those things? How can they be engaged and part of the process?

Sometimes they feel like we're telling them what's going to happen and how they should respond as opposed to working with them better to understand the role that they would play in addressing the issues.

I mentioned where we'd be going back to the Board of Supervisors with the resolution after FEMA approves it for them to approve it. Then, there's a final FEMA approval.

We have over 70 or so strategies right now that we're looking at to mitigate risks. They're categorized in three different areas. It's around resilient infrastructure. This would involve a lot of the Port properties and assets. Resilient buildings, this gets to a lot of the privately owned buildings but also city-owned buildings we're working on and then resilient communities. Those are some of the plans that we have around working with communities, whether it's the neighborhood empowerment programs that we have or it's the neighborhood emergency response teams, the NERT teams, or those types of efforts.

We see the city's role in doing this is we deliver services. We do a lot of research planning and guidance documents. We have a sea-level-rise guidance document we're updating now. We're doing research on extreme precipitation right now to understand what types of storms we can expect in the future. We also have the other side of it, which is adopting and enforcing regulations. Those are where we see these strategies falling into these seven different categories. People can understand our role or the city's role and how they can participate.

Finally, this shows the overall timeline of the program. I mentioned the assessment phase is done. The strategy phase is partially done. We're still doing some strategy development. We're in the process right now of drafting the document. In two weeks, we'll have an internal draft out. In about three to four weeks, we'll have a public-comment draft that will be available. In December, we'll be submitting it to FEMA.

Adam Varat from the planning department - I'm here to give an update on the sea-level rise vulnerability and consequences assessment. It's actually a good thing that we had Brian start because the hazard and climate resilience plan that he presented is looking broadly at all the climate-related hazards that are affecting the city.

This work started earlier because we were thinking about sea-level rise. We weren't necessarily as aware of some of the other climate hazards but it nests within that. It's a deeper dive into sea-level rise as a specific hazard.

I work for planning department. I work in the citywide planning division or the city's comprehensive or long-range planning and policy function. We work on a variety of topics, everything from housing to transportation, land use and community plans. We work with the Port on a number of the major development projects, design and resilience and sustainability. It's all underpinned by the authority of the general plan, which we steward and maintain. This fits, obviously, within the resilience bucket.

You will have heard some of this before. But it's sort of a refresher, an update of some of the methodology of what we used to develop this study. You'll notice a lot of similarities to the methodology, the process that Brian just presented, some of the key findings and then some of the specific findings as they related to Port infrastructure and then, finally, a couple of our next steps.

By way of background, in 2015, then Mayor Lee convened a group of agencies to form the sea-level coordinating committee to think about the current and future impacts of sea-level rise and coastal flooding on the city. It involves a number of public agencies. It's chaired currently by Brian Strong and my boss AnMarie Rodgers at planning. The Port has also been a past co-chair of this committee. One of the first products that the committee developed was a sea-level rise action plan, which came out in 2016.

You can see here the vision from that plan to make San Francisco a more resilient city in the face of sea-level rise. That plan also set out a series of steps of what we should be undertaking to help the city become more resilient to sea-level rise. The first step there was to review and understand the science involved in sea-level rise and what we should be expecting and projecting out by the end of the century. We have done that and worked with folks in both the state and our local government to do that.

The next steps are to assess the vulnerability of the city and the risk of the city to sea-level rise. What are the consequences? Similar to the hazard and climate resilience plan, we're looking at vulnerability and consequences. That's the report that I'm going to present on today. We're at a final draft and expect to be publishing it within the next month. From there, we will be working to develop strategies, adaptation plans and strategies and implementing those over time.

As you are probably familiar working with the Port, there's already a lot of work in this realm underway even as we continue to have a greater understanding of what's vulnerable and what the risks to the city are.

A little background of what we've been using in terms of methodology, these are sea-level-rise projections. These come from a 2012 report of what levels of sea-level rise we should be expecting over the next century or by the end of this century. You can see, as time goes on, the range gets wider because less is known about both how much carbon the world will emit and also what the kind of feedback loops around that will be. The ranges of sea-level rise as you get further out get a little wider.

On top of these numbers, we're looking at an additional 40-or-so inches of storm surge and tidal surge. The upper range that we looked at was a sea-level rise of 108 inches above mean-high water. That's what our report was based on. We looked at 10 different scenarios within that range from today to 108 inches. Since we were well underway on this report, the state has updated its guidance and revised those ranges. The nearer-term ones have not really changed. The longer-term ones, they have projected out a wider range including a higher high end, which we haven't looked at.

It's not a huge amount of different area for San Francisco because we're already capturing most of the areas that are former fill areas. The city starts sloping up beyond that. We're not talking about a significantly different area but we do want to acknowledge that the state has revised their projections up.

What did we do in this report? We looked at exposure first based on those scenarios and what would be exposed, what areas of the city. We looked at the vulnerability of city-owned infrastructure and assets. Actually, I should say publicly owned because there's some non-city entities involved as well. Vulnerability is a consequence of both an asset sensitivity, an electrical substation would be highly sensitive. A park might be less sensitive.

Adaptive capacity -- what's the ability of an asset to adapt to flooding or to sea-level rise? Are there movable objects? Are there things that can be done quite easily or are they more fixed? Finally, we looked at consequences on people, the economy and the environment. This is the same as for the plan hazards that Brian just described.

This map shows what we define as the vulnerability zone. This is the area of the city that would be exposed within that 108-inch-sea-level-rise scenario. What the orange circles represent is areas where there is work underway either planned or proposed or active projects that will build in sea-level-rise adaptations into their projects. This map shows the city as it is today. But as you know, we're building out a lot of the waterfront, particularly the southeastern waterfront. These projects are building in adaptations as well. This map will change over time as projects get built.

Next, we looked at vulnerability and consequences across a number of sectors. You can see utilities, public safety infrastructure, transportation across a number of modes, roads, rail, ferries, open space and Port facilities and development projects. We also took a different slice. It's essentially the same information. But it's how do these systems interact at the neighborhood level? And what does this mean for neighborhoods?

We've looked at all of the neighborhoods in the city that touch on the shoreline and their individual profiles for each of those neighborhoods. How do the different systems that get affected impact each other? For example, if a bridge goes out, that impacts other transportation infrastructure and the ability of people to access various different things. These are just some numbers of people and businesses, jobs and infrastructure at a very basic level of what would be impacted over the 10 scenarios.

We can see it's pretty significant. Again, this is with no action by the city. This is if nothing happened between today and the end of the century, and we didn't do anything. This is what would be impacted. It's just to give a sense of the magnitude of the area and what's in the area that would be affected.

We are working already on addressing some of these issues. We identified a few meta themes or high-level issues that rose to the top in terms of things we need to be thinking about. One is transportation impacts. It's important to note that this is both local and regional and it requires governance and collaboration efforts from across the city. But it also involves BART, Caltrain, Transbay Terminal, major pieces of infrastructure such as the Embarcadero Station or various muni yards that are within the sea-level-rise exposure zone.

There's a significant loss of shoreline open space particularly on the eastern side of the city, which is a pretty valuable resource for communities across the city. It's a significant amount of area. This is the type of infrastructure that sea-level rise can creep up without major disruptions. On the other hand, it is a major open-space resource for people across the city.

We talked about new development and the adaptations that some of these major projects like Mission Rock or Pier 70. At the same time, the science continues to evolve. As we move along in time, we'll know more about where those curves will go. We may need to revisit some of the requirements or the risks to those developments as well. Some of those projects have built in funding mechanisms that kick in further out. The last two are very crucial. One is to think about holistically the joint risk from both overland precipitation-driven flooding as well as coastal sea-level-rise flooding where you have almost at odds kind of needs of what you need to do.

With overland flooding, you need to let the water out. With coastal flooding, you need to keep the water out. So that becomes an engineering issue and something to think about particularly in some of our low-lying areas particularly around some of the creeks, Mission Creek, Islais Creek.

Lastly, Brian alluded to this. As sea levels rise, groundwater rises as well. In some places, this may even be emergent out of the ground and what it impacts to both liquefaction for earthquakes as well as the potential to mobilize contaminants in formerly industrial areas. This is largely an issue in the eastern side of the city and areas that are built on fill. This is an area that we need to do additional research. We don't know all of where the groundwater would rise, etc. We need to keep looking to that.

For each of the shoreline areas, we developed maps like this. This is a lot of information. This is an example showing the financial district and showing all of the different assets that are publicly owned within this district that would be affected.

You're looking at the Embarcadero BART and muni station, the Ferry Building, the building we're standing in, some public safety buildings, the muni light rail and various piers and port structures. Here's another from Islais Creek where you have a treatment plant. You have various Port cargo facilities. You have a number of muni maintenance and storage yards. You have the bridges over the creek.

How do these systems interact with each other? What's at risk at different levels as the sea levels rise. It doesn't happen all at once. It doesn't happen overnight. Although, in some cases, it could be more storm driven. In some cases we're even seeing flooding today. In fact, in this area in Islais Creek, if you look at the area of where the numbers seven and eight are by the top, there's a muni yard there. That yard flooded this past year during a minor storm event combined with a higher tide.

We're already experiencing flooding in some of these areas as you know. We have these maps for every shoreline area in the city. Those are just a couple of samples that I've shown you today. The last piece is more of a deep dive into the Port facilities themselves.

The Port multi-hazard risk assessment for the seawall program is looking at the Embarcadero facilities. This report actually does not look at this. This is looking at the southern waterfront facilities and what would be impacted there. We looked at it across a number of categories: port structures, which is historic buildings, wharfs, shipping berths, piers; open space, which is self-explanatory; transportation, which is both ferry and also the ground-transportation links to Port facilities; utilities, which is largely the storm-water sewer infrastructure; and then ongoing adaptation projects.

Here's a couple examples of maps that we've produced. You can see the faint blue lines showing the 108 inches. The entirety of the Port jurisdiction is captured within this line. We're seeing that all of the Port facilities are potentially at risk from sea-level rise and coastal flooding. This is showing all the Port structures that are there. The map on the right is showing the Port open spaces. We have those across those other categories as well.

Finally, some of the high-level key issues that emerge from this report, from this analysis and these findings -- not surprisingly, you would see a loss of maritime facilities and industries. That would obviously impact Port and related jobs and the services that these facilities provide. For all of these, the degree of impact is driven by elevation of the Port facilities, by the condition, how they're used and whether it would be temporarily or permanently inundated across a number of scenarios.

Different facilities become vulnerable at different scenarios depending on how high up they are. Port facilities, obviously, they play a critical emergency-response function in terms of both staging areas and areas for people to assemble or evacuate. That would have a big impact on the city's ability to recover from a natural disaster, from a major disaster. As I mentioned in the general section, shoreline open spaces are a risk. This is a valuable resource and asset for the city.

Dependence on access to transportation links, both ferries and ability to access ferries but also the links to the Port cargo and industrial facilities, the road and rail and Port berthing facilities would be impacted as well. Finally, a number of the piers have the storm-water utilities that run under the deck of the piers. These would be exposed to greater corrosion, tidal debris and potentially inundation. That would impact the city's ability to let storm water out to the bay and could potentially affect water quality.

In terms of next steps, we're working holistically to think about not just sea-level rise but all of our climate hazards through the planning work that Brian was just talking about. We're moving into the four, five, six of that wheel or at least in four largely.

Some of the other aspects that we're looking at are climate-resilient building codes and guidelines for both existing and new development. How do we develop a resilient capital plan and funding program for what it's going to take to make these adaptations and then, developing adaptation strategies at the neighborhood level?

All this information I presented to you is internal city information that we then want to take out to the community and say, here's what we see as at risk. What are the priorities and values of the community? What should we do about that? How does that manifest in your neighborhood in terms of what types of adaptation strategies?

To that end, we're working with the Port on their resilience efforts with the seawall, with the flood story. We're working with other agencies on the Ocean Beach adaptations where those are more localized, community-based planning processes to develop adaptation strategies and projects.

Commissioner Woo Ho - Thank you. Having watched how the city has progressed on this effort in terms of both resilience and sea-level rise, I think

today's update and presentation has shown tremendous amount of progress. I appreciate both Brian and Adam coming and showing us. I think it's very important. Obviously, it's long term and strategic. But obviously, we have to address it. and it seems like, with some of the things that we see across the country and just in terms of the weather-related hazards that we all know even most recently, are affecting us more and more.

These are important topics. I don't have any questions about how you're going about it or what you're trying to do. I do have just a couple of questions to understand, given that we're not the only coastal city, that obviously we have a lot of other -- we just heard about Seattle earlier in Executive Director Forbes's report. How would we compare where we are at this point in understanding these issues related to some of our counterparts in other cities? Are we sharing knowledge on an active basis?

Adam Varat – We are in the thick of it. Other counties around the Bay Area have progressed further. Marin County just released an adaptation framework. they're over the next step. San Mateo County is also at that next step. They have had some kind of informal conversations with other cities. Brad can speak to that more. But we have also been working at the regional level with BCDC, who is doing this work at the regional scale. We're trying to coordinate what we're doing with what they're doing too. As I mentioned, some of the neighboring counties are actually out ahead of us. Others are not as far along.

Brian Strong - San Mateo is kind of ground zero in the Bay Area because they really are the most impacted by sea-level rise, getting it on both sides, the bay side and the ocean side sort of like we are but more vulnerable, especially with some of the issues in Pacifica and so forth with deterioration of the shoreline.

I was at a UCI coastal resilience conference recently. There is a lot happening all across the state. San Diego is doing a fair amount with their port as well and looking at trying to use more green materials, not necessarily changing their seawall but trying to use different types of materials than the typical riprap that's been used.

Across the country, we've been learning a lot from Florida and the Miami Beach, Miami-Dade area. They're experiencing sea-level rise at a much greater rate than anywhere else in the country. They're also dealing with hurricanes. We've been looking at a lot of the work that they're doing. A lot of the best practices are coming out of that region.

Commissioner Woo Ho - You did mention, Brian, in your presentation that we have had a lot of outreach engagement and you mentioned the private sector. We heard from Seattle in terms of how they're dealing with some of the private sector in terms of the neighborhoods, in terms of contribution to help with some of the infrastructure improvements needed. What will be the next step with the private sector in San Francisco on the resilience side other than just making them aware that the city has a plan, etc.? Are there any actionable items that



we're thinking that are going to come down the line as far as the private sector is concerned?

Brian Strong - I think the private sector have been very open. The work that's done at Seawall Lot 337, the Giants and so forth and their willingness to raise the ground level of their project just based on our guidance and so forth shows that they're really interested in stepping up. We're seeing it with some of the individual development projects, especially in the downtown area as well, the flower market development and some of those things where folks are actually willing to go up without any requirement, without us telling them that they had to, without any type of mandate. That's been ongoing. We're seeing it in the participation on a lot of workshops. The Chamber has been interested in doing this. They actually have a whole group that's dedicated toward climate change.

We've seen some of the other businesses that are coming to us and asking us how they can participate in this process. Or what should they do? Like the guidance that we have for our own, we try to set a good example. If we develop guidance, even though we can't necessarily require the private sector to use it, they can look to it as a way for them to justify the work that they've been doing. Guidance would be the first step. Down the road, it would probably be potential changes to zoning and so forth. The PUC has also been working with property owners that have persistent flooding.

Commissioner Woo Ho - That's very helpful. But eventually, it's a question of where is the funding going to come from and what are the solutions to that?

Brad Benson - Through the resilience program, the Embarcadero seawall program and the flood study, we've been presenting to the Chamber of Commerce, BOMA, SPUR. I was very proud of Director Forbes when we were in Seattle. She took advantage of that opportunity in front of the chamber delegation to talk about the downtown CFD special tax concept. I was like, that's bold. We were with Marshall Foster and the Seattle crew. They talked about all the negotiation that they had gone through to implement it and how it worked in a very broad area of downtown Seattle. It was great to see the receptiveness of the Chamber delegation to ideas like that. They seem to understand the importance of contributing to the solution. We'll continue that outreach.

Commissioner Woo Ho - We're required to get FEMA approval. I want to understand what FEMA approval does for us. What's the benefit? I know we're required to do it.

Brian Strong - The benefit means that we're eligible for hazard-mitigation grants, number one. So the PUC recently received a grant to do some work on some of the dams that they have. They received a \$700,000 grant. FEMA questioned if this was in the hazard-mitigation plan. In fact, it's not in the current one but we made a commitment to put it in this one. FEMA went along with it but we received about \$2 million in hazard-mitigation grants recently for one of the health centers, the Castro-Mission Health Center, to do seismic work on it.

There's significant dollars that are coming up in that program. If you have the big event and you're out of compliance, then technically you're not eligible for it. New York, for instance, after Hurricane Sandy, they got hundreds of billions of dollars to do work there. FEMA could say, "No, you're out of compliance and you're not eligible for those funds."

Commissioner Woo Ho - I just wanted to get confirmation that what it really means is access to federal funding.

Commissioner Makras - Thanks for the presentation. No questions.

Commissioner Gilman - Thank you for the presentation. I just had one question about your scenario modeling when you were modeling all of those scenarios. I was just curious if you looked at population migration or loss of housing. Maybe I missed that on the slide. I was just curious if how populations would shift across the city was any part of your modeling.

Adam Varat - Those numbers and those scenarios are based on current populations today. At planning, we do model population and job growth for our planned Bay Area submittals and for our land-use planning and understanding of growth capacity where growth would be happening. Those numbers I showed you don't actually include that though. It's just a snapshot of people and jobs that are within the inundation zone or the future vulnerability zone today. Those numbers are not exactly apples to apples because it's saying future sea-level rise but current population. That's what those numbers are. You bring up a good point that we also ought to be thinking about future sea-level rise and future population. One reason that we haven't done that is because a significant portion of the growth of the city particularly within the sea-level rise area is in these major waterfront development plans that are building in sea-level rise adaptation. It doesn't necessarily change those numbers significantly because those areas are no longer within the vulnerability zone because they've built up.

Commissioner Gilman - That clarifies a lot. Thank you again for the report.

Commissioner Brandon - Brad, Brian and Adam, thank you so much for this report. This is extremely important work. It's so good to know that the city is working with the various departments to make sure that we are all collaborating on this effort because this is only the beginning. We have a long way to go.

## **12. REAL ESTATE & DEVELOPMENT**

- A. Request authorization to issue a Request for Proposals (RFP) for the adaptive reuse, rehabilitation, lease and operation of the South Beach Historic Piers (38 and 40), within the Embarcadero National Register Historic District, consistent with the goals and policies of the Draft Waterfront and the Port's Resilience Program. (Resolution No. 19-43)

David Beaupre, Real Estate and Development – I'm seeking authorization to release a request for proposals for the South Beach Historic Piers 38 and 40. A quick outline of the presentation that I'll be going through this afternoon including how this aligns with the strategic plan, a little bit about the background, the development context, the input we received on stakeholders, values and priorities, the development concept and the minimum qualification scoring criteria selection panel, your review and selection process and then the economic benefits to the Port and next steps.

The release and successful development of the Piers 38 and 40 project will touch on five of the Port's strategic objectives including productivity, stability, resilience, engagement and equity. The location of Piers 38 and 40 is located in our South Beach subarea, centrally located between the Mission Bay and Mission Rock projects, adjacent to the central SoMa and Rincon plan areas and just south of the Financial District with a lot of great access to public transportation.

The rehabilitation project of the piers is an outcome of the waterfront plan process and the Port's resilience plan. It touches on three direct things from the waterfront plan including the adaptive reuse of the piers, addressing the public trust objectives and attracting a mix of publicly oriented and revenue-generating uses. It helps the Port and the city achieve its goals from the resilience program, addressing seawall safety and flooding. And the process is the outcome of a lot of work that's been done to date including the waterfront plan in the commission informational items as it relates to the historic piers program presented in December, February and May and then, lastly, the outreach that's been conducted since those dates.

A lot of these next few slides should look familiar but, again, a reminder that this process is coming directly out of the waterfront plan. Here are the nine Port-wide goals. Falling under them were 161 policy recommendations. We feel that a successful project will touch on each of these nine goals. Again, the public trust objectives, an outcome of the Waterfront Land Use Plan. Those objectives, at a high level, are: preserving the integrity of the Historic District; investing in capital repairs, seismic life safety and sea-level rise; providing maritime and public access uses, providing publicly oriented uses within a mix of other uses; generating revenue to support the investment in the Port's needs; and matching a lease term that matches the investment within the piers.

Also coming out of the Waterfront Land Use Plan was the identification of acceptable land uses for each of the facilities. Within the Pier 38 and 40 facilities, they're clustered into five different uses including: maritime uses; open-space and public access; publicly oriented uses; commercial and industrial uses; and then a few other uses that fall into that category.

The Port has three active programs relating to resilience. There's the seawall program and the Army Corps flood study, which you heard just a little bit from Brad about, and the historic piers program. Within the flood work, we're also

doing a flood-proofing study to help set criteria and standards and guidance as it relates to how we can flood proof our piers for the various levels of sea-level rise and storm action.

The RFP will also provide criteria and guidance on seismic performance, adaptive flood management and city flood protection. Once we select a development partner, we'll be working with the contract management division to establish LBE goals throughout the phases of the project. We'll collaborate with CMD to design an LBE-participation program. We'll also work with CMD to provide developers with technical assistance to maximize LBE participation. The projects will also need to comply with the local hiring. We'll do that once we've selected a development partner.

As outlined in the waterfront plan partnering for success goal, we did outreach to our advisory groups and neighborhood groups within the areas of Pier 38 and identified values and priorities for them that should be reflected in the RFP. We've organized those into two clusters, those that are common to the entire Embarcadero Historic District, not only for the South Beach piers but for the northern waterfront piers as we advance to those and then specific ones to the South Beach piers.

To summarize the common ones, we want to look at the largest diversity and offering of uses that offer benefits to the greatest number and broadest variety of users. We want equitable access for all. We want authenticity. We want to create a sense of place depending on the locations of the pier clusters and then, lastly, balancing the objective of the rehabilitation of the piers with the objective of equitably serving the greatest number of users.

The specific values and priorities for the South Beach piers were: enhancing the Pier 40 recreational boating and excursion activities that occur out there today; leverage the ballpark activities and foot traffic; create an opportunity for new uses on Pier 40 that maybe activate the Embarcadero edge; enhance the use of the adjacent parks and an opportunity to enhance and connect the Piers 38 and 40 area with the South Beach Townsend Commercial corridor.

For the development concept, we think that a successful respondent will speak to each of these key areas outlined in the staff report and formulating their proposal. Essentially, it's following what came out of the waterfront plan plus the public trust objectives, the Port-City's resilience, the acceptable land uses, the stakeholder values and priorities and economic benefit to the Port will equal a great development concept for us.

We've set minimum qualifications to provide opportunity to the widest spectrum of experienced developers with the projects of this scale and complexity but also wanted to make it available so that it wasn't just available to the largest developers in the area so kind of a balance between folks that have experience doing large, complex projects but also making it available to possibly smaller teams that might even form into a larger team.

For the scoring criteria, there will be a review of the written responses equating to 100 points and then an additional 30 points coming out of oral interviews. The 100 points relate to: quality of the design development submittal; the strength of the financial proposal; the financial capacity of the respondent; experience, organization and quality of the respondent team; and then up to an additional 30 points based on the quality of design, the development experience and the team organization.

For the Port Commission review and selection process, first we'll bring those respondents that meet the minimum qualifications to the commission. So that will be after we go through the process to make certain that they've met those minimum qualifications outlined in the staff report. Then, we'll bring on a third party to do review of the financial feasibility, the historic preservation approach and an engineering review for code and occupancy compliance to make certain that the proposals can meet the necessary requirements for those projects.

We'll bring that third-party review to a scoring panel who will take that information and apply it to the scoring criteria in the written review. Then, they'll interview the candidates. Finally, we'll tabulate the scores and bring a recommendation to the commission seeking authorization to enter into an ENA.

Lastly, the economic benefits to the Port. We recognize and you may recall from the presentation in May that we know that this is going to be a difficult project, that there could be a potential financial feasibility gap. But we're hoping that developers can bring an approach to the projects that maybe decrease costs and increase revenue, leverage the efficiency of two projects adjacent to one another and identify approaches to more intensely use Pier 40, the shed and the parking lot.

Lastly, the benefits are looking at significant investment into the Port assets, the reliable revenue stream, participation in upside revenue and private investment in the seawall. With your approval today, we are aiming to release the RFP in mid-November, have them due in February, form the scoring panel, bring an informational presentation to the Port Commission in April and then seek authorization at the second meeting in April to enter into an ENA.

I wanted to thank the team helping on this, Mike Martin, Rebecca Benassini, Michelle Sexton, Rona Sandler, Eileen Chabot and Peter Albert.

Diane Amato - I'm a neighbor that lives right across the street from Pier 40, 38. I'm here to represent the neighborhood, to make sure that we're there. We live there. Loud music bounces off of the water. Buses double park all the time.

There's no place for Ubers. These kinds of things really affect quality of life just in that area. I'm just here to represent the neighborhood.

Alice Rogers, president of the South Beach-Rincon-Mission Bay Neighborhood Association - I want to thank you for moving on this so quickly after the

Waterfront Land Use Plan process. It has really informed the neighborhood. We are very eager to see the developments happen to activate these piers and appreciate the approach where you were looking to values and priorities as opposed to specific uses in these RFPs because it gave us an opportunity to call out things like congestion, the quality-of-life issues that Diane just mentioned rather than talking about this use or that use. If any RFP respondent can solve for the values, they should be able to solve for a great development.

Commissioner Makras - I have a few comments and maybe recommendations for changes to the package. For instance, when it comes back to the Port for our review and they're calling out a five-minute presentation, I'd recommend that the presentation allow the responders more than five minutes. It's going to be the public's first viewing of the proposal so not just ours. It would be the public's first viewing. You're looking at a few-hundred-million-dollar project. We're due a larger presentation and if you want to say sales pitch from the developer to the commission and to the public.

It's called the blackout period. They have a whole list of who's blocked out on page 12. Basically, they're blocking out everybody it sounds like. It sounds like Elaine is blocked out. And only the staff members assigned to it can have access. Unless there's a reason behind it, I'd recommend that they include the panelists that will be reviewing the bids, and scoring them would be precluded.

Elaine Forbes - They should be.

Commissioner Makras - I would add that in there because we wouldn't want them lobbying the people that are actually doing the scoring. We wouldn't know if the scoring takes more than one day or that the reviewing would be more than one day. Presumably, if they review two a day and there were 10 bids, the first team that went in there would know the people's name if they were not published. Then, it would be public, and we may have some advantages between one bidder or another.

I'm interested just the rationalization of 100 plus 30 in the count versus all of the points just totaling 100 between the written and the oral. Can someone share the rationalization of how they came up with 100 points? I understand that. But why separate? Why is that not 100? And why is it 30? What's the thought process with it? Is there an imputed advantage that we're looking at in the pointing system to it? Because everyone's math equals the same at 100, but 130 skews some of the numbers.

David Beaupre - Well, we thought the 100 from a written standpoint made sense just from a rounding and ease of identifying criteria for it. The reason for the additional 30 points in the written we thought may allow a team that didn't do as well in the written to go ahead based on their oral interview. It may also indicate to us that some that have met the minimum qualifications but scored very poorly may not even make it to the next level for an interview. If there's five teams and

we got 90, 95, 80 and a 40, it may help us thin those that get in to bring it to the next step.

Commissioner Makras - I'm following a little bit of that. But you're not telling us how many you're going to bring us either. You're not saying that they have to meet a certain requirement.

Elaine Forbes - We are saying that every proposal that meets the minimum qualifications will come to the Port Commission. That's why we limited the time to five minutes, frankly, because we didn't know if we would have 20 or that's a lot historically. That's why we limited it to five minutes. But we see your point that that's a short amount of time. We'll have to discuss what's the right amount of time. But that is the plan here that every single proposer who meets the minimum qualifications will come to the Port Commission. So you all and the public have an opportunity to see all the proposals that the panel then will be evaluating.

Mike Martin - One final rationale is one of the things we thought about was, because those public presentations are happening before the scoring panel hears the interviews, we were a little concerned that a respondent might decide to strategically amend its proposal in the interviews or do something based on what they hear at the public presentations. We felt like the more emphasis should be on the written proposal.

As David described, the 30 points for the written interviews is allowing people to sort of adjust but not to change course and have another 100 points or another set of points that they could get that could really change the ordering. I think our focus is on the written because it has more detail. But obviously, we wanted to give room for people that could present well to give us that opportunity.

Commissioner Makras - I'm not sure I concur with that rationalization. But I'm accepting it as yours.

Elaine Forbes - I will say, just because I've been around panels both in the professional services and in development context, there is a lot of debate about how to deal with written and oral. Some recommend that written is its own scoring. Whomever advances, oral is a whole new scoring. Whomever wins the oral wins the day. That's one way in which it's handled. The more typical way of doing so is putting more emphasis on the written because, obviously, there's quite a bit of time and effort that goes in to all of that documentation and explanation of what's being proposed but to have a separate factor for oral because there's certain things which can be communicated orally that don't come through in writing.

A team may have more expertise in communicating. So they will perform better in that. This is the most typical way in which city departments do evaluation, more emphasis on written with a cumulative score adding in oral.

Commissioner Makras - So are you saying that we are going to take the person that gets the highest score versus we can qualify three and then pick the best of the three?

Elaine Forbes - What we're recommending here is a process whereby panel does its evaluation, and we bring the panel's recommendation to the commission. You would affirm that panel recommendation. We would enter an ENA with them. So we are recommending that the highest score from the panel process be awarded the right to an exclusive negotiation agreement. If the commission feels that, for some reason, they're not comfortable with the panel's recommendation or they're just not comfortable with the proposal or it's not a winning proposal, then we'd like you to tell us to start again.

Commissioner Makras - Why wouldn't we just bring the top winners there? Because you can't get use out of points. We may prefer a particular use or blend of uses more than we would a person that just cut the highest score. That's shoving down the use to the commission and to the community.

Elaine Forbes - Well, the way in which we've designed this, the values are front and center in the scoring in terms of the trust values and what the community has expressed their interest in. We believe that the way in which we've designed this instrument for the panel to deploy will bring you the best proposal.

Commissioner Makras - But there's no weight in all of those uses. So there's no way that that could be quantified. We can have a person put four restaurants in there and have another person put two. We can have 30,000 square foot of maritime office versus 50,000 square foot of maritime office. We can have a boat repair shop or no boat repair shop. I believe it would be in our interest to be able to decide which of those uses collectively with a qualified application would be the best selected person. This is going to have a lot of uses to it. For all intents and purposes, I'm not going to call it a shopping center. But the people that put this together, it's not going to be a single use.

Mike Martin - Each respondent is going to come in with a mix of uses with this much space but a good proportion of that is going to be revenue generating because of the feasibility challenges of this space. The panel will have the ability to look at the values and priorities that the community has put forward. The scores are in majority measure based on that. So the recommendation that comes to you is based on the panel saying this matches up with the values that the community identified. If you don't agree with that mix of uses, the action to take is to not accept that recommendation. We'll go run a process that tries to get the kind of use that you're looking for.

Commissioner Makras - I would argue the better way to do it is bring the qualified people in front of the commission, and we pick. To really discuss starting to scrap people and start over is counterproductive to a good process. We're not going to have 51 like we did with the contest that we had. We know we're not going to have those numbers. If we have three to four qualified people,



it is very valuable to look at the use along with the return that we get and pick which one we believe is best if they're all qualified.

Commissioner Woo Ho - I think we have to also put some history and context here. Some of us have some history with Pier 38 and let's go into that later.

Commissioner Gilman - Commissioner Makras, I wanted to have a clarifying question to your last statement. So are you suggesting that all folks who meet the minimum qualifications come before the commission or only the folks who maybe are the top three scorers after the scoring panel? I wanted to clarify what you meant.

Commissioner Makras - I'm okay with it being a number of qualified people that come to us.

Commissioner Gilman - But after scoring has taken place?

Commissioner Makras – Yes and we would say the top three or the top five scorers would come to us.

Commissioner Gilman - Thank you. I have similar questions along that line.

Commissioner Makras - I'm inclined to lower the minimum qualifications or eliminate the minimum requirements because the pool of people is not that large. Ideally, the evaluation and selecting criteria will take care of the minimum qualifications. Let me give you an example. There's 25 points attributed to experience, organization and reputation of respondent's team. A minimum requirement is entitlement of a single development project totaling \$40 million. They can rate them zero if they have no experience. They would really be knocked out. I think the minimum requirement is a tool for someone to object to the overall process for us and knock out bidders.

I would ask staff, when you are saying in the minimum qualification that they have a commitment funding of a single development project of \$40 million, do you mean a letter of credit from a bank for \$40 million? Do you mean that the person can have a \$200 million office building paid for cash, and they say there's my \$40 million? Define that category, so I can understand, and potentially all the bidders would understand the committed funding of a single development project.

Mike Martin - All of the examples you just described would qualify for that. I'd like to take a step back and describe why we set up these minimum qualifications because it's really important to how we're imaging this project to move forward. As you probably recall, we had a request for interest, which had 52 responses from public-oriented uses. We weren't talking about feasibility with those uses. We were just talking about what are the kinds of things that bring people into the piers. That brought us to a realization that there are a lot of public-oriented uses that need to be paired with revenue-generating uses to have a feasible project.

Our concern with not having minimum qualifications so that someone can raise money, construct a project of some value and attain entitlements of some value is that a panel may say, "We love this public-oriented use so much. This operator has experience in that public-oriented use. We're going to score them high even though we don't know if they're going to feasibly develop this project." We felt like, by having the RFI public-oriented uses pairing with someone with that expertise, we could be confident that what comes out of the scoring process will be someone that can deliver a successful project.

Commissioner Makras - What happens if you have two contractors that each do a \$20 million job. Does that total 40?

Mike Martin - No. We need one specific project that has \$40 million in it because this project, 38 and 40, we think will be close to \$200 million. This is one-fifth of that. It's saying I can raise a lot of money. We just had to draw the line somewhere. We felt like one-fifth of that was the right line to draw.

Commissioner Gilman - Thanks, David and Mike. I actually now have more questions than I originally did. I'm sorry to bring you back up to the mic. I'll start with the minimum qualifications, which I really appreciate because, on any large-scale development project, you need that.

I was surprised that having a respondent that has done over-water construction was not a minimum qualification. I'm now going down a different rabbit hole than Commissioner Makras went.

Elaine Forbes - I can respond to that one while you all decide who's coming up for the next question. So over-water construction is definitely a value to the Port and a preferred qualification. However, if we require over-water construction, we are really limiting the pool. We're trying to thread the needle of getting minimum qualifications that reflect what a developer and partners would need to pull off a successful project without unnecessarily limiting bidders from competing and being successful because there are few developers who have done over-water work here at the Port.

If we put that in the MQs, we would be limiting ourselves to that pool or having done over-water construction in other areas. We felt that we didn't want to preclude successful respondents who have done other kinds of projects successfully of the right scale, had a wonderful project approach, had financial capacity. So that's why it's not in the MQs.

Commissioner Gilman - Along that vein, just looking at how we do other large-scale projects, OCII, Mayor's Office of Housing, why wouldn't we say that a number of your team needed to have that experience? The person listed on construction group B, who is the expert of over-water construction, could be on multiple teams. It makes me nervous that we could have a situation where someone could be awarded never having done over-water construction.

Elaine Forbes - That's a fair point.

Commissioner Gilman - And it's done all the time at the Mayor's Office of Housing and OCI when they do housing for special populations. The developer doesn't have to be the person who has only worked with foster youth. But they need to make sure someone on their team has. I want to encourage changing that to a minimum qualification.

Elaine Forbes - That's a very fair point.

Commissioner Makras - But would you be happy that the contractor does? Because you're going to pretty much get it through the contractor.

Commissioner Gilman - It could be the contractor or a member of the team. It just made me a little uncomfortable.

Elaine Forbes - This is a question about whether we put it in this stage, or we would put it in an eventual lease that we would execute? Because, here, we're saying, who is our development partner to pull off the restoration of the pier and has a good project approach and financial capacity. If we're successful, we select a good partner. Then, we enter into very complex transaction documents to execute the lease. There would be the appropriate place to talk about construction and other bells and whistles that we would want to see. Staff is shaking their head. We could certainly put that at this stage. But we could also wait and put it in the future stage with our successful partner.

Commissioner Gilman - Comparable to the other things you put in, which I agree that we need someone who can raise capital. I actually think the minimum qualifications sometimes will knock folks out of applying or being reviewed and that's standard. I would like staff to look at that as a possibility.

Elaine Forbes - Absolutely.

Commissioner Gilman - My other question was about process. I don't understand, unless I'm understanding it wrong, why everyone who meets the minimum qualifications, which are all centered around having a good reputation, being willing to negotiate with us in confidentiality and raising \$40 million they're entitled, why all those folks would come before the commission. I actually think that sets us up to be the bad guy to the community when there's someone who maybe who is going to build acres and acres of tennis courts. But then, when they go to get scored and they go to the oral interview, they only rank 40. I don't understand why we wouldn't see the top three or five scorers.

Elaine Forbes - The way that this process is set up is two tier. One is to provide maximum information and transparency to the commission and members of the public. Today, we're talking in depth about how the scoring will work and what we're looking for. We want you to see everyone who came in so you're aware who met the MQs and all the various project concepts. Now, the community

knows about the Waterfront Land Use Plan and we all know feasibility is a central issue for this project.

The panel is going to be doing the hard work for you of scoring and giving a recommendation to you. But the transparent pieces are you see everyone. You get your five to 10, we're going to discuss the right amount and the public is aware of everyone that came through.

When staff comes back with the panel recommendations, you can also look underneath the hood, so to speak, and understand why the various responses were scored in the way they were. So you can get a level of comfort with how the various proposals were evaluated.

The panel will do the hard work of doing the evaluation that you're setting today and making that recommendation. But this process of you seeing all of the them is meant to be a transparency measure for the commissioners and the public.

Commissioner Gilman - It might be new to me. I've just never seen any other city departments do it that way. I've seen them publish the scoring and publish for the community who responded.

Elaine Forbes - It's true. This is a step that we are taking that's different, this going to the commission. We've done it in past proposals. We did it at Pier 70 from my understanding. We did it at Pier 38. There's a lot of interest in what we're seeing and who is responding and a lot of interest in waterfront development. We are putting in extra transparency steps, so the panel doesn't feel like a black box to anyone.

Commissioner Brandon - I requested that they all be presented to us.

Commissioner Gilman - I'm happy to sit and listen to all of it. It will be fascinating. I kept my binder of all the RFI responses we kept. It's not about that. The waterfront for so many people and so many different groups here in San Francisco is sacred ground. What I'm concerned about is that there's this compelling proposal and there were some in the RFIs who, to this day, have hopes and dreams of being successful, which I'm not sure they're going to be able to raise the capital, have the feasibility and put the team together. By having them all present to us and then having a panel score, I wonder if we have an appeal process and what that appeal process is because I didn't find that in the staff report.

I'm more concerned about it possibly backfiring from a PR community perspective particularly if we only have one applicant come forward. I'm very much in agreement with Commissioner Makras that I would like to see the top two or three proposals and let the commission guide that decision for award or who you enter into your ENA with because I'm concerned we're going to hear all these proposals. The scoring committee is only going to let us see one afterwards.

Elaine Forbes - I can make some comments and then turn it back over to you. We're hopeful that more information and analysis will help the community and our constituents feel comfortable with the selection. It's true that there are wonderful ideas out there that will never financially work. We're all aware of that. You can get very attached to wonderful ideas that the financing just frankly doesn't pencil.

In terms of the selection process, we looked at the airport and what they did for the hotel. We consulted with the mayor's office in terms of what they considered to be the best practices of solicitation and selection as it relates to development. For city contracts and other awards, it's very clear it's a panel vote. Highest score gets the award, period.

In our leasing context, it's more open ended. But we came down that it's best in terms of fairness, transparency to give that job to the panel. If you don't feel comfortable with what they recommend, then we start again because we must have missed something in the scoring or missed something. We also will have a diverse panel. We will have a member who is a community constituent. We will have expertise on that panel. We feel that that is the cleanest way to proceed.

Commissioner Gilman - When you bring the finalist forward, will we see the scoring sheets and criteria for all applications that were scored?

Elaine Forbes - Yes. You'll see everything.

Commissioner Gilman - Is there an appeal process like there is at other city departments?

Elaine Forbes - Appeal process is always required for contracts. Typically, it's an administrative appeal. The contracts administrator and I evaluate that appeal. There is no such requirement for leases and we looked high and low. At this point, we do not have an appeal process written in. We've discussed it. We can certainly put one in. we would mirror it after what we do for contracts.

Commissioner Gilman - Thank you very much.

Commissioner Woo Ho - There is some background too on Pier 38. Many of us know that was a very painful process that we went through and was not successful. I presume that some of the lessons learned out of that are reflected. That was also because we were also mindful of the Warriors project, which put a lot of constraints on that RFP. Is there any way to not necessarily include a full financial feasibility? But could that not be something in terms of their concept of what they plan to do, just not minimum qualifications but to put something preliminarily in terms of financial feasibility? I'm not worried that we're going to have 25 presentations at the Port.

In our last experience, we ended up with very few bidders because, when people actually understand the financial feasibility and capital requirements regardless

of whether you say 40 million or 10 million or 50 million or whatever number you put, the number is going to go down very rapidly. We've already understood that in the last round when we went through Pier 38. I don't worry that we're going to have too many. We worried last time that we had too few. We ended up with just two. The process was a little different than what you're proposing.

I'm fine with actually empowering the panel because we want a fully objective process and not subjective. If we can put in the RFP what we really do require after we go through minimum qualifications. I would say, beyond just saying I'm qualified to do this and I can raise some money, they should also put in their concept how they see the financial feasibility so that we don't get into some of the compelling projects that will never see the light of day because they just won't pencil out.

That's something that we could do in that preliminary phase. This RFP is very different from the last one because the last one was only the bulkhead. This one is for the entire pier. Obviously, the costs are very different today than what we looked at in 2012. That's going to also put a different qualifier on here as well. Commissioner Brandon probably has the most experience in dealing with complex RFPs because she's been on this commission the longest and seeing what has been successful or not.

But in my time on this, the scoring criteria is fine and I think weighting is appropriate. The oral, to me, is not just being able to articulate well. It's also a question of developing the intangible factor, the trust factor, the factors of how we're going to work with this developer that are intangible that also come through in terms of the oral interview that perhaps somebody can talk well. But do we think that they can execute? Do we trust that they're going to do the execution? Some of that is developed not on paper but through an interview process as well. That's an intangible that does reflect in how the panel goes about their job.

I don't know that you can necessarily put that all in writing per se. But that is a very important factor because we all know how we develop certain chemistry or not develop chemistry with certain players in terms of how we do business. That is just a fact of life. Commissioner Brandon can probably add more of her history of dealing with complex RFPs and not just particularly because of these two piers, which we do have experience with, which have been very painful.

We thought that Pier 38 was going to be developed, when it was closed in 2012, by 2014. That never happened. We're now five years later still starting at the starting gate again.

Commissioner Brandon - David, thank you so much for this report. Each time we have a large development sometimes, we try the same way. Sometimes, we try a new way because it doesn't always work. With this project, we were empowering a panel because we need a lot of expertise to go in to whomever submits whatever proposal. I did feel that somewhere between that one recommendation coming to us that we should be able to see the proposals.

Where we see it, how it all fits in where we don't influence or hurt the panel's decision, I'm open. The panel can do their work and then they come and present to us. I don't think it's going to be more than two, three, four max. I don't think we're talking about a large group. I did want us to have the opportunity to see who presented because this is a large project. If the panel does all their work before the presentation comes to us, I'm not quite sure if we should have the written and oral at 100 percent or if we need that extra 30 percent because I've seen many contracts where people have done phenomenal on their written, but their oral is even better. It knocks them into first place versus fourth place. I'm not quite sure about the scoring. I've never seen 130 percent. I've always seen 100 percent. I'm not quite sure about that piece of it.

Elaine Forbes - I wanted to make some comments back based on what you've all said. We should revisit the five minutes. It's probably too small. I agree with Commissioner Makras' point. We should rethink that especially if we have three to four respondents. I don't know what the right figure would be, maybe 15 minutes or 10 minutes.

Commissioner Brandon - I think we can keep that open ended.

Elaine Forbes - We don't have to specify in this RFP how long the presentations will be. We can clarify that when the responses come in and make some good strategic decisions about what makes sense. I absolutely think the blackout period should extend to the panelists. That's a very good catch. In terms of the timing, the reason we wanted every response that met the minimum qualifications to come through to you, so you can see them before the panel comes together and like a jury essentially was that you could have that experience.

The public could see it, and then the panel gets to work. We like that flow because then the panel can get to work and come back to you and tell you what it found. I think that is the preferred timing.

Commissioner Gilman - Could we have one caveat on that? Maybe it's covered in the blackout period. I would not want the panelists to hear because I don't want them to be influenced by us.

Elaine Forbes - We decided they wouldn't be influenced by you. They are not coming to the hearing. We're going to tell them not to listen and pay attention because we're telling them exactly what to pay attention to based on your criteria.

Commissioner Gilman - I think it should be very explicit and a signed agreement that they don't watch the commission or listen because that's what my concern was of where the setup could happen from the community. If there was an overwhelming project that had 200 people come out for public comment in favor of it, and they ended up scoring really poorly. That was the concern I was trying to drive at.

Commissioner Brandon - Got it. I didn't even think about public comment.

Commissioner Makras – Yeah, or the papers could pick up and rate them themselves.

Commissioner Gilman - Yes.

Commissioner Makras - There's lots of things that can happen. There can be community members picking up and the paper may rate them. John King writes about this stuff.

Commissioner Brandon - So should we skip the presentation to the commission?

Commissioner Gilman - I think the scoring should happen first maybe. I'm concerned about a public relations matter. We already had projects come to us while I've been here where you already got past all of this stage. We were giving them the final blessing to move forward. How much public comment did we have of supporters coming out for that? Anyone worth their salt is going to organize the community at those presentations to come out for public comment. I don't want this to be a popularity contest on something that's so important.

Commissioner Woo Ho - Well, what you could do is they present, but there's no public comment.

Elaine Forbes - I don't think we can do that, Commissioner. We could try. With the Brown Act, there's always an opportunity for public comment. We would have a hard time escaping that inevitability.

Commissioner Makras - If it was left up to me, I'd have the panel do their job, score them and then bring them forward. We'd see it at the same time the public sees it. We give them 15, 20 minutes to present. The real world of this is we're most likely not going to have five bidders that meet the minimum requirement and put a full proposal. If we spend one afternoon on a special meeting and listen to three to five proposals and we have the scoring in front of us, everyone sees the same thing. We pick the best one.

Commissioner Brandon - Yeah but that's what we're avoiding. That's why I wanted everyone to see who responded, let the panel do their work and come back to us with a recommendation. The staff, legal and everyone is not recommending that we have two or three, but we just have one recommendation.

Commissioner Gilman - I didn't hear what Commissioner Makras said.

Commissioner Brandon - You said the top three come back to us, right?



Commissioner Woo Ho - I think the difference is Commissioner Makras is suggesting that the commission is going to make the final choice versus the panel. That's what I think he's suggesting.

Commissioner Brandon - That's what I heard.

Commissioner Gilman - I heard something different. I guess what I would recommend because I do think the panel should make the recommendation to us. If everyone who meets the minimum qualifications can come present to us for 15 minutes, but it's done after the scoring and the oral interviews are done so that we hear it. It gets presented. There's no threat of undue influence from the press or public comment.

Commissioner Brandon - So we see it, but we don't have the recommendation yet.

Commissioner Woo Ho - I'm not sure what the value of that is at that point.

Commissioner Brandon - Well, the presentation to the commission has no value to the panel. It's only for the commission to be able to see whom is proposing what. Then, the panel does it either way. The panel does their work first. And then, they present to us. And then, we get the recommendation. But at least we're aware of why they're recommending whom they're recommending and we've seen it. So we can either skip seeing everyone and just let the panel go to work and come with their recommendation. Or we can put a commission review in there somewhere. So those are the two choices.

It's where would we review it? If we review it upfront, you have a concern that the public comment will affect the panel. If we do it afterwards, you're saying what purpose does it serve? That we see it, that we know why the panel is making the recommendation that they're making.

Commissioner Makras - One of the advantages is influence our ultimate decision on approving the final recommendation. That would be the gain of seeing them all.

Commissioner Woo Ho - But that's second guessing the panel.

Elaine Forbes - It's just building additional confidence in the panel's recommendation. The panel is your advisor. We're empowering the panel to give you good advice. Ultimately, the commission makes the decision to move forward with the highest score from the panel process or to have us start again.

You are ultimately the decision maker. You're empowering a panel with expertise and community representation to do the scoring for you because this is a complicated project. Seeing the various respondents may give you additional confidence in the panel's work.

Commissioner Makras - I'd like to get some clarity on whether we can or we cannot. Softly said the city attorney says something about a recommended way. Does the commission have the right to have the top two scores be brought to us for the final decision? Is that an option? Or are we precluded by law?

Commissioner Brandon - We're not precluded by law.

Commissioner Woo Ho - We're not precluded by law.

Commissioner Makras - I'm asking a direct question to the city attorney because I don't want it to be used as a persuasion. Let's get the direct answer.

Legal Counsel Michelle Sexton - You're not precluded.

Commissioner Makras - Could we have three come before us if we wanted to? Pass or fail, they get a certain score and the top three come to us.

Legal Counsel Sexton - Yes.

Commissioner Brandon - Legally, we can have all of them come before us.

Commissioner Makras – Yes, I understand.

Commissioner Gilman - My concern was less about the scoring because we will see all the scoring of everyone before we make a decision. We could say we understand that group A scored the best. But we all think group B should be who we do business with. We could reject that and direct staff to go back and work with group B.

Elaine Forbes - Not under the process we've recommended here. Just to be clear, under the process we've recommended here, if the panel says it's group A and you all say, "We don't think it's group A. We like group B," your remedy would be to send us back again because we're mirroring this after the best practices at the airport and mirroring city contracting rules, which says highest score is who you do business with. Here, we've specifically said it's the highest score that you would either vote up or vote down essentially.

Commissioner Gilman – Then, the whole RFP process would happen again?

Elaine Forbes - Yes but we would have to look at why it didn't work the first time. Did we weight financial too much and not this other criteria? Or is there something we missed? So then, we could go out and have a transparent process, so everyone could compete again.

Commissioner Makras - Here's why I believe it's in our best interest to look at more than the top go-getter. At the end of the day, you're going to have two primary, competing businesses. One will tip to money more and the other may tip to maritime more. I'd like us to be able to argue which one we prefer to be the winner. We have a policy that says we want more maritime. We have a policy

that says the economics don't have to be the same if we have maritime use. So I would like that option to be provided.

Commissioner Woo Ho - I would argue that that priority of maritime versus financial should be built into the guidelines of the RFP. It should be in the upfront guidelines. I think that this RFP in terms of even including the values of the community, etc. is much more comprehensive than we've done in the past because we've taken that in consideration obviously through the Waterfront Land Use Plan and all the discussion we've had with the committee. We're trying to be very balanced about it. But the guidelines of where we decide, is this maritime or whether it's financial feasibility or we've left it open in terms of the uses. I don't think we tried to preclude one or the other. But it's not going to be argued at the end of the process. It has to be included in the front-end guidelines. The panel will evaluate if there's some nuance or gray area, which there will be, to decide which way is the best way for the Port to consider and then for us to understand that. They should show us the nuances and the gray areas and we will look at that. I don't think we're going to have a big philosophical discussion of maritime versus others but there will be nuances.

Commissioner Makras - I would hope that but when I look at the evaluation criteria, I don't see anything that gets you points for maritime. The raw evaluation criteria will not get you points. The reality is they may impute it but it is not a requirement from the pointing perspective.

Mike Martin - Commissioners, on page 12 of the staff report, we outlined the scoring criteria with more detail than we saw on the slides. If you look at 1b and 1e under quality of the design development submittal, 1b talks about conformance to public trust objectives, which includes maritime. Item 1e specifically calls out this balance that Commission Makras is pointing at. I agree that it doesn't talk about how they're weighted but the specific of maritime is called out.

Commissioner Brandon – how many people are going to be on the panel?

David Beaupre - At least four and it's called out in the waterfront plan.

Commissioner Brandon - I saw that. But four a good number? Don't you usually need an odd number?

David Beaupre - There's scoring. If there was a tie, I guess having a fifth would be good. We left it open. But at a minimum, it has a development expert, a Port staff person, a Port advisory group member and a person representing a citywide or regional interest. We thought if there was an additional need for any of these piers that we could add another expertise if needed.

Commissioner Brandon - When is that decision going to be made? Who is going to be on the panel?

David Beaupre - In our schedule, we're going to begin to put names out there internally as the RFP is out on the street and then have a final panel.

Commissioner Brandon - When are you going to let the commission know or have any involvement in who's on the panel?

Elaine Forbes - We could do that. In terms of forming a panel, there is the issue of expertise but also the time commitment. Sometimes, it's hard to find panelists and especially the quality and caliber of panelists we want here. What I could do is write you all a memo of who we're planning to put on the panel. If there's anyone who wants a hearing or wants to talk about it, you could let me know in new business so we could put that step in.

Commissioner Brandon - Great.

Commissioner Gilman - I think that's good.

Commissioner Woo Ho - Can you give me an example of what you mean by city or regional representation?

David Beaupre - As an example, a maritime individual that represents all the maritime business that we have. Or another one might be an open-space advocate in another consideration that's not looking at just a neighborhood or a district's interest but is looking at regional or citywide interest.

Commissioner Brandon - Within the timeline, where do you think we should put the presentation to the commission?

Elaine Forbes - Does legal have a point of view on this because you all have been more advisory to us. Do you think it should be before the panel comes together or after the scores are done and embargoed? Legal thinks it should be after the scores are done and embargoed. Can we embargo scores?

Commissioner Gilman - From my experience contracting with the city, until you inform the respondents, they could be embargoed.

Elaine Forbes - We could hold them.

Commissioner Gilman - The Department of Public Health and Mayor's Office of Housing often has scored, decided internally, and then, they don't notify anyone for like a month. So they're embargoed.

Rona Sandler for the city attorney's office - I don't have it in front of me but I think the rule is, once the scoring is completed, it is subject to sunshine. Once the score is completed, the names and the scores themselves are subject to sunshine. This is a great discussion.

Commissioner Makras - And the score sheets?

Commissioner Gilman - All of it.

Rona Sandler - Yes. What you're struggling with is the need for you to have information and understand what the panel is doing and the need to let the panel be in this very controlled setting, so they can make sure that everyone is treated fairly. When you have a presentation here, there's really not necessarily fairness. Somebody could talk for five minutes. Somebody else maybe could talk for six minutes. You want the panel to be in a very controlled environment and this public forum is not a controlled environment. Those are the two things that staff is struggling to present you with options to meet your needs with those two competing objectives.

Commissioner Gilman - Could we say in the RFP that the commission will hear presentations on all proposals after the scoring, however we want to word that, but make it an opt-in? So if I scored only 20 points after all that effort and work, I could either choose to come yell at the commission, or I could choose to not show up to the commission. Then, the staff could just do the five-minute presentation on what that project was because to President Brandon's point, we were trying to get a level of transparency to show the community everyone who applied. I think it would be very unlikely for folks who are tightly scored might come and use it as a forum because the public can argue their case. But you'll have some natural drop-off.

Rona Sandler - The city attorney's concern is that the scores should be done before the uncontrolled public forum happens. There's no possibility that the panel could be influenced by what happens. So the hard part of that is figuring out when to get the larger group to come to you if that's what you want to do. There's really no problem in having the scores done, the presentation made, and you would see the scores. You have as many people as you want. At that point, you could say we want the top five. We want anyone who scored over 90 because then the scores are done. The hard part is getting the people in the public forum before that happens.

Elaine Forbes - It sounds like the suggestion is that what we would do is we would write a letter to you talking about who the panel will be. We may provide an informational memo just saying who came in the door and how the process is going. Then, we'll have an info item at the commission where the scores will be complete and where all the proposers who met the MQ has their seven, 10 minutes to present to you. Then, right after that, we'll have our info item where we explain what the panel did, the work of the panel and who is preferred or sequentially, something like that.

Commissioner Makras - I didn't think we'd be going this far into the RFP. I actually have a different take for the panelists. I think that the executive director should pick the panelists. It's a hard process to do it. I don't think the bidders should know who the panelists are. I think that they should be one meeting, whether it be a phone meeting or not, with their instructions and it be limited to

one meeting or that everyone does a meeting. So everyone, as a rater, has the same rules and there's no influence on them.

Let me tell you why. When the names are out there, the private world is going to figure out who those panelists are. They will work very hard to tailor their presentation to that person and try to get under their thinking to get the most favorable response just tailored to panelists. I think that we should have the project tailored to the group as a whole. That is a better way to get a level score out of it.

Commissioner Woo Ho - I think the oral interview should be in person. I don't think a phone call is acceptable. You need to see body language.

Commissioner Makras - No. I'm saying to the panelists. I'm only talking about the panelists.

Commissioner Gilman - I understand what he's saying.

Commissioner Makras - Four, five or six panelists.

Commissioner Makras - I'm okay with it being face to face.

Commissioner Brandon - Can the panel do their work, come to us with an informational presentation where everybody gives their presentation, and then the panel gives their recommendation? That's the informational presentation.

Commissioner Woo Ho - So it's all in one commission meeting.

Commissioner Brandon - Can that happen?

Elaine Forbes - I think that could happen. It may be staff making the presentation just to summarize all the panelists' comments.

Commissioner Brandon - That's fine.

Commissioner Gilman - That's fine.

Elaine Forbes - I wanted to make sure Mike understood the proposal.

David Beaupre - What I wasn't clear with was whether you were thinking that would happen in one meeting or two.

Commissioner Brandon - One.

Commissioner Gilman - One.

Commissioner Woo Ho - Same meeting.

Commissioner Brandon - One informational meeting.

Mike Martin - So agenda item one is presentation from all proposers. So each of them comes up and public comment happens.

Commissioner Gilman - Yes.

Commissioner Brandon - Staff's panel recommendation.

Mike Martin - Then, we get up. We summarize the scores.

Commissioner Gilman - Yes.

Elaine Forbes - We give you the recommendation.

Commissioner Gilman - And who you want to enter into negotiations with.

Commissioner Woo Ho - But then, you can't have any written materials.

Commissioner Gilman - No. So by the time we have this informational hearing where everyone presents, if the scoring is done, under sunshine they're public records. Everyone's going to be walking into the room knowing the scores. That's what I heard the city attorney just say to us. So it's fine.

Elaine Forbes - It's fine.

Commissioner Gilman - What we're doing is we're saying, look, we want to hear from all of you if you want to come talk to us because we are curious with what your proposals are. Because we haven't voted on who you can enter into your negotiations with. We can't issue an award but the scores will be public. I'm actually very supportive of this. We have one long meeting where this is the focus of what we do. We might have some people really upset with their scores. That's fine because that's part of being transparent. We can hear that and understand that.

Commissioner Woo Ho - Well, that happens today. It just seems like immediately, we have the recommendation, which is actually now public because the staff report is public already.

Elaine Forbes - That's right.

Commissioner Gilman - The scores are also public.

Commissioner Woo Ho - But the scores have always been public in any presentation. It's in the staff report. It's always public. But then, they just presented before. So it's almost like why am I coming to present.

Commissioner Makras - They're not going to present.

Commissioner Woo Ho - No. They are coming to present before the staff report on the panelists' recommendation.

Commissioner Brandon - Well, let's say they have the option to present, or staff can present for them.

Elaine Forbes - That works. Part of the proposal is to include a summary because we don't want to put someone's proposal in our own words. So we have that part of it where we're asking for an executive summary. So if respondents aren't opting to present, staff can summarize those who did not come and share with the commission their proposal.

Commissioner Gilman - My understanding from the city attorney is it's not about our staff report. The minute that panel scores everything, fills out those sheets and hands them to the staff, they technically can be sunshine by anyone who submitted them even if there's a delay to our meeting or the staff report.

Elaine Forbes - Unless you're inside an appeal period.

Commissioner Gilman - Right. So that's why they're immediately public when the work is done. I guess that's what I understood the city attorney to say. Our meeting could be three weeks later. People will still know their scores.

Mike Martin - What we're describing is certainly workable from our perspective. Commissioner Gilman has the point of, between Friday and Tuesday or whatever that three-day period is, everyone will have a list of who proposed and have their scores. If the commission is comfortable with that, I don't know that I see a weakness in it. It's sort of the flip side of not seeing the scores but you're going to have everything in front of you. You're going to have the public in front of you as well. If that concentration of information makes sense to you, as we're conferring over here, I don't see a problem with it. It allows us to compress that period, which is a good thing. We'll ask for the executive summaries and that'll form the basis of that staff report. We'll just directly cut and paste, so we're not putting words in their mouth. If they don't show up, we'll be able to walk through that executive summary. The tenor of the presentations is going to be very pointed in terms of I'm in third. Those guys aren't as good as me. I think that feels like where the commission wants to be.

Commissioner Brandon – But they'll want to show up and present because we still have the option of rejecting.

Commissioner Gilman – Yes, exactly. And we have other RFPs.

Elaine Forbes - That's right. They may want to position themselves for the next set of our pier projects. I think this amended proposal works quite well.

Mike Martin - Just to highlight a question, There's no action that day?



Commissioner Gilman - Correct.

Commissioner Brandon - Right. Just informational. Everything is informational.

Mike Martin - We come back to the next regular meeting with a recommendation and an action item.

Commissioner Gilman - Yes. We take action.

Commissioner Brandon - Right.

Commissioner Gilman - I would assume we're going to then follow this framework for the next two RFPs we're issuing, 30-32 and when we do the northern finger piers. Unless it's a disaster, we should not be changing how we do things.

Commissioner Woo Ho - I think we should reserve judgment until we go through this process first and then decide if this is the ongoing process because it is a change from the past. Let's not commit to everything at once.

Mike Martin - We're going to come in and propose this process for 30-32 and 330 because we're coming in two weeks. We won't have seen this as a success. But we've specifically said we want to hold back on the northern historic piers so that the non-winning proposers can go there. But that seems like a natural time to see how that went.

Commissioner Gilman - So we'll be using this for 30-32 and Seawall Lot 330.

Mike Martin - We'll be proposing that, so we can start here in three weeks.

ACTION: Commissioner Gilman moved approval of resolution as amended; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. Resolution No. 19-43 was adopted.

## 10. FINANCE & ADMINISTRATION

- A. Request approval of: (1) issuance of Port of San Francisco Series 2020 Refunding Revenue Bonds in the aggregate principal amount not to exceed \$27.00 million dollars (\$27,000,000) with an interest rate not to exceed six percent (6%) per annum to refund the remaining outstanding balance on the Port Commission's 2010 Revenue Bonds; (2) the form of the Third Supplement to Indenture of Trust between the Port and a trustee; (3) the sale of the 2020 Bonds by negotiated sale pursuant to a purchase contract; (4) the form of a bond purchase contract; (5) the preliminary form of the Official Statement relating to the Bonds and the distribution of the statement; (6) the form of the Continuing Disclosure Certificate of the Port and the execution of the certificate; and (7) the form of the Escrow Agreements. (Resolution No. 19-42)

Commissioner Woo Ho recused herself from participating in the discussion and approval of Item 10A. She left the meeting at 5:25 p.m.

Commissioner Brandon - Katie, before you start, I know we had an informational presentation on this and I know that everybody fully supported this. Can you just go over the highlights of what has to be presented today in order for us to vote?

Katie Petrucione - I appreciate this so much. Staff is here to ask the commission to approve a revenue bond refunding of nearly \$30 million in outstanding 2010 bonds. We are requesting authority to issue up to \$27 million in new bonds. We expect to issue about \$23.5 million in new bonds. We are estimating the Port will realize approximately \$13 million in savings from this refunding with a net present value of \$7.9 million. The maturity dates of these bonds would remain the same.

We are asking the commission to approve a resolution authorizing the sale of 2020 bonds in an amount not to exceed \$27 million. We are asking the commission to approve a third supplement to the indenture of trust, a bond purchase agreement, a preliminary official statement, continuing disclosure certificate and escrow agreements, one for each of the series of the 2010 bonds that are being refunded.

If you approve this item today, we will be introducing legislation at the Board of Supervisors next Tuesday. We hope to have the transaction concluded and all of the outstanding bonds repaid by March 1st of 2020.

ACTION: Commissioner Makras moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. Resolution No. 19-42 was adopted.

### **13. NEW BUSINESS**

### **14. ADJOURNMENT**

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

Port Commission President Brandon adjourned the meeting at 5:35 p.m.