

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING NOVEMBER 12, 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, Doreen Woo Ho, and Victor Makras. Commission Vice President Willie Adams was on a business trip.

2. APPROVAL OF MINUTES – October 22, 2019

ACTION: Commissioner Woo Ho moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. The minutes of the October 22, 2019 meeting were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

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

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

At 2:32 p.m., the Commission withdrew to executive 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 with City as plaintiff regarding the Pier 24 Annex and Pilara Family Foundation as tenants.
- (2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-city/Port representative: (Discussion Item)

Property: One Ferry Plaza, a portion of the Ferry Plaza at the Embarcadero and Market Street

Persons Negotiating: Port: Michael Martin, Deputy Director Real Estate and Development
Negotiating Parties: Alfred Tom, Ferry Plaza Limited Partnership

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 LaCroix, filling in for the Commissioner Affairs Manager, announced the following:

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

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Damien McCloud – I'm with a company called SpinOut Fitness Spin Outside LLC. I am addressing the commission today as I have been asked to become permanent and licensed with the Port and the city to conduct my business, which is a water bike fitness and touring business. I've been currently talking with Dominic Moreno and Demetri and a few other people there at the SF Port. They're just looking for guidance and support from the commission on allowing and continuing to have more access to the water utilizing the state-of-the-art water bikes. I have a short video if you guys would like to see what I do.

Elaine Forbes - I'm sorry, sir. You have a time limit but if you provide it to staff, we'll share it with the Port Commission.

9. EXECUTIVE

A. Executive Director's Report

- Schedule of Port Commission Meetings for 2020

Elaine Forbes, Port's executive director - The first item I have is to announce the Port Commission calendar for 2020. Meetings are scheduled to occur twice a month in February, March, April, May, September and October and once a month during the months of January, June, July, August, November and December. The dates are available in your packet and are also available on our website. Meetings will be held in this room unless otherwise noticed.

- Trip to Washington D.C. – October 28-30, 2019

Elaine Forbes – The second item -- I would like to report back on a trip that we just took to Washington D.C. on October 28th through 30th, a very successful delegation that President Brandon led. Brad Benson will provide us more details.

Brad Benson, Waterfront Resilience Director - We went to D.C. on October 28th through the 30th. President Brandon, Director Forbes, myself, Daley Dunham and our federal advocates. It was a remarkably successful trip. It's the first time that we scheduled a trip that wasn't concurrent with Chamber of Commerce trip to D.C. It was a Port-only trip.

We were a bit concerned that we would be going to D.C. with impeachment activities going on. We were quite delighted to see that people had time to focus on the issues that we were there on and also working on other issues. This was of an impromptu photo shoot of Congress people outside the Capitol.

The purpose of the trip was primarily to focus on our Army Corps flood study and potential amendments to the Water Resources Development Act that we have drafted, funding requests through the Army Corps work plan and a waiver request from Army Corps three-by-three rules that we've talked to the commission about before.

This is us at the civil works at the Army Corps of Engineers. We had an excellent meeting with Senator Diane Feinstein. She is extremely interested in the Embarcadero seawall program and the flood study. She agreed to sponsor the Port's Water Resources Development Act amendment, which was great news.

We also met with staff of Congressman Jared Huffman. He was back visiting the district to see about the wildfires. He serves on the House Transportation and Infrastructure Committee, which considers WRDA. We had an excellent meeting with Congressman Lowenthal, who represents the Port of Long

Beach in his district. He has similar concerns about WRDA and the seismic issues that we were talking about.

Congresswoman Speier represents the southern portion of San Francisco and San Mateo. That was a brief meeting. She was actually in impeachment hearings and took a break to come out and visit us within an anteroom.

We always enjoy visiting with Robert Edmonson, the chief of staff for Nancy Pelosi. He is so knowledgeable about WRDA and the issues that we work on. Then, we met with other staff on the committees that are going to be considering the bill.

We also saw the assistant secretary of the army, Deputy Ryan Fisher. He reports to ASA R.D. James. The gentleman will be processing the waiver request for the flood study that we expect to happen in May.

We had a great visit as well with the Army Corps of Engineers headquarter staff including the staff who oversee drafting of WRDA. In addition to the Port team, Eve O'Toole and Lauri Hettinger were along for these visits as well as Steve Stockton, who is on our Army Corps team. He is the former director of Civil Works nationally. It's very interesting to go in with your advocate and have staff at headquarters hug them in the hallway. He definitely has a positive reputation.

This is what we were lobbying for. In essence, we have seismic problems, as we know, in the fill areas along the waterfront. It is more costly to build a flood-control project in a seismically active area. It requires additional foundational support.

The way that the Army Corps calculates its benefit-cost ratio actually penalizes states that have seismic activity. We have drafted language that we vetted through the Army Corps at district and division and through this trip at headquarters that would level the playing field between seismic-reactive states and states without seismic activity.

We got quite a good reception including a Republican co-sponsor of this amendment. It's good to be heading into D.C. with bipartisan support. We were also there supporting the Army Corps' \$3 million FY 2020 work plan request and the waiver request that I mentioned earlier.

It was a great whirlwind trip. We did learn through the trip that, in order to be on top of what's happening with the flood study, we need to be going back more frequently and having this kind of contact.

Commissioner Brandon - I do want to add that it was a great trip. Senator Feinstein came up with a really good suggestion. That is, because the seawall is such a huge project that the commission should have their own independent consultant to make sure that we are being advised along the

way also which I thought was really good. I look forward to following through on that.

- 2019 Crab Season

Elaine Forbes – The crab season is still delayed but we believe as of now that it will open November 22nd. fishermen and fisherwomen will have 18 hours in advance of the 22nd to put their fishing gear out. We are hoping that the 22nd holds. It looks, from all reports, that it will. We're wishing for a very successful crab season both for our fishermen/women and for the public, who is anxious for crab.

- In Memoriam – Burk E. “Buck” Delventhal, Chief Deputy, Government Law Division, San Francisco City Attorney’s Office

I would like to suggest to the commission that you close this meeting in memory of Buck Delventhal. On October 26th, Buck Delventhal passed away unexpectedly. He was surrounded by loving family. He was born on November 12, 1942. Today would have been his 77th birthday. He was born in Oakland, graduated from Piedmont High, went to U.C. Davis undergrad and earned a JD degree at Hastings in 1969. One year later, in 1970, he joined the city attorney's office, and what a 50-year career it was. He was the leader of the government team from the beginning. He played a major role in all civic and legal issues facing San Francisco.

He spearheaded some of the most groundbreaking work the city has seen that changed who we are today and who we'll be in the future. His work was voluminous and impactful. For those many, many of us who enjoyed working with him, we knew he had a very brilliant legal mind.

He was very, very curious. He had a desire to mentor many people. If he was interested in mentoring you, he offered to swim with you in the Bay at 6:30 a.m. That was a good sign that he was willing to mentor you.

He had a love of work that was very contagious. Whether you worked with him one or two times over your career or once a month like Michelle got to or every week, it was impossible not to have real profound respect for Mr. Delventhal.

Many of us, no matter how often we got to work with him, were just very pleased that he was there in the city attorney's office because he had so much knowledge and such a brilliant mind. But more important than all of his brilliance and his joy of work, he really had clear empathy and humility in the way he approached people and just a huge optimism.

That's why many of us are so impacted by his sudden passing because he was such a fine person. His obituary states, "He lived life fully and with a deep understanding of the priceless gift that each day represents."

I wish that we all think what a blessing each day is and keep Buck Delventhal in our hearts and minds because he had such an impact on all of us. We ask that you close the meeting in his honor.

10. CONSENT

- A. Request retroactive approval of Port Commission President Kimberly Brandon's travel to Washington, D.C. with Port staff to advocate for a technical change to the Water Resources Development Act (WRDA) bill. (Resolution No. 19-44)

ACTION: Commissioner Makras moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor. Resolution No. 19-44 was adopted.

11. REAL ESTATE & DEVELOPMENT

- A. Informational Presentation on the issuance of a Request for Proposals (RFP) for the development, lease and operation of a mixed-use project at Piers 30-32 and/or Seawall Lot (SWL) 330, consistent with the goals and policies of the Draft Waterfront Plan and the Port's Resilience program.

Mike Martin, Director of Real Estate and Development - Our project manager, Peter Albert, will be taking you through the slides today but I wanted to make a few brief remarks to set a little bit of context for this item. I have the professional benefit of being part of a series of conversations with you that build on each other. I want to make sure that I reiterate what the context is because we've got a couple things going on here.

First, this Piers 30-32, Seawall Lot 330 RFP proposal is going in parallel with our historic piers RFPs. We had a really interesting and deep conversation about the process for the historic piers RFPs at your last meeting.

This presentation builds off that. However, this is a different scenario than the historic piers in many ways but in one way it's not a historic rehab project. Also, these sites in the past have always been linked together to find a way to subsidize the Piers 30-32 improvements that are needed to make that habitable and intensify use there. But because of those differences, we've come back to you in a series of meetings on these sites to talk about the past efforts that didn't succeed and, most specifically, the two most recent sole-source proposals: the America's Cup and the Warriors arena.

This process, as we're building towards a competitive solicitation, has underscored the good thinking behind the waterfront plan and its community engagement recommendations because we're building an understanding with the community that, when a proposer comes in, they'll be able to jump on board and hopefully move forward with a successful project.

The other thing that you'll see in here that's a little bit of a divergence from that historic piers process is we talked with you originally last August but also again in February about an approach to this RFP that would allow proposers to propose for both sites or for one or the other and, also, proposers at Piers 30-32 in particular to propose either a full rebuild. Or if their proposal didn't require a full rebuild, they could propose a partial one that may be more in line with the finances they can bring and the uses they want to bring. You'll see those approaches outlined here.

Obviously, as we meld those things together in a process, we want to definitely get your direction today as part of this information item in hopes that we can come back with an action item soon.

Peter Albert, Real Estate and Development – I'm new to the Port but I'm an old face and have enjoyed working with you many times. I put this outline up here to tick off the steps that went into the memorandum you have and also how we devised the community outreach and ultimately how we propose to go with the future RFP. We've tagged on the issues of consistency with the waterfront plan and with the strategic plan. As Mike said, we talked briefly about the history and the context of the site.

We'll highlight the community engagement process, which is a very big part of this conversation; underscore the economic benefits to the Port and to the public that we hope to get out of the development; and then, we'll outline the proposed screening and selection process that we've already talked about last month with the historic piers RFP process and get in to some of the next steps.

We have looked at the strategic plan as a starting point. All seven of these elements you'll see referenced in this presentation. I won't need to go over each one. But you'll be able to link back to why we take consistency so importantly, whether it's the strategic plan or the waterfront plan. In the waterfront plan update, we recognize that these two sites, Piers 30-32 and the seawall lot 330 are rare resources in that they have so much land. They're undeveloped.

There's this opportunity. They also come with great challenges, which you know very well about but we look for consistency with the waterfront plan to be our guide. We talked in the previous commissions about the history of the site, the fire in 1984, the different development proposals that never got to completion, even the interim users that are on both sites. We also got the strong direction from you to make sure that we work closely with the community. We look at the maritime benefits of Pier 30-32. In addition to the resilience program, which is key, and also remembering that, even when we were working on those development sites, we didn't understand the importance of sea-level rise or the seawall the way we do today.

I also outlined all the community meetings that went on during the summer because that helped very much in putting together the staff memorandum. THE waterfront plan nine objectives were the basis upon which we did a lot of the

community outreach and the community value identification. We didn't want to create a lot of inconsistencies. We wanted to make sure that our planning was hand in glove, that we understood the big picture. Then, we could use that big picture to guide us in developing the very locally specific issues. In the development context itself, the waterfront plan has those nine Port-wide objectives. But the waterfront plan also has very specific things for South Beach. It's interesting when you read the waterfront plan. They call out how unusual the seawall lots are, that they're actually embedded in residential neighborhoods. When we did community outreach, that came up a lot.

There's a responsibility to be a good neighbor that comes along with seawall lots that is a little different when you're talking about the piers. We took that very seriously. There's also the public trust objectives. They mean slightly different things for these sites but they still apply in terms of upgrade to address the seismic, life-safety, flood, sea-level-rise issues. The maritime and public-access use remains priorities in all of our conversations including the public-trust and public-oriented uses in the development and generating revenue to finance public improvements.

Looking at the waterfront plan, these are the lists of the acceptable uses that are in the draft plan update. If I were to wrap them in to three categories, they would be, what are the land uses that can work on both sites, both the Piers 30-32 and the seawall lot? They include assembly and entertainment, culture, museum, arts, recreation visitor services and commercial retail uses that can generate the revenue that we need so bad. But on the Piers 30-32, there's some unique things that would only apply to that site such as the maritime cruise berthing opportunities in the open space. On the seawall lot, there's the waterfront plan recommending for housing and a hotel.

We talk a little bit about that later in our community outreach work. But from a development context, the Port resilience program ends up being very important. It probably will always be something we're talking about with all of these piers and their redevelopment or rehabilitation. How does the property perform under a seismic event and that includes the seawall lot program? How do we anticipate sea-level rise understanding as much as we do know about the anticipated curve in those rises?

As we have done with the other historic piers and will probably continue to do, the Port and the selected developer will work with the city's contract monitoring division to establish local business enterprise goals for various phases to maximize LBE participation in the project. The projects will need to adhere to local hiring processes.

Again, this is something you'll see in all of the conversations about the pier redevelopments or rehabilitations. This is one of the most important parts of the process we've undertaken this summer, this work we've done with the community. We felt it was important to identify the values because, while we get the guides from the waterfront plan and we understand what that calls for a big

picture, they're a set of refinements that matter to the people who live there, who work there, that they would hope that we can take into consideration and that we would reflect in the RFP itself.

I'm very proud of the process of identifying the community values. I hope you can take the time to ask questions about them or read them over. But they were done in a series of meetings with the Central Waterfront Advisory Group. We met with them in July, August and October. We also met with the Maritime Commerce Advisory Committee in July. We met with the South Beach, Rincon and Mission Bay neighbors in September.

We had an opportunity to get a cross fertilization of a bunch of people who identify themselves as stakeholders. They're residents. They work there. They have hopes for this. They hope and expect that these values will be reflected in the RFP so that they can be supportive of a development proposal.

Funding and economics -- a good example is it's not necessarily a contradiction to have something that generates revenue and is still open and accessible to the public. We hope that the developers responding to the RFP get that clear message.

Urban design -- this is such an unusual opportunity that we have clean-slate sites. These aren't historic properties. We could have fantastic, beautiful, inspired urban design come out of this. When we talk about the general land use on both of these sites, it's not that surprising how much transportation comes up. Quality of life and transportation are linked very much in the community's perception of what happens here.

General sustainability -- the city has very clear objectives of sustainability on this site in addition to things like, are the buildings going to be using sustainable building practices? Is transportation going to be reducing carbon emissions? There was a real interest in the community about understanding the importance of avian and marine life and whatever development does to help support those habitats.

Transportation -- such a big issue, probably a big reason why Mike asked me to join the team because of my background, but I understand at least three major elements that came out of this with the community: safety and sustainability and then really important is the quality-of-life issues about a development that doesn't manage transportation issues well can exacerbate congestion, can create all of the headaches that make living in this beautiful area more of a challenge. This will be a persistent theme in all the community values.

For Piers 30 and 32, those are the overall community values for both sites. There was an emphasis of support for the berthing and berthing access but hopes that the access routes can also double as open space. There's a desire to have both open space and shipping activity or deep-water berth there. Sustainability ends up being very important here especially because of the orientation of the site on

the water, great solar access. A real passion for museum, arts or cultural center, some great examples are brought up in Amsterdam and that this is such an extraordinary site. We hope that a development can honor that, can bring site awareness but also remain open to a wide diversity of people.

On the seawall lot, the same issues about urban design that came up in the pier, came up here but, because there's going to be hopefully development of a ground floor that responds well to the neighborhood. Can it be active? Can it be attractive? Can the uses there be valuable to the community itself? An interest in housing and an interest in hotel -- this is one of those complicated conversations where the hotel can generate revenue, and that's great. But a hotel can create real headaches with transportation.

The caveat I was instructed to come here and report today was hotel is an okay use by the community provided that it is a very conscientious manager of transportation. I hope I'm doing justice to that complicated conversation. The equations for a successful respondent will be more or less you've got the waterfront plan and Port-wide goals. You've got the public trust objectives. You layer on top of that the resilience program, the acceptable land uses. You embody in the RFP and the evaluation process these community values that provide an economic benefit to the Port. Hopefully that adds up with a great development concept.

Economic benefits to the Port -- there are some challenges, of course. We've talked extensively about the structural conditions at Piers 30-32. Mike outlines the combo of you could have separate or combined RFP in the site. That's opportunities, but those are also challenges and how revenue generation is so important to the trust-approved uses in the waterfront plan. But the benefits are very important, the idea that we could remove the liability of a dilapidated facility, that we can invest in Port assets, that there's a reliable revenue stream, not just immediate capital but an ongoing revenue stream.

We participate in the up-side revenue and that the private investment helps us with the seawall lot and the other seismic improvements that are so essential to protecting these public assets. When we get into the RFP process, we solicit interest from developers. There's going to be some minimum qualifications. You've heard about these already. They aren't different than what David Beaupre brought up last week about looking at a developer that has at least a \$40 million committed-funding project in the portfolio, entitled a single development with at least a cost of \$40 million.

They could be two different things -- completed construction of a single development project with a total cost of at least \$40 million and, for the interest of Piers 30-32, that that be over-water experience and then this important addition about the certification as to the black-out policy. The black-out policy meaning that the minimum qualification requirements would expect that the developer or the developer's representatives not communicate with other city employees, elected or appointed officials and the panel itself that will be evaluating this

besides the Port staff contact until the executive negotiating agreements are executed.

Scoring criteria -- this is not different than what you saw last month. There is going to be a written 100-point process that looks at the quality of the design and development submittal, the strength of the financial proposal, financial capacity of the respondent and the experience and the organization and the quality of the team and then the oral interview, which gives an extra 30 points to see if there's anything extraordinary that comes up that might not have jumped out at us or had an opportunity for us to examine well in the written process.

This is the first time you might have seen this laid out as a presentation because this came out of our conversation with you last month. But the review and selection process would follow this way. Port staff will determine which proposals meet the minimum for qualifications. The Port staff commissions a third-party consultant analysis of the financial and technical feasibility. The Port staff will convene this panel. The panel reviews the proposals and consultant report and scores the responses. Then, the Port Commission has two public meetings on this. The first one would be an information only, which is what we're doing today. This is an information-only meeting where we're going to review the executive summaries of the qualified proposal.

We'll review the scoring panel results. The respondents have a limited time they get to talk about what their proposal is. It's the second meeting that we would come back to you to request action on whether you would like us to enter the exclusive negotiations with the recommended proposal or whether you'd like to start over again with the RFP process.

Let's go with that first point. Suppose that you do want to look at the recommended proposal. There could be three. The three that I understand we're outlining here would be one recommendation could be of the top scoring combined Piers 30-32 and seawall lot proposal if we get any.

One recommendation could be the top scoring Piers 30-32 proposal only. Or one recommendation could be the top scoring seawall lot proposal only. We would bring to you what we get from all that process. You would get those three options to look at. That's the time that we would ask for your direction on whether we can enter an exclusive negotiation with one or more of the staff recommendations or whether you would like to terminate the RFP process altogether.

The anticipated schedule - Say that we go with that and that we're ready for an action item where you look at the recommendations on December 10th. Then by January 2020, we could release the RFP. By March 2020, the proposals would be due. We would evaluate the proposals using the minimum qualifications. In April 2020, we would convene that scoring panel. In May 2020, the Port Commission meeting number one could happen.

We've dovetailed these carefully, so you're not overwhelmed with a bunch of RFP. April would be David's month. Then, you'll be looking at the scoring results in May. In June 2020, we would come to you for direction on either the exclusive negotiations or starting over again.

So that concludes my presentation. I'd be happy to take any questions. And Mike, because he is more of a veteran than I am, might be just as essential to that part.

Joerg Schlegel - I am working for Cirque du Soleil. As you know, we have been playing for the past 22 years at Lot A next to Oracle Park. Unfortunately, due to redevelopment at Lot A, this time will be our last performance at Lot A. I have been working with Michael for the past year on seeing if it would be possible to utilize Piers 30-32 for about four to five months of each year now to put up our tents and to have our show. We have already done some investigations with an engineering company because we realize that the pier itself does not support the weight of our show. We would need to invest an extensive amount of money to reinforce not the entire pier but certain parts of the pier where we would set up to be able to set up our tent. I'm here today to ask if it would be possible to be part of the RFP process like we do around the world when we go into long-term deals. We would also be open to make a deal with the Port of San Francisco for about five months of each year that we would pay rent to the Port the portion that we need.

Commissioner Brandon - Thank you. We look forward to your response.

Rick Dickerson - I manage probably around 1,500 units in the South Beach area. I'm the new chair of the Embarcadero Safe Navigation Center advisory group to the Port. I'm very happy to see that the process moved along quickly in putting together and formulating the RFP process. The work that's been done has been very good. The presentation that was just made talked about the neighborhood and warning about traffic and that is a big concern. What I would encourage and what a lot of the residents in the area would encourage is to please really look at these as separate parcels. If somebody can put it together, that's wonderful. We've been through a lot of false starts in the last 15 years. I've been a part of many of them. We would like to see the last piece of residential area or land in our area be able to be developed. It would help to solidify that end of South Beach. Also, I would like to encourage residential use there. I know there's always a lot of talk about having the ground floor be activating and be neighborhood-serving retail. Having been in the area and managed in the area for almost 30 years now, neighborhood-serving retail is very difficult to work. I would encourage that, if there is going to be something on the ground floor other than just a residential complex there, that it be spelled out and in the review process, that it be taken into account that you're not going to get the kinds of rents that you're used to seeing in San Francisco there. Finally, I would highly encourage for whatever projects are brought forward and somehow in the review process for there to be a reality check. We've been through many starts and stops on Piers 30-32 and the seawall lot. We would very much like to see something to fruition this time rather than have something that may look really wonderful and have lots

of bells and whistles get a year into it and everybody realize, no, it really isn't economically realistic. I would really stress to have that be a big part of the review process of the RFP submittals.

Alice Rogers - I'm on the board of the South Beach, Rincon, Mission Bay Neighborhood Association and the working group of the waterfront plan. I am here to just thank the Port and the staff for having this commitment to community outreach. They really pushed hard for that, worked hard for that. Peter has really adequately captured the information that the residents brought forward and that Rick just expanded on. Thank you very much for this. We are eager, as Rick said, especially to get the seawall lot going. It will be pretty exciting to have something in the interim like Cirque du Soleil.

Commissioner Gilman - Peter, thank you so much for your presentation and I also really like your presentation style. I have a couple of questions and a couple of comments. Could we go back to slide number nine? I just want to make sure I'm understanding since it was presented here differently than in the staff report. At the first commission meeting, my understanding is we will be either reading executive summaries of all the folks who met minimum qualifications. If they want to come before us, they will present. But those individuals will know what the staff recommendation is going to be.

Peter Albert - I believe that's right.

Mike Martin - They'll know the scores. We'll have not written up the recommendations in this format, but it won't be hard to draw that recommendation.

Commissioner Gilman - I wanted to make sure because it was explicit in the staff report, and on the slide, it sort of reads differently. I just wanted to verify that point and verify again the city attorney is comfortable with that because we had a lot of discussion at our last meeting.

Peter Albert - Just on that, I was thinking that one of the reasons that would be so valuable is a recommendation would be a combination of the conversation we had that day plus the scores.

Commissioner Gilman – We wanted to avoid any sense of that decision was not finalized by staff. I also want to say I really like the fact that we have broad uses for both Piers 30-32 and Seawall Lot 330. I want to say I appreciate that. I know there's been some back and forth and some letters to the commission about subscribing use. I want to say, as a commission, I like this menu approach so that we can give development teams the opportunity to see what they can feasibly put together, what can pencil and what can work. I do know the commission already gave direction to staff that we would be open to receiving projects in the way you've outlined here. I'm concerned around moving forward and giving people the opportunity just to bid on the seawall because I worry about what that does for the piers. But I'm a newer commissioner so I'll see that play out. I wasn't here for the

America's Cup or the Warriors. But it gives me pause that if we have a flood of applicants only for the seawall. I really hope folks will look at bidding and applying for the whole package. It's really important for the Port. I had some technical recommendations if staff is open. You'll need to probably look at the staff report. But it's around the scoring criteria, the way it's outlined in the staff report because I'm assuming that's the way it's going to get published in the RFP for respondents. Is that true?

Just as someone who's applied for hundreds of these over my career, I know you say they're not ordered in any weighted position. But I do think the way you've ordered them implies weight. On page 18 of the staff report, I would like to recommend, under experienced organization, reputation of respondent's team, I would love to see staff take bullets E, F, I and J and put them at the top.

For the public, these are around teams that make up a diverse reflecting-San Francisco population, experiences with LBE, SBEs, personal qualifications, experience engaging the community. For this section, those should be implied as something we're looking at more closely than some of the other criteria, which I feel is represented in other sections of the RFP.

Peter Albert - That's E, F, I and J?

Commissioner Gilman – E, F, I, and L.

Commissioner Brandon - Not J?

Commissioner Gilman – No J.

Peter Albert – Got it.

Commissioner Gilman – J is fine too. One other thing and sorry to get so wonky on you but a minimum qualification is doing over-seawall construction. But then, you list it again. I didn't know if that was intentional or if it was because you want to punch home that that's so critical. It's listed again under the minimum. Then, it's listed again under the design and development submittal. I wanted to make sure you knew it was listed twice.

Peter Albert - Actually, in thinking about that, one is a minimum qualification. If they have that qualification, we're interested in the particulars of what that looks like. It could be both something we would score to give it more qualitative weight once they've already cleared the screening.

Commissioner Gilman - Okay. It was just something I caught. But for these lots with their history, making sure folks understand that community input, engaging the community, having a team that represents the values of the waterfront plan and is made up of individuals and companies and firms that reflect San Francisco I think is really critical, which is why I'm asking that we reorder that section.

Commissioner Makras - I support all of those evaluation-criteria recommendations from the commissioner. On bullet point number nine, page 19, you are referencing bringing us one recommendation. Are you limiting it to one per category? Or are you open minded to bringing more than one as a recommendation?

Mike Martin - Our thinking was in each category bringing the top scoring proposal in that category so that the commission would be able to take the best combined proposal or, if it preferred, the two Piers 30-32-Seawall-Lot-330-only proposals as combining those, they would be able to follow those recommendations.

Commissioner Makras - I would much rather give staff the ability to bring us more than one would be my recommendation. It would be the panel's and staff's choice after they review them but not lock yourself into one bidder if you have two real good bids, and you would be fine with both of them. I think it would be in everyone's interest to bring them forward.

Mike Martin - I think this is reminiscent of the conversation we had last time. This is more complicated. But I think staff retains its recommendation that, by sticking with the scoring panel, we have a level of clarity and decision-making ability for the commission that doesn't potentially create problems at the end of an otherwise successful process. I think that's why we recommended focusing on the top scoring but also giving the commission the ability to see the executive summaries and the presentations to understand the scope of what was submitted.

Commissioner Makras - I'm going to go forward with it. But you're setting yourself up to an argument to scrap it if they think number two is better or an alternative is better when more than one would be qualified in my scenario that you would bring forward. I think it's a more friendly process to bid more than one. I think to lock it in that the commission only has to do one or scrap it and start over is disrespectful to all the bidders and, more importantly, to very good bids that receive very good points that would be viable projects. That's a commission decision. It's a staff decision. It's going to be very awkward if we have two very good proposals. I believe we may have proposals competing with themselves where one will give us better economic profit, and others will give us greater community services in excess. And they're not going to be like for like. To preclude the commission from making that ultimate decision will be disrespectful to the process, cumbersome on us, expensive on everybody. It will be a more positive process for us to argue which one is better rather than argue to knock one out to get number two in if someone believed the number-two bidder would be a better project for San Francisco.

Commissioner Woo Ho - Thank you for the very thorough presentation, and I have a couple questions, some to follow up with some of the questions that you've already received. Just let me understand, the slide on page 18, did I miss it last time that we also have the step of having a third-party consultant analysis of financial and tactical feasibility? Was that in the last historic pier RFP as well?

Mike Martin - We did. In terms of technical feasibility in that case, is their historic preservation strategy feasible and within secretary of interior standards. Here, we would be looking at their code analysis, if they're doing less than a full upgrade, for example, accurate aside from just the financial feasibility and that sort of thing.

Commissioner Woo Ho - I'm assuming we have that consultant to add more expertise as a resource to the scoring panel. My question relates to you listed four and four backgrounds. Does that mean we're only going to have four panelists? Or we could have more than four?

Mike Martin - We could have more. We were looking at the specific expertise that we'd want to have for this.

Commissioner Woo Ho - I had a couple comments on that. One, I think we should always have an odd number because that helps to obviously determine if there's any discussion among the group in terms of you have to settle which way you go on certain issues in terms of scoring. The other is that besides the four categories that you list, a couple others that I would suggest you think about is a finance expert. It's sort of assumed that, in the development expertise, that they would have that. But particularly since we have found in the past that financial feasibility has been the biggest challenge that has stopped a lot of projects, that having someone that comes with it more with a finance point of view.

Then, the other would be maybe you would also consider someone who has a strong architectural background so physical design aspects of it beyond what you're talking here. I would add that you might want to look for people with that background as well. Obviously, you don't want to have a huge panel -- five or seven would be the maximum. But this is a major project and it's been one of the most challenging and most problematic ones. This is our last chance since we've been sitting on this commission, we have been through this many times. We have not succeeded. We really want to succeed this time to get the best project forward. I guess the one difference I have a little bit with Commissioner Makras is that, if we are providing the right kind of consultant analysis, if we do get the scoring panel and if we agree with the criteria, then I think a lot of the real homework that needs to be done here is going to be done appropriately.

Hopefully, it won't be down to the situation that he indicated. Everything that we've seen so far when we've had bids in the past, we could see the scoring would generally lead to one party being recommended. That's the experience so far that I have experienced on this commission. But we are talking about some new major projects. We've had some very major ones in the past when you consider what we've done in Pier 70 and with Mission Rock. I think that going back to my question about the slide where you say, you're going to give us the top recommendation for the combined Piers 30-32 and Seawall Lot 330 and then top for each of the others then, you are suggesting that the commission is left with deciding whether they like the combination or they like the single projects. That is a decision point which last time, in our last conversation there was some discomfort of whether the commission was going to be able to weigh in. I'm going

to trust a lot more in terms of how you're going to get to the results and the recommendations or the thoroughness of the process. The only thing I would say is, if you end up with a scoring situation that there are two parties that tie, then I think those legitimately should be brought to the commission. But other than that, I would not say number one and number two should be brought to the commission. But if there's a tie, then we should hear about the tie. We'll hope that the math helps us to get us to a point that you all can make that decision.

My last question relates to the hotel possibility on Seawall Lot 330. We have no issue with a hotel use or whoever would want to use it for hotels would have to then get some sort of permits or go through a ballot initiative or whatever. I'm not sure.

Mike Martin - Proposition H prohibits hotels on piers over water. Since this is a seawall lot, we are not prohibited from having a hotel there. It's the same reason that TZK is able to move forward.

Commissioner Woo Ho - So that one is okay. There's no issue.

Peter Albert - Just one clarification, it would require conditional use in the planning department as opposed to residential, which would be as a right.

Commissioner Gilman - Really? Residential? I didn't realize that. Residential is as a right on that seawall?

Peter Albert - The zoning district is South Beach residential.

Commissioner Gilman - Okay. I didn't realize that.

Mike Martin - We have the public trust restrictions that are challenging on that side. So either way is totally clear.

Peter Albert - It's all in the staff report.

Elaine Forbes - I did want to respond to your question about the three options, Commissioner Woo Ho. You clarified that say we have proposals on all three options, one combined Seawall Lot 330 plus Piers 30-32, a Seawall Lot 330 only and a piers-only project and they're scored and vetted through the panel. It would be your policy decision which of those three to pursue. It's a possible world where you may choose two of them, one for Seawall Lot 330 only and one for Piers 30-32 only or one of them for both sites combined or Seawall Lot 330 only. We are putting that decision into your hands.

Commissioner Woo Ho - Right. Just in terms of the information, if we have 20 proposals that are qualified, we're going to see 20.

Commissioner Gilman - No.

Commissioner Woo Ho – Minimum, you said the qualified proposals. We will see the executive summaries.

Commissioner Gilman - Yes.

Commissioner Woo Ho - I'm just making it up saying what if there's 20. We are going to see 20.

Elaine Forbes - Yes.

Commissioner Woo Ho - And these people will already know the scoring results. I wanted to clarify what Mike said. You said that they would see the results, but they don't necessarily imply the recommendation. You are not going to make the recommendation that day.

Mike Martin - Correct.

Commissioner Woo Ho - Okay. Let me put it this way. The respondents will know their score. Is that score going to be disclosed at information meeting number one?

Elaine Forbes - Yes.

Mike Martin - Yes.

Commissioner Woo Ho - So just the executive summaries will be presented.

Mike Martin - So this is part of what we talked about last time. So once the scores are done, they are available to the public. Since we're bringing the executive summaries, we would bring the scores. That would be sort of transparent and described to you in a staff report that you would have in front of you as you heard the executive summaries and the presentations from the proposers who showed up that day.

Commissioner Gilman - Sorry, Mike. Just to clarify on that point, that would be after any kind of appeal period of whatever the RFP process is. The scores are baked. The scores are done.

Mike Martin - We're going to set it up so that the appeals period runs before the publication deadline of your agenda and agenda materials.

Commissioner Gilman - Okay. So if you come here and did a great presentation and juggle and you still got five and everyone else got 500, it's really not going to make a difference in the outcome.

Mike Martin - Only if they are able to sow the seeds of doubt in your mind that you don't want to move ahead with the winning proposal.

Commissioner Gilman - Okay. I just wanted to clarify.

Commissioner Makras - Is there any case that the high-scoring person will not be your recommendation?

Mike Martin - Under the terms we're proposing today, no.

Commissioner Makras - Then, it will be public. Everyone will be able to figure it out unless you were to scrap them all. So the only thing they would know is a no for everyone versus a yes for the high-scoring individual.

Mike Martin - That's correct.

Commissioner Woo Ho - I just want to add I was asked to participate on a rec and park panel. I've been through a scoring just sitting on the panel. I can tell you it's very rigorous. I think that the panel came to the right conclusion. I'm not even going to discuss the project because it didn't go forward because it was the wrong uses.. It wasn't able to go forward after a lot of hoopla. I hope we don't end up with that. But I believe that the scoring process and the panel, if you choose the people correctly, can come to a good conclusion. So I endorse that.

Commissioner Brandon - Mike and Peter, thank you so much for the report. Peter, welcome to the Port officially. I understand and agree with a lot of the comments that have been made. My only concern is Seawall Lot 330 only. If we do go that angle, we need to have a clear plan for what we're going to do with Piers 30-32 because all these years we've put them together. We've SWL used 330 as a carrot to Piers 30-32. If we were to look at a SWL 330-only project, I want to make sure that whatever funds we get from that are dedicated to the plan that we have for Piers 30-32, if we're just going to keep it maritime, a park, open space, or whatever. We need to have a plan before we just give away Seawall Lot 330.

Mike Martin - Makes a lot of sense.

Commissioner Makras - But that suggests that you would have a condition on approval designating the money somewhere else. Is that what you're suggesting?

Commissioner Brandon - I'm suggesting that we create a fund for Piers 30-32 but that we also have done the research, have a plan for what exactly we're going to do. But we can't just let it sit out there indefinitely doing nothing.

Commissioner Woo Ho - You're including it in the RFP that whoever does bid on Piers 30-32 does not have to say that they're going to develop or shore up the entire site, that they can do a partial. So there could be some change. Obviously, we all know about the Warriors arena, the weight of that whole arena proportional to the amount of sub infrastructure that was required. If you had a lighter structure on top for some other purpose, like a museum or even something that was more cultural entertainment would perhaps not require the same structural. I don't know

what the costs would be. We know what the cost estimates were for the Warriors, which became untenable because it became too much. But if it's a lighter infrastructure top and if you're not using as much of the pier, it gives me hope that somebody can look at Piers 30-32 with a different lens than last time.

Mike Martin - First of all, Commissioner Woo Ho, I totally agree with what you said as well. Commissioner Brandon, could I ask a question on your comment?. Is it at the time of making the recommendations that you would want a hypothetical plan for Piers 30-32? Or is it after the commission has said Seawall 330 only that we would come back and say, based on the revenues, here's how we see those revenues helping Piers 30-32? So it's the latter.

Commissioner Brandon - It's the latter.

Mike Martin - Got it. That's helpful. That makes a lot of sense.

B. Request authorization to execute a Memorandum of Understanding in partnership with the San Francisco Parks Alliance for the proposed Crane Cove Park Fundraising Campaign. (Resolution No. 19-45)

Crezia Tano-Lee with real estate and development - On behalf of the Crane Cove Park team, I'm here to request authorization from the commission to enter into a memorandum of understanding with the Parks Alliance to fundraise up to \$6.4 million for Crane Cove Park.

Byron Rhett, David Beaupre and Erica Peterson have been supporting this project for a very long time. They're here to answer any technical questions you may have regarding the project.

As you may recall, Port staff presented an informational item on the Crane Cove fundraising campaign on September 24th. At that meeting, Port staff highlighted the Parks Alliance's rich experience in fundraising for civic spaces. While we won't touch on that during today's presentation, Drew Becher, the CEO of the Parks Alliance and his members of his senior team are here today to answer any questions you may have regarding the organization.

My presentation will focus on the following: the summary and strategic plan alignment, our fundraising goals, the key terms of the MOU, potential project delivery options and next steps.

Based on the discussion at the September 24th commission meeting, Port staff have been further refining the terms of the MOU. These terms help the Port to achieve the strategic plan objectives of opening Crane Cove Park to the public with activation by 2020, additionally, raising private funds for the historic crane caps and the children's playground and growing the capital fund with external sources.

Our fundraising goal is \$6.4 million. This campaign will fund the delivery of the children's playground, the dog run and the restoration of the historic crane tops. In this budget, we have allocated costs for project management and a 10 percent contingency.

Eleven percent of the budget has been set aside for campaign costs. These costs are proceeds to be retained by the Parks Alliance from private cash contributions. Eleven percent was within the range of similarly sized fundraising agreements executed within the city.

In summary, the key terms of the agreement note that we will have an initial five-year term with three one-year options to extend. We believe that the fundraising should be well in place within five years but did not want to lock us into that term if there was just a tail end of that fundraising gap we needed to achieve.

In terms of responsibilities that the Port will have, all funds raised through the campaign are spent only on Crane Cove Park. Port staff will be responsible for securing all necessary permits, licenses and approvals. The Port will also assign a project manager to oversee any work covered within this MOU. In terms of responsibilities for the Parks Alliance, the Parks Alliance will work to secure third-party contributions in the form of cash or in-kind services and materials. The Parks Alliance may provide for varying project-delivery methods. The Parks Alliance team shall retain 11 percent of cash contributions raised for campaign administrative costs.

At the September 24th commission meeting, the commission raised questions on potential project delivery. While this MOU is designed for maximum flexibility to optimize the variety of contributions that could be made to the campaign, it should be noted that all contributions exceeding \$100,000 will be presented to the commission for approval and will also be presented at the same time proposed donor recognition designs.

In light of this procedure, the following three examples are the most common project-delivery methods. Example one is an example from McLaren BMX bike park. This is an example of cash grants that were made from the Parks Alliance to rec park. The amount was \$147,000 to fund conceptual design and construction documents for the bike park. In this scenario, RPD utilized standard contracting procedures to retain architectural and engineering services.

The second example is where in-kind materials were donated. This was for the McLaren Park group picnic area. The Parks Alliance gifted play equipment fixtures to RPD. RPD will lead the installation of the fixtures as this park is under construction currently.

The third example is in-kind, fully-delivered projects. The example is the Golden Gate Tennis Center. The Parks Alliance, in collaboration with RPD raised \$24 million in funding. The Parks Alliance is providing project management and will design, construct and deliver in full the completed project.

In terms of next steps, we anticipate after your approval, the Port staff will pursue approval at the Board of Supervisors. We anticipate introduction of the resolution by the end of the calendar year.

In early 2020, the Port and the Parks Alliance would develop the campaign strategy and conduct a soft launch of the campaign. In spring of 2020 when Crane Cove Park opens, we will officially launch the campaign. In summary, Port staff is requesting authorization to execute the MOU with the Parks Alliance to fundraise the \$6.4 million.

Commissioner Brandon - Thank you. Just for clarification, the fundraising campaign strategy is winter 2020?

Crezia Tano-Lee - Yes.

Commissioner Brandon - With a soft launch. Then, the official begins after or before the soft launch?

Crezia Tano-Lee - In conversations with the Parks Alliance, they advised to have early conversations with potential donors. Then, when we would open the park. It would be a grand opening of the park in addition to an official launch. We have set a goal of \$6.4 million. We've already raised half a million to fund the dog run, for example. Then, it would be a grand opening event in April, which would be Spring 2020.

Commissioner Brandon - Got it. Thank you so much for this presentation.

Commissioner Brandon: There is public comment. Dean Becher.

Drew Becher, CEO of the San Francisco Parks Alliance - We are very excited to partner with the San Francisco Port on this project. We're excited to work with the community and deliver the project that we all envision. We like to say you guys are delivering a really great cake base. We're excited to help you put the icing on top of it to make it really exciting for the community. My leadership team and I look forward to getting to work. We've already started bringing prospective donors to the site and they're responding really well. We're very excited. Thank you for the opportunity. We look forward to bringing a lot of gifts back for your approval.

Commissioner Woo Ho - Thank you for the presentation. From the last time you presented to now, I don't really have any further questions. It's a great project and look forward to its execution and successful campaign.

Commissioner Makras - I also support it. I have a couple of technical questions. Does the Parks Alliance do the fundraising? Or are they planning to hire outside people to do it or both?

Drew Becher - We actually will have a mixture. We will most likely bring on a campaign fundraising consultant that will lay out the plan for us. But we do have a development staff internal that we use most of the time for all of our fundraising.

Commissioner Makras - This would be more directed to our staff. Are we part of an RFP process for hiring the fundraiser, determining what they charge? Or is that strictly going to be the Alliance's call? Or does the Port participate in that?

Crezia Tano-Lee - It's not currently contemplated but it is something that we could consider early on. I would hate to limit our ability to fundraise as soon as possible for the more immediate item such as the children's playground and the Riggers Yard.

Mike Martin - It's correct to say that the MOU is currently structured where Parks Alliance is managing the fundraising campaign. We'll defer to them on those decisions as currently proposed but we're interested in the commission's direction.

Commissioner Makras - Reading into that answer, that means no Port staff will be asking anybody for a donation. Is that a fair assumption?

Elaine Forbes - That's correct.

Commissioner Makras - Okay. So it will be the Alliance completely. Will the Alliance be able to solicit Port tenants for contributions? Or are we putting any prohibitions on it, the same people for the same business?

Crezia Tano-Lee - The RFP doesn't currently contemplate putting limitations on who is reached out to. I know that many of the tenants in the immediate area such as Restoration Hardware, Orton and some of the non-Port tenants in the immediate area have expressed a desire to see a completed project. Port staff could make those connections to the Parks Alliance to do the dog-and-pony show of the park.

Elaine Forbes - In answer to your question, we don't see a prohibition at this point. There are good government guide rules related to seeking contributions and official actions in certain time period. We will consult with ethics and the city attorney to make sure that the Parks Alliance knows all the relevant rules and solicits from only those that are lawful.

Commissioner Makras - In the long run, an overzealous advocator could make it very uncomfortable for a current tenant. It may leave a bad impression. I just want to call it out. We're part of this group. I want us to approach it in a smart way. In a perfect world, I think we should be part of any RFP of hiring someone to do fundraising. I'm going to support the item and go forward with it. But I think that's a better way to do it. We are part of an MOU. We are part of raising the \$6.4 million for Port property. Then, I believe the best way to do that is have a voice in the entire process.

Commissioner Gilman - I'm excited to see this project move forward. I support the item.

Commissioner Brandon - Crezia, thank you so much for the report. Drew, thank you and your team for partnering with us because this is so wonderful the fact that we did not have enough funds to complete this project. We appreciate you standing up and partnering with us to help us raise the funds to complete Crane Cove Park, which is going to be absolutely amazing for the southern waterfront.

ACTION: Commissioner Woo Ho moved approval; Commissioner Gilman seconded the motion. All of the Commissioners were in favor; Resolution No. 19-45 was adopted.

12. FINANCE & ADMINISTRATION

A. Informational presentation on the Port's Contracting Activity for Fiscal Year 2018-19 (July 1, 2018 through June 30, 2019).

Boris Delepine, Port's contract administrator - The item before you is an informational overview of the Port's contract activity for fiscal year 2018-2019. It covers the period from July 1, 2018 to June 30, 2019. I'll begin by reviewing the current pool of local business enterprise certified firms. We'll discuss new contracts awarded and payments made on open contracts during the reporting period. I'll give you an update on LBE utilization and participation at Pier 70 and Mission Rock and talk about latest outreach efforts and then conclude the presentation with an overview of our upcoming contracts.

The contract monitoring division, or CMD, certifies firms as small local businesses or LBE firms. The goal of the local business enterprise ordinance is to level the playing field for small local businesses competing on public contracts against businesses located outside the city.

LBEs bidding on city contracts receive competitive advantages in the form of rating bonuses, LBE subcontracting requirements and contracts set aside for competition solely amongst LBE firms. There are currently 1,283 LBE firms. That's a 1 percent decrease from about a year ago. That number has remained consistent over the past year and a half. About two years ago, there was a 10 percent increase. But since then, we've remained around this range.

Of the 1,283 certified LBEs, 36 percent are minority-owned business enterprises. 25 percent are women-owned firms. About a third of the firms provide construction or trucking services. Professional service firms constitute half of all LBE businesses. This includes architectural and engineering firms.

During the fiscal year, we awarded 16 new contracts valued at over \$40 million. Ten, or 63 percent, of contracts awarded went to LBE prime contractors. 42 percent of dollars awarded went to LBE firms.

One contract was responsible for nearly 50 percent of the overall dollars awarded during the reporting period. That was the Crane Cove Park improvement project awarded to Gordon N. Ball, a non-LBE firm. When that \$19 million outlier contract is omitted from our overall awards, our LBE performance climbs to 58 percent.

Awards this fiscal year included our as-needed engineering and real-estate series, five construction projects and three professional service contracts. A full breakdown of contracts awarded in fiscal year 2018-19 can be seen in attachment one of your report.

We awarded 16 new contracts. Six went to non-LBE firms. Of the 10 contracts awarded to LBEs, four went to OBEs, or other business enterprises. These are firms that are non-minority, non-women-business owned.

Three contracts were awarded to minority-owned businesses and three went to women-owned firms. Of the contracts awarded to minority-owned firms, two were awarded to Asian-American-owned businesses. One went to an African-American-owned business.

Over \$39 million was paid to Port contractors in fiscal year 2018-'19. That's more this year than in the past three fiscal years combined. Namely, it's the result of payments made on our large contracts like the seawall contract and the Crane Cove Park contract. We paid LBEs over \$13.3 million this year. Most of all our Port projects are either meeting or exceeding their CMD-set goals. Likewise, all our contracts are on budget. However, some of our construction contracts have experienced schedule delays.

These include the Pier 23 restroom improvement project, Crane Cove Park package number two and the Pier 27 utility upgrade. Our chief harbor engineer is here and can provide details at the conclusion of this presentation on those specific contracts.

Details on all current contracts and their LBE performance during the fiscal year are located in attachment two, three and four of your report. This slide compares contract awards and payments over the past five fiscal years. While the percentage of dollars awarded to LBEs has decreased in this fiscal year in comparison to past years, we did award and paid more dollars to LBEs this fiscal year than any of the past five years.

This is another view comparing awarded dollars and contract awards to LBEs over the past five years. In the last two years, we've awarded significantly larger contracts than in previous years. Contracts like Crane Cove Park, seawall resiliency and our upcoming Mission Bay Ferry Landing contract tend to decrease our overall LBE participation percentage.

However, we have been able to stay at or above the mayor's aspiration goal of 40 percent LBE participation and to award 60 percent of all our contracts to LBE

prime contractors. Again, while our overall percentage of LBE participation decreased, we did award more dollars to LBEs this year than ever before.

Years with the highest LBE participation tend to be those where contracts are valued at \$5 million or less. As you know, the Port currently oversees two development projects at Pier 70 and Mission Rock. Each project is now in its implementation phase and will be going through extensive planning, engineering, construction in the coming year. Each project has also committed to a unique LBE utilization plan that governed the project's local business inclusion and participation.

Mission Rock Partners LLC, a joint venture between the Giants and Tishman Speyer, completed entitlements last year. Mission Rock Partners committed to a 10 percent pre-construction LBE goal and a 20 percent overall LBE participation goal. Through July of this year in their preconstruction phase, Mission Rock partners spent over \$36 million with \$6.9 million, or 19 percent, going to LBE firms. However, 95 percent of the overall project work will be coming in the construction phase, which is slated to begin in January 2020.

Mission Rock has entered into contract with RDJ Enterprises to assist with a variety of LBE engagement activities and initiatives. [Roscoe Maps] and Dwayne Jones are here today on behalf of the Mission Rock team.

The Pier 70 project managed by Brookfield Properties, formerly Forest City, committed to a good-faith LBE goal of 17 percent. To date, their LBE utilization is 41 percent. Pier 70 is further along than Mission Rock, having spent over \$94 million so far. Almost \$40 million of that has gone to LBE firms.

Phase one horizontal construction is 50 percent complete. Upcoming bid opportunities include development of phase-one parks, open space and vertical construction. Last year, Brookfield also hired RDJ Enterprises to provide LBE outreach guidance and project support. Jack Tse and Dwayne Jones are here from the Pier 70 team.

Attachment five and six of your report provides information about contracts awarded at Mission Rock and Pier 70. As part of our mission, we are committed to building the capacity of LBEs to help them better compete and win Port projects in the future.

This fiscal year, we organized four different events all with the goal of promoting LBE participation, equity and inclusion. They were a minority business mixer, co-hosted with the African American Chamber of Commerce on September 27th to encourage large prime contractors to meet and network with small business owners.

In November of 2018, we partnered with Merriwether and Williams Insurance Services to host a workshop that featured topics such as proposal drafting, cost

estimating and local business certification. In March, we held our third annual contracts open house.

Over 200 attendees came to that event to learn about upcoming Port opportunities. Finally, in May, we partnered with the local business advisory committee to host a barbecue and networking event adjacent to Heron's Head Park.

I believe our outreach efforts positively impacted this year's as-needed engineering contract solicitation whereas, in the past, we've had five firms vying for four contracts. This year, we had 13 firms competing for the same amount of contracts.

At all our outreach events, we communicate clearly that the Port seeks to promote diversity within all our contracting opportunities and that we desire to engage with contracting teams that reflect the diversity of our city. We hope to see results of our outreach work in the upcoming solicitations for the Mission Bay Ferry Landing project. That's a CM/GC/RFP that's currently out on the street with bids due next week.

Crane Cove Park Building 49 will be advertised in December. That's a \$3.1 million project with a 20 percent LBE goal. Finally, we'll be coming to you next month with a request to advertise the Port's as-needed public relations contracts. If approved, we intend to issue an RFQ to award three \$300,000 contracts in January. Public relations work tends and historically has resulted in strong LBE participation.

In conclusion, 42 percent of dollars were awarded to LBEs in fiscal year 2018-19. Sixty-three percent of all new contracts went to LBE prime contractors. We paid LBE firms over \$13 million this fiscal year on active and open projects.

Pier 70 is exceeding its LBE commitment by 24 percent. The Mission Rock development is entering its construction phase with 19 percent LBE utilization to date. We will continue to provide and organize outreach events to promote local business participation in the coming year.

We intend to continue to host events every quarter as we have in the past. There are a number of contracting opportunities coming up in fiscal year 2019-2020 including the \$38 million Mission Bay Ferry Landing project, which has bids due a week from today.

I'd like to thank Tiffany Tatum, Albie Udom, Patricia San Augustine who ensure a smooth and fair and transparent contracting process while always thinking of ways to facilitate economic opportunities for our small local businesses.

Commissioner Brandon - For clarification, on page five of the contracting activity presentation, for the minority business enterprise breakout of 67 percent and 33 percent, what dollar amounts are those?

Boris Delepine - That's the number of awarded contracts. The one contract awarded to the African-American-owned firm was Hollins Consulting. That was a \$2.4 million contract for support at Mission Rock and Pier 70. The two contracts awarded to Asian-American-owned firms were construction contracts that were each valued under \$500,000 each.

Commissioner Brandon - So each under \$500,000 for a total of a million?

Boris Delepine - A million total for the Asian-American-owned contracts, the two contracts. The chart lists total contracts awarded, not the dollar amount. The actual dollar amount awarded to minority-owned firms -- \$2.4 million of the total minority-business enterprise contracts went to Hollins Consulting, an African-American-owned firm.

Commissioner Brandon - So three at 19 percent, it's \$3.4 million.

Boris Delepine - No. Those are the number of contracts awarded. We awarded 16 contracts to prime contractors. Three of those contracts went to minority businesses.

Commissioner Brandon - Right. You said two went to Asian American firms for \$500,000 each and one to African American firm, \$2.4 million. So that would be \$3.4 million total.

Boris Delepine - Yes.

Commissioner Brandon - Right. So \$3.4 million out of \$40 million.

Boris Delepine - Correct.

Commissioner Brandon - No Hispanics.

Boris Delepine - Correct.

Commissioner Brandon - Okay. Then, women, three contracts, 19 percent, which would be about the same, \$3.4 million?

Commissioner Woo Ho - No. It's just the number of firms.

Commissioner Brandon - It's 19 percent of a number.

Commissioner Woo Ho - Of firms.

Commissioner Gilman - Nineteen firms.

Commissioner Brandon - It's 19 percent of firms, not dollars.

Boris Delepine - Right. The three contracts that were awarded to women-owned firms are as-needed real estate contract to Seifel Consulting for \$750,000, our as-needed engineering contract to Terra Engineers for \$3 million and another as-needed engineering contract that went to Stantec and McGovern McDonald Engineers for \$3 million.

Commissioner Brandon - Right. So we're doing much better with women than we are with minorities.

Commissioner Woo Ho - In terms of dollars.

Commissioner Brandon - In terms of dollars. I appreciate all the work that you put into this report because this is a lot of tracking and a lot of information. I appreciate all that you do to make this report available. All you can do is report the numbers. You have no authority of how we contract or what we do.

But I do have to say that, when I got these reports -- and I have been asking for a while for the Mission Rock and the Pier 70 reports because I wanted to see the LBE breakdown -- and, while I think it's absolutely phenomenal that we are surpassing our LBE goals, we're really lacking in minority contracting and, in some aspects, contracting with women.

I think that those are two areas that we have to focus on. I'm all for doing workshops. I'm all for hosting mixers. But sooner or later, we have to actually start contracting. Commissioner Adams and I met with the Mission Rock team along with Director Forbes. I and Director Forbes met with the Pier 70 team to voice our concern, our disappointment and the fact that I am just sounding like a broken record. It's like people come, and they don't even hear that the commission supports LBE participation but also representative of San Francisco, everybody, not just one group continuously.

If our contracting, our OBE contracts are 80 to 90 percent of our LBE workforce, then we don't have much going to minorities. We have a serious issue here. I appreciate Roscoe and Jack and Dwayne coming together, sitting down. All of them are going to come up with a plan. We're meeting again in January. We're going to go over the plan of how we are actually going to start contracting with minorities in San Francisco. But I was appalled at the numbers.

Forest City has spent \$94 million. Less than 1 percent has gone to minorities. We're not doing that much better with women. Mission Rock, they've spent \$35 million. \$450,000 has gone to African Americans, and \$250,000 has gone to Latinos. This is a serious issue. We can't come up quarter after quarter just saying these are the numbers.

What is the action plan? What are we going to do? I appreciate Roscoe and Jack and Jack and Jack and Dwayne and the fact that everybody has a clear message that now it's about action. Now, it's about action. We actually have to do something.

I'm looking forward to the next report. I hope that we continue to do extremely well with our LBEs. But we have to have diversity and inclusion. We have to.

Commissioner Makras - Why don't we calendar an action plan, so we could speak to it directly? So we can see what options we have. Then, we can have a proactive stance at it. A report doesn't change anything.

Elaine Forbes - We have actions underneath each of these contracts. But it's absolutely fine for us to come to the commission and talk through the action plan. For some of these contracts, we've done great diversity and the responses didn't come in.

We write memos to explain what's occurred and what hasn't occurred. This is a summary of all the various reports. But for each contract item, we look very carefully about where we've gotten diversity and where we haven't and what are opportunities to change that.

We've engaged Ingrid Merriwether on several of the recruitments. We do have action that we are deploying every time and reporting. But it's absolutely a great suggestion for us to bring that all strategically in front of the commission to talk about it at one point in time. With each contract award, we can reference our different tools that we're deploying to ensure greater diversity in contracting.

Commissioner Gilman – First of all, Boris, lovely report. On that action item, to Commissioner Makras' point, I hope you hear the commission.

Commissioner Brandon - He's not taking this personally.

Boris Delepine - I've been around.

Commissioner Gilman - I know. He's just sitting there so stoic. But I think what we also have to dive deep and crack this nut and get to this equity that Commissioner Brandon has been such a champion of even before I was on the commission is we need a deeper understanding of what the barriers are. Whether that's focus groups, people who've lost bids or tried and not understand why they were not competitive, just get feedback not about them getting a contract, I hear from some firms they get too large, and they lose their status.

There's this other leverage we need to look at this problem to see, as a Port, what we can do and influence and some of it is citywide because I believe it is incredibly hard to contract with any city entity.

I'm sure it's hard to contract with the Port. We need to also look at how we can look at those barriers that might be blocking access or success for people, so we can do better. Of this small amount, it was 58 percent. You said the mayor's goal is 40.

Boris Delepine - Correct.

Commissioner Gilman – We also need to tie that to dollar amount because, even if we're at 80 percent at one point, if it's less than 1 percent of what we're contracting because they're small contract amounts, that doesn't build capacity for those firms and make it fruitful. I hope, in this action item, we can look at those things too.

Commissioner Woo Ho - I think you've said it all. Thank you.

Commissioner Brandon - Thank you, Boris.

Boris Delepine - Thank you.

13. ENGINEERING

A. Informational presentation on the proposed 2019 California Building, Plumbing, Electrical, Mechanical, Green and Existing Building Codes and Local Amendments to the Port Code.

Neil Friedman, chief building inspector of the Port of San Francisco - Prior to this, I was the chief building inspector at the SF Department of Building Inspection. I'm here today to give a brief presentation to you on a few of the changes to the Port building code that will be implemented beginning on January 1, 2020. This is a process based on the state's presentation of a new code cycle every three years.

This will probably be my last code cycle. I'm planning on retiring in the not-too-distant future. When I use the term building code, I'm referring to an aggregate of codes that includes everything you see on this slide: building, electrical, plumbing, mechanical, green energy and others as noted in the printout in the informational presentation.

I will give some background on the Port's objectives in relation to the changes and then, on the approval mechanism used to adopt these changes. First, the Port has many strategic objectives, two are as follows.

First, Resiliency - This is accomplished by enhancing and enforcing construction standards that are unique to the Port's proximity to and are protective of Bay waters. The code also enhances the general welfare of the public through requirements of health and safety. This is an example of health-and-safety requirements, a recent addition to the Ferry Building, Brown Sugar Kitchen.

Second, Sustainability - Incorporating green-energy codes will encourage and/or require reduction of energy consumption and, in particular, fossil fuels. A large and looming issue is sea-level rise due to climate change. Here, you see an example of that. That's Pier 14 on the right side of the screen. During winter storms with a high tide, this is the result. Although sea-level rise, per se, is not directly addressed by the Port code, the concept of green energy found in the green code is important to reducing sea-level rise in the coming years.

State law through the California Health and Safety Code establishes the California Building Standards Commission, also known as the BSC. That commission updates the assortment of California codes that you saw in a previous slide.

They do this on a tri-annual basis, as I mentioned previously. This is the year of the 2019 code update. The BSC provides this code information to what are known as authorities having jurisdiction, or the acronym AHJ. The Port is such an AHJ.

As a point of clarification, the Port is a separate AHJ from the San Francisco Department of Building Inspection, also known as DBI. As part of the acceptance of the state codes, an AHJ is allowed to make changes known as amendments that will apply only to that AHJ. The amendments suit local climatological, topographical, geographical and other conditions. Generally, these changes are more restrictive than state standards. These amendments are presented for approval to a body having authority over the AHJ in a three-step process.

In this case, that body is you, the Port Commission. First, the commission is given notice that a code update is imminent, such as I'm presenting in this informational presentation. Second, through a newspaper advertisement, the public is given a two-week period in which to comment on changes. Third, the Port Commission may approve the changes. In this case, we would hope that the approval takes place at the December 10, 2019 Port Commission meeting. With this approval, the amendments are then forwarded to the Building Standards Commission as findings.

Once the findings are accepted by the Building Standards Commission, the Port will be approved to use the 2019 state codes with its own local amendments beginning on January 1, 2020. Without your approval, the Port would have to use the 2019 California codes without any of the amendments.

A few of the code changes we're proposing are as follows. First, there are numerous formatting changes including table of contents, section headings and page numbering. Second, there is the Port adoption of the term and conditions of a site permit, something long used by city planning and DBI.

For a site permit, an initial set of concept-only drawings for a new building is reviewed. Construction is not allowed under a site permit. However, following an approval of the site permit, a series of drawing packages known plurally as addenda are submitted that describe the actual construction details of the building.

Upon issuance of an individual addendum, construction may begin for that phase of work. Examples of addenda are grading, foundation, architectural, mechanical, electrical, plumbing (also known as MEP) and fire and life safety.

Third, the Port plumbing code has been modified to allow the use of specific types of very high-strength plastic pipe for waste lines under piers. These are examples from Pier 15, which has recently undergone a change-out of all the cast-iron lines to HDPE, the plastic pipe noted previously.

Cast iron is the current standard material being used mainly due to its impact strength. However, due to the corrosive effects of salt water, as seen here in the slides, and the resulting short life of cast iron in that environment, the use of that material is no longer feasible.

The Port's long-range plan is to have all waste lines contained within rather than underneath the sheds and bulkhead buildings by using pumps and sumps. In this slide, you can see an example of the new plastic piping. This is under Pier 15 again. We're hoping that there will be no long-range problems with this.

Fourth, code changes -- the hourly rates for Port permit-related fees will be raised for the first time in 12 years in order to match the fees of the Department of Building Inspection. DBI's current fees are based on an outside study performed in 2015. They have no plans at this time to raise their fees.

Currently, all Port fees are based on a rate of \$80 per hour. For the 2019 code, the Port building permit review fee will become \$174 per hour. This is, again, in alignment with DBI. Inspection fees will become \$158 per hour. Administrative fees will become \$96 per hour.

The fifth major change is there have been many changes to the green building code regulations regarding water usage, electric vehicles and wastewater management. One of the most notable changes has been the installation of charging stations for electric vehicles at various locations around the Port. In summary, adoption of the 2019 Port of San Francisco Building Code will repeal the 2016 Port code.

In the next few weeks, Port staff will produce a draft of all the proposed 2019 Port of San Francisco code with local findings. Staff will then present a final draft for approval at the December 10, 2019 commission meeting. The effective date of Port code will be January 1, 2020.

Commissioner Woo Ho - Thank you very much, Neil. That was very thorough. I think that there's nothing for us to object to. I'm very supportive. I move this forward.

Commissioner Makras - A couple of questions, when it comes back to us in December, will it have the new fee schedule for us to be able to see?

Neil Friedman - It will and you will get that before it comes back to you in December.

Commissioner Makras - Okay. Do they call out specific requirements for piers versus just a general building code that would apply for all buildings?

Neil Friedman - There are both. For piers, that's one very distinct issue for the Port. There are specific requirements for pilings, among other things, wave action, things like that that normally would not affect the regular building code.

Commissioner Makras - Are there changes contemplated for piers alone? I'm not talking about the general building code.

Neil Friedman - For piers alone, nothing specific to the actual physics of the requirements.

Commissioner Makras - If there are, could you please call those out when you come out in December, so we can see what would apply directly to the Port?

Neil Friedman - I will and you can always contact me directly if you need to know after you get the updates.

Commissioner Makras - Is it fair to say that the code, like for our Lot 330, would be the same whether it was Port property or a private-owned piece of property, that the building code requirement would be identical?

Neil Friedman - For Seawall Lot 330, it would be identical.

Elaine Forbes - Neil, what about the municipal building standards that we deploy? They're different.

Neil Friedman - That would be under green energy.

Rod Iwashita, chief harbor engineer - The building code itself relies on a document called ASCE 7, American Society of Civil Engineers design document seven, which is being revised in 2019 as well. There are changes in that document that increase the loading that you would have to resist for earthquake, wind. There are always modifications every three years as well.

Commissioner Makras - Would you be able to call that out when you bring it to us, so I would be able to see it or at least point me in a direction where I would be able to?

Rod Iwashita - Sure.

Commissioner Makras - My interest is just in general that a pier is a lot different than a warehouse in the South of Market. For all intents and purposes, in South of Market buildings are connecting. You can look at fire-safety issues differently than we could on the Port.

In a perfect world, I wouldn't want something to be so strict that it adds additional cost for no purpose to us. That's the angle I'm going to look at and not want to over-burden the code for us just for the sake of matching someone else's document.

If we can be specific and equalize the protections and the security that we're trying to accomplish and if we can do it at a lower price, that will ultimately bring us more revenue and have our projects be able to come in at a better construction cost.

Commissioner Woo Ho - For the pier substructure, we're also subject to the Army Corps of Engineer standards. That's in addition to the building code.

Commissioner Makras - Because now, for instance, is the city in general going to allow plastic piping for plumbing? Right now, it precludes it.

Neil Friedman - In general, they do not.

Commissioner Makras - That's right. So we'll be different in that case now.

Neil Friedman - We are different but the rest of the city doesn't have piers under which you would put drainage pipe.

Commissioner Makras - But on SWL 330, would it be steel? Or would they allow plastic?

Neil Friedman - That's cast iron at SWL 330.

Commissioner Makras - It'll allow that. Great.

Rod Iwashita - Was there a question about the municipal green code?

Elaine Forbes - I was just pointing out that Seawall Lot 330 would be different than a private parcel because the municipal building standards would apply per the code as it's written now. Am I right about that?

Rod Iwashita - That's correct. The Port has made the decision to use the municipal standard for a green building code application. Whereas, in residential construction, there was a more lenient type of code for residential construction. Because all of the construction for even residential units on Port property, we've considered them municipal buildings. The municipal standards from the green building code will apply.

Commissioner Makras - Like a platinum level or something along those lines?

Rod Iwashita - Yeah. There are a few exceptions where design started where there was some period of confusion. We have an exception but it would be up to the authority having jurisdiction to grant that exception.

Commissioner Makras - Would that be spelled out in our RFP?

Elaine Forbes - Yes, it will be.

Commissioner Makras - Great. Thank you very much.

Commissioner Brandon - Neil, thank you so much for the report. And congratulations on your impending retirement.

B. Informational presentation on the proposed street name change of the 200 block of Steuart Street to Steuart Lane.

Rod Iwashita, chief harbor engineer for the Port. Today, I'm here with an informational item to talk about the proposed name change of the 200 block of Steuart Street to Steuart Lane. The Port applies the standards of the city's public works code to regulate encroachments and construction activity in the road, streets and rights of way within the Port jurisdictional boundaries. Similarly, Port staff also follows the substantive provisions of the city's public works code and the renaming of publicly dedicated streets and Port jurisdiction.

The San Francisco Public Works Department has established procedures for the renaming of publicly dedicated streets. Similar to the city's public works procedures, Port code procedure 19 outlines the procedure for the renaming of publicly dedicated streets in Port jurisdiction including Port Commission approval of the street renaming.

The Port code procedure requires that a party seeking the renaming of a street must provide neighborhood notification of the proposed change and make an informational presentation to the Port Commission followed by a subsequent Port Commission meeting to approve or reject the proposed street name change subject to San Francisco Board of Supervisors and other city approval.

This is a location map of the 200 block of Steuart Street. The proposed development has an address of 75 Howard Street. You can see that the 200 block of Steuart Street is actually in Port jurisdiction but the new development is not in Port jurisdiction.

The real estate owner of the condominium complex located at the parcel with the city address of 75 Howard Street is 75 Howard owner LP. They are proposing to rename the 200 block of Steuart Street to Steuart Lane. This informational presentation introduces the research and rationale for requesting the street name change.

Christine Mann - I'm the portfolio manager for Paramount Group for their San Francisco assets. Most recently, I was also elected as president for BOMA San Francisco. I am the interim board president as well for the financial Downtown Business Improvement District. Starting with the project, 75 Howard previously was a site for a seven-story public parking garage, which housed about 500 or so vehicles.

The new construction, which was entitled in 2016 is a 20-story building with 120 new for-sale homes facing the Embarcadero waterfront. In terms of sustainability, the project is targeting LEED Gold certification. What does this mean? This means that we will have solar panels, a green roof graywater system, a large onsite rainwater harvesting system. The construction started in the first quarter of 2018 and is expected to be completed in the second quarter of 2021.

The proposal is to update the cul-de-sac portion of Steuart from Steuart Street to Steuart Lane. Our ownership recognizes and wants to follow the protocol, the proper channels and is bringing this item to the Port of San Francisco given that the street and sidewalk is within the Port jurisdiction.

Some terms of local community impact -- the project employs 100 percent union labor. Our general contractor, Swinerton Builders participates in the First Source Hiring Program. They've also partnered with Mission Hiring Hall and the Young Community Developers and has a legacy of supporting vendors and events and in local communities of concern.

In terms of engaging our neighbors and the local businesses around the area, we do send them monthly construction newsletters, which includes a three week look ahead of the project. In addition to this, we have an email and a hotline for any noise issues, noise mitigation or traffic concerns for the project.

There will be a public art mural wall plan, which will activate the alley between 75 Howard and 201 Spear. For the affordable housing fees paid, there are about \$8.5 million with a voluntary additional affordable housing contribution of \$6 million, which is paid directly to the mayor's office.

The project is also annexed into the Transbay Transit Center Mello-Roos Community Facilities District. The building entrance, which will be fronting Steuart Street will enliven and increase visibility of Port jurisdiction area along the Embarcadero.

The next slide just shows you the location of the project. The street highlighted in yellow is the cul-de-sac portion of Steuart Street. Steuart Street to Steuart Lane -- Steuart is two-and-a-half blocks long located south of Market Street. 75 Howard, the project takes up the full half block of the cul-de-sac. So changing the name from Steuart Street to Steuart Lane will not be impacting any building addresses. The new building entrance on Steuart moves the drop-off and loading traffic for future SFMTA Howard Street protected bike lane.

Naming the portion of Steuart Street into Steuart Lane also directionally distinguishes this dead end from the rest of the block. Just for reference, other dead-end lanes in the city and downtown area are Maiden Lane, Mark Lane, Robert Kirk Lane and Gallagher Lane.

The next slide is just a rendering of the project and the entrance along Steuart Street and the cul-de-sac portion. Our ownership is also working with and collaborating with Supervisor Haney for activating this block and renaming it as well. Do you have any questions?

Timothy Reyff - I'm a field representative from Carpenters Local 22. I'm here to talk about what the One Steuart Lane project does for our members and the jobs it's creating for them. Swinerton, the general contractor, has been a great partner with the carpenters. This project is putting a number of our members to work right now.

It also helps out members of the community. It's a really good project. Changing the name from Steuart Street to Steuart Lane is not that big of a deal. I'm a native San Franciscan myself, born and raised and still living here. I think it's a great idea. I hope you make the good decision there.

Terry McKellips - I'm vice president, division manager for Swinerton Builders. We're a national contractor. Our corporate headquarters happens to be right around the corner from what's now called 75 Howard or hopefully is One Steuart Lane. We're 100 percent employee owned and 100 percent union here in San Francisco. The project itself will have at one point in time about 300 workers. It'll draw about \$5 million worth of salaries for the trades that are working on this project that are also residents of San Francisco. Many of our employees are also residents of San Francisco. We strongly support the name. I hope you will support the name change to One Steuart Lane.

Jesus Villalobos, field rep for Local 261 - I'd like to echo our union brothers' support for the project. Swinerton has always been a great partner, employing all union. They employ our local apprentices, local journeymen, creating not jobs but careers. So please approve.

James Halloran - I work for Swinerton Builders. I've walked down the street here this afternoon from 75 Howard. I want to piggyback what our union brothers had said. It's not just the laborers and the carpenters. It's the electricians. It's the plumbers. It's the roofers, waterprooferers and so on that are going to contribute and come to work here to 75 Howard or hopefully One Steuart Lane here on a daily basis for the next better part of two years. I'm the day-to-day contact with the community as we talk about keeping the neighbors informed on what's going on a day-to-day basis and monthly. We look forward to the decision to change to Steuart Lane. We think it's good for the project. We think it's good for the community.

Commissioner Makras - No questions. I support the name change. I believe it's better public policy to have names that reflect streets appropriately and cul-de-sacs as cul-de-sacs and lanes as lanes. I think this is an appropriate renaming.

Commissioner Woo Ho - Yeah. I just want to understand the reason why you want to change it to One Steuart Lane is because the entrance to the building is going to be on Steuart rather than Howard. Is that the real rationale?

Rod Iwashita - Yes. That is correct.

Commissioner Woo Ho - There will be no other building on the block besides yourselves because it's a cul-de-sac.

Christine Mann - That is correct.

Commissioner Woo Ho - Okay. I understand that it's going to be condominiums.

Commissioner Brandon - Thank you very much for the presentation. We look forward to you coming back in December.

14. NEW BUSINESS

Elaine Forbes - I have two items under new business, one to come back with a concept for Port Commission third-party validation as it relates to the seawall program, which Senator Feinstein made the recommendation to President Brandon. We'll make a recommendation to you on how that might work.

The second one is to calendar an item to develop an action plan to increase diversity in contracting.

15. ADJOURNMENT

ACTION: Commissioner Woo Ho moved approval to adjourn the meeting in memory of Burk E. "Buck" Delventhal. Commissioner Makras seconded the motion. All of the Commissioners were in favor.

Port Commission President Brandon adjourned the meeting at 5:30 p.m.