

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING APRIL 12, 2016

1. CALL TO ORDER / ROLL CALL

Port Commission President Willie Adams called the meeting to order at 2:03 p.m. The following Commissioners were present: Willie Adams, Kimberly Brandon, and Eleni Kounalakis. Commissioners Katz and Woo Ho were not present.

2. APPROVAL OF MINUTES – March 8, 2016 & March 22, 2016

ACTION: Commissioner Brandon moved approval; Commissioner Kounalakis seconded the motion. All of the Commissioners were in favor; the minutes of the March 8 and 22, 2016 meetings were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

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

At 2:03 p.m. the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER (DISCUSSION AND POSSIBLE ACTION):

- a. Discuss anticipated litigation matter pursuant to Section 54956.9 of the California Government Code and Section 67.10(d) of the City and County of San Francisco Administrative Code.

 X As Defendant As Plaintiff

The Port is involved in a contract payment dispute concerning the Blue Greenway Signage Project, Contract No. 2761, in which a subcontractor, Corporate Signs Systems, has indicated a claim and/or litigation will be filed unless the dispute can be resolved.

(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 Items)

- a. Property: SWLs 323 and 324 and the two adjacent street stubs (Paper Streets), located at Broadway Street and The Embarcadero
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning and Development
*Negotiating Parties: Developer: TZK Broadway, LLC and Teatro ZinZanni: Darius Anderson
- b. Property: Piers 31–33, located at Francisco and Bay Streets and The Embarcadero
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning and Development
*Negotiating Parties: National Park Service: Christine Lehnertz, Superintendent, Golden Gate National Recreation Area

5. RECONVENE IN OPEN SESSION

At 3:20 p.m., the Commission withdrew from executive session and reconvened in open session.

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

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

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS – The Commission Secretary announced the following:

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

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

9. EXECUTIVE

A. Executive Director's Report

- Opening of California Dungeness Crab Season – March 26, 2016

Elaine Forbes, Interim Port Director - It was very near the end of Crab Season when the ban on fishing was lifted, March 26, by the Department of Fish and Wildlife. The commercial crabbing season typically opens in mid-November. However, this year, warm ocean temperatures caused an algae bloom that made Dungeness Crab unsafe to consume.

To celebrate the very late opening of Crab Season, the Pacific Coast Federation of Fisherman's Association hosted a media event on Friday, April 1, 2016 in front of Fisherman's and Seaman's Memorial Chapel at Pier 45. Representative Jared Huffman, a long-time ally of California's fishing fleet, State Senator Mike McGuire, Chair of California's Joint Committee on Fisheries and Aquaculture, our Mayor, Edwin Lee, a champion of San Francisco's fishing community and Lori French, President of the Central Coast Women for Fisheries and a member of a multi-generational fishing family all made remarks. President Adams and I were also in attendance.

As you are aware, on February 9, 2016, this Commission unanimously approved the Crab Industry Relief Plan which waives Port of San Francisco fees on commercial boating, crab pot storage fees and crab receiver lease rents. The last date to apply was March 31st. The Port received 23 applications from our local crab boaters and nine crab processors and receivers. We had previously estimated that the total relief would come to about \$128,000 but the actual cost was higher, \$216,000.

This relief program was very critical to the industry. It's just been a vital lifeline. It's been a terrible season and even with the late opening, the economic impact was felt by our local fishing community. We would like to thank the Mayor and this Port Commission for approving the Industry Relief Plan. It's just been a very major and important piece.

A very special thanks to Commissioner Adams for taking a tour of the facilities and meeting with Mr. Collins, President of the San Francisco Crab Boaters Association and to Port staff for implementing this important plan.

- Southern Waterfront Earth Day events – April 23, 2016 from 9 am to 2 p.m.

Earth Day, April 23rd, is upon us. We will be hosting several events in the Southern Waterfront to celebrate. On Friday, April 22nd, from 2:00-5:00, Miss Carpinelli of SF GreenTrust will be hosting volunteers from Alter Ego Foods at Warm Water Cove Park for an Earth Day event. Alter Ego Foods and SF GreenTrust will have a group of 30 volunteers to perform litter pick up, weeding and gardening throughout the park.

Maurice Quillen of Recology has coordinated the donation of a truckload of dirt to be delivered for the event and Port Maintenance and Gardeners will be providing materials and supplies and tools to make this a successful time for all that attend. On Saturday, April 23rd, there will also be a coastal clean-up from 9:00-12:00 PM. The coastal clean-up locations include Islais Creek, Heron's Head Park and India Basin. If you are interested in signing up, please RSVP at www.ecocenterhhp.org.

From 12:00-2:00 p.m. there will be an event at EcoCenter in India Basin Park hosted by Bay.org and the Rec and Park Department. This event will include a climbing wall, bikes, skate ramps and kayaks. The EcoCenter is located at 32 Jennings Street in India Basin and we encourage families to consider attending this family friendly event which would be an excellent way to celebrate both the Earth and the EcoCenter's sixth birthday.

- B. Port Commissioners' Report: None

10. CONSENT

- A. Request authorization to modify Construction Contract No. 2761, Blue Greenway Signage Project, by increasing the Contract Duration. (Resolution No. 16-13)
- B. Request authorization to modify Construction Contract No. 2758, Bayview Gateway Park Project, by increasing the Contract Duration. (Resolution No. 16-14)
- C. Request for authorization to Award Construction Contract No. 2776, Five Year Maintenance Dredging Project, to The Dutra Group, in the amount of \$25,875,000 and authorization for a contract contingency fund of 10% of the contract amount (or \$2,587,500) for unanticipated contingencies, for a total authorization not to exceed \$28,462,500. (Resolution No. 16-15)

Amy Quesada – There are two typos on the resolution for Item 10C. The dollar amount on the first and second resolved clauses should be \$25,875,000.

Veronica Sanchez on behalf of the Masters, Mates & Pilots - We are very delighted to hear that one of our union employers, Westar Marine, is a subcontractor to Dutra on this contract. We are very pleased that the prime contractor has selected them.

Westar Marine is a woman owned business, a tenant of the Port of San Francisco for 30 years at Pier 50. But my reason for coming here today is not only to let you know that great news that your own tenant is going to be a beneficiary of this contract, but also to thank the Port's Engineering Department and to acknowledge their efforts in responding to a concern that our union brought to their attention last year prior to releasing the RFP.

Our members were concerned about the payment of prevailing wage and some allegations that tug boats were coming in from out of state and being paid below prevailing wage. Your staff responded very diligently and the RFP does have some very clear language on it. Any voids or misunderstandings are now very clear.

I hope that as this contract goes forward in the next five years, the payment of the prevailing wage is certainly a high priority for the Port Engineering Department and the enforcement arm of the City who receives the payrolls from the contractor. Thank you again to Port Engineer Eunejune Kim and Mr. Ken Chu who worked with us in obtaining this language and this clarification for this contract. Our members look forward to benefitting from this dredging contract.

ACTION: Commissioner Brandon moved approval; Commissioner Kounalakis seconded the motion. All of the Commissioners were in favor. Resolution Nos. 16-13, 16-14, and 16-15 were adopted.

11. ENGINEERING

A. Informational presentation on the Results of the Earthquake Vulnerability Study of the Northern Waterfront Seawall.

Steven Reel, Civil Engineer and Project Manager in the Engineering Division - Today I will provide an update and results of the Earthquake Vulnerability Study of the Northern Waterfront Seawall or The Great Seawall.

First I want to say that the Seawall is not about to fall into the Bay. A major earthquake, The Big One, is highly unlikely to cause any sort of breach of the Seawall that will traumatically flood downtown.

What you will hear today in my presentation and the message that I want you to take away is that The Great Seawall which forms the foundation of our beautiful and historic Northern Waterfront is seismically vulnerable, that the next major earthquake will cause damage and disruption as the Seawall slides towards the Bay and there are measures we can take that will greatly improve its performance, reduce the post-disaster recovery time and lessen the human suffering of our city.

None of it is inexpensive. After my presentation, Patrick Otellini, the City's Chief Resiliency Officer, will give an update on the City's forthcoming Resiliency Plan of which the Seawall is an integral part.

The Great Seawall stretches from Fisherman's Wharf to Mission Creek. Here you can see the original 1850's shoreline and the study boundary which is similar.

I'm compelled to recognize the Port Commission's leadership in understanding the importance of the Seawall, providing direction to the staff to study the

Seawall and to approve funding for this Earthquake Study. Some of my presentation touches on prior updates to the Commission, but I thought that the summary was appropriate.

The study is led by a joint venture between GHD, a multi-national engineering firm with a long history in the Bay Area, and GTC, a local business enterprise geotechnical engineering firm with a strong affinity for young bay mud and old bay clay as well. With us today are Craig Lewis, a Structural Engineer from GHD and Darren Van Hoff, Geotechnical Engineer from GTC. They've been integral in leading the study.

Because of the significance of the study and the complexity of the engineering, staff elected to hire a separate engineering team to perform a detailed peer review. COWI is the leading marine engineering firm with projects throughout the world, including the Seattle Seawall replacement, and Langan. Treadwell and Rollo has been providing expert geotechnical engineering to San Francisco and beyond since before the start of my career.

The basics of the study: establish a zone of influence, develop detailed sub surface maps, review current seismology science and generate site specific earthquake hazards and ground shaking trends, analyze the Seawall for stability and potential lateral spreading and settlement of soils in the Embarcadero, calibrate the results with the 1906, and 1989 observations, structural analysis of select bulkhead wall and wharfs which is in progress, map utilities and assess impacts, which is in progress, assess post-earthquake flood hazards, the breach, high level impact analysis, conceptual level mitigation and retrofit options and ranking and prioritizing which are very much the next steps.

The Great Seawall was planned in 1870, constructed in 1879 through 1916, approximately 37 years. It's a little over three miles long, located hundreds of feet bayward of the original shoreline, created hundreds of acres of new land. The Seawall is complex. It's a historic resource that is the foundation of the Northern Waterfront. There are 22 original sections, over 55 combinations of bulkheads and wharves, and has been modified and repaired throughout the over 100 years.

This is from the Port's Engineering archive. This is an original plan for section 9A and you can see the general components, a very large rock dike which is 30-40 feet tall. A bulkhead wall which sits upon it, which varies in height from 5-15 feet. A bulkhead wharf is connected to the bulkhead wall. These are all the components of the Seawall.

It was constructed out in the Bay. Construction was a major effort at the time using technology of the day and employing thousands of people. This is looking at the Bay over the Embarcadero canal which didn't last long. This was filled in to become the Embarcadero. This is not the Bay. The Bay's on the other side of the concrete wall.

This is depicting the typical section. The Seawall is the rock dike, the bulkhead wall and the bulkhead wharf. Bulkhead buildings sit above the bulkhead wharf and the Embarcadero Promenade, roadway, MUNI light rail are all protected by the Seawall.

One of the major tasks of the study team was to compile the significant amount of existing geotechnical information, borings, reports, maps, to enter it into a central database to cull through the data and to compile GIS maps of the subsurface. The maps focus on three main soils of interest: (1) the thickness of artificial fill. All the red dots are geotechnical borings. (2) the thickness of young bay mud and (3) the depth to bedrock.

All these three variables are key to understanding the performance of the Seawall and vary considerably over the three miles. Armed with the mapping and records of the Seawall construction, the team chose eight representative sections for detailed analysis. The purpose was to bound the conditions, allowing extrapolation of results. This is the section near Pier 29. You can see sloping bedrock, there's bay mud under the rock wall, various layers of soil underneath. This is a section near Pier 3, thicker bay mud. This is a section near Pier 38 which shows very little bay mud under the Seawall but a sand layer which is potentially liquefiable.

The next step was for the team to look at the latest earthquake hazard data. We have the benefit of living in earthquake country. The United States Geological Society Seismologists want to be here. They study the area. The fault data is as good as it gets. The bad news is that's not very good, even at this day.

Even so they try and predict earthquakes. In 2014, the USGS updated its fault models and probabilities. They are predicting a 72% probability of one or more major earthquakes, a magnitude 6.7 or higher for this study, occurring in the Bay Area over the next 30 years. If that earthquake is located near San Francisco, it will likely damage the Seawall.

Just to remind us, 1906 earthquake versus the 1989 earthquake. This is the only known seismograph recording at both a magnitude 7.9 1906 earthquake and the magnitude 6.9 Loma Prieta earthquake of 1989. It is from Germany. You can see the difference in energy. The bottom is 1906. The 1906 earthquake released about 60 times the energy of the Loma Prieta earthquake. The damage to San Francisco in 1989 was eye-opening, but it would've been significantly worse if the epicenter were not 60 miles away.

The team took all the latest data and developed the ground shaking trends. This graph shows the severity of ground shaking on the vertical axis, versus average return period on the horizontal aspect. The study team broke the waterfront into three zones and generated these curves. Of note, there's little difference between the 100-year and the 500-year ground shaking levels.

With the seismic models, the team turned its attention to the stability of the Seawall. Various methods were used to analyze the stability of the Seawall. This plot shows a slip plane extending through the mud under the Seawall.

So what does it all mean? There's liquefiable fill behind the Seawall. There's soft mud and rock, there's soft mud under the rock Seawall. The combination of those two causes it to move towards the Bay and settle in strong ground shaking.

Damage to historic bulkhead wharves and buildings supported on piles over the Seawall is exacerbated by Seawall movement. Compromised access to piers, ferries and ships is likely. Cracking and settlement of the Embarcadero roadway and promenade as a result of Seawall movement, even distortion of the light rail tracks are possible. Utility breaks disrupting service to both the City and the Port are exacerbated by movement of the Seawall.

These next two slides show the amount of lateral spreading of the Seawall and filled lands when subjected to a repeat of the 1906 earthquake. It's hard to see, but 20-60 inches is predicted near Pier 27 and 29, 10-20 inches along most other areas north of the Ferry Building, and 5-20 inches south of the Ferry Building. There's a hotspot near the Giants ballpark which is due to sand fill that showed up in a few of the borings, but this would need further investigation to actually determine the results.

The team also mapped utilities. We took the utility mapping, along with the ground displacements to our utility partners, and they are providing us with an assessment of their system. We hope to work that into the final report.

Safety is a concern at bulkhead wharves, buildings and the promenade sections over the bulkheads. Many of these structures predate earthquake codes and are built of non-ductile concrete. They're strong but have little reserve capacity. Seawall movement compounds the problem of earthquake ground shaking for these structures. The Seawall movement tends to impact the piles underground where we can't see the damage and easily retrofit the damage.

Disruption is a major concern. The tourism industry in the city is valued, latest statistics are 18 million visitors a year, \$11 billion in spending and \$3 billion in payroll. At the Port itself, there's \$2.1 billion a year in economic activity along the Northern Waterfront in the form of Port rent, business income and wages.

Transportation is a concern. The ferry, the Muni and the Embarcadero transportation corridor, a lifeline for the city, are at risk. Maritime ferry and cruise industry are here, the Bar Pilots and the water taxis all call the northern waterfront their home.

Emergency Response. The waterfront will play a large role in disaster response. The ferry system will be needed to supplement regional transit; movement of people and supplies will take place here.

Finally, Utility Services. Breaks to the utility lines in the Embarcadero will disrupt not only the Port but the systems serving the City. Careful study is needed to better understand the interdependencies. Finally in terms of damage, there is at least \$1.6 billion worth of Port assets that are protected by the Seawall in this zone.

What can we do to improve the Seawall performance? The study team took a broad brush look at options to improve performance including liquefaction remediation of the uplands fill, ground improvement below the rock dike Seawall, ground improvement landside of the bulkhead, Seawall replacement or buttressing from the Bayside and utility relocation or replacement. This map shows the vulnerabilities here. This is the Seawall moving towards the Bay, and the laterally spreading takes place in this zone.

Option one, liquefaction remediation of upland fill. There are techniques available to do this. There are stone columns, grouting, soil mixing, compaction. These have all been used successfully in the past. These techniques reduce the earth pressure on the Seawall. They lower permanent ground displacements. They're not fully effective in stopping Seawall lateral spreading movement. They do reduce the utility roadway and Muni earthquake damage somewhat. These improvements do not provide a stable base for Sea Level Rise adaption and there's incredible disruption of the Embarcadero for constructing this type of improvement.

Ground improvement under the Seawall. Improving the weak soils under the Seawall. This is a no-brainer, but it is not easy. It is expensive and it is potentially disruptive. If you can improve the soil, it is possible to mitigate most, if not all of the lateral spreading and settlement. It also provides a strong and stable foundation for raising the area in response to Sea Level Rise.

The most promising method is jet grouting which uses small diameter drilling tools and high pressure nozzles to cut through the weak soils, mix with cement and create soil-cement columns in place. It appears possible to use incline drilling to get through most of the rock dike without impacting the historic bulkheads, but not without disrupting the Embarcadero northbound lanes and promenade.

The trick is being able to get through the rock dike to strengthen the soils underneath. Any type of drilling of large diameter, it just will not get through the rock dike and it will tend to destroy it. But these techniques with small diameter drilling are really highly feasible.

I wanted to mention that stabilizing the Seawall stops lateral spreading. It does not complete the picture for earthquake safety and performance of bulkhead

buildings and bulkhead wharves. Bulkhead wharves and buildings will still experience strong ground shaking. They can be retrofit to perform better with conventional retrofits. The piles can be wrapped. The pile-deck connections can be strengthened. These are all things that are fairly easy to do. They perform great once you stop the Seawall movement. The Seawall movement, these retrofits generally do not protect the piles underground.

Option three is we looked at jet grouting landside of the Seawall or ground improvement landside of the Seawall. In this case, just looking at improving the ground from the bulkhead wall towards the Embarcadero, staying away from the bulkhead building, staying away from the water. It does seem possible so jet grouting and deep soil mixing can be used. Deep soil mixing is a technique where large paddles are driven into the ground and the soil mixes with cement to create strong soil columns. It's a less expensive technique than jet grouting. It's also highly disruptive. We don't think it's possible where we have the rock dike but it is possible further out within the Embarcadero.

This does provide a stable base for Sea Level Rise adaptation. Once again retrofits of the bulkhead wharves would be required to complete the resiliency picture.

Option four, we said, let's look bayward. What can we do to stay out of the Embarcadero promenade, stay out of that highly active zone? Can we move towards the Bay and buttress the Seawall that way? This option essentially creates a new Seawall and it does so by driving sheet piles outboard and inbound to create a cell. Filling the cell with soil which could be done from the Bayside, hydraulic fill and improving that soil mass by using deep soil mixing techniques. Then finally filling behind with a lightweight pumpable fill.

In that way we think the bulkhead building and wharf could stay in place. Where there's a pier, we would have to remove a section of the pier, both the shed and the pier structure. The shed section could be replaced. There are many locations along the waterfront where there's not a pier in the way, nor a bulkhead wharf and building so this has some application there as well.

The big idea is that all this construction could take place from the water without disrupting life on the Embarcadero. Obviously there are permitting and environmental concerns that would need to be fully vetted with this type of idea. But it is viable from a technical point of view and it's also cost competitive.

Right now along the Embarcadero, we've seen king tides. We see some areas where there's nuisance flooding at the Embarcadero just south of the Ferry Building. This slide shows the 100-year storm with six inches of Sea Level Rise. It floods all of the Embarcadero.

Given the current projections of Sea Level Rise, six inches may be here in just a few years, 2017, or as late as 2032. If we add Sea Level Rise of 12 inches, we see that the 100-year flood gets to the BART and Muni underground

structures, underground stations and floods most of the Embarcadero all the way up Market Street. This could be here in 2030 under high Sea Level Rise scenarios, or 2050 under a likely Sea Level Rise scenario. The likely scenario is 36 inches by 2100; the high end scenario is 66 inches by 2100.

Preliminary conclusions and needs. Approximately \$2-3 billion would be needed overall to fully stabilize three miles of Seawall. Up to \$5 billion is the price tag if we look at Sea Level Rise and we build up for Sea Level Rise. That's a huge, huge number.

Next steps. We should take an initial focus on safety and critical facilities which require significant outreach and further study, potentially pilot projects. Mainly focused on improving the earthquake safety, particularly to non-ductile concrete bulkhead wharves. Reduce earthquake damage and disruption for essential facilities and lifelines, and flood protection improvements south of the Ferry Building to Pier 22½. This is the zone that floods the Embarcadero and poses the risk to Muni and BART.

Finally, there's a San Francisco Resilient Strategy, which Patrick Otellini will talk more about, which has a goal of an earthquake resilient waterfront by 2040.

In the coming months, we will do outreach and seek comments from Port tenants and partners. This summer we'll finalize the Earthquake Vulnerability Study and provide a status report to the Port Commission late summer, 2016 and 2017, coordinate with the City Lifelines Council, City Resiliency Plan and Mayor's Sea Level Rise Action Plan. We will be presenting the results of this study to the Waterfront Land Use Plan Update tomorrow night.

We are asking for \$10 million in additional funding for the Seawall Resiliency Program. We're asking for the City to fund \$8 million and the Port \$2 million. This request is currently in. We continue to seek assistance from the United States Army Corps of Engineers who are primarily concerned with flood protection and they are completing a study for us right now for federal interest determination. It looks like we may have a favorable result.

We are participating in the Living Cities Infrastructure Financing Cohort which was the competition that we won recently with the Seawall Project. It's an 18 month infrastructure financing cohort with three other cities. Executive Director Forbes will be participating in that.

Seawall replacement is happening in Seattle. Seattle has a seismic safety issue with their Seawall and they are well underway with replacing 0.8 miles of it. It's not cheap. \$400 million is what they're spending. They have an additional mile and a half to replace, and they have no funding for that right now, or no schedule to replace it. Just an identified need.

This last slide is the 1906 earthquake. This is damage along the Embarcadero near Pier 27, Lombard Street. This damage is caused by movement of the

Seawall bayward. This is lateral spreading of the Embarcadero. You can imagine if utilities are in here, the utilities are fracturing. The pavements take time to restore. If there are buildings sitting on top of this, there's increased damage to those types of buildings.

Patrick Otellini, the City's Chief Resilience Officer and Director of Earthquake Safety. First of all, I'd love to commend Steven and the team at the Port. What a fantastic study.

When we talk about earthquake risk, it's often a hard thing to talk about. It's things that people don't like to discuss and it's not just in our infrastructure. Part of what I'd just like to give you just a brief kind of outline on is some of the other things that we see in San Francisco in terms of seismic risk. We do look at big pieces of infrastructure that need to be upgraded and the City has taken great steps to start to do those things. And in many cases completed them.

We also need to look at our City's publicly owned buildings which have gone through the same process. In addition, we need to look at our privately owned building stock. So some of the programs that my office currently oversees include the mandatory Soft-Story Retrofit Program. Coming out of Loma Prieta, there was about a decade of community consulting that ultimately led to the Community Action Plan for Seismic Safety.

To give you an idea of the impact of this ordinance, by 2020, 120,000 residents are going to live in a retrofitted Soft-Story Building under this program. When you think about not only protecting our residents, but you also think about protecting that vulnerable rent controlled housing stock, our city would look very different if we lost homes for 120,000 rent controlled San Franciscans.

So you think about these steps that they have. It's not just about fixing a building. It's not just about a seismic retrofit. It's actually about continuing the way of life in San Francisco as we see it. Steven ended on this slide which I think is really appropriate because you see damage. It's not just about repairing that damage. It's actually about preparing for continuity throughout that event. If we can plan for a city that not only doesn't shut down after a disaster, but actually bounces forward after a disaster and continues to thrive, that is really what we should be thinking about in modern day San Francisco.

This is also part of a Resilience Plan that we've been working on for the last 12 months. It comes out next week, so the timing is actually quite appropriate. I'd be more than happy to brief the Commission on the full strategy. But as Steven mentioned, there is this idea of a Resilience By Design Waterfront Competition throughout the region. Getting some of the top minds, I know my colleague Gil Kelley briefed you on that when they talked about Sea Level Rise a few Commission meetings ago. It's just as appropriate to think about this for seismic risk.

I look at that as another continued opportunity to engage the community about risk, engage the community about what we want the future of the city to look like. I want to really commend the Port for doing this work. I'm more than happy to come back and brief the Commission on the full Resilience Strategy once it's released next week.

Commissioner Kounalakis - Let me also commend staff and the consultants on a great presentation. It takes a lot of skill to boil down such an incredibly complex issue into a presentation that people can really understand. I will look forward to the full report. I have a lot of questions but I expect the answers to those questions are going to come when we see the full report.

One is you have an estimate of what it's going to cost, but you have these options that are quite different from one another. Have you already been able to assess that these various options still point to the same cost?

Steven Reel - It's too preliminary. We're scratching the surface, trying to get everything on the drawing board. The team's been working on estimates. There are construction estimates now. They're not ready for primetime.

The costs associated with construction are driven by the access, the disruption. It impacts production rates. Just how much of the Embarcadero, for example, are we going to be able to shut down? When can we shut it down? For how long? What types of detours would need to be placed? How are you going to bring material in and bring material out? Those types of things drive the costs and we're not at that stage yet.

Commissioner Brandon - Thank you Steven and Patrick for that wonderful report. Very detailed and it raises a lot of concern. I'm very happy that we have done the study and that we are trying to understand the position that we're in with the seismic stability and the Sea Level Rise.

My questions were along the same lines with the various options, how long does that increase the life expectancy of the Seawall? That's probably too preliminary to answer also.

Steven Reel - Not really. If we look at the rock, the rock might have come from Telegraph Hill. Some of it came from Sheep Island. We haven't seen the rock in a long time. We know very little about its quality and makeup but it doesn't need to be very good in order to function. Given it's geometry and its size, it's very doubtful that the rock has deteriorated and would become a problem anytime soon from deterioration.

Some of the strengthening techniques, the jet grouting techniques for example where you drill through the rock to get at the soil underneath. When you bring the jet grouting back up, you can actually grout the rock too and so you can strengthen the rock if it were deemed to be a concern but the problem is not the Seawall itself. We do have deterioration of the bulkhead wall and the bulkhead

wharves which are the reinforced concrete structures that sit in salt water, experience wave action and salt fog and are deteriorating. But the Seawall itself is not the problem. It's the foundation underneath.

Commissioner Brandon - In the 1989 earthquake, was there much damage to the Seawall, if any?

Steven Reel - There was not. There were indications of some liquefaction in the Embarcadero Roadway. There was sand boils, there was some settlement. Perhaps the Seawall moved slightly on the order of an inch or two in some locations. It's hard to tell. The bulkhead wall, where it's taller south of the Ferry Building, did crack in locations. There was some damage to that structure.

Commissioner Adams - Steve and Patrick, thanks for being here. Because at our last meeting, we did Sea Level Rise, and as a Commission, even as a community, it's important that we take these issues head on. They're going to happen. It's like you're going to die one day, and you don't prepare for it. You know there's going to be an earthquake. It's just a matter of "When?"

Being proactive, these are the tough conversations we have to have. I like that San Francisco is a leader. We're getting out front on this issue. I really like that you bared down to a very, very thorough report because I think you've heard me say before, I look around this city and I see all the building that's going on. Sometimes I think, "With so much building, the weight, I could just see this thing just going into the ocean." I just feel that sometimes.

Patrick, we'd like for you to come back on that Resilience Program, as you're rolling it out. It's good to see that the Mayor is engaged. Steven, you're incredible of what you're doing. You're very articulate. You walked us through it. This is quite a blueprint and I'm hoping that both of you will come back to us before year end. Please update us and let us know as a Commission as we continue to educate the community.

Also I'm glad that the Waterfront Group is getting educated. So all the stakeholders in the community and everybody knows that we're all responsible for this. It's coming. We just don't know when but there are measures and stuff that we can prevent. Like taking care of your health, things that we can do basically to prevent what's going to be happening that it has a less impact.

12. PLANNING

- A. Informational presentation of the proposed Term Sheet between the Port and TZK Broadway, LLC whose members include Teatro ZinZanni and its financial partner, Kenwood Investments No. 6, LLC, for the lease and development of a hotel with approximately 180-200 rooms, a dinner-theater, a 7,500 square feet of public open space, and ancillary uses at Seawall Lots 323/324 and portions of unimproved Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo Street.

Ricky Tijani, Development Project Manager with the Planning and Development Division of the Port - I'm here today to provide informational presentation on the proposed Term Sheet Endorsement that we'll be bringing to you in your next meeting on April 26th. I'm going to quickly touch on the background of this item and then the Term Sheet and its purpose and an analysis of the proposed Term Sheet and the next steps. I'm going to extend invitation to Norm Langill, representing Teatro ZinZanni to make some few remarks.

Seawall Lot 323 and 324 is located at the corner of Broadway and Embarcadero. The crossroads are Vallejo and Davis Street. The site is approximately 57,000 square and is currently being used for surface parking generating \$850,000 to the Port on an annual basis.

Here is a view of the site looking at it from the corner of Broadway and Embarcadero. There's a KGO building to the right of the parcel. Here's another view of the site, the current parking lot. This is the view from Pier 9 looking westward. This is an overview of the site. The site current zoning allows for a number of uses. All the permitted uses, including hotel, theatre, entertainment and open space. It's in the 40-X Bulk District. As I indicated, the height limit is 40 feet.

Teatro ZinZanni is a former tenant in good standing. They were at Pier 27 and 29 from 1999 to 2011. To accommodate the 34th America's Cup as well as the construction of the James R. Herman Cruise Terminal on Pier 27, the Port and Teatro came to an agreement to terminate the theatre lease but with a mutual understanding that they would be relocated to a portion of Seawall Lot 324 to continue their program.

Following that, Teatro made attempts to come up with a proposal that would work with that location because Seawall Lot 324 is part of the Northeast Waterfront Historic District. The building that needs to be erected there needs to conform with the Secretary of Interior standards. Teatro and the community came to the conclusion that they need to come up with something that will be compatible with the community. As a result, to build something more expensive, they need a longer term and they need a development partner.

They came to the Port and the Port Commission directed staff to work with them to solicit an exemption from the City's competitive bid policy. On May 5, 2015, the Board of Supervisors took an action passing a resolution that Teatro and their development partner TZK Broadway LLC be exempt from the competitive bidding policy. That resolution equally encouraged the Port and other City agencies to take necessary action to enter into an exclusive negotiation agreement with Teatro. Following that, the Port Commission took action in September 2015 that allow for us to commence exclusive negotiation with them.

The exclusive negotiation requires a number of steps including that TZK and Teatro ZinZanni complete a due diligence to determine the suitability of their

site for their proposed development, to equally commence the entitlement process by talking to other City departments in terms of all the requirements they need to go through, as well as to complete negotiation on the Term Sheet and get an endorsement from the Port Commission as well as the Board of Supervisors.

There was a Schedule of Performance attached to that ENA. Now Teatro ZinZanni is requesting that the Port Commission endorse that Term Sheet which we'll be bringing to you in two weeks' time.

Their proposed development remains as indicated when we requested your approval of the ENA. It's going to consist of these three major components, a boutique hotel with roughly 180 rooms to include 10 rooms for visiting artists on a short-term basis. There will a space for Teatro ZinZanni, approximately 28,000 square feet and they're providing a public park on the northern portion of the site which is being privately funded. The project is currently estimated to be \$124 million and is being funded with \$64 million in equity and \$60 million in debt.

The lobby of the proposed hotel is going to be on the corner of Broadway and Embarcadero. Teatro ZinZanni's cultural program, music and acrobatic entertainment will be housed in the Big Top Tent.

This is a sectional view of the proposed development. It's going to be a four story building. Because of the limitation in height, they're probably going to go underground to accommodate some of the back of the room activities. This is an aerial view of the site with the existing parking lot, without the building. Here is another view with the building that they are proposing.

The Planning Department is taking the lead on the review of this design. The Planning Department is going to refer the development to the Historic Preservation Commission as well as the Port's Waterfront Design Advisory Committee to seek their comments and input.

With regard to the proposed Term Sheet, I wanted to point out that there were a number of guiding principles that we followed in the negotiations: (1) Currently the site is being used as a surface parking operation and generating \$850,000 a year to the Port. We want to make sure that whatever we negotiate, it's not going to be lower than that amount. (2) Secondly we ordered an appraiser to give us an indication of what a fair market rent should be. Then we asked our consultant to conduct a survey of similar leases looking at the terms and conditions in those leases.

Based on that, we came up with the following terms: The initial term is 50 years. The basis for those 50 years was the concern about what will happen in the future with respect to Sea Level Rise. The developer wanted a 66 year lease. We proposed a 50 year lease. Two years before the end of that lease, 48 years from now, we would both look at the existing condition of the property,

the condition of the environment, and decide to move forward. However, the tenant is subject to remaining in good standing and meeting all the terms and conditions of the lease.

The key components of the transaction document are the Lease Disposition and Development Agreement (LDDA) and the lease. The LDDA allows the developer to seek entitlements and complete construction. The total period for the LDDA is between 30-36 months. Once we enter into the LDDA, they have 12 months to close ESCROW and after closing off ESCROW they have roughly 24 months to complete construction.

However, because of the nature of construction and development, if they miss those targets, they will need some extensions. So there are built-in extensions of two six-month extensions to close ESCROW and two six-month extensions to complete construction in case it is delayed.

The other component of the Term Sheet is the rent. We are recommending the base rent to be above the net revenue that the Port is currently receiving from the parking operation. There are three components to the rent. The minimum base rent which is the guaranteed minimum to the Port regardless of how the hotel operation is doing. It's starting out at \$890,000. We're showing when the hotel is in full operation. It takes two years to complete construction. During construction, they will be paying a rent of \$850,000 which is slightly below what the fair market rent would be. Because they're not receiving any income from operation during construction, we are allowing them to have that lower rent of \$850,000 which is still higher than what the Port is receiving.

When we look at other comparables, including the Hotel Vitale, they were not charging any rent during construction. To allow this project to become stable during its first two years of full operation, the rent is going to be \$915,000 which is a little less than the fair market rent as they may run into higher startup costs, as well as higher than expected operating expenses, and the revenue may not be up to the level that it needs to be because of not having reached a robust customer base.

However, if they do hit the target or a higher occupancy of 80%, then the percentage rent will kick in. Instead of paying \$915,000, we may be looking at \$1.2 million to \$1.3 million. The percentage rent is set at 3.5% based on a review of what our existing lease is for the first five years of full operation. For the second five years of operation, the percentage rent would jump to 4.5% of the revenue from the hotel, but it remains at 3.5% for the Teatro component.

There are other built in terms to protect the rent against inflation. There's annual escalation which will vary from 2.5% to 3.5% every year. At the end of the 10th year, there will be a market reset as indicated in the staff report.

Here's a shot showing a combination of those various revenue. The one in the dark grey represents the current revenue that the Port is receiving from the

current operation. The light orange line indicates the minimum base rent, which is again slightly above what the current rent is. And then the dark orange is indicating the percentage rent. The kink or the inflection points on that chart are where the percentage rate kicks in from 3.5 to 4.5 to 5.5 and then to 6.5 for the remaining term of the proposed lease.

In the Term Sheet attached to the Staff Report, there are 43 keys terms and condition. Our analysis of the proposed Term Sheet is that: (1) This rent structure is very compatible with other leases that we reviewed. (2) The minimum base rent is expected. (3) The rent structure provides the Port with upside participation. The participation rent is like a sweetener because other leases are not asking for that participation rent. However, this is to provide opportunity to further participate if this project does very well. For instance, if it doubles in value five years from now, the Port would be participate in the offset rather than just be limited to minimum rent and percentage rent.

As indicated in the staff report, the Term Sheet includes provisions addressing or limiting potential exposure of Port to risks including development, cost and market risks, among others.

Norm Langill - I want to thank the Commission for rolling along with this. It's been about a year and a half now and we've had good meetings and I appreciate it. Ricky's told you all the details and it's in the report. I would like to thank the Port Commission for trying a new idea on the waterfront. I hope we're just the beginning. When I realized I'll be 118 years old when the 50 years comes up, and I hope at that time that with my walker I'll be able to say, "Hooray" and the water's only come up a few inches and the Seawall is fine and that Teatro ZinZanni has helped to celebrate the culture of this great city and the wonderful theater past that it's had over the past 50 years.

Ricky Tijani - I wanted to point out also that representatives from TZK and Teatro are here. Jay Wallace was the front man for TZK in negotiating the Term Sheet same as Annie, the Chief Operating Officer for Teatro. I understand that Darius Anderson, the key partner representing Kenwood Investment is not able to join us because of a prior commitment.

We're currently on the ENA. The ENA is supposed to run from September 2015 to October 2016, which is very aggressive. Because under that term, they're supposed to obtain the Port Commission's endorsement as well as the Board of Supervisors' endorsement. They may be needing an extension, but nevertheless, that is the timeline that we're under.

Once the Port Commission and the Board of Supervisors endorse the Term Sheet, Port staff will start negotiating the transaction documents including the LDDA. The plan is for them to execute those agreements by the end of this year. The construction will take all the way to 2019 or 2020 when the operation will start.

Diana Taylor - I represent the Barbary Coast Neighborhood Association. I'm also a resident of the Golden Gateway Commons and live directly across the street from this site. I'm happy to say that the Barbary Coast Neighborhood Association is in support of Teatro ZinZanni and the design. We wanted to make a couple of points in regard to the Planning Department Report that even though we understand that vacating streets and right of way is bad public policy, that vacation of right-of-way of the Vallejo Street is non-existent. There is no public access in reality at that site so we don't see that as an issue as well as the view corridors are protected with this current design.

Paul Pendergast - I'm the Director of Public Policy for the Golden Gate Business Association which is the LGBT Chamber of Commerce in San Francisco. I'm supporting this project. I want to once again underscore that the outreach process has been exceptional with this project. They've followed through procedures. They've really communicated with the neighborhoods and with the small businesses in the area. These are absolutely the types of jobs that the GGBA likes to see supported in San Francisco. Once again, GGBA supports this project.

Ian Lewis, Hotel and Restaurant Workers Union Local 2 - It sounds like a very good business deal for the Port, but I don't think that should be forefront in your minds for making this decision. Our city has a proud tradition of using the Port not just to create jobs on the waterfront, but to set a standard for what jobs are for working people in this city. The sponsors of this project reached out to our union very early on and not just committed to uphold a standard that we have for good jobs in the hotel industry in San Francisco, but agreed and committed in writing to honor the right of workers to organize anywhere that this group of investors builds a hotel in the country. We're projecting the great asset and resource that we have in this Port to raise what we desperately need to raise which is the standard of jobs for working class people in this country. I strongly urge you to vote yes and move this forward as quick as you can.

Kristin Clayton - I'm a San Franciscan, a current Teatro ZinZanni performer and have been a professional opera singer for 23 years. On behalf of the Teatro ZinZanni performers, who are the top performers in their fields from over 21 countries, I am urging you to support the Term Sheet and recommend that ZinZanni come back to San Francisco with the Spiegel tent on the waterfront where it drew record number in the thousands and where it was before for more than a decade. There's nothing like the Spiegel tent in the United States and it belongs in San Francisco as a cultural icon. It makes sense in the integrated hotel and theatre project and as an important representation of San Francisco's diverse theatre and arts culture. As a performer, the interior is so inspiring and so connected to our show. It's not something that I can even imagine doing in a regular Proscenium theater. It immediately transports our audiences into a luxurious world of velvet and lavish yesteryear. They instinctively kind of leave their troubles at the door and time and time again are carried away for our show's three hour presentation. Teatro ZinZanni is not your average night out in San Francisco and our Spiegel tent guarantees that unique experience. It also

assists us as performers and sparks our imaginations helping us to develop brand new shows every three to four months with utmost originality and creativity.

Bill Hannan with the Golden Gateway Tenants Association - Thank you for considering this proposal. The community outreach has been terrific. We like the design. We like the tent. We like the fact that this project stays within the existing height limits along the waterfront. We think it's a fine project and we hope you approve it.

Lee Radner, resident of Gateway for over 20 years and active in the community - We should be celebrating the fact that we have a project that does not exceed 40 feet. We're facing an 84 foot height limit in our neighborhood and we'd like to lower it to 40 feet. We feel that this project is a success for us in our neighborhood. It will bring people to the west side of the Embarcadero and the Bay and even though they had to move from the water side, the tent should stay. We know that it will be a successful project. We totally support it.

Bruce Kelly - I'm from the far East Bay over the bridge. I'd like you to support this and get it on the fast track and get it completed. I've been waiting since they moved and if it wasn't for the Giants, I'd be going crazy waiting for TZ to come back. Because if you've ever been to the show, I've been over 100 times and brought many friends from the far East Bay come here and enjoy San Francisco. It's a crown jewel and I can't wait for it to get back here. If you can do anything to expedite it, I'd be greatly appreciative.

Jarion Monroe - I'm past President of the Executive Board of the San Francisco Chapter of the American Federation Television Radio Artist (AFTRA). I'm also the past President of the Bay Area Film Alliance. I was born and raised in Saratoga California, and I currently live in Mill Valley in Marin County. In my professional career of 48 years as an actor in film, television, radio and most often on the beloved stages of both the East and West coast, I've never had more fun than I did as a clown with Teatro ZinZanni. Love, Chaos and Dinner, the theme and credo of Teatro ZinZanni. An evening truly unlike any other in this city, or on the planet for that matter. One that was, and hopefully will be the most reflective of the essence of San Francisco's Barbary Coast heritage. Very sexy without being lewd or obscene. It's close to what is dangerous, without tangible risk. Utterly sensory and interactive like no other entertainment available. From the moment you enter the Spiegel tent, you are transported into a separate reality of magical possibilities where one is invited to alter one's appearance by donning a bit of costume, loosening up with a little libation, and perhaps even becoming a part of the story, easing into the heart of the Spiegel tent. All of this and dinner too. A five course, world-class meal. Teatro ZinZanni was and will be an integral part of what makes San Francisco a destination for travelers and tourists from all over the world. The return of this one of a kind experience can only enrich, enhance and enliven the city's mystery, magic and meaning. In a very real sense, it will augment the city's legendary mystique in one of its more playful nicknames, Baghdad by the Bay. I am urging the Port

Commission to support the Term Sheet and to recommend that ZinZanni come back to San Francisco as has been promised to them, soon, and with the tent, on the waterfront, where it was before for more than a decade, where it belongs as a cultural icon, where it makes sense as an integrated hotel and theater project. Where else would you expect to find Love, Chaos and Dinner? Teatro ZinZanni, circus, clowns, singers, dancers, acrobats, musicians, and world-class cuisine. Memories for a lifetime, time after time. Bring it back. Bring it here. Bring it home.

Beaver Bauer - I'm a professional costume designer and resident of San Francisco for over 40 years. I agree with what my fellow performers and artists have said. What I would like to address is the vitality and value that Teatro ZinZanni has and what I think is the long fingers of the arts. The arts get into your soul and they get into your heart. Nobody's going to go back to Ohio and talk about the parking lot they were in on Embarcadero. They're going to go back and they're going to say, "I went to this fabulous circus and somebody came up and they washed my hair and put it in bows. And there was someone above my table flying, and did the most articulate, artistic, moving show I've ever seen." That's going to bring people back. No one's going to come from Ohio to go to the parking lots on the Embarcadero. They're going to come here and then they're going to go to the bars and then they're going to the Haight. Then they're going to go to the Castro. I see it as not only serving the soul, that it's true value for your dollar that might not be on paper, but reaches out.

Gail Gilman, a 15-year resident of North Beach and a former founding Board member of the Broadway CBD - I'm here to ask you to forward the Term Sheet and approve these deal points so this project can move forward. What I find extraordinary about this project in my 15 years of living in North Beach and being part of the community and if any of you know District 3, this is the one project where every community group, from Golden Gateway to the Telegraph Hill Dwellers, to the Broadway CBD came together to support a single vision to turn those surface parking lots on the foot of Broadway, the gateway to North Beach and the Broadway corridor into a vibrant, thriving hotel and entertainment venue. We urge you to move this forward and support this project.

Mike Lagomarsino - I am President and business rep with Teamsters Local 856. Part of our jurisdiction is over 1,000 hotel workers in San Francisco. We work very close with UNITE HERE, Local 2. In working with the good employees and we've battled a few bad ones over the years. Our hotel members have contracts in the city. They're industry leading that include complete employee paid health and welfare, with retiree medical, pension and a good wage. Part of the strength of that is the density that we can attain in the city for union hotels. We are in support of this project. The developers came to us very early and we did achieve a Card Check Neutrality Agreement. There will be labor peace and we'll have the opportunity unfettered to organize these members and bring them into Teamsters Local 856 with a benefit package that we are very proud of.

Carol Petersen - I'm a jazz blues singer in town. Teatro ZinZanni and Alcatraz are the two places that I always recommended when people came to the city. With the expansion on the Port with the cruise terminals, the hotels, the businesses, there's only one thing that's missing and that's entertainment which we desperately need here at the Port. My husband and I live on Front Street, so this is our neighborhood. We're looking forward to Teatro coming. Beach Blanket Babylon has had 15,000 performances with 6 million people attending. Teatro, don't tell anybody, is a better show and they will do as well. When they talked about their taking two years to come up to their full value, from a financial standpoint, I don't have any numbers to collaborate that. But they're going to be there; the crowds are going to come. It's going to be a wonderful thing. I knew one of the entertainers and hung out with her. She was from New York. I went to many private parties. I saw the inner workings of Teatro. I saw how the people were treated, how many people they actually employed, how smoothly everything went. I love the fact that they've included these hotel rooms for their entertainers. Because I used to take my friend out to other hotels during the six months that she performed at Teatro. I'm hoping that you bring it here and bring it here fast because we love Teatro in San Francisco.

Ellen Johnck - I reside at 101 Lombard Street in the Northeast Waterfront area of town. I've been there about 12 years, but I've been in the city 50. I'm a maritime, consultant to the maritime industry, environmental consultant in California and in the Bay Area. I sit on the Waterfront Plan Working Group representing the Maritime Commerce Committee. I want to add to all the wonderful things that have been said by the community. Number one, I'm glad that there's been a solution found to relocating Teatro ZinZanni, I think that's wonderful. Second, this will be a very attractive asset to the neighborhood, to the waterfront and the Port. Speaking of assets, I am interested in ensuring that this will support the durability of lease revenue for the Port and you're going to be looking at the Term Sheet. It looks like that the recommendation is at least at a minimum is above the lease revenue that you're getting now from the parking. I think that looks positive. I did review the Port's Strategic Plan and this fits right in with the Port's Livability Objectives, the Sustainability, the Economic Success Objectives for the Strategic Plan. I also reviewed the Planning Department's Northeast sub plan and then there's another plan the Planning Department has for the Embarcadero and of course the current Update that we're doing to the Waterfront Land Use Plan and even though we haven't completed that yet, I don't see any conflicts with that at all. In conclusion, I recommend that you keep working on the Term Sheet and support this project going forward. I think it will be terrific.

Commissioner Adams - I want the public to know this is just an informational item today. We're not going to vote on this issue. This item will be brought back for action at an upcoming Port Commission meeting.

Commissioner Kounalakis - I'm the newest Commissioner and I have had an opportunity over the last few weeks to become familiar with the project. It's always one of the most important elements to hear how the community feels about it. I'm not surprised that there's so much support for Teatro ZinZanni

because it has been such an important fixture to the city for such a long time and that there is broad support, not just in this room, but community-wide to see it come back.

Thank you all very much for coming down here and letting us know how you feel. Kudos to the staff again for continuing to work so closely, because it is a complex deal. It's more than just the Teatro ZinZanni. It includes a hotel. There are lots of different elements that the staff has had to work on to bring it to this point. We have more steps to take but this was very informational for me, so thank you all again for coming down.

Commissioner Brandon - Ricky, thank you for a wonderful presentation, very detailed and this project has been on the fast track as opposed to many of our other development projects. This one has gone really smoothly. Kenwood and Teatro have worked very well with the staff and the Commission to work out the terms that have been presented to us today. I'm very happy that we're taking Sea Level Rise and seismic safety into consideration in building this project.

Ricky, can you go over the rent structure if Teatro is no longer involved in the project?

Ricky Tijani - If Teatro is no longer involved, part of the Term Sheet, any sublease of that space is going to be subject to the Port's review, evaluation and approval. That includes looking at the rent that space will support what type of program they're bringing in. With a focus on making sure that the expected revenue to the Port doesn't dip below what that new tenant will be bringing in, and what impact will be on that rent level.

Commissioner Brandon - You mentioned about the 7,500 square feet of private open space. What is private open space?

Ricky Tijani - It's essentially a public park. The only difference will be for the hotel program and Teatro's program to be able to have use of that open space as a spillover effect. Since that space is going to be very intimate to their program and the operating expenses, they want to make sure that they have more control in terms of the operating expenses. It is going to be open just like any other park except that there might be some priority of using that space from time to time. It is an open space and it will be called a public park, but the idea of the open space, we could address that further when we come back just to make sure that there is no different legal definition to that term. Our current expectation is it's going to be open to the public.

Kimberly Brandon - Is this the only open space in the project? Is there any public open space?

Ricky Tijani - By definition, there's no other open space because it's not a residential development where they need to have a private open space or a group open space. Being a hotel, the lobby area is a public area, anybody's welcome to come and use it. But above the ground level is going to be all

private but rented out on a short-term basis since this is a hotel. The roof of the building, they're planning to provide what might be the equivalent of open space. That is why the architectural part of this development is currently very conceptual. I don't know what the Planning Department may be requiring. I'm going to defer to what the Planning Department would be saying about those.

Rebecca Benassini, Assistant Deputy Director - I just wanted to clarify one item. There is another element of open space that is the deck on the hotel and that's definitely the private open space. We will come back and clarify this term but it sounds like this will definitely be open 24 hours and it will be public space and we'll clarify that when we come back in the staff report and we'll further document how it's being funded and how the operational costs will be funded, which we anticipate will be private. We'll clarify that in the staff report. Also, any priority that Teatro is suggesting, we haven't heard what that priority is going to be, but we'll document whether or not there is any.

Commissioner Adams - I want to thank the public for coming out on this issue. On my four years on the Commission, I don't think I've ever seen a project where not one negative thing was said about it.

This Commission has done its due diligence. We beat this thing up. We sent them back and forth. We dug into this. We had a lot of questions. Commissioner Kounalakis said it. We really talked about it. What if Teatro's wasn't there anymore and we just had the hotel? We dug into everything and how cultures and trends change.

I'm totally supportive of it. I've been to the Teatro's up in Seattle. I know they're with the Opera in Seattle. Here they're with the Port. They have a world class brand and I'm very supportive of it. This is going to be something new and amazing as we continue to transform our waterfront. I'm glad that they're back. This thing clearly has been on the fast track with no opposition and I wish more projects are like this.

- B. Informational presentation regarding Pier 80 Shed A temporary emergency winter shelter for homeless adults during El Nino 2015-16 and a proposed Navigation Center on Port property on 24th Street between Michigan Street and Warm Water Cove Park.

Brad Benson, Director of Special Projects – I'm here with Deputy Director of Planning and Development Byron Rhett and David Beaupre. We're here to talk about the Pier 80 El Niño winter shelter. Also we're here with the Mayor's Office of HOPE Director Sam Dodge and Emily Cohen who are going to talk about the Navigation Center model and a proposal for a Navigation Center on 24th Street.

We're also joined by the San Francisco Public Works Department staff who is working with HOPE SF to design proposed Navigation Centers not only at their proposed location but at other locations around the city.

I think mentioned at the beginning of the year, the homeless populations that we see along the waterfront. Port staff has experienced homeless populations in a number of locations. We see them in the Embarcadero area, behind the Ferry Building, at Warm Water Cove Park, along Islais Creek and in the Backlands.

The Port has a broad variety of professionals working at the Port but we don't have a background in Social Services and Public Health and so we really appreciate the opportunity to work with folks in the city who do have this experience to actually bring forward some solutions.

In December, the Commission authorized a temporary shelter at two locations, Pier 80 Shed A and Pier 29 was really designed for the anticipated storm events during the El Niño period. As Sam will describe in a little bit more detail, the finding was that the idea of opening up shelters just during rain events, storm events didn't attract the population that needed to be sheltered. So the Pier 80 shelter transitioned to a 24-hour a day reservation based system with up to 180 beds. Sam will talk about that transition a little bit more.

Tom Carter from the Deputy Director of Maintenance worked with HSA staff to set up the shelter at Pier 80. It opened in early February. It's got an average census of about 165 people per night. We also worked to set up something in Pier 29. There were a number of permitting problems in Pier 29. We couldn't overcome some of the building permit requirements in that shed so that facility did not open as a shelter.

We have been participating with HOPE staff and Public Works staff in some preliminary public outreach about the proposed Navigation Center that Tom will talk about a little bit more. There was a meeting in Dogpatch this last week that Port staff attended. We're definitely in a listening mode with the community.

In working with Sam and his staff and Public Works staff, it's impressive to see people who really take the outreach process seriously and want to design facilities that meet the needs of their target population.

Sam Dodge from the Mayor's Office of HOPE - When I was here last fall we were talking about the El Niño storm events and it looked really dire at the time. I think we got lucky or the drought concerns, maybe not so lucky.

Subsequent to that HSA presented to the Port and came to terms about these two locations, Pier 80 and Pier 29. Pier 29 was not used but Pier 80 proved to be really instrumental. What we had been doing was planning to open up a series of different small shelters as storm events came in and be able to respond to extreme weather events.

A lot of these spaces were in Park and Rec facilities or YMCA facilities, things that had other uses as well. What we saw is that we had expanded winter capacity in various sites like some of our Homeless Service Center sites and

some non-profit, like St. Anthony's Kitchen and Glide. The places we were able to stay open continuously were very well utilized. When we popped open places in Rec Centers and others, it was very hard to use. It didn't get used at the rate that we wanted.

So midseason, we realized that the most important thing would be to find a location that we could open up continuously and we'd set up the sprung structure in Pier 80 and it really fit the needs very well. It's an extremely basic emergency response. This is a picture of it. You'll see mats on the floor, sprung structure. We did something to take a little bit of the hurt out of it and to make a living room area set up, a place where folks can watch movies. There was hot meals brought in from Glide.

We were able to open various areas, one for couples, one for women only, one for men. We were able to loosen some of the restrictions on personal belongings and allow people to store stuff there so that they would feel welcome to come in and they could come in with their partners or their pets and that proved to be really instrumental to help people come in from the poor winter storms conditions and then also other life safety hazards that they faced on the street.

It turned out to be a very big success. I was worried about what it looked like to the clients, because this is an industrial Port facility that's really for your main businesses. The idea of temporarily being there, not trying to make permanent changes but trying to accommodate the people that we were working with. We were able to bring in Case Management. We were able to work with the Department of Public Health and set up Health Clinics three times a week. The people really needed that. Most of our guests are facing multiple life challenges including medical challenges and this was a great way to be able to work with them while they were guests.

Right now we're working on taking it down. We want to be responsible and good partners. We want to be out of there. I know the Port is working to bring in an auto importer and to bring that back to its full use and we're in full support of that. It's a giant area, and we're using 10% of the area. It really is best to be used in its industrial capacity.

It's so wonderful when the city was facing this crisis to be able to team up with the Port to provide meaningful alternatives where we were able to meet people where they are, bring them in and help them get back into the rest of our system of care or back on with their lives directly. I can't say enough thank you and how much it's been a well utilized facility and very timely.

I wanted to talk about the Navigation Center and some of the concepts. This is an important innovation.

Commissioner Brandon - I think I would rather break because they're two separate things. I would rather address the Pier 80 temporary structure before we get into the Navigation Center.

I'm extremely happy that Pier 80 has been a success and has worked out despite the way it started. My concern is that when you came to us in December, you gave a presentation and you said that there would be 15 sites around the city. Pier 80 and Pier 29 would only be used in emergency services when all other sites were full. That was the presentation you gave to us. That's the presentation that our Southern Waterfront Advisory Committee got, the neighborhood.

As you saw from the last item, we take our Community Advisory Groups and our neighbors very seriously and try to do as much outreach as possible for whatever items may be affecting that particular area. For us to read in the paper that all of a sudden Pier 80 has become a permanent site and everybody in the city, regardless of where the problem is, is going to that permanent site.

We're trying to deal with maritime tenants, shipping and we're being told that this is being used for the homeless. Somehow, now the Port has become responsible for all of the homeless and it's all of our issue. We all have to do something to take care of this. We have homeless people all along the seven and a half acres of the waterfront; it's not just in one area.

To me, it was like a bait and switch. There was no further conversation with this Commission about this concept which is much needed throughout the city. Now we have community members and organizations who don't believe us, who don't trust us. It's putting us in a hard situation where we're saying one thing, but doing another. We should really do our outreach and listen because people are being affected by these issues and what we're doing without letting them know.

Sam Dodge - I don't know, you might remember that I was here in September. I wasn't party to the presentation in December.

Commissioner Brandon - I think it was Bevan. I'm not sure.

Sam Dodge - I think it was maybe someone from HSA, maybe Dave Curto? I did not know that discussion and I'm sorry for that. I just apologize for that.

Kimberly Brandon - But our staff knew it. Our staff has been in communication with all City Departments. The real concern is that there are so many City departments involved with this issue and there's no one actually responsible or accountable. Now it stops with you.

Sam Dodge - Yes, let me be responsible, please. I did meet with the Southern Waterfront Advisory Committee (SWAC). As soon as I could after, it converted to being a what we call a winter shelter from being an El Niño storm response

shelter. I did appreciate what the members there said and I promised to return. I don't know the schedule of their meetings, but there was a meeting in April, and so that we can have further discussions about that.

Commissioner Brandon - But at this point it's moot because you guys are moving out of Pier 80. My major concern is that it was a temporary shelter. Temporary, only when every other shelter was filled and then it became permanent. Then it tried to become extremely permanent.

Sam Dodge - No, it really was never planned to be permanent. I know that there's some confusion in the media and so I have to take responsibility for that.

Commissioner Brandon - Well, that's where I read about it, you know?

Commissioner Adams - I've to say something on this. I disagree with you on this Commissioner Brandon. I actually went down there several weeks ago, myself and Jim Maloney who used to be the Maritime Marketing Director. We did a tour of Pier 80. A lot of people drive by, lock their doors. I went down there for two hours. Sam gave us a tour. This whole time on this other deal that we were working on, I always knew and was told that it was temporary. Now maybe they didn't come back to us but the Mayor was under a lot of pressure. Sometimes you've got to have some kind of flexibility. You can't always be locked into something. The thing worked out.

I'm not going to micromanage and pick everything apart. Maybe we should've had another meeting but I think they did what they had to do. That's my opinion and I support that. I went down there. I saw what was happening. It was a good work what they were trying to do. Sam and I had a conversation. Sam said, "Willie, I understand a new customer is coming in here." He said, "I am so supportive of that. Thank you for allowing us just to be here." They needed to go somewhere. We were able to do our part, and so I'm fine with it.

Commissioner Brandon - That's fine. I'm happy that you're fine.

Commissioner Adams - I know, but I just have to tell you that we can pick everything apart. As I'm saying, you have to have leeway sometimes. They needed some leeway in this situation and they did what they had to do and it was a good deal. I actually got off my butt and went down there and I saw what was going on down there.

There's no children at that facility. It was men and women and they had their pets down there and it was a safe and harmonious place down there. I thought it was a good thing that was going on there. I'm fine with it.

Commissioner Brandon - I'm happy with the success of the project and I hope that we can have them throughout the city.

Sam Dodge - Thank you, I appreciate that support.

What is a more viable solution to when we're facing street homelessness in our city? It is a crisis on our streets. The Board of Supervisors did declare it a State of Emergency for the City and County of San Francisco. What we've learned is that we piloted a project in this last year, taking our best learning and taking the best ideas from around the country about how to approach long-term street homeless people. We came up with the Navigation Center.

For about a decade, we've had similar Point-in-Time count number which is a federally mandated census of our homeless population that takes a snapshot, a one night picture of where people are that are homeless in our system. It's about half on the streets and half in shelters, transitional housing, treatment programs and other institutions.

We've relatively stayed the same over 10 years and this is a pretty unique situation on the West coast where we've seen large increases in all the major cities including Honolulu, San Diego, L.A., Seattle and others. It's also depressing and hard to live with and I hear day in day out, from the people living in the streets and the community members, "This is unacceptable." I believe that.

This response allows us to invite people in and transition them towards permanent housing. Over this past year, we were able to work with 430 people to bring them in off the street and 81% exited to housing in an average of 51 days. The target population is people in encampments, people who have traditionally not been able to access services in the city and long-term homeless people and it's all three. We have a welcoming environment that's able to accommodate people as they are because we know once they take a chance with us to come in, that it's very compelling. Once you're getting a hot shower, you're getting good food, you're getting a good night's sleep, you're willing to do the kind of the work that's necessary to change your life.

That's really what we're asking people to do is to change their life fundamentally. We're talking about people that have been homeless for 10, 20 years. We had a woman who's been homeless for 33 years. She was able to come in and change her life. What we're doing is collocating benefit workers from the county Adult Assistance Program, bringing the Department of Public Health Medical Clinic once a week, have high staff ratios so that we can work with people to run the gauntlet of necessary steps in order to end their homelessness, whether it be getting their IDs, going to appointments, going through the housing process and finally moving in.

It's relatively small. What we're proposing is a capacity of 80 people with very high staffing ratios that are 24 hours a day. It's not a facility where we kick people out at one part of a day. It's a 24-hour facility; we invite people in. No one shows up at the door and comes in. We're working and targeting with people as we take down encampments, we're finding different solutions for

different people. This is the right answer for people who are facing multiple challenges and it's not easy to end their homelessness.

The idea that dormitories are sleep spaces 24 hours a day, that there's a cafe area where they can access food and to watch TV and just read or do whatever they need to do, 24 hours a day. We're working towards getting them housed as rapidly as possible but keeping a very mellow, relaxed environment and empowering them as much as possible to steer the process with us.

In the current Navigation Center we've seen different methods to getting people out of homelessness and some of them take different periods of time. It takes about three months to get into permanent supportive housing. We use Homeward Bound quite a lot which we're able to rapidly connect people with their friends and family if they have such. The overall average is 51 days.

The outcomes, positive and negative exits. Positive exits are all people that are able to complete the process and to return to stable housing and negative exits have various ways that we weren't successful. This is not a slam dunk. We're not just skimming and finding the easy things to do and do it the easy way. We're looking at the part, the people that our society and our homeless care system has really failed and that we know that we have to make extraordinary efforts to be successful with them and this is a chance to do that.

It comes with a lot of partners and that's how we've been doing it in San Francisco from the great work at Episcopal Community Services that has been running the current Navigation Center and the Mission Neighborhood Resource Center, to many departmental partners and the San Francisco Interfaith Council helped facilitate a generous donation to make it possible.

The 24th Street location at Warm Water Cove, the physical components mirrors what worked very well at 1950 Mission. The services are also building off what we know was successful at 1950 mission. Another important element is this is a temporary use and this is not a permanent facility. People asked me why and my response is we're trying to build permanent housing and permanent exits. We're not trying to build permanent shelters.

The idea is to scope up the tools that we need to transition certain populations out of homelessness that have persisted for a long time. Once we have housed all the people that have been homeless for more than 10 years, we will not have people homeless 10 years on our street. It's a well proven fact that people experience homelessness in extremely different ways. We have a small core of people that have very long periods of homelessness and the vast majority experience a housing crisis and were able to end their homelessness there.

These Navigation Centers are temporal and there's a sense of urgency and campaign around the whole operation. We also want to be able to shift and work in different parts of the city. We're proposing a partnership that is time limited and also returns the space back to its original use.

We feel like we can be really great neighbors. There's something very nice about a 24-hour facility in a location like Warm Water Cove. I lived on Third Street, which is in close proximity to Warm Water Cove. I'm very familiar with its different faces which sometimes cannot be the most welcoming or community oriented faces. It can be a kind of zone in the city where many things can happen, some of them not safe. We plan to be very good partners. We are looking at ways to really enhance the Warm Water Cove experience and the security and usability of the area.

Paul De Freitas with San Francisco Public Works - We've been working very closely with Sam and with HOPE in terms of making the program aspects of the Navigation Center have a built component that's real and can be managed. One of the sites that we were looking at, as Sam mentioned, is 24th Street at the end adjacent to Warm Water Cove. The street is a Port-owned street. It's located adjacent to Sheedy Rigging at the end, at the dead end of the current street. The idea is to vacate a portion of the street. We would always leave a section of the street as public access and as emergency access to the park but to utilize a portion of that street in a temporary basis to create a temporary Navigation Center that can essentially be demountable.

We would have a very light touch on the land. We would restore that street to its existing condition and to whatever the Port would want to return it to. As such, we would be able to relocate this to a different area of the city or to a different site.

One of the things that was very important to us is that we not only create a good space for the inhabitants and the residents of the Navigation Center, but we also enhance the area. We improve the access to the park and we create something that improves the area and improves the public access. That's something that was very important to us in the planning process.

This is an overall site plan showing the proposed Navigation Center. We thought about this as a village concept organized around a series of outdoor courtyards. We would plan on doing this via modular construction units so that we can essentially construct it very rapidly in a prefabricated offsite manner and we can relocate them as needed.

We would connect these modular construction units with an elevated wood deck that provides level access to all of the units. We don't have to have ramps and stairs and convoluted ways of getting people in and out of the dormitories and the community spaces. There is a large proportion of the homeless population that has physical disabilities, so it is very important to be able to accommodate that in a site like this.

That elevated deck allows for us to run all of the utilities above ground and concealed under that deck so we don't need to tear up the street. We don't need to excavate large portions of this in order to run utilities. We're able to

locate them all above grade, underneath that deck with minimal disturbance to what's underneath.

We've organized the site in a linear fashion because it's on a street and we need to maintain public access to the park. We were also strategic in terms of what we placed where. At both ends of the site is where we placed the 24/7 community or 24/7 staffed areas of the facility.

At the west end is the main entrance to the facility, with the intake offices, offices for staff as well as DPH's roving medical teams and meeting areas. On the east end of the site overlooking Warm Water Cove Park is the community room. That community room and kitchenette is staffed 24/7 as well. On both ends of the site we have eyes on the street and on the park. Hopefully that will provide an enhancement to the security and safety of the area.

There are four units in the dormitory modules. Each one of the dormitories has 20 beds and they're joined together with these community courtyards. The community courtyards also open onto the restroom modules, the shower modules, the laundry areas, all of which are important aspects of the Navigation Center for the residents. Additionally, those community courtyards also provide an important gathering space for the residents.

It's important for us to create this tranquil and restorative environment for the residents. Many of these people have had significant challenge in their life situation and we want to do what we can in order to help them transition to a more stable housing exit. Part of that is providing the type of spaces that can begin to emulate what they would have with stable housing.

It's not mats on a floor in a large warehouse space. It's smaller environments. It's environments that allow them to socialize. It's environments that allow them to have access to the outdoors. These are all important aspects to the social situation as well as the psychological situation of the residents. It's very important that we enhance that.

You can see the multi-colored element at the bottom of the slide. That represents the 20 foot wide street that essentially would always be maintained throughout this that links to Warm Water Cove Park. Moving forward, we would provide enhanced site lighting. We would provide visibility physically into and out of that area to enhance the aspect of the public accessing Warm Water Cove. We would continue to provide access for Sheedy and their warehouse doors. This configuration allows them to be able to turn their trucks onto 24th Street so we wouldn't have any imposition on that access.

In essence, we're trying to create a temporary community that allows these people to transition over to a more stable housing exit. I'd like to thank Sam as well for the opportunity to be able to innovate and to be able to create a solution that we haven't done before. It's a chance that we can set an example to other

cities. It's a chance that we can set the example in being the leaders on how to deal with this situation.

Sam Dodge - This is at the very beginning of the process. Community engagement's very important and needs to be in various modes, such as one on one, in written materials and in meetings with elected decision makers, entitlement entities, neighborhood businesses and community members and community groups. We have started and we want to continue that process. One of the main groups that has come forward to engage with us on this has been the Dogpatch Neighborhood Association and we appreciate and respect their efforts to try and understand when I'm talking about the Navigation Center and what that would mean for their community and them giving me advice about siting and operations.

It's been a fruitful dialog. We had a very good community meeting last Wednesday. There was a lot of input from the community and people felt comfortable to express various views from extremely supportive to, "What are you talking about? You should never do anything like that here." It's really important and this is how we move forward as a city is that we need to dialog about this and try to understand how we can better serve each other and how we can be good community members.

Some of the community feedback reflected that we should do more outreach, that there is a strong desire to stay with us in this process and to try to understand how the operation's going to look, and to work with some of the business owners to make sure that we're going to be facilitating their business as best as possible. And that we should work together with the Port to put a hard stop date. That's something that I'm willing and excited to do. That's part of trust-building in this process as we move forward to say that this is temporal. This is not a forever situation.

There was also suggestions about other sites which is always a great opportunity for me to find new sites for other projects whenever I suggest a specific site. Also there was some thoughtful recommendations for other sites that we've taken to heart and passed on to the architects and engineers to be able to understand some of the land use and other issues in other areas.

It is a tough thing to find a good spot for this, and there's many operational reasons why. I'm never closed down to any thinking and I'm happy to take those. We've taken in some of that advice and are looking at it as well. This is a site that at least from my perspective, in the Homeless Service Division, we could be very successful. It would meet our core needs about being a very good facility and helping people to end their homelessness as well as this double bottom line that I always need to meet to improve a situation whenever I'm opening a program some place.

As we explore other alternatives citywide and even locally if there's a better place to position, I encourage us to continue moving ahead with this site if

possible just to explore the viability and the other issues. There are many issues that come with getting creative about using space like this. It creates many process steps and we'd rather not slow those down if possible while staying open to other options.

Our next steps are to continue the community engagement process. Continue to assess sites. Move forward with the street vacation process. Move forward with the planning and permitting process and move forward with an RFP for a service provider partner.

These are long steps. It sounds like we're just going to go boom, boom, boom, boom. It's not so simple in San Francisco and it's not so simple for opening a Homeless Service Center site. This is aspirational and these are the processes and the priorities that I would like to move forward with starting with the community engagement.

Brad Benson - Thank you Sam and Paul, appreciate it. I wanted to add a few details that I didn't hear in the presentations. Regarding Pier 80, the commitment has been that facility will end July 1st. That facility and the closure of that facility is not related to this facility. This is a proposed 80 bed facility on the 24th Street property. Sam mentioned the street vacation process. That street vacation process is a public process. It ends with a vote by the Board of Supervisors to vacate a portion of the street that Paul described to enable this use.

There's also a CEQA process led by the Planning Department to study this use at this location. After CEQA is complete, the next step would be to seek the Port Commission's consideration of a Memorandum of Understanding between the Port and Public Works to enable this use at this site. Those are all public processes and we're very much at the beginning of that.

Katie Liddell, South Beach Rincon Mission Bay - I am not here to speak for myself today. I'm here to speak for Toby Levine whom I think you all know Commissioners and Port staff as being a long-term resident and somebody who always has very sane, common sensible advice. Toby is on her way over for her annual London trip and couldn't be here. I wanted to read some of her feedback.

"To make a Center successful, and learning from 1950 Mission, it seems that there are at least three components. Number one, a very fine service provider such as the Episcopal Community Services. Number two, a fine leader and 1950 seems to have it in Miss Ledbetter. Number three, excellent transportation for getting folks to their appointments and in general getting around. Another set of necessities is buy in from Dogpatch, buy in from the PDR businesses in the surrounding neighborhood and support among the homeless communities including the homeless organizations. There is no doubt in my mind that we need more Navigation Centers. We have an enormous encampment in Mission Bay under the 280 ramp at King. There's another encampment at Shotwell

along the Embarcadero on Port property, there are many homeless individuals. I admire that the Port staff is making an effort. You are to be congratulated. Positive results of the experience at Pier 80 should be documented."

Corinne Woods - I'm very familiar with this area. I've been a longtime member of the Central Waterfront Advisory Group and also a longtime advocate for the Blue Greenway and the parks along the Port. I want to start by joining Toby and Katie in saying, I commend the Port for making a big effort to find a solution to this unacceptable blight of homeless camps on our streets, under our freeways. It's important that other agencies step up and that the Board of Supervisors not just complain, but make an attempt to find sites in other neighborhoods that are impacted by this situation. The 24th Street entrance to Warm Water Cove Park has been a de facto homeless camp for many years, on and off. It was clean yesterday, but it's been a long fight to try and keep it that way. A structured Navigation Center should be an improvement on the current situation of vehicularly housed homeless and some pretty scary people. After my pit-bull died, I stopped going down there by myself because it's very frightening sometimes. Warm Water Cove Park is physically isolated in an industrial area. It's got no adjacent neighbors to keep eyes on it. It's been an orphan in the park family. Park advocates including the GreenTrust and Blue Greenway volunteers have tried countless hours of graffiti removal, painting, weeding, trash pickup to help the Port maintain this. But between what can be kind of a lawless element down there and the Port's limited resources, Warm Water Cove Park really has been a neglected, although quite beautiful area. In 2007, the Piero N. Patri Foundation and SPUR sponsored an urban design fellowship project to envision options for the future of Warm Water Cove Park. This report is available on SPUR's Web site and it's definitely worth reading. The Port should ensure that the Navigation Center helps to maintain and improve Warm Water Cove Park. Access to the park should be assured and increased maintenance should be funded by the City to mitigate the potential increase in utilization of this precious resource and prevent further degradation. While the Navigation Center is in operation and after it's gone, Warm Water Cove Park should be left in better shape than it is now.

Amy Farah Weiss - I'm the Founder and Director of the St. Francis Homelessness Challenge. Francis of Assisi is the namesake of our city and Bay Area. We named the challenge after Francis of Assisi because he said, "First do what's necessary. Then do what's possible. And soon you will be doing the impossible." What's possible in the event of the crisis that we have in terms of our lack of shelter for the thousands of unhoused people who are on the street and we have about 700 or so people on average every day that are trying to get into shelter that can't. What can we do? We can do innovative things like Sam Dodge and HOPE and all these community partners are pushing for in having interim shelter that focuses on transition from the streets into permanent housing with this step in between of supporting basic needs. Let's keep in mind that there are thousands of people on the street every night that don't have access to a toilet. Imagine what that would be like. They're people just like you and me. People that don't have access to a secure shelter.

I love what was just said by Corinne, what if you could have a situation where at the end of this experience, the community was actually improved instead of it being seen as something to push back against because it would actually bring negative impacts to the area? That's one of the focuses that we have with the St. Francis Homelessness Challenge, how do you increase livability of not just the unhoused residents, but also increase wellbeing and livability and public health for everybody that's surrounding. I wanted to let you know that in terms of the community outreach and engagement, the HOPE office has a partner in us. We have a survey that everyone can take that's online. It's www.saintfrancischallenge.com. There've been a thousand people that have taken that so far. I was looking through the results today. Fifty-two of the members that have signed up to challenge themselves and the city to take interim action live in that 94107 Dogpatch neighborhood. I just put out a survey right before coming here and already 15 people have signed up to do community outreach and engagement. I wanted to be able to represent the YIMBYs of San Francisco, the people who are saying, "Yes in my backyard," to this kind of work. Please know that you have a partner in us and please do what you can in your position where you are the guardians of public land and underutilized space, to be able to actually do something that's necessary and possible, for the wellbeing and livelihood of all of our neighbors that are currently without residence.

Joe Boss - I'm a resident of Dogpatch and Portrero Hill and I'm not trying to rain on anyone's parade here. However, there has not been anywhere near a sufficient outreach. To have the community say, "Well, this is a great thing." You do have to have community outreach. The Dogpatch neighborhood and the Portrero neighborhood have definitely been involved in the happenings of our Southeast area. The reality of, yes, do we need the Navigation Center? Yeah. Could we relocate it maybe at Civic Center Plaza which would be closer to the people who need the help? Obviously that would never happen. They tried that. I think Agnos tried it. It didn't work out and I understand why. However, if you have not engaged Sheedy Drayage which is a very important business for this city if there was an earthquake or any disaster, and you have not engaged them and you have not engaged the Dogpatch Neighborhood Association -- we got an invitation the day before they were meeting. That's not a lot of lead time for public outreach. I'm not trying to dam the efforts of Brad or anyone else, however, it seems like this is so important to the Mayor that we can take these shortcuts. You can't take the shortcuts. The Port is going to be the one holding the bag and getting the bad results. I've always supported the Port in many, many ways and this is not being handled very well. I'm sure that Sam has done other things in other cities and everything else, but we certainly can't find his resume anywhere. I haven't been able to.

Sam Dodge – It's in LinkedIn.

Joe Boss - LinkedIn. How many people are absolutely checking on LinkedIn? I mean, don't get me wrong. Sam you're a wonderful guy and you're very well spoken, better than I. I would like this Commission to pause and come up with

the fact that Sam said, "We need an end time to this." You know, a specific amount of time. I don't know if Sam's been around San Francisco but that's just not true. Every time we put an end date to something that is a social help, it gets moved. I appreciate your thoughts.

Gail Gilman - I'm the Executive Director of the Community Housing Partnership. I want to urge this Commission that I absolutely think community process is so important. We're the largest real estate developer of housing for homeless individuals here in San Francisco, from Transbay to the Marina, to the Western Addition, to Civic Center. We own over 1,200 units of permanent housing with support services for homeless individuals. As folks who go through CEQA and that entitlement process, we truly understand how we need to outreach to all of our neighbors to have their buy in for projects. Also as a fellow Commissioner, I understand your position as I sit on a Commission myself. But I do want to urge you and the staff of the Port to do everything possible to expedite this. We are in a crisis here in San Francisco and while our numbers have stayed flat, we are in a crisis of desperation. As someone who's been doing this for over 20 years, I have never seen homeless as desperate and downtrodden as they are today. As someone who lives in North Beach, we have a large experience of homelessness there. We are facing a crisis that I have never seen in my 20 years of doing this kind of work. If there is any way that this Commission and the staff of the Port can ensure that a year from now we're not standing here voting on whether to place a Navigation Center on Port land, I as a citizen of San Francisco and a taxpayer, as a non-profit and civil servant, would really appreciate it.

Bruce Huie - I'm the President of the Dogpatch Neighborhood Association. Thank you very much for the opportunity. We support and welcome the action here that's aimed at addressing a citywide homeless problem, but the current proposed site at 24th Street is inadequate for both the served population as well as the neighborhood. It's remote as Corinne has said. It lacks consumer services, which your other sites, 1950 and the proposed site at Market Street have. The transportation options are singular. You only have one transportation option, the T-Line which in our neighborhood is very unreliable at this point. I would like to encourage you to further conversations with the neighborhood, and we will welcome future conversations, and the businesses as a whole because we've been totally floored by this at this point.

Commissioner Kounalakis - I first started living in San Francisco in the early 1990s when Art Agnos was Mayor. The homeless challenge in San Francisco is something that generations now of people have been talking about and dealing with. Someone said recently to me, "It's not a solvable problem. It is a manageable problem." As a community we have to figure out how we can work together to find solutions that will be the best, the most appropriate not just for the people who are in such desperate need of help but for the community as a whole. Clearly, even though this is just the very beginning of this process, there are going to be a lot of very strong feelings about it. But anticipating that Pier 80 was going to come up, I went down there before I became a Commissioner. I

was just about to have my hearing and my husband and I were driving the Port land and we came up on Pier 80 and sort of talked our way in, which was great to go in unannounced without anyone there to greet me just to see how it functioned. It was incredibly impressive. It was calm. People were watching movies, they were talking with each other. It was clean. That site was in one small corner of a very large site and I know there are long-term plans for it and all of these things. San Francisco's gotten good at this. Being able to bring people in and give them aid, and then find a place for them to go for long-term care. I have a very open mind to this. We went down to 24th Street. Nothing about it jumps out at me as an inappropriate site. What I would like though is to go down to one of the Navigation Centers. Maybe the one on Mission Street. I drive by that sometimes. I would like to see how these are functioning and how you get 81% of the people who leave in a positive way. That's really impressive. I'd like to see it.

Someone mentioned the Art Agnos days and it got me thinking about that as well. We've really come a long way. It's my hope that together with the local community, the greater community, the people who are so invested and working every day on this issue, that we'll be able to find a good solution.

Commissioner Brandon - Sam, thank you very much for the presentation and thank you for your passion and your commitment to the homeless, because it's definitely something that we have to address. Thank you for your explanation on Pier 80. I think the Navigation concept is the best way to try to address this issue. This is a citywide issue and it's interesting how everyone here thinks that this is a Port issue. I want to thank President Adams for keeping homeless on our agenda because it's been a huge issue here on the waterfront. The Navigation Center would be absolutely wonderful. I'm not quite sure 24th Street is the place to put the Navigation Center or if you put it on 25th Street. I mean, it's a street. We have to have a broader vision. We have to look at all locations in San Francisco that can possibly have a Navigation Center. There has to be community engagement. You can't just say, "I'm going to put it here." Just like we did at Pier 80 where we said, "We're just going to put these people here and we're not going to have a conversation with the surrounding community." I truly support it. I truly think we need to do our part and we need to help in whatever way we can, but there has to be community engagement.

I, too, would love to take a tour of the Navigation Center because I love this concept. A small, structured, controlled facility is absolutely wonderful that is taking people to the next step in life to help them.

Commissioner Adams - Thank you, Sam, for the presentation. America has a problem of homelessness that's out of control. I appreciate everyone talking about the passion, the heated debate. We've got five people running for President and not one person has mentioned homelessness. They talk about everything else, but nobody has talked about one of the worst epidemics in this country. Clearly we've got five candidates that are out of touch about all the pain and suffering in this country. I'm like Anderson Cooper on CNN. I did my

fact checks. December 10, 2015, Mayor Garcetti from L.A., Mayor Lee from San Francisco and all the West Coast Mayors met in Portland and they were trying to figure out, because of this epidemic up and down the West Coast Ports and cities, what to do. They were like, "How do we fix this?"

For the Mayor, for the Port, I agree with Commissioner Kounalakis. I don't think the Mayor's going to be able to fix it but he's trying to do something. We're out front on this debate. How dare we as citizens, a lot of these veterans are part of the homeless people. They went out and fought for our rights just to be here. They went over to all these wars and given their lives and they've come back and they're homeless. Do we not owe them a debt of gratitude to do something for them? I mean, where have we become as a society?

I'm very passionate about that. Some people will say I believe in it but they get very political and they don't want it in their neighborhood. Where do we take it? Everybody's got to share. When you win, everybody's got to share in the winning. When there's suffering, everybody's got to share in the suffering. I believe that.

Sam, Brad, thank you. We've got to keep this at the forefront. I commend the Mayor for having the political courage, because there's a lot of politicians that will not talk about this issue because they're worried about getting voted out of office. This is a moral issue. This is a moral issue who we are in San Francisco. Maybe they can do a better outreach. I have never found anybody that can always do it right. Sometimes we become Monday morning quarterbacks. Well, step up. Go down and help Sam and show us how you can do it better. Because sometimes we're the biggest hypocrites. We can say, "Oh, yeah, you can do this and that." Please come on down, join on in. Let's see what you can do.

Commissioner Brandon - Can I ask what the next steps are and what is the timeline for what will happen next?

Paul De Freitas - Our next steps is we need to have a meeting with Port staff and Planning staff and we're going to strategize what the upcoming procedures are in terms of starting a street vacation process which is a public process. We also need to work with the Planning Department in a general plan referral. We're ready to get started on that.

Commissioner Brandon - Is there going to be any community engagement process in that?

Paul De Freitas - Yes. We also have that CEQA initial study process which is also public with Planning.

13. NEW BUSINESS

Elaine Forbes - Commissioners I heard that we should put Patrick Otellini on the forward calendar to describe the City's Resiliency Plan which we will do. I also heard Ambassador Kounalakis and Commissioner Brandon express a desire to tour the Navigation Center and we will coordinate that.

Commissioner Brandon - I would like to know what's been going on with this and what type of community outreach has been done.

Elaine Forbes: Absolutely.

14. ADJOURNMENT

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

Port Commission President Adams adjourned the meeting at 5:55 p.m.