

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING TUESDAY, JULY 14, 2020

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:30 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, and Doreen Woo Ho. Vice President Adams joined the meeting at 3:15 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES – June 9, 2020

ACTION: Commissioner Gilman moved approval; Commissioner Woo Ho seconded the motion. All Commissioners present were in favor. The minutes of the June 9, 2020 meeting were adopted.

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

- A. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Please note that during the public comment period, the moderator will instruct dial-in participants to use their touch-tone phones to register any desire for public comment. Audio prompts will signal to dial-in participants when their Audio Input has been enabled for commenting. Please dial in only when the item you wish to comment on is announced.

7. CONSENT

ACTION: President Brandon moved to hear Consent Item 7A before Item 5. Commissioner Gilman seconded the motion. All Commissioners present were in favor.

- A. Request approval of delegation of vote renewal of the Fisherman's Wharf Community Benefit District to affected tenants, consistent with part practice. (Resolution No. 20-31)

ACTION: Commissioner Woo Ho moved approval; Commissioner Gilman seconded the motion.

Public Comment on Item 7A:

Frank Rescino - I'm a business owner, Lovely Martha Sportfishing. And I am in total favor of the community benefit district again. Okay. You have to forgive me. I'm in a bad phone place. And I just wanted to get my vote registered for them.

Roll-Call Vote:

President Brandon – Yes
Commissioner Gilman – Yes
Commissioner Woo Ho – Yes

5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Laura Schaefer - Hello, everyone. President Brandon, Vice President Adams, Commissioners Gilman and Woo Ho and Executive Director Forbes and Port staff. My name is Laura Schaefer. And I'm the deputy director and director of marketing and communications at the Fishermen's Wharf Community Benefit District.

I speak to you today on behalf of our organization. The Fisherman's Wharf CBD has consistently supported fish sales off boats along the dynamic working waterfront of the wharf. We have spent many hours in various conversations with the boat owners, captains and staff of fishing vessels and the city officials and Port officials in a combined effort to identify suitable locations where the fresh daily fishing haul can be sold directly from the boats to the public within the Fisherman's Wharf district.

I speak to you today on the item of the fishing vessel Pioneer. The size of F/V Pioneer means it could only berth at one pier in Fisherman's Wharf, which is where the retail fish sales are authorized to occur.

This location is no longer viable. Mike Nerney, assistant maritime director, has been researching options and working with everyone to come up with an amicable solution. While this search for a solution will continue, the F/V Pioneer still has the option of selling their catch to commercial fisheries.

We understand that this is not a viable long-term solution. But almost every business in Fisherman's Wharf is not able to operate at their normal capacity. The FWCBD has spent a lot of time advocating on behalf of the F/V Pioneer and will continue supporting the goal of resuming off-boat retail fish sales.

We recognize and appreciate the many hours of hard work by Port staff and acknowledge the situation is difficult for all involved. Thank you so much for listening to me during public comment.

Tom Creedon - This is Tom Creedon, Scoma's restaurant. Commissioners, I appreciate the opportunity to be able to speak. I would like to say the Port has been working with all tenants to help with current situation including the flexibility for business to operate

within the requirements of social distancing and health and safety directives from Department of Public Health.

We appreciate the help from the Port and BCDC allowing Scoma's to bring back many longtime union workers. Having shut our doors in March impacted 140 workers and their families. Today, more than half are back to work with outdoor dining.

I have been on record many times in support of the fishing industry, of fish sales. And I will continue to be that way. Thank you very much for my opportunity to speak.

Frank Rescino - Hi. My name is Frank Rescino again. I'm a third-generation fisherman at Fisherman's Wharf. We've been a tenant of the Port since 1908. I cannot speak highly enough of how much the Port has supported fishing boats, the fishing -- our sport-fishing industry.

I cannot speak highly enough of Scoma's restaurant for wanting to be able to stay open. I'm in favor of fish sales at the wharf in places that can be done. But right now, I think the way things are going and the help that we get from the -- I would not be here if it weren't for the Port. Okay.

They have allowed me over the years -- and I've been around all my life. And like I said, our family has been in business at the Port for 112 years. And without the support of the Port and people like Michael Nerney and our Port director, Elaine, I -- we wouldn't be here.

They do the best they can. They support us the most that anybody can. I hope I'm getting through here. Like I said earlier, I'm out at sea. I'm not getting a very good connection. So I hope I get through. But Scoma's -- if it wasn't for Tom Creedon -- he's a big promoter of the fishing industry. It would be a shame to see his restaurant not functioning with outdoor dining facilities.

It would just be a shame. We're one of the fortunate businesses because of the help of the Port that we are in business taking out sport-fishing parties now that we want to thank the Port for everything they do. And that's my comment.

John Barnett - Yeah. John Barnett, president of the Crab Boat Owners Association San Francisco. I want to reiterate what Frank said, how much the Port's helped us. I'm one of the 30-or-so fishermen that lost everything in the fire.

And the Port has gone above and beyond trying to do everything they can. [audio gap] I don't know if you can still hear me. But anyway, the Port has gone out of their way to help us try to get us some grant money, some loan money and just want to thank them for the continued effort and again reiterate what Frank said about Scoma's and the outdoor dining and everything we can do to stay in business. It's been a very, very tough year.

6. EXECUTIVE

A. Executive Director's Report

Director Forbes - Good afternoon, President Brandon, Commissioner Gilman, Woo Ho, members of the public and Port staff. I am Elaine Forbes, the Port's executive director. First and foremost, I really want to say thank you to Michael Martin and Katie Petrucione for acting as Port director, so I could serve Mayor Breed and Dr. Colfax at the onset of the COVID-19 pandemic.

I was away for four months. And four months is a really long time to be away as a director. And I want to say that it was this Port Commission and Port staff that really made it possible for me to contribute to leadership in that way. And I'm very, very grateful to you all.

This organization -- so many people really stepped out of their lane assignments and took on new responsibilities and collaborations. Not only did the Port team do a lot for our organization but did a lot for the COVID response on the ground.

And Port Commissioners, you played such a huge part in that for guiding the team while I was away. You all kept this organization safe and stable during a very long -- what felt like a very long four-month period.

I am just so proud of our strong bench and all the accomplishments that this team made during the early months of shelter in place. Many of these accomplishments are on your agenda today. I'm proud to be back to be the leader of this very, very talented organization, which has challenges that face us that really are unprecedented in our lifetimes.

But I'm very confident in what we'll achieve together with our partners and stakeholders under your leadership, commissioners. I did learn an awful lot from Dr. Colfax. And I really do look forward to applying this learning here in our organization especially as it relates to equity and the value of our essential workforce.

Latinos alarmingly are over 50 percent of reported cases. African Americans experience worse health outcomes. And Asians are overrepresented in death from the disease. And I am speaking right now about San Francisco data. This is our city data.

It is just past time for us to address head on the pernicious and systemic racism and poverty and inhumane conditions African Americans and other groups disconnected from opportunity and prosperity in America suffer.

And it's past time for us to really place true value on our essential workers and see the contribution of all people. At the Port, I believe we are really situated to take this on. We have, and we will continue to do so. Let's keep working on it and be in it all together because we really are all in this together.

And on my final note before I get into the business of my report, I wouldn't have worked for Dr. Colfax for four months if I didn't tell everyone to cover their faces and learn to adapt to this virus. This is a very serious virus.

And it may be with us for a while. So please, let's all learn together to cover our faces and follow all the health guidance because we have to change our behaviors in order to be successful out in community together. And we're seeing that this virus is very serious. So please, please pay attention to all the health orders.

- Update on Pier 45 recovery efforts

First, to Pier 45, I'd like to give an update on the recovery. The Port's property insurance policy does cover the cost of rebuilding the damaged shed and the lost income. Staff has begun a process to develop a cost estimate for the total replacement of Pier 45.

Reconstruction and final disposition of this claim may take us many years unfortunately. We have some challenges and opportunities in this long path ahead. I am now happy to report that the cleaning and restoration of all tenant spaces in Sheds A, B and D are complete. And onsite fish processing has been allowed to resume at Pier 45.

We're contracted now with Silverado Construction for debris removal and demolition of the shed. We expect the demolition to take approximately five weeks. The timeline is dependent on the materials and testing characterizations.

We do expect the fire department's investigation into the cause and origin of the fire to resume once Silverado has removed some debris to support that investigation. Once that fire investigation is complete, we will continue to work with that contractor on all debris removal.

But that will allow further access into the shed and potential salvage operations. We are currently in the process of developing a plan to partition Pier 45 Shed A into new storage spaces for fishers who lost space in Shed C.

We also had successfully identified relocation space for Red and White Fleet's operation and are in the process of relocating them now. You have item 8B on your calendar today to discuss economic assistance for the fishers. And I just want to thank all the Port staff and tenants who have worked very, very hard on the Pier 45 fire and continue to do so.

- Fire at Heron's Head Park

To Heron's Head Park -- unfortunately, there was also a fire at Heron's Head Park over the July 4 weekend. It started at about 8:00 p.m. It was a grassfire adjacent to the EcoCenter. The fire department did an amazing job quickly responding.

And they patrolled over the evening and into the night to deal with flare-ups, which did occur several times. Approximately three acres of native grass and brushes were burned on all sides of the EcoCenter.

The maintenance division has investigated. And very fortunately, the EcoCenter is okay. And the soils will be able to be replaced and repaired. We did lose an active beehive that was an important part of the EcoCenter but good news that we were able to take care of that fire and -- thanks to the fire department -- and maintain it.

- Update on economic reopening

My next update is about economic reopening. And I'd like to thank Monica Lim of Port staff who has really helped us very, very much leading an effort on economic reopening for the Port. And of course, we're committed to a very safe and equitable return to Port staff, tenants and public to the waterfront.

We have created a re-occupancy task force to evaluate our requirements for our facilities in our COVID environment. The city administrator's office is coordinating this effort citywide. And she's in tandem with Assessor Chu who has been leading the private sector's reopening -- private and not-for-profit sector's reopening efforts both in close collaboration, of course, with Dr. Colfax.

City Administrator Kelly has issued directives including a requirement that departments submit health -- site-specific health-and-safety plans for review and approval. I wanted to talk about the overall concepts in our economic reopening, which is that staff who can work productively from home continue to do so because there's nothing like a zero risk of transmission from home.

When we are bringing our staff into the work environment, the risk of contracting the virus is no longer zero. So we have to be very diligent about who we bring into our workforce and how we do so. So those who can work from home successfully and produce work will continue to do so into the foreseeable future.

For our employees who produce work at work and need to be on the job, most notably our entire maintenance division, we have found through the public health department and occupational health standards guidance, etcetera, clear direction of how we can bring our workforce back safely.

And our plan includes those best occupational health standards and health guidances. It includes, of course, protective gear, social distancing and lots of different health checks, screening. Stay at home if you're sick, these types of things to keep our workplace safe.

On July 1, we received approval to reopen Pier 50 maintenance division. We do anticipate that our maintenance staff will return in phases over the next weeks. Our goal is 90 percent of maintenance to resume normal work activities by August 1st with 10 percent deployed as DSW workers.

Our maintenance division provides really, really important services to the waterfront. And many of those services we have deferred during this period. And it is time that we bring our maintenance staff back online. But it needs to be safe and secure for our workforce.

I am pleased to report that 90 percent of our team in the maintenance group have participated in training on new COVID-specific protocols for face covering, daily health screening, disinfection protocol, proper use of PPE.

In addition to the re-occupancy task force, they're developing tools and resources to support many other Port employees who will be working from home telecommuting. And South Beach Harbor and Hyde Street Harbor are looking into safety plans for safe reopening.

And I want to thank our IT team who is so capably supporting all of us -- today is no exception -- as we transition to work from home. I do want to acknowledge that our reopening plans will shift if the virus shifts.

We're very closely aligned, of course, in watching for our mayor and public health director's guidances. Time really matters with the virus. And we all have to be prepared as a community to pivot if we're required to go back inside.

But we do have a very cautious approach. And we wait and watch. And we do feel confident that we can have a safe reopening of Pier 50. Okay.

- Commendations: Tom Carter and Marie Mitchell on the occasion of their retirements

Finally, I move to commendations. And I never really like this section of the agenda because it means people are retiring. And here, we have two giants: Tom Carter and Marie Mitchell. And we're just calling them together because they really belong together.

They've been a team for quite some time and a very highly effective team. So I will start with Tom Carter, who as you all know is our beloved deputy director of the maintenance division. He retired at the beginning of the month.

He's been with the Port for 15 years and with the city for 26. Prior to joining the Port in 2004, he was superintendent of the Public Works Bureau of Street and Sewer Repair and the Bureau of Urban Forestry.

He began his city career at the Department of Parking and Traffic, which is now under the SFMTA, as a painter in 1994. Tom has really been an incredible leader in this

organization. And he's been a huge force in the transition of Pier 50 to a much more professionalized organization that really honor the value of every contribution of the workforce.

And Tom moved a culture change in that organization to make sure that workers of color, women and people would be accepted and appreciated in the workplace and that multiple people could come and contribute to Pier 50 meaningfully.

And I want to acknowledge that he took on that call to duty. And he really made a big difference in Pier 50. And I am so personally thankful to him. But I think, much more importantly, the Pier 50 division will be permanently thankful to that responsibility that he held and the change he made over a very, very patient period of time.

He has done much more -- I mean, he has 100 skilled craftspeople that are responsible for the preservation and improvement of our harbors, ferry landings, parks, cargo terminals, piers, baseball stadiums.

These groups perform work every day that goes unseen and is really the backbone of our success. And he also has really changed or amplified the customer-service orientation of Pier 50, which always had very, very deeply committed people.

But I get some of the best thank you calls from our -- used to be over 24 million visitors along our waterfront, from people calling to thank me for the service they get from our maintenance division who really all strive to represent the Port's values and culture. And that is in large part because of Tom's leadership.

Finally, in addition to getting to work -- have Tom work for me many years, I was his colleague for many, many years. And I can say one of my favorite things about Tom Carter is his skillset to teach people the skill and the knowledge, to impart knowledge.

Tom isn't the kind of collaborator who moves quickly to get his way. He's the kind of collaborator who patiently waits for the team to move along with him. And I think that is one of his key successes in leadership is that he nurtures others to do and to lead.

Now that he's retired, I really do look forward to working with the acting superintendent, Tim Felton, who worked with Tom, and with all of the other leaders and, throughout that organization, leaders who've worked with Tom because I know that they have been trained.

And Tom has helped them to improve their special talents and abilities. So thank you, Tom, so much for all you've done for this organization. And I hope you all can help me congratulating him on a very well-earned retirement after 26 years with the City and County of San Francisco.

And so that brings me to Marie Mitchell. So Marie Mitchell has been really the heart and soul of the Pier 50 organization in terms of keeping everything calm, keeping everything

on track, being the eyes and ears for everyone and always doing it with such a manner of welcome and confidence and stability.

Marie has answered many, many, many calls and made sure that things are resolved timely, fairly, equitably. And she is Tom's right hand as well. So she has been here 42 years -- she's worked for the City and County of San Francisco. And she also retired at the beginning of this month.

She had an illustrious career working in the mayor's office of five mayor's from George Moscone to Willie Brown to two administrators, first Bill Lee and then Ed Lee. Marie had two stints at the Port of San Francisco, one in the late 1990s for several years and then again beginning in 2010 until today. She finished her career in the maintenance division.

This amazing 42-year career started somewhat as a fluke. Marie got a job with the city while she was in school to be a court stenographer. She turned around and decided that the city would be a better fit for her.

I already started with the she's the heart and soul of the maintenance division. Port staff recommended I say it here too. And absolutely, she is the heart and soul of the maintenance division greeting everyone with a warm smile, calming presence.

She handled all the 311 requests. She got everyone to go where they had to go, got questions answered. She's just absolutely the go-to person. She's the person who ran the place. One of the most important roles that Marie fulfilled was being a person you could confide in, find comfort and get levelheaded advice and support. Marie is a very wise person.

Together, Tom and Marie were quite a team, an exceptional duo. But it was Marie who was Tom's anchor. She kept him steady and pointed in the right direction. Please join me in congratulating Marie on her well-earned retirement after 42 years with the City and County of San Francisco. That concludes my report. Thank you so much.

President Brandon - Thank you, Elaine. We're losing two giants. Elaine, I don't want to add to your report. But do you think we should introduce Carl and then say something about Victor Makras?

Director Forbes - Yes. Sure. I would love to introduce Carl. Carl is our new commission secretary and my assistant. Carl had a stint in the mayor's office and also is an attorney. He has come in here and already organized me within two weeks. I'm so happy to have Carl on the job.

He is helping us with improving our processes. Now that we're in COVID and everything is digital, processes that worked before don't work as well. And he's helping me with the senior leadership team and organizing ourselves as we move forward in our new normal. So please welcome Carl. Thank you. And of course, big shoes to fill with Amy, but we're so, so happy to welcome you to our Port family, Carl.

I'd also like to announce that Commissioner Makras has sought not to be reappointed to the commission. He and his wife, Farah, are pursuing other civic interests. I want to thank Commissioner Makras for all of the guidance he gave Port staff on real estate.

He was always really -- looked very, very closely at all our leases and real estate deals. And my real estate team learned a lot from Commissioner Makras. He has just such a wealth of knowledge and understanding.

And we appreciated his time and energy that he put into the Port and wish him the very, very best in his future endeavors. That concludes my report.

President Brandon - Thank you very much. And before I open up the phone lines, I'd like to give the staff an opportunity to comment on Tom and Marie's retirement if anyone would like to. Okay. No one wants --

Byron Rhett - I think I'm a little slow on the mute button. This is Byron Rhett. I wanted to congratulate both Marie and Tom. It's only fitting that they are retiring together. I really see -- when I think of Pier 50 and all the good work that's been done by the maintenance staff, I sort of think of them as a team supporting each other.

And I've always enjoyed working with Marie. I do want to mention my time with Tom. I remember when Tom started. We were finishing up a troubling audit by the Board of Supervisors regarding our maintenance staff and activities at Pier 50.

And Tom stepped in to that situation and sort of righted the ship, sent us in the great direction that we are in now. And then, Marie has only complemented what Tom started. So again, congratulations to both of you in your retirement.

Diane Oshima - Hi. This is Diane Oshima. Maybe I can just jump in with my thanks and gratitude to both Tom and Marie. I concur with Byron's and the previous statements in terms of what kind of leadership as a team the two of them provided and their complementary skills to really give the support within Pier 50 but really bridging to Pier 1 and the rest of the work sites at the Port to make us a more holistic and unified organization.

And it's really backed up by the personal relationships that have been built as a result of their leadership style. So for some of us, we were kind of caught off guard by the rapidity of their announcement for retirement.

I'm still somewhat in denial over this. But I'm so impressed by how well everybody is able to step up to try and fill that gap in a very collaborative way. And I think that's the most direct reflection of the contributions that they've made to all of us and to the Port. So thank you so much to the both of you, Tom and Marie. And I wish you all the best.

Rod Iwashita - Hi. This is Rod Iwashita, the chief harbor engineer. And I wrote some stuff down because I don't want to get too emotional. [laughs] You know, Tom was a great mentor. And he taught me a lot about the Port and was a wonderful partner in working with engineering to deal with all of the infrastructure -- this 100-year-old infrastructure that we've got.

I appreciate all of his lessons and all of the time that we spent working together. And I just wanted to let everybody know that I really enjoyed our time together and wish him and Marie a happy and healthy retirement.

I also want to thank Marie for arranging Tom's schedule to give me as much time as he could and will always remember her smile. So thank you both.

Katie Petrucione - This is Katie Petrucione. And I just want very much to thank Marie for her kindness and her patience and for always being helpful in terms of getting access to some of Tom's time. And to Tom, I just want to say thank you for being such a fantastic colleague, as Elaine said.

You really -- you were a really good question asker. You know, I could always count on you to pause and say, "Now, what are you trying to get at there?" And more than anything, I appreciate Tom's very funny and I will say somewhat warped sense of humor.

He always brought a little bit of light into my day. So I wish both Tom and Marie just a healthy and fun and happy retirement. So happy trails to both of you. May the road rise up to meet you.

Andre Coleman - Hi. This is Andre with the maritime division. I just wanted to say congrats to both Tom and Marie. You have been nothing but supportive to the maritime division from Hyde Street Harbor all the way to Pier 96.

Tom, you've, since day one of my transition to the Port, you've been nothing but supportive when it comes to staff and just operations as a whole. So again, thank you. Thank you for all that you've done for our division. And again, congrats.

Rebecca Benassini - Commissioners, Rebecca Benassini from real estate and development. Tom and Marie, I wish you so much happiness and joy in retirement. What I've been impressed with in my short time in the acting seat for these last two months is just seeing the gear shift of the maintenance division.

There's such an incredible amount of work to be done. And just watching the maintenance division step up during this incredibly tragic fire, it really to me showed you all just have another gear that you've shown us that you're able -- that we should all be able to flip into when we have those sorts of crises and emergencies.

So Tom, it's been so wonderful working with you these past couple of years. Marie, I wish you all the best in retirement. And please, drop in us from time to time.

Brad Benson - Hi. This is Brad from the resilience program. Tom and Marie, I'll start by saying it's impossible to overstate what a challenge it is to maintain a Port where so many of the facilities are beyond their useful life.

And we have such huge crowds along the waterfront. The way that you have kept it sparkling and beautiful for everybody is really just very impressive. You both deserve a wonderful retirement. Tom, I'll say I just -- I want to thank you for your friendship and for your guidance. And I think you've both just left the place much better than you found it. Thank you so much.

Tim Felton - This is Tim Felton with the maintenance division. I'm the acting deputy director that's taking over for Tom. And Tom and Marie, I just want to let you know how much we appreciate the work you did, the incredibly difficult, hard, long work you did.

I've been working for you for 15 years. And I've seen the change. I can feel the change. Just really, the structure you brought to the maintenance division is what's carrying us now. So I really appreciate you putting that in place.

Marie, you were the godmother of Pier 50. Everybody came to you. You were a therapist. You were an accountant. You did everything for us. And we can't thank you enough for that. So thank you again.

President Brandon - Would anyone else like to comment? Commissioner Gilman or Woo Ho, would you like to comment?

Commissioner Woo Ho - Yes. This is Commissioner Woo Ho. I can't say that I knew Tom Carter that well. I think it was almost no news is good news [putting in a] commission seat. But I do know that we went through some major crises in terms of fires.

And there's more than just the one that we had recently. I remember the other one that we had down on Pier -- next to the cruise ship terminal. And it happened I guess right before America's Cup. And I think that Tom was always, from what I could see, a very calm figure.

And I know from the previous director and from you, Elaine, that he was a bedrock for us in terms of maintaining the Port. So I think a lot has been said. And I can't add more because they have all the detail, which I would not know, not having any daily working relationship.

But I just want to congratulate Tom. And I unfortunately can't say that I really knew Marie. But it sounds like they were a terrific team made for each other. And I think it just reflects -- as we have been going through so many retirements recently, I just want to

do another shout out for the tremendous staff that we do have and particularly given what we've just gone through in the last three months.

And it just -- you know, we're holding up extremely well. And I think that it makes our work on the commission much easier to know that we have the right people steering the ship. And everybody is on the right side.

And when we're having to bail water, we know where to bail. And we're also thinking ahead. And we're looking at the horizon strategically. And I just want to congratulate and, Elaine, welcome you back. We missed you.

But I have to say that Mike Martin and Katie did a tremendous job. We did not feel like we were left in the hole at all. And we know, from your reports, what you were doing was very important. And our hearts were out there with you as you worked so hard during this period to keep the city on an even keel and to keep us safe.

So I do have a couple questions on your report. But I want to [leave that -- for that discussion] just expressing my appreciation to -- you make the commission look good. You make us -- allow us to sleep at night so that we don't have to worry.

And that's really a testament to all of you in leadership positions at the Port. And I just want to say thank you and express my tremendous appreciation for the job well done.

Commission Gilman - President Brandon, if it's okay, I wanted to say a couple of words about Tom and Marie. So Tom, I did not know you very well but knew you a little. And I wanted to first just commend you on your long tenure with the City and County of San Francisco and everything you accomplished.

I do know that you have a tremendous amount of credibility and respect from many of our Port tenants who have told me about the efforts of you and your team. I really want to commend you on that leadership.

I also want to really wish you joy in retirement for both with you and your family and your friends. I hope that you get to go back to sailing, which I know that you enjoy to do. And I've really respected my interactions with you and really enjoyed them. So I wanted to thank you.

Marie, we've never met. But I just wanted to wish you happiness, health and family time in your retirement. Forty-seven years with the City and County of San Francisco -- you absolutely deserve some rest, time with your family and enjoying whatever activities give you a glint in your eye.

I, too, have some questions about the director's reports. But I'll hold them till after these commendations for two well-deserved employees.

President Brandon - Thank you. Vice President Adams, have you joined us?

Vice President Adams - Yeah. Sorry about that being late. What can I say about Tom Carter? Tom is an East Coast guy. Tom was totally old school, I think. He's a guy that's like been a pillar in the Port whether it was Director Forbes or Director Moyer. He was there.

I'd never really seen Tom even miss a Port Commission meeting. He's very supportive. He was just that solid rock of foundation, the wisdom, knows where the bodies are buried, has the historical knowledge of the Port. And he truly will be missed.

I also have never met Marie but just want to thank you for your many years of service and a debt of gratitude to you. It's kind of weird that you both are leaving just like Amy in this storm that we're going through with COVID-19.

It's just been a year from -- like I've never witnessed in my life. And I understand life moves on. And I want to wish you both happy success in your retirement and with your families.

President Brandon - Thank you. Tom and Marie, congratulations on your retirement. I am so happy for both of you. Thank you for all of your years of service to the City and County of San Francisco but especially the Port.

And Marie, it sounds like you were the anchor that kept Tom sailing and that a lot of his success was due to your encouragement and your involvement. So thank you so much for all that you have done for the Port for the maintenance division.

And I really wish you much success and happiness in your retirement. Tom, it's been an absolute pleasure knowing and working with you. You are just such a kind, compassionate -- Tom, you're such a wonderful, upstanding, ethical, wonderful person. You are such a team player and so collaborative. And you're the person that everyone from whatever division could come to you regardless if it had anything to do with maintenance or not.

I just think you're just a wonderful person. And I know that you have big shoes to fill. But you have left such a wonderful foundation. And we are all really going to miss you. So thank you so much to both of you and for all your service to the Port. Tom or Marie, do you guys want to say anything? Tom?

Tom Carter - Hi. This is Tom. Thank you, everybody. Good afternoon, President Brandon, Vice President Adams, Commissioners Woo Ho and Gilman. I do want -- you know, Marie, everybody is absolutely right. Marie was my rock.

My first five years I didn't have that. But when she came on board, it was just like I was able to soar at that point. I had that person that I could trust, the person that kept an eye out on everything, made sure I was pointed in the right direction, shifted the way I was thinking when I was a little bit off.

But she was just such a wonderful person. And everybody has spoken to that. But for those that haven't met Marie, you really missed out because she's just a beautiful woman. What a smile, pleasant.

Even folks on the phone, they would say, you know, they could just tell she was smiling and just loved her voice and the way that she treated everybody. But we had that relationship, symbiotic kind of like the Warriors, that Curry and Green and just a great teammate she was.

And I really leaned on her. And she got things done for us and the Port. And as a few of you folks have said, you know, she has left the maintenance division better than she found it. And we're all -- I miss her. I'm going to miss not speaking to her every single day and getting to laugh with her, although we have stayed in touch a little bit.

And I hope to continue to do that. So Marie, thank you very much for everything. I miss you. But I do know that, after 42 years, you're going to enjoy that retirement. And you know, I wish you the best in the future, everything that you endeavor to do. So thank you.

For myself, folks, I consider myself to be very fortunate. I'm grateful for the opportunities that the City and County of San Francisco has presented for me. I moved here in 1986 and new to the city, a city that I for the first time really even besides my hometown where I felt like I was at home.

And I've found family and community at the great South End Rowing Club. In 1994, as Director Forbes had mentioned, I began working for the Department of Parking and Traffic. There's a few people that I would like to thank.

I got my first job there through the Director John [Newlyn] as a traffic painter. And then, I was able to move on to Public Works. And in 2000, I was able to move into management at Public Works where [Ray Zahn] really mentored me into management and taught me a lot about budgets and operations and really what was a wonderful mentor at that time.

Former Director Monique Moyer, I really have to thank her for believing in me and giving me an opportunity here at the Port and all of my staff and everybody that's worked with me over the 15 years. It's been great. And it's been wonderful.

You're really a great staff. And yes, there's been a lot of changes, a lot of challenges. But you know, it's -- we're better off for that. And moving forward, even if it's hard to believe, all the staff will be better off. And it's just a great place to be in terms of their position even in these difficult times that are coming up.

All of my colleague deputy directors, ones that are here and the ones that have [carded], you know, they've all been really great to work with. I've enjoyed them all. I've had great relationships with them. It was wonderful learning their divisions.

I thought that that was important in order for us as maintenance to provide our services to them. And so I thank all of you and thank you for the kind words today. But I have to offer Director Forbes a very special thank you.

She -- you know, she really trusted in me completely to do the right thing for the maintenance division and for the Port. And I believe that that's what I did. And I know that some of the deputy directors have heard me say this, Katie in particular.

But everything that I did, all my decisions that I made were always in the best interest of the organization. And that's the way that I thought that we could lead and for other folks to take that on and also make those same decisions, the ones that are best for the organization.

So with that, I won't go on any longer. I thank you for giving me this little bit of time. But thank you very much, commissioners. I really appreciated your support over the years. And you do great work. And please, keep it up. Thank you.

President Brandon - Thank you, Tom. You have to promise to come back when we're meeting in person, so we can have a big party for everyone. We're losing so many great people. Thank you. Marie, did you want to say anything?

Marie Mitchell - Yes. Hi. I just wanted to thank everyone for their kind words. I really appreciate it and to let Tom know that working with him was just an absolute joy. He made it easy to smile and to get the work done. And I'm going to miss him very much as well. And Director Forbes, thank you very much for your kind words and commissioners and all the staff at Pier 50. I enjoyed working with everyone. And thank you.

President Brandon - Thank you, Marie. We really appreciate your 42 years with the city and your two stints with the Port. And we wish you a very, very happy retirement. Thank you.

Public Comment on the Executive Director's Report:

James O'Brien - You know, I don't normally get on. But there's always a reason. You know, God has a biblical reason of why I get on the phone. Tom Carter, this is James O'Brien. You know, I've known you over the many years.

And it's just totally appropriate for me to say congratulations to your long hard work for the City and County of San Francisco. And as a personal friend, I want to thank you for giving all that you've given to San Francisco and just wanted to say thank you.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman - Thank you so much, President Brandon. First of all, Director Forbes, I really just wanted to acknowledge your team and your staff while you were away from us, how nimble and strong they were stepping into the roles that they provided.

And I really just wanted to thank you for cultivating such a strong team here at the Port that, while you were away from us for four months, there was no doubt that day-to-day operations and larger strategic issues like money that we're going to hear before today were moving with the staff. I never had that doubt.

So I just wanted to give that shout out to you and to the Port staff to really acknowledge the work that happened while you were away. One sort of question I had or maybe it could be a future agenda item -- you spoke about the Port's plans to internally reopen, to reopen office space for workers of the Port, referenced the maintenance team.

I really want to commend those efforts and to reiterate taking them slow and cautiously. I was wondering if we have a similar internal team either within real estate or sitting somewhere else in the Port to help guide our tenants.

I'm increasingly concerned both our office and tenants that have been allowed to reopen in these interim measures of what support we're providing folks to comply with the health orders and with safety guidelines.

So I was curious if there's a mechanism within the Port to help guide our tenants and guide folks for best practices who are returning to work.

Director Forbes - Thank you so much for your question, Commissioner Gilman. And thank you so much for acknowledging staff and how much work happened in the last four months. I appreciate that, and I know they appreciate that too.

The process for guiding Port tenants in reopening is through the public health department information and guidance branch is the primacy group. It starts with a health order or a health directive from Dr. Aragon.

But there are toolkits that come along with that with really, really specific guidances whether it be indoor retail or outdoor dining. And that work is all coordinated through the economic reopening task force that Assessor Chu is leading. Former Commissioner Rodney Fong is a leader on that group as is Joaquin Torres.

I worked with the Department of Public Health on that side on reopening. So I know this process quite well. But I am now part of representing the Port in the economic reopening. So there is a lot of guidances about how to do things safely.

I mean, I think, quite frankly, one of the hardest parts right now is what activity we can really have while living with the virus in this stage pretreatments or vaccine that makes the health impacts less horrific and extreme.

So I think that is the convers -- and the real estate team has done an amazing job really soliciting feedback and answering questions and hearing from tenants. But I think we're all struggling with what's really possible whether it be outdoor dining, retail, indoor retail.

Is the customer base there to support? And will we have to close the door on a reopening date? Many counties -- many states are having to roll back. We had to pause a gate. And we may have to -- the public health department may have to recommend a rollback because, as we see, this virus, once it spreads, it spreads very, very rapidly.

So that's the kind of thing we'll continue to work with our tenants and get answers through economic reopening task force and the city leaders involved on reopening, listening to the mayor, listening to her direction on reopening, working -- watching carefully public health through the directives in the guidance and issues branch.

And the enforcement actually happens mostly through our police officers because they know the health directive so well and are all working together. We're all working together to keep everyone safe. There is also on the ground other inspectors as well as economic development folks on the ground helping with protective gear for small businesses and resources for small businesses.

So it's not just an enforcement approach. It's an all-in approach to protect business and protect the safety of workforce and customers. So there is a very large program. And I think the Port's important positioning will likely be to continue what Port staff has already done, which is convene the conversations with our tenants and make strategic decisions as the custodian of the property -- of property to really, really support economic recovery. Thank you.

Commissioner Gilman - Thank you, Director Forbes, so much. And I think, under new business, I think it might be great to have an informational at some point from those entities to understand that, only because we're in such a unique position -- while I know we're not going to see 24 million visitors to the waterfront this summer, we are a part of the city that's a high traffic of visitors on the southern waterfront but also particularly on the northern waterfront.

And I think I would love to hear from the health department and others how we're -- more how we're educating that group. I did it via email. I'll say it again. Pier 39 -- I've been there. I experienced it. I feel they're doing it extremely well.

But lots of other aspects of our property cannot be gated and sort of gate checked and have greeters the way that does. So I'm concerned around the amount of tourists that are coming in and not complying with our local orders.

So I would love to get an informational about how maybe the health department can -- or OEWD can bolster that kind of public campaign on the waterfront.

President Brandon - Thank you. Commissioner Woo Ho? Okay. Vice President Adams?

Vice President Adams - Director Forbes, good to see you back after those four months. We missed you, but you definitely have a strong team, a team of warriors led by -- Mike and Katie both did a great job and all the team.

I missed most of your director's report. I'm going to read up on it. I appreciate what Commissioner Gilman just said about healthcare. And of course, definitely things are changing. So I'll weigh in more as we get into the agenda. But I just wanted to thank you and glad you're back. And we're all hanging in there and doing the best we can. Thanks.

Commissioner Woo Ho - Hello. Can you hear me now?

President Brandon - Yes. We can hear you. Can you hear us? Commissioner Woo Ho? Hmm. [dialing] Can someone reach out to Commissioner -- and try and troubleshoot? Thank you so much. Elaine, welcome back. We have missed you. But we really want to thank Mike and Katie for stepping up. They did a phenomenal job. There's so much going on right now. And they just stepped right in.

And like everyone else has said, you have a great bench and a great team of people to draw on. But we have missed you. And we are extremely happy that you're back.

I want to thank Commissioner Makras. Someone is going to call you, Commissioner Woo Ho. I want to thank Commissioner Makras for his service on the commission. We are really going to miss his real estate expertise and the various ways that he had us looking at our different development projects.

So he's been great to work with and sorry that he decided not to rejoin us here on the commission. But I'm sure he will find another path to serve the City and County of San Francisco. So he will truly be missed.

And regarding the executive director's report, Elaine, at the last meeting, I challenged the commission and the staff to come up with recommendations to help with our racial equity and justice programming that we will do -- move going forward.

So I hope that, during your executive director's report, you'll be able to give us updates on whatever recommendations or policy changes staff or the commission has come up with so that we can continue to make substantial changes to the way that we do business and open up the Port to black people along with other minority groups who have been underrepresented for so long.

So I just want to keep that front and center. So hopefully, you will be able to give us an update. And I don't know if you want to say something about our new social responsibility director manager and what the Port is looking to do with that role.

Director Forbes - I would love to give an update every meeting. I think that's an excellent suggestion. And I would like to introduce her at the next meeting because, while she started yesterday, I want her to come. And it will be a good item on the report to talk about the role and introduce her. Thank you so much.

8. FINANCE & ADMINISTRATION

- A. Informational presentation on potential programs to support Local Business Enterprises (LBEs) that do business with the Port or are Port tenants and have been financially harmed by the COVID-19 pandemic.

Stephanie Tang - Great. Thank you, commissioners, President Brandon, Vice President Adams and Commissioners Gilman and Woo Ho for the opportunity to brief you on item 8A, an information item about the actions the Port should consider in support of local business enterprises (LBEs] harmed by this pandemic.

My name is Stephanie Tang. And I am the procurement and contracts manager. This item is made all the better with the assistance from the Port team, a special thank you to Katie Petrucione, Boris Delepine and Wyatt Donnelly-Landolt. Next slide, please.

This information item comes out of the commission's foresight in both championing the LBE program as an engine of the economy and also the foresight to frame the efforts of our organization through the lens of equity.

In this presentation, we'll look at our priorities and how this fits into the work we want to do through the lens of equity. We'll look at the target population of LBEs for these programs. Then, for the program overview, I'll present three possible strategic objectives, program objectives. And finally, we'll look at funding and next steps. Next slide, please.

The Port's strategic plan names equity as a core priority. Equity supports the diversity of our city, an issue that is increasingly part of the national conversation. LBEs are a key partner that provide professional and construction services and also the supplies that allow us to do our work and achieve our mission.

Our program objective is to ensure micro LBEs have adequate access to capital to ensure the ecosystem of LBEs can survive this pandemic. Next slide, please.

So why does this matter now? Well, it's really brought on by COVID. We are all in this together. But this experience is not the same for everyone and certainly not for black, brown and Latinx communities.

As the CDC stated, long-standing systemic health and social inequalities have put some members of racial and ethnic minority groups at increased risk of getting COVID-19. Now, COVID-19 is a health emergency, and it's an economic emergency.

Everyone is worried about how small businesses are going to survive at this time. So this brings us back to LBEs. LBEs are small businesses. A majority are women or minority owned. And they are a segment of the population that has a real connection to the Port. Next slide, please.

We pulled together this slide to give you a sense of who are the target LBEs that we would want to work with. Now, all of this chart depicts LBEs who have some relationship with the Port either as a tenant, as a supplier of goods and services or as a contractor.

Now, LBEs are -- there are different sizes of LBEs. And that's based on the gross receipts of how much business they do and their annual gross receipts. Staff have chosen to focus on the smallest in gross receipts, LBEs -- the micro LBEs.

The first column on the left are MBEs, which are minority business enterprises. The center column are for women business enterprises. And the third one is for businesses that are neither nor minority owned.

You'll see that a majority of these businesses are women are mi -- [audio gap] -- of this project -- this program impact. Next slide. So in order to have a proper response here, there's some things we can do immediately. And there's some things we should do over the longer term.

This is a crisis that's going to require both immediate and long-term action. So immediately, we have two major areas that we recommend. One is an emergency hardship relief program. The second is an LBE tenant rent forgiveness and, in the long term, an access to capital program. Next slide, please.

So let's dig into the LBE hardship emergency loan and grant program. This program is intended to provide a short-term and fast way for LBEs to access capital. We know it's important to move quickly and to make it accessible for businesses. We all watched the news to see what happened with the federal PPE program.

We understand that we have to consider implementation and how we stand up and administer a program that can work. To do this, we are heavily influenced by an existing program at the city, that which is done by the Economic and Workforce Development, OEWD, that was started since shelter in place. This program is called SF HELP.

Our proposal for the information item today is for the Port to fund a \$1 million loan program for micro LBEs who are either Port tenants, suppliers or on a project team as a prime or a subcontractor or sub-consultant.

Similar to the SF HELP program, these would be for a loan of up to \$50,000 at 0 percent interest. And the amount you qualify for would be based on your own specific business expenses like payroll, utilities and inventory.

The Port would incentivize repayment, which would begin after six months. Between -- repayments in full between year zero and two, 50 percent of the principle repayment would be required with 50 percent forgiveness.

Between years two and three, 75 percent of the principle would be being paid with 25 percent forgiveness. And between year three and five, the loan would require 100 percent principle repayment. In order to implement this, the Port would partner with OEWD to administer this program.

And likely, the community -- the OEWD would partner with a community development financial institution, a CDFI, likely Main Street Launch. Next slide, please.

The criteria for the applicants would be very similar to SF HELP with two key additions. The new criteria would be one and two, that you would have to be certified as a micro LBE and that you would have to be either located on Port property or as a prime or subcontractor or sub-consultant on a Port project.

The rest of the criteria are all based on the SF HELP criteria. The one that I want to highlight for you that may evolve is the last criteria. But first, let's go through the criteria. You must have a valid San Francisco business license.

You have to be a for-profit business located in San Francisco in good standing. Your annual business revenues must be less than \$2.5 million a year, therefore small businesses. You cannot have any city and county tax liens or judgments against you.

And you have to demonstrate that you've been harmed by this pandemic including a 25 percent drop in revenue since January 1, 2020. Now, when this program first was implemented, the thought was that you could not be eligible for -- you could not have gotten a Paycheck Protection Program loan, the PPP loan.

The PPP has been funded numerous times by the federal government. And many more businesses have gotten loans. Therefore, we may reconsider this criteria since some of the PPP loans have been not meaningful amounts to make a difference for a business. Next slide, please.

Now, staff recognizes that, given small businesses assistance -- experience with the PPP program, we must be deliberate about our outreach and technical assistance. To do that, there's a three-prong approach to making sure the community is aware of and can access the program.

The first is Port staff. We will conduct outreach. And we may seek assistance from an LBE outreach firm to ensure connection and information exchange within the community. The second is the loan servicer, the one who is helping process the loans.

They have experience in small-business lending and understand the obstacles that a small business may face in getting underwritten. And finally, we'll connect to existing programs. The city has the contractor development program that is run through risk management and the contract monitoring division with Merriwether and Williams Insurance Services as the consultant.

It is through this kind of diverse approach that we believe that LBEs will become aware of and be able to access the program. Next slide, please.

The second prong of our approach is an LBE tenant rent relief forgiveness program. There are about 30 LBEs located on Port property in offices, through truck parking. And this item will be taken up later in the agenda on 10B. Next item, please. Next slide.

Now, before we turn to the long-term program, I do want to mention something of consideration for this commission as we talk about long-term what should the Port do. The voters of California have prohibited the use of race, sex or ethnicity in public contracting through Proposition 209.

In 2004, a San Francisco superior court ruling resulted in the suspension of the minority, women and local business enterprise ordinance. As a result, there is now the LBE and nondiscrimination in contracting ordinance, the current LBE ordinance.

And this ordinance is both race and gender neutral. As a result, there is no such benefits for being either a member of a minority or woman. This November, the voters will vote on this ballot measure and may open the door for the City and County of San Francisco to implement gender and race-based bid and rating preferences on competitive solicitations. Next slide, please.

So why should the Port engage in a long-term program with access to capital? We don't come to you today with an absolute solution of what we should do. But this is more about some policy considerations about where we're thinking.

The cash crunch of LBEs is a familiar problem. But it's been exacerbated by the current COVID crisis. Now, the Port is a special agency in that we have both public and private-public partnerships. And as a result, some Port projects such as Mission Rock and Pier 70 are not eligible for all elements of the city programs.

As a result, we wanted to think of something -- of a program that would provide LBEs access. Now, we recognize this is a challenging problem. And we are working with and exploring other municipalities and will work with our other partner agencies and sister departments to identify a solution.

But when it comes to the Port, we understand our basic plan is to attempt to mitigate risk and maintain our principle. We do not want to end up in too risky of a situation. We are exploring opportunities where the Port could be a guarantor or participate in other risk-mitigation projects.

Or could we benefit from existing loan guarantees that may exist from other institutions? We are also considering, how do we strengthen LBEs at their existing financial institution? LBEs all have a bank that they currently work with. And how do we improve their standing there?

We intend to return this winter with a proposal after the voices of the voters of California have been heard. Next slide, please. So what is the funding source for these projects? For the short term for the hardship emergency loan fund, we recommend deploying \$1 million from the southern waterfront community benefits and beautification fund.

Over the long-term plan, that would be an additional deployment from the southern waterfront community benefits and beautification fund. But we will return with more information about that at a later point. Next slide.

So what happens next? At a future meeting, we will come back with an action item about the emergency hardship loan and grant program. And after the election, we will also come back with more information about a long-term LBE program. Next slide. And this concludes my presentation. And I welcome your questions and suggestions.

Public Comment on Item 8A:

James Bryant - Good afternoon, ladies and gentlemen, the Port, President Brandon, Vice President Adams, Commissioner Gilman and Commissioner Woo Ho. My name is James Bryant. I'm the CEO of JBR Partners. And I am calling to say this is probably one of the most [heart-broke] moments that an LBE like myself could ever have imagined.

This year alone, at this point my company has a 59.4 loss ratio. Without services like you are now talking about, my company will probably not exist in 2021. I suggest -- and I stress this suggestion to be wholeheartedly -- that the commission move on this proposal.

And what I will also do is say to the commission, you know, as a voting member of California, I will be voting to try to make sure that the changes for the Proposition 209 will be -- will forth come.

I say this to say that, only if every department in the City and County of San Francisco could do this, LBEs and micro LBEs who would actually possibly have a chance to participate and have the opportunity to have an even playing field and a better chance at being a successful business. I want to thank you all for your time. And I hope that, again, you pass item 8A. Thank you.

Noelle Bonner - Hello. Good afternoon. My name is Noelle Bonner, the CEO and Principal of Bonner Communications. I want to thank President Brandon, Vice President Adams, Commissioner Gilman and Commissioner Woo Ho for allowing me to speak this afternoon.

First, I want to applaud the Port staff for being proactive and thinking about ways to support and uplift San Francisco LBEs during one of the most challenging economic downturns of recent memory.

While COVID-19 has impacted big business across this nation, there has been disproportionate impacts felt across our small-business communities. And San Francisco has not been immune. LBEs have been fighting day in and day out to keep working, keep their staff on payroll and their doors open as some projects have been cancelled. Others have been put on hold or paused indefinitely due to the uncertainty brought on by COVID-19.

The immediate [unintelligible] or decline in income in some instances for LBEs has not only compounded the fear, anxiety and frustration we all feel with the life adjustments that have had to be made like sheltering indoors, wearing masks, socially isolating and distancing ourselves from loved ones to keep our loved ones safe and neighbors safe.

As a certified micro LBE and business owner that was able to secure a PPP loan, it was not only helpful for -- it was only helpful for the time it was intended for, an eight-week period. As it is becoming glaringly clear, this pandemic will be much longer than we all would like and that is less likely that we can rely on the federal government to provide guidance and support.

I do believe it is up to our local governments to step in. So programs like the Port's LBE hardship emergency and loan and grant program would not only provide critical capital to some of the businesses that need it most in San Francisco but give them the runway they need to get through the uncertainty of COVID-19, take care of their business-related expenses and ensure that they have an opportunity to stay engaged on Port projects and other San Francisco public projects.

I also want to mention that I think the inclusion of the Port potentially acting as an intermediary between LBEs and their banks to help with the payment of a line of credit is brilliant. This is the important long-term thinking that could be incredible for the growth and development of small businesses in San Francisco for the long term.

Again, I want to applaud the Port for putting this LBE hardship emergency loan and grant program together. And I hope it will gain the support of the Port Commission today. Thank you.

Monica Wilson - Good afternoon. My name is Monica Wilson. I'm a San Francisco micro LBE based in District 10. And the work that I do is really focused on providing services for the LBE community on jobs on large developments as well as a consultant as part of the CMD Merriwether and Williams contractor development program.

And I just want to quickly say I support this program tremendously. What Noelle and James have said is exactly what I would say. The hits are hard within the community -- within the LBE community right now.

And my work and the inclusion of this program, the creation of this program will absolutely be another tool in the LBE toolbox. It is very clear to me that the strength of -- and the Port is behind this. When I first heard about this, I said, of course, it's the Port because this is where the Port and the creativeness and the commitment to LBEs is so strong.

And I know that the LBE team that is part of the Port will rock it on this. I cannot wait to work with the LBE -- the Port's team to make sure that the LBE community is aware of this, to deliver this to the LBE community with the micro community emphasis.

And the work that I do in particular on the Mission Rock project working with these developers and the general contractors for the last couple of years -- I cannot wait to share this with those practitioners, those developers and the team at large.

This is a beautiful program. I support it tremendously. And I cannot wait to be working with the Port to deliver this to the LBE community. Thank you very much.

Commissioners' Discussion on Item 8A:

Commissioner Gilman - Thank you, President Brandon. Thank you, Stephanie, for that very thorough presentation. I was briefed prior by staff by Stephanie and Katie. I am fully supportive of this item. And I'm actually really proud that the Port is stepping up in this capacity.

Stephanie was being shy that she d -- she informed me that other enterprise departments are looking to the Port to see how we roll out this program and make it work so that they could possibly offer these same benefits to their LBEs that do business with them such as the airport, for example.

So I'm really proud that we're leading the way on this. President Brandon, I know a lot of this came from your leadership. And I want to thank you for that. And I'm fully supportive of the item.

Commissioner Woo Ho - Okay. I don't know why we had problems earlier because I wasn't on mute. But somehow -- anyway -- thank you very much, Stephanie, for the report. I think it's a very well thought out program.

My only question really is -- just want to understand how the rent forgiveness will work with this. So will we have an LBE that will be eligible for both? Or just -- and how do we -- and if they are, then how do we separate out what's going on with each?

Stephanie Tang - Yeah. So the current thinking is that the rent forgiveness program and the hardship program are working together, that you are eligible for both programs. If the commission wants to make a different recommendation, staff are definitely open to that.

Commissioner Woo Ho - Okay. I just want to make sure that we understand how it is working together so -- because now we're saying, because of the PPP, that they might have PPP. They may have this, and they may have rent forgiveness.

And it's always nice to have a largess of richness. And I understand the trauma that they're going through right now. And it's very difficult. But then, we also want to make sure that we're balanced in terms of how to view this.

So this is not a large sum of money. I mean, I don't think this is going to obviously take somebody over the hill in terms of -- from a standpoint of financially. But I do think that somehow we need to understand how rent forgiveness works with this program and that we have clearer guidelines rather than say we'll work on it on a case-by-case basis. That's my recommendation.

Stephanie Tang - Thank you, Commissioner, for that feedback.

Vice President Adams - Stephanie, good report, very thorough. I'm also in support. President Brandon, thank you. I know you've been pushing for this for a long time. And I appreciate those that called in -- the callers that called in.

I believe this process is long term. I've always thought we're either in the beginning of something, the middle of something or coming out of something. And I feel that this is long term. And whatever we can do to help LBEs, I think this is a good start. And I just want to say I appreciate all the work that went into it. When it comes up, I'm supportive. Thank you.

President Brandon - Thank you. Stephanie, thank you so much for the report. I want to thank the team. I want to thank Katie, Boris, Wyatt and yourself for all the work that went into bringing this here today. I think this is something that the rest of the city can look at and can get involved in.

I think that I really want to thank our development partners, Mission Rock and Pier 70, for really engaging our LBEs and, through those meetings, understanding that the thing that was really hindering our LBEs was access to capital.

So trying to come up with a long-term program that can really help our LBEs -- because they're in a peculiar position because it's a public-private partnership, not just a public

partnership. So [when we had these] southern waterfront funds -- and I thought about starting this long-term fund that our particular Port LBEs who are working on public-private partnerships can access.

And then, when COVID hit, then we tried to come up with a grant program. So now, we have a grant-loan program, which was -- and we are so fortunate to have Stephanie join our team from CMD who works with our LBEs and their loan program, to be able to come and help us create our own.

So I'm hoping that this can be a model for the city and that we can get other enterprise agencies to invest in this fund, so all of the LBEs and micro LBEs that are working on these public-private partnerships will have access to capital and will be able to comfortably work on our projects.

So Stephanie, thank you very much. I really appreciate all the time and effort and all the meetings that we've had, so you can explain it to me. [laughs] I really appreciate that. And I'm looking forward to the next meeting when we can take action on this item. So thank you.

- B. Informational presentation on an economic assistance loan program for crab fishers impacted by the Pier 45 Shed C Fire to be administered in partnership with the Mayor's Office of Economic and Workforce Development.

Boris Delepine - Good afternoon, commissioners. I'm Boris Delepine with the external affairs division. Before you is an informational item to discuss economic assistance in the form of a loan program for crab fishers impacted by the Pier 45 Shed C fire. Next slide, please.

During this presentation, we'll provide contextual background, an overview of the proposed program, discuss the funding framework and conclude with a discussion about next steps. Next slide.

Our program objectives and goals through this loan assistance are to: one, support our crab and fishing community through a capital investment; two, ensure that our tenants can stabilize their businesses for long-term success; and three, preserve a historic and hardworking community and industry along our waterfront.

This item supports a number of our strategic plan objectives including preserving the Port's diverse maritime portfolio and providing for the current and future needs of our fishing industry. Next slide, please.

By way of background, on the morning of Saturday, May 23rd, a four-alarm fire engulfed Pier 45. Thanks to the swift work of the San Francisco Fire Department, the fire was contained to Shed C, a 75,000-square-foot warehouse that contained approximately 8,000 crab traps and other fishing gear.

Local fishers use this equipment to delivery approximately two-thirds of San Francisco's fresh seafood annually. Thirty-five tenants were directly impacted by the fire. Director Forbes gave an update about recovery efforts. And approximately 30 of those were fishers.

San Francisco's crab-fishing community produces almost two million pounds of Dungeness crab each year. Fifty percent of all Bay Area crab flows through Fisherman's Wharf annually. Dungeness crab fishing at Fisherman's Wharf dates back to over a century ago. It is a vital part of our waterfront history and identity. Next slide, please.

Port staff is and has been working with the Office of Economic and Workforce Development, Supervisor Aaron Peskin's office and the San Francisco Crab Boaters Association and others to develop two programs.

The first is a grant program for down payment assistance for the initial outlay capital to purchase replacement crab traps. And the second is a loan program to offset the remaining cost to purchase the traps.

While they work together, the grant program is a separate endeavor led by OEWD and Supervisor Peskin and funded through private donations for the down payment assistance. A crab trap, as pictured on this slide here, consists of a welded metal frame covered in rubber and wrapped in wire mesh.

A handful of manufacturers in Northern California and the Pacific Northwest produce these traps. Manufacturers build each trap by hand. Production and delivery can take several weeks to complete. At a per-trap cost of over \$200, a small fisher will need approximately \$40,000 while a large operation will need over \$150,000 to purchase the crab traps necessary to fish during the 2020-21 crab season.

To start production on traps, manufacturers require a 25 to 50 percent down payment. Again, that's the program spearheaded by OEWD and Supervisor Peskin's office's fundraising contributions. Today's informational item covers the loan program for replacement of crab traps. Next slide, please.

Port staff is proposing to provide \$1 million in capital funding for a crab fisher loan program to assist tenants with purchase costs of replacement crab traps. Staff anticipates 20 to 30 Port tenants will be eligible for and apply for the loans.

Loans would have a five-year term with zero percent interest and would be allowed only for the use to purchase crab traps. The Port can piggyback on an existing framework to administer the funds through OEWD's relationship with Main Street Launch, a loan-and-lending partner based in Oakland with over 40 years' experience guiding similar small-business-assistance loan programs in the Bay Area. Next slide, please.

To be eligible for the funds, applicants will need to: one, be a tenant of Shed C registered with the Port; also need to be an active fisher as defined by the Port tariff

code; will need to confirm receipt of replacement crab traps; and provide their California Fish and Wildlife permit maximum number of authorized traps.

Loans will not be able to fund a number in excess of their crab-trap threshold. And they also need to participate in the 2020-2021 crab season. Next slide, please.

The formula for determining the amount of each loan has two tiers. First, fishers will receive \$100 per trap for the first 200 traps they purchase. All remaining funds will be allocated proportionately based on the outstanding debts of each applicant.

Both tiers will be funded in a single round of applications. We have drafted a small, simple application based on the criteria identified earlier. Crabbers will have to complete the application prior to a set deadline.

We'll provide technical assistance to assist them with the paperwork. And once the applications are in, we'll be able to determine the final allocation per fisher based on the funding formula I just identified. Next slide, please.

Fishers will have up to five years to repay the loan with the first payment due eight months after the loan is awarded. The delay in collection will allow the fishers to start the crab season, generate revenue and stabilize their business prior to the first payment.

If a fisher misses a single payment, no additional fees or penalties will be assessed. However, if they miss a second payment, they would be assessed a 5 percent penalty in addition to the amount they owe on the loan.

Failure to repay the loan will jeopardize the tenant's standing with the Port and ability to renew the lease. We are also considering potential hardship provisions and welcome your feedback. Our goal here with the repayment structure is to balance giving the fishers leeway to -- given the economic challenges of the industry during this current crisis while protecting the Port's capital. Next slide, please.

Funding for the loan program will be allocated on a one-time basis through the Port's contingency fund, which was appropriated in fiscal year 2019-2020. If approved by the Port Commission, the Port will transfer funds to OEWD through an interdepartmental work order to administer the program based on a memorandum of understanding between the two agencies. Next slide, please.

Again, this is an informational item. We're prepared to return to you with a formal program as an action item at your next special or regularly scheduled Port Commission meeting. Members of the finance division and I are available to answer your questions.

And I would remiss if I didn't thank my colleagues, Katie Petrucione, Wyatt Donnelly-Landolt, Stephanie Tang, Nate Cruz and Justin Bigelow who helped to formulate this plan. And that concludes my presentation. Thank you.

Public Comment on Item 8B:

John Muller - Yes. Hello, Port Commission and Port employees. My name is John Muller. I've been fishing out of Fisherman's Wharf in San Francisco for over 40 years. I lost all of my crab gear in the May 23rd fire at Pier 45, which for me represents a lifetime of work in assembling this crab gear.

And it's essential for making a living as a fulltime fisherman. Due to the challenges of COVID and the loss of my ability to make a living without my crab gear, I really appreciate that the commission is going to make these loans and grants available because, otherwise, I couldn't stay in business.

And I would basically lose my career and my livelihood. So I just want to say I greatly appreciate the help and support from the commission to facilitate this. Thank you all very, very much. It's a very desperate situation for the San Francisco fishing community. And I can't emphasize enough that we really, really need your help. And thank you very much.

Nick Krieger - Hi. My name is Nick Krieger. I'm a commercial fisherman out of San Francisco that lost gear in Shed C. Hi. Can you guys hear me? I'm a commercial fisherman. My name is Nick Krieger. I lost all my gear in Shed C, 350 crab pots and rock crab gear and black cod gear as well. And you know, I agree with John Muller, definitely appreciate.

It sounds like you guys are working to help out. I am a little concerned about this program for me personally and possibly some other fishermen as well. I'm not sure if the one-size-fits-all will necessarily work.

I possibly have gear that is still in the shed. So it'll be definitely disappointing to me if the only way I can receive any of the grant fund or the loan is to buy more crab pots when many of mine may still be salvageable.

But I just need new line and new [slips] for them. I also -- immediately after the fire, I was concerned that I wouldn't be able to fish next year unless I took actions in my own hands and got more crab gear.

And I borrowed \$30,000 and bought used crab gear from a friend of mine, which will take less work than getting new gear and also cost a little less. So I feel like I'm put in a situation where possibly the only way I can receive assistance from the Port is to possibly end up with far more crab gear than I actually need.

So -- and I know I'm not the only fisherman in that situation. I would imagine that there are other people that may have bought used gear or would like to buy used gear because it is already rigged and ready to fish.

And it's not just -- I'm not sure if everybody knows it's not just the cost of a crab pot. But there's hours of labor that goes into it. So if I were to buy 350 brand-new crab traps right now, if I had them delivered tomorrow, there's no way they would all be ready for next crab season.

So buying some used gear is a way that I have gear that's ready to fish. And I'd like that to be considered as an option not just for me but for other fishermen. So -- but yes. Thanks again. I appreciate that, you know, the Port definitely seems to be making a good effort to help everybody out.

President Brandon - Thank you. Thank you for your comments and your call. Boris, do you want to respond to that? Or --

Boris Delepine - Sure. So the current program is not for salvage gear. I can talk about the salvage gear in Pier 45 at the conclusion of the fire investigation. As Director Forbes updated during the director's report, we'll be able to salvage some of the gear in there.

But until the fire department concludes the investigation, no one can access the shed because of safety reasons. In terms of the loan program, this loan program is targeted for near gear. And I think we have to limit it to new gear because of the paperwork involved and just the tracking -- the criteria for each individual application.

John Barnett - Hi. Thank you, guys, for taking the time to hear us out. Again, my name is John Barnett. I'm the president of the Crab Boat Owners Association and one of about 30 fishermen that lost everything -- almost everything in the shed fire. I think everything would be pretty consistent.

Even the stuff that wasn't ruined is not that salvageable in my opinion. I have two boats, and I lost over 650 traps. I want to first thank Aaron Peskin's office and the [staff force] and everybody for all their hard work trying to get us at least fishing again next season.

It's been a tough process. I've already purchased 250 traps, about a third of what I had previously. And I had to rig them up. But that's all I could afford and all I could rig up in time. I've already started the process.

I want you guys to know that this is devastating for the 30 fishermen or so that lost their gear. And I personally don't see how half of them, without some funding assistance like this, are going to make it, some that are well established over 25 years of saving equipment in there like John Muller earlier said.

And to replace that is going to take time. It's not something that can happen in one season, let alone in three or four months. So I just again want to thank you guys for all the hard work, for hearing us out and for helping us trying to get into the shed, trying to access new space to store gear that we have ordered, to help us ordering gear and for communicating with us most of all quite a bit. That's pretty much all I have to say. Again, thank you, guys, for your time.

Erik Anfinson - Yes. Good afternoon, Port Commission. I'd like to take this time and thank you for helping us out with the loans and grants. I'm one of the charter boat operators and commercial fisherman. I have a charter boat, the Bass Tub. We've been running out of Fisherman's Wharf for the last 45 to 50 years.

And I, unfortunately, had a bunch of stuff out there also. Not only is it the crab gear, but it's all the supplies and everything else that goes along with making the full-time operation go. And I just want to thank you for helping us out and helping keep in communication with us with everything that's going on.

And I am fortunate enough to believe that there is still some salvageable gear in my shed, very similar to Nick and some other people out there. And I had to order some gear just to make sure that I can get ready for my season also earlier enough because I was worried.

My concern was that there was not going to be enough supplies to go around. So that's why I ordered the gear early. And if there's a way to salvage or let us know, that would be great, the sooner the better, so we can figure out what I have to order.

So once again, I'd like to thank you for helping us out with the loans and grants. It's been a tough time with COVID and the fire to top it all off.

Commissioners' Discussion on Item 8B:

President Brandon - Thank you. Seeing no more callers on the phone, public comment is closed. Commissioner Woo Ho?

Commissioner Woo Ho - Yes. Thank you for that report. I think we're all very happy to see that we have come back with a program. And it sounds like it's really going to help the fishermen and I guess, with a little -- concerned about what you said that this will not apply to any used equipment. But I guess we'll work through that.

And I think we really do want to help them get back on their feet. And I want to applaud all of you for doing this so quickly. I don't really have any questions except to know, is the private donation already funded for the down payment?

Has that already been arranged? I don't need to know the name of the donor. I just wanted to know that the setup is actually already accomplished. Or is that still in the works?

Boris Delepine - That is still in the works and ongoing.

Commissioner Woo Ho - Okay. All right. Otherwise, I'm very supportive and appreciate that we're working on this because I think it's such an integral part of the Port and part of our maritime history and makes the Port of San Francisco very unique and different to have that fishing industry right there on the pier. Thank you.

Commissioner Gilman: Boris, thank you for the report. I want to echo Commissioner Woo Ho's sentiment. I am supportive of the item. I also want to thank Supervisor Peskin's office for their leadership on this and taking on the philanthropic contributions.

And I guess my only comment I have -- it's related to the public comment we received from the gentleman who had purchased used equipment. I understand why our loan program may not be an appropriate fit.

But I ask that we explore to see whether the philanthropic dollars brought in that will also be, you know, sort of combined with our dollars, if there's a way to segment those that maybe could support individuals who either are using used equipment for purchase or who are purchasing the lines and floats.

And Boris, that was one question. If someone just needs to purchase new lines and floats, would our program be permissible for that? Or is it only the full crab pot that we are looking to support?

Boris Delepine - Our program currently as drafted in this informational item is focused only on crab pots, crab traps. But we can explore that as we return and look at, you know, used gear when we return for the action item.

We wanted to keep it simple, keep it direct. And that was really the cleanest way that we could rapidly deploy funds for the crabbers and to stick just to the crab traps themselves.

Commissioner Gilman - Okay. No. I understand. I'm not necessarily saying we should go down the rabbit hole to look at used pots. I was just curious if someone just needed to purchase new floats and new lines. So it was just more of a [for mention] to maybe look at how we can leverage the philanthropic dollars to support those fishermen and fisherwomen who went down that course versus folks who bought new pots.

But I'm very supportive of the item and happy that we're supporting this vital maritime service for the Port. Thank you again for your report.

Vice President Adams - Boris, thank you for you and your team. I want to thank Supervisor Peskin, the mayor's office, the Port. And I want to thank Erik and the two Johns and Nick for speaking from the commercial fishing community.

I'm also in very much support of this. And I remember, under Mayor Lee, we had a situation also. And we were out front in supporting the long-term fishermen. And they're a part of our community, the heritage of the Port.

And I hope that we can do whatever we can to keep this community going and thriving and to help them through their hard times. Thank you.

President Brandon: Thank you. Boris, thank you [phone rings]. Of course, my home phone would ring. Excuse it, everyone. But Boris, thank you so much for this report. Sorry about that. Boris, thank you so much for this report.

And I'm really happy that we were able to quickly put this loan grant program in place to help our fishing community. I mean, what happened out at Pier 45 was devastating. I had the opportunity to tour with Commissioner Gilman, Mayor Breed, Director Forbes and a lot of the fishermen who spoke today.

And just being out there and seeing what happened and the thought that our tenants, you know, might not be able to survive the season without our help -- so I really want to thank Supervisor Peskin for raising the philanthropic dollars.

And I'm so happy that Boris, you and Stephanie and the entire team were able to put this program together that we can all get behind and hopefully help our fishing industry and our restaurant --

Commissioner Gilman - Yeah. I'm sorry, President Brandon. I think there's some technical difficulties. One of Supervisor Peskin's staff has been trying to -- was trying to make public comment. So I didn't know if we wanted to give them the opportunity to speak.

President Brandon- Of course. Jenica, can you tell if there's anyone on the line?

Sunny Angulo - Good afternoon, commissioners. Hi. This is Sunny Angulo representing Supervisor Peskin. Thank you for allowing me to virtually express our gratitude for the work of the Port and all of you on the commission to try and find an expedited path to getting relief -- really critical relief to our crabbers and our fishermen who were impacted by the Pier 45 fire.

I think, you know, in the immediate aftermath of that fire, it became clear that we were going to need a wide range of tools to address the devastating losses that they had incurred.

And you know, a down payment loan assistance program is just one of those tools that, you know, hopefully will bear fruit for folks as they struggle to get these very intricate, handmade craftsman crab traps replenished and produced.

I learned a lot hearing from them and hearing about all of the effort and hard work that goes into actually creating these crab traps and the crab pots. So the sooner that we can get this money out the door and into the hands of our community members the better.

And I just want to thank staff for all of their hard work as well, Boris and Katie and also the folks over at OEWD, Jorge and his team. So thank you for your consideration of this item and for the care and attention that you've given to the community.

President Brandon - So if we need to have an emergency meeting between now and our regularly scheduled August meeting, I think we should do that to get these items approved and funds out to the community. So let us know if that's something we need to consider. Thank you.

9. ENGINEERING

- A. Request authorization to advertise construction contract 2795 Heron's Head Park. (Resolution No. 20-32)

Erica Petersen - Good afternoon, commissioners. My name is Erica Petersen. And I am the Port's project manager for the Heron's Head Park project. I'll be giving today's presentation requesting authorization to advertise construction contract 2795 Heron's Head Park improvements. Next slide, please.

In this presentation, I will talk about the background, how this contract meets the Port's strategic objectives, the scope, budget and funding, local business enterprise goals and the proposed schedule. Next slide, please.

Heron's Head Park is the Port's largest park at just about 22 acres. It includes walking trails, a dog run, the EcoCenter building and is a habitat for many birds and other wildlife. Successful implementation of the 2008 GO bond funding allowed for expansion of Heron's Head Park and has resulted in an increased use of the park since 2010.

Just some data for you -- the park gets over 5,000 visitors per year of all ages. Seventy-five percent are San Francisco residents, and 35 percent are from the nearby neighborhoods, the [92124] zip code. And another exciting recent example of increased use is that this month the tenant at the EcoCenter, which is SF Rec and Park, started hosting the first-ever kids camp at Heron's Head Park called Wetland Explorers.

One hundred percent of the kids are receiving scholarships to attend and are from the nearby 94124 zip code. So this increased use of the park resulted in Port staff's awareness of increased needs. The funding source for this project is the 2012 clean and safe parks general obligation bonds, which I will call GO bonds.

The overall objective of the GO bonds was rehabilitation of the city's parks. This project will make improvements to Heron's Head Park by improving pathways, accessibility and safety for the public while protecting the natural environment at the park. Next slide, please.

This work also supports the goals of the Port's strategic plan. The project will make improvements to the Port open spaces by providing more amenities at the EcoCenter and the pathways in the park.

It will provide an ADA-compliant pathway connecting to the PG&E shoreline, which will provide a connection for access to more of the southern waterfront. By performing

upgrades to the EcoCenter's solar panels, the project provides more amenities to the EcoCenter's tenant, which is currently, as I mentioned before, San Francisco Recreation and Parks Department.

This will allow them to more effectively provide public programming at the EcoCenter. This contract promotes living-wage jobs by providing opportunity for local business enterprises, LBEs, which includes contractors from historically disadvantaged communities and by meeting mandates for local hire in construction projects.

The EcoCenter at Heron's Head Park is considered off the grid and powered by the solar panel system. By upgrading the solar panel system, the Port will improve Heron's Head Park's self-sufficient energy supply. Next slide, please.

So Port staff determined and prioritized areas of improvement at the park based on the GO bond funding and discussions with the tenant at the EcoCenter. You can see the improvements summarized on this slide.

We'll be paving the areas in yellow and orange, the dotted lines. And a new habitat-protection fence will replace the old one on that pink line at the bottom. The solar panel system at the EcoCenter will be replaced. And path lighting will be installed along that blue dotted line to provide a lit path from the EcoCenter to the parking lot.

And also some irrigation and hydroseeding will be installed -- constructed in the areas where the path has been improved. Next slide, please.

There will be a bid alternate to construct stairs connecting the southeast door of the EcoCenter to the picnic area along with a ramp on the north side of the picnic area, repaving the picnic area and additional irrigation.

You can see a photo of the picnic area in this slide that will be repaved along with a photo of that southeast door and the location of the future stairs. We included this as a bid alternate to ensure that the contract can move forward.

The bidding climate is uncertain. And in the past, bids have come in higher than the budget. The stairs and ramp will provide direct access for people inside the EcoCenter down to the adjacent picnic area.

And currently, to get to the picnic area, a person has to backtrack and walk about 400 feet. So we hope this will facilitate use of that picnic area. Next slide, please.

One hundred percent of the funding for this project will come from the 2012 GO bonds, which were specifically allocated for use in park upgrades. The engineer's construction cost estimate including the 10 percent contingency for this proposed project is \$965,000. And the bid alternate is \$350,000 including contingency.

So including the bid alternate, the total anticipated budget is \$1.3 million. Next slide, please. The contract monitoring division, CMD, has established a 20 percent LBE subcontractor participation goal. Port staff will work with CMD staff to outreach to contractors located in San Francisco and encourage bidding by LBEs with a particular focus on contractors located in the Bayview neighborhood adjacent to the site.

Staff's outreach will include phone calls and emails to LBE contractors, newspaper advertisements, posting the bid opportunity at the San Francisco Contractors Assistance Center -- which I'll have to check on if that's still an option due to COVID -- and facilitating introductions at the pre-bid meeting.

There are two permits required for this work. The Port encroachment permit will be secured by staff prior to construction. And additionally, Heron's Head Park is under the jurisdiction of San Francisco Bay Conservation Development Commission, BCDC.

This construction is pending their approval through an already existing permit. And this approval will be secured prior to construction as well. Next slide, please.

If you approve this authorization today, we plan to advertise in August and would be on track to have substantial completion by July 2021. In conclusion, I respectfully request that you authorize construction contract 2795 Heron's Head Park improvements to advertise for competitive bids. I'm happy to answer any questions you may have. Thank you for your time.

ACTION: Vice President Adams moved approval; Commissioner Gilman seconded the motion.

No Public Comment on Item 9A.

Commissioners' Discussion on Item 9A:

President Brandon - But I just have one -- I just have a question that's not necessarily regarding this project. Do we have a balance in the 2012 GO bond fund? Or is this it?

Katie Petrucione - Commissioner, this is Katie Petrucione, the Port's director of administration and finance. So there is \$3.1 million in remaining unspent 2012 GO bond funds. But those funds are allocated. So as Erica said, \$1.3 million for Heron's Head, and then the remainder is allocated to the renovation of Agua Vista Park, which will occur with construction of the Mission Bay Ferry Landing.

And then, there's a tiny little bit -- there's about \$250,000 remaining for us to do some feasibility work related to a potential project on Islais Creek.

Roll-Call Vote:

President Brandon – Yes

Vice President Adams – Yes
Commissioner Gilman – Yes
Commissioner Woo Ho – Yes

President Brandon - Motion passes unanimously. Resolution 20-32 is adopted.

10. REAL ESTATE AND DEVELOPMENT

- A. Informational presentation on the responses received and scoring panel results for the South Beach Piers 38 & 40 Request for Proposals (RFP) within the Embarcadero National Register Historic District, for the adaptive reuse, rehabilitation, lease and operations consistent with the goals and policies of the Draft Waterfront Plan and the Port's Resilience program.

David Beaupre - Good afternoon, commissioners. David Beaupre with real estate and development. Commission President Brandon, Director Forbes, I first wanted to introduce the team and the support that I've had from Mike Martin, Rebecca Benassini, Eileen Chauvet, Rona Sandler and Stephanie Tang in getting to this point in the process.

I'm also joined today by our technical experts Jim Musbach from Economic Planning Systems, Matt Bell from the Port engineering and Mark Paez, our preservation experts who provided technical expertise to the scoring panel. Next slide, please.

This briefly provides an outline of what I'll present today: going over the strategic plan alignment; the background on the project; the respondent development concepts; technical expert review; scoring panel composition, process, review and scores.

Then, I'll turn it over to Simon Snellgrove from Pacific Waterfront Partners who will present an overview of his concept. And then, I'll close it out with next steps moving forward. Next slide, please.

A successful rehabilitation of Piers 38 and 40 will touch on five strategic objectives including productivity, stability, resilience, engagement and equity. And as we get further in the presentation, you'll see how the successful project will lead to each of these. Next slide, please.

To provide a little bit of background -- and this slide should look familiar -- this RFP process is the direct outcome of the waterfront plan update including the nine plan-wide goals, including the Embarcadero Historic District public trust objectives, the South Beach area subarea objectives, the acceptable land uses from the waterfront plan for the Piers 38/40 facilities and community input we received on the values and priorities that the community -- the CAC wanted to see delivered with Piers 38 and 40.

We also want to make certain that project aligns with the city and Port's resilience program including the seawall program and Army Corps of Engineers flood study. We have a brief outline of the process to date building off of the request for interest for all the historic piers that we concluded in the summer of 2019.

We went to the Port Commission for informational items in December of '18, February 2019 and May of 2019. Then, we drafted the RFP goals and objectives and brought them to the Central Waterfront Advisory Group, the Northeast Waterfront Advisory Group, the South Beach/Rincon/Mission Bay neighborhood group in the summer of 2019.

And we returned to the Port Commission with the goals and objectives of the RFP seeking authorization to release it in October. We issued the RFP in January of 2020. And in March of this year, we received two respondents. Next slide, please.

Here's just a high-level overview of the development offering and the areas offered for both Pier 38 and Pier 40. Next slide, please. High-level overview of the process -- again, on January 10th, we issued the RFP. We made people register to download it, so we could see who downloaded it.

There were 150 people registered and downloaded the RFP. On January 24th, we held a pre-bid meeting and tour. We hosted it at the South Beach Harbor community room and then toured both Piers 38 and 40. We had about 80 people attend including nine developers, 49 sub-consultants and 10 LBE firms.

As a part of that tour and pre-bid meeting, we had people sign in, self-identify with whether they're a prime developer, an end user or tenant that may have responded to the RFI, a consultant or an LBE consultant with colored name tags for each organization.

We broke the group into four small groups and allowed people to tour each of the facilities guided by Port staff. And afterwards, we also opened up the meeting room so that people could network amongst one another to see if they could form teams between themselves.

On March 4th, we received two proposals. And I'll also just mention that, throughout the process, there were three opportunities for protest regarding the terms of the RFP, whether the teams were responsive and during the intent of selection. And we received no protests at all throughout the entire process. Next slide, please.

The Port received two responses. Each met the minimum qualifications and were deemed complete including from Orton Development Incorporated, our development partners at Pier 70, and Pacific Waterfront Partners, who were also the developers of Piers 1 1/2, 3 and 5.

We invited each of the respondents to present at the Port Commission meeting today. And Pacific Waterfront Partners will be presenting their concept in just a bit. Next slide, please.

I'm going to provide a brief overview of each of the responses. And then, Simon Snellgrove from Pacific Waterfront Partners will go into more detail on his specific proposal. Pacific Waterfront Partners' vision was a public playground where families can engage in water-oriented recreation and landside amenities that are welcoming and accessible for a diverse Bay Area population.

They have uses that include maritime uses, publicly-oriented uses, revenue-generating uses and a significant investment in the piers. The maritime uses -- just a few highlights -- include a youth sailing facility, a center for waterborne transportation and a new marina.

Publicly oriented uses include affordable restaurants and pop-up retail, public access on both the aprons and internally to the historic facilities, a proposed marketplace on Pier 40 and free activities and events.

Revenue-generating uses include office, retail and commercial berthing. The office space includes nonprofit space for nonprofits as well. And the total investment was \$383 million including the full seismic and resilience and improvements consistent with the secretary standards. Next slide, please.

Here's a site plan and land-use program for Pacific Waterfront Partners including a summary of their square footage by use. Essentially, the green and orange areas are the publicly oriented uses and public access.

The light blue is office with revenue-generating uses but which would also include space for nonprofits. And then, the new marina is identified to the north with an extension of the seawall -- the South Beach Harbor seawall that provides wave attenuation and also helps with resiliency. Next slide, please.

We have Orton Development. Their vision was for rehabilitated mixed-use Piers 38 and 40 with an aquatic park that invites people to play and work. They also had maritime uses including an aquatic recreation park and a space for excursion water taxi and ferries.

Their publicly oriented uses was public access in restaurants and flexible retail on Pier 40 with the revenue-generating uses being office and retail. Their total investment estimated was \$150 million for full seismic and resilience. And their improvements were also consistent with secretary standards. Next slide, please. Thank you.

This is an overview of Orton's land-use site plan and their total program. Their purple identified on this were the revenue-generating uses. And the yellow/orange areas were

their public-serving uses along with -- between the piers and aquatic center for maritime functions. Next slide, please.

As you may recall and as you authorized back in October on the RFP, we indicated that we were going to assist the scoring panel with three technical experts including Economic Planning Systems, who reviewed the financial feasibility and market feasibility of the proposals.

Port engineering staff reviewed it for engineering and resilience feasibility. And Port preservation staff reviewed it for the preservation approach and whether that was consistent with secretary standards. Next slide, please.

Briefly, on the scoring-panel composition and process, we had an all-star scoring panel that included: Sophie Maxwell, former supervisor of District 10 and SFPUC commission; the late Ron Miguel, who was a former planning commissioner, small business owner and member of the Port's waterfront planning working group; Byron Rhett, our chief operating officer; Alice Rogers, who participated in the waterfront plan working group and is vice president of the South Beach/Rincon/Mission Bay Neighborhood Association; and Jennifer Sobol, a retired Port development project manager.

I also just wanted to take a minute to recognize my appreciation for Ron. I'm sorry for his passing and feel very fortunate to have worked with him all the way up to the end.

So going through our review process is Stephanie Tang that managed this process. She worked with the panel members to complete the ethical clearance and blackout forms that you had approved previously.

Then, we had the technical memos and RFP scoresheets distributed to the panel members. I'll mention that, between steps one and step two, because proposals were due at the early onset of the COVID outbreak, that we reaffirmed the interest of the developers between step one and step two. And both came back and reaffirmed their interest in moving forward.

On March 31st, we convened and moderated a meeting to review the process prior to the scoring of the written review. So we reviewed the scoresheets. We introduced the panel members to one another.

We provided them an overview of the technical memos and shared with them how this written scoring should occur. Then, on April 10th, we convened and moderated a review meeting with the technical review -- technical panel and the scoring panel to see if they had any questions about the RFP, see if they had any questions about the scoring process and helped guide them through the scoring process.

On April 13th, panel members submitted their score sheets to Port staff for tabulation. And then, on June 10th, we convened the panel and interviewed each of the respondents verbally as a part of their scoring process. Next slide, please.

The scoring criteria in front of you is what was approved by the commission. Responses could receive a total of 100 points on the written responses and an additional 30 points as a part of the verbal interview process. Next slide, please.

This summarizes the results where Orton Development received 106 points, and Pacific Waterfront Partners received 114 points. We eliminated the highest and lowest scores for each of the criteria. And then, the remaining scores were averaged. So they were close, but there was a distinct leader. Next slide, please.

So with that, I'll introduce Simon Snellgrove who will present their concept. And then, I'll wrap it up at the end. Simon?

Simon Snellgrove - Thank you, David. Good afternoon, President Brandon, Vice President Adams, Commissioner Woo Ho and Commissioner Gilman. I'm Simon Snellgrove with Pacific Waterfront Partners.

First of all, I just want to thank the planning and development staff under Director Forbes -- I'm sorry. And good afternoon, Director Forbes. Whoops -- under Director Forbes's leadership. They have struggled for three years to get the waterfront -- draft waterfront plan update completed.

And I want to thank the neighbors. Particularly, there's so many neighbors who worked so hard on the draft waterfront plan update and so many staff -- we haven't got time to mention them all but a special mention to the late Ron Miguel, Corinne Woods and Paul Nixon, all special friends to all of us. Next slide, please.

I want to start off just a little bit by not talking too much about us. But we have terrific financial partners who get it. As far as PWP, we never give up. We never stop learning. I was an immigrant. And we, too, are dreamers.

After submitting our proposal in March and after the horrible events in Minneapolis and afterwards and like many of us around the country and the world, we decided that we must stop talking about equitable minority inclusion and start acting.

Should we be selected, we have restructured our project team. And I have asked Cornerstone to join us as project managers. I've known Wayne Perry for over 15 years and have always admired his work and his mission. And I look forward to actually partnering with him in the project. Over to you, Wayne. Next slide, please.

Wayne Perry - Thanks, Simon. Thank you all. And Cornerstone -- we're really excited to be part of this team. I've actually known Simon even longer than 15 years, probably like 20 years. But I know him to be a reputable person. I know his firm to be reputable.

This development is really significant for a couple of reasons. Number one, of course, it's going to be transformative for the Port. But more importantly I think, it represents a

unique opportunity to use a [unintelligible] million-dollar development to bring opportunity and capacity to the local community.

So I think that, you know, we will have failed if we don't figure out a way to include local businesses, LBEs, of which we're one, and also local San Francisco residents into this process. So Cornerstone's role on the team is two-fold.

One part of our role is to assist the development team on the technical side, on the program and construction-management side, which we've been doing now for about 34 years. And most of our large programs, when we are helping our clients deliver, you know, a large infrastructure project like this, we always want to have something to leave behind.

And in this case, what we're proposing to do on this team is to build an incubator or what we call a world-class facility. And the uniqueness of the facility will be that it will focus on -- it will be on the premises, number one.

Number two, it will focus on skills. It will focus on inclusion and access to opportunities from this development. And it will focus on diversity. So throughout my brief presentation, I'm going to highlight a few things that we've done as a company and what the Cornerstone Institute is going to establish here so that, you know, my model here on the team is to build it, to train and to sustain.

So this facility we're going to establish on the premises will be a facility that will include several features. One of the features will be job training and placement, entrepreneurship, small business development, financial literacy, industry networking opportunities and, most importantly, job training in specific skills in the areas of design, construction and real estate development, which of course will be part of this whole three-to-five-year process.

So we're going to figure out a way to make this facility something very, very, very unique. And I describe it as an ecosystem. So within that facility, we're going to create an ecosystem, which I'll further describe here.

So that facility will include LBEs, employers. I'll include mentors and, of course, local residents. I've used the term ecosystem. But I also refer to it as gumbo. We're going to create a pot of gumbo where we're going to have skills being created or developed.

We're going to have access and inclusion from the community. And the third piece of it is diversity. On our other projects in our San Francisco training center, we have a facility where we have our culture, history and all of these features that are replicated at our facility.

And we're going to bring all of those features of our training program into this new facility. And again, I call it a gumbo of all of these benefits to the city. And then, finally,

I'm going to collaborate with Dwayne Jones, who I've worked with in the past in the Bayview.

And we're going to go out to these communities, these underrepresented communities in the Bayview, the Mission and other communities throughout San Francisco and do a listening tour and find out what is it that they want to be part of this development. And we're going to bring that in and incorporate it into this development. And I'm going to make sure that happens with this team. Thank you.

Simon Snellgrove - Thanks, Wayne. One last point on partnering -- at the bottom of the slide -- we're going to talk a lot about partnering. We're going to partner with the community on this project. We're going to partner with the Port, with our maritime tenants, with our restaurateurs and other nonprofits and our team members. Next slide, please.

So this is our team. It's too long to go into, so I've cut it back. We've got about 28 people involved. The significant thing about the team is that at the top is the management structure. You see that we, the managing member, are going to joint venture in the project management with Cornerstone.

They're going to bring in on the left the Cornerstone Institute. And they, as Wayne says, are going to involve RDJ Enterprises, Dwayne Jones, to really hammer on the outreach. We have a fantastic team of architects and engineers with boatloads of experience.

All of them get it and will ramp up their commitment to inclusionary employment. We have terrific contractors and specialty advisors to expedite the entitlements and our general contractors with Nibbi and Powers have stellar reputations in the LBE area.

We have thoroughly experienced lawyers and bond financing expert. And now, so you can stop looking at my boring slides and lead our interpretation of the Port's vision, I want to introduce our lead consultant, Mark Hornberger, who will present what we consider the canvas upon which our team, the community and the Port will develop the design. Thank you, Mark. Next slide, please.

Mark Hornberger - Simon, thank you very much. And members of the commission, it's nice to be here today. So as Simon said, we're really at a starting point. Our vision here is at the beginning of a process where we're partnering with the community to develop what will be, we think, a very exciting plan for these two historic piers, a diversity of uses and a diversity of users.

And we're focusing, of course, on the Port objectives [unintelligible] which include emphasizing maritime operations and the rehabilitation of these two historic, important shed and bulkhead buildings. Next slide, please.

And at the same time, we want to meet and exceed the public trust objectives and the goals of the draft waterfront plan. In this view, you see some of the community benefits

that we're bringing to the project including activation of the Brannan Street Wharf park area.

You can see here with the upgrading of the aprons and [verge], how we're able to create this youth sailing program and activate the waterfront just north of Pier 38. Next slide, please.

And with the plan that you all have in the RFP, you can see here in the yellow/orange colors, our public uses, restaurants, cafes, bike and kayak rental. We're including in the pink at the bottom on Pier 40 a community room, which will be open to members of the local South Beach community.

We're extending the historic bay-front walk and creating interpretive history display areas within the sheds and bulkhead buildings themselves.

And in the area between Piers 38 and 40, you can see the increase in water activity that we're bringing to the project including new floats and public-related water amenities including a public swimming and bathing area to the east of Pier 40 and, importantly, building a new outdoor market cover, new structure, which has photovoltaic and glass roof on it, which will help activate this important spot. Next slide, please.

And in activating the Embarcadero, what we're really doing is connecting the local neighborhood with the bay so trying to bring views through to the sheds in the bay and activate this area. Next slide, please.

And importantly, creating a structure of our own time which is compatible with the historic structures, this is the creation of this outdoor market, Latin food market that we've discussed in our proposal, connected to sustainable transportation, bus lines, walking, biking.

And we're creating a space really that serves not only diverse uses but diverse people and brings economic opportunity to this area. Next slide, please.

And of course, forefront in our mind as well is resiliency, thinking both about post-earthquake resiliency and thinking about measures to combat sea-level rise. So Simon, would you like to take over here?

Simon Snellgrove - I'll unmute myself first. I want to talk a little bit about resiliency, three forms of it, resilient structural and financial engineering first, the IFDs, the CFDs, the Cal Boating grants that are all marked on this plan and are probably too hard for you to read.

But we're going to partner with Brad Benson, the Port's structural and financial engineers. And we have [North Bar Capital] who is going to help us arrange that bond funding to relieve the Port staff of all the work of that.

And then, there's financial engineering. You're going to see in red at the bottom left-hand corner there, there are eight restaurants in the market area, each about 2,500 feet. We are going to form incubators for the Port. These are going to be tenants, future tenants of the Port.

And the high points are we're not going to charge any CAM. That's common area maintenance. We're going to charge zero rent. We're going to subsidize the original improvement costs. Unless President Brandon think I have gone nuts, we are going to implement a stepped percentage-rent program so that, as they succeed, when they succeed, we and the Port will also.

In the orange areas of market-rate rent shown in orange, the highlights there are there will be no CAM charges, common-area-maintenance charges, until they can afford it. There's going to be low minimum rent, 50 percent less than the Financial District that Piers 1 1/2, 3 and 5 are in.

And again, there's going to be stepped percentage rent. So as the tenants succeed, we and the Port will succeed also. In return, we're going to be agreeing with our tenants a cap on price point so that the community can affordably dine out.

We're going to have a selection process managed by the community, the Port and us. And we're going to ask for no chains -- chain stores, no chain restaurants, dedicated supportive sustainable farms and CUESA sanctions.

Lastly, we're going to have startups for the water taxis as we've done at Pier 1 1/2. We're going to have subsidies to encourage water-taxi transportation such as Tideline to grow and serve the Bay Area more.

I don't want to -- I'm going to forego the next slide if we could go to that and then pass the technology. It's already old. And suffice to say, the Port's engineers have passed us in the dust since January when we submitted this.

So I just want to say thank you for considering our proposal. We are humbled by the opportunity of being considered and the possibility of partnering again with the Port. This is a project that I have studied since 2009, bid on in 2013.

And if you decide to award it to us, we'll be very grateful because I feel like we're finally going to get our chance. Thank you very much.

David Beaupre - Thank you, Simon, Wayne and Mark. Next slide, please. So I'm ready to wrap it here very briefly. Our next steps [unintelligible] advisory committee on July 29 and then returning to the Port Commission seeking the approval to begin ENA negotiations on August 14th and then, ideally in the fall or winter of this year, come back to the commission seeking authorization to enter into an ENA.

I would be remiss to say that -- if I didn't say that the scoring panel thought that both proposals were very strong, that we couldn't lose with either of the respondents. And I think Simon also mentioned that, you know, what we see today may end up being slightly different where we end up and that working with the community and the commission and through negotiations, the program is likely to evolve over time.

And then, lastly, I just wanted to thank again Matt Bell, Matt Wickens, Steven Reel and Mark Paez for their technical review support and an extra big thanks to Stephanie Tang who jumped into this process, which is not a typical procurement process by the city standards, in her first week at the Port and then ongoing support from [Michelle Chauvet] and Rona Sandler from the city attorney's office. And with that, we're all available for questions. Thank you very much.

No Public Comment on Item 10A.

Commissioners' Discussion on Item 10A:

Commissioner Woo Ho: Yes. Thank you. Well, this is an actually very significant and momentous day. I still remember when we closed Pier 38 in 2012. And it's taken us this long to finally get to this point where I think we now have a wonderful project. And I think the vision of both of the development proposals, which integrated similar themes, has been terrific.

And I think that, if we had gone forward with what was proposed subsequent to the closure of Pier 38, that would have been only a partial solution and would not have been as thorough and comprehensive and meeting so many objectives, which in what we are living through today in our society in San Francisco and across the country in all the things that we need to do not just for a vibrant waterfront but as has been mentioned.

And I commend you, Simon, for bringing in your partners to make this project more inclusive, achieve some of the objectives that we need to do as being responsible in this city for, I guess, the richness and the culture and our social objectives in society.

I really do applaud you. I really did like the vision that you've integrated here. And it seeks so much more today. And I think that, while we were very -- not very happy that we had to live for this long to get here -- because I think we live -- and you know what that was like way back when too, Simon, when we went through the first effort, which was not really very complete.

But I guess it was worth the wait, I guess, to wait till today to see something that is much more, I think, appropriate for the two piers and for the vision that is being expressed on many different levels in terms of the maritime, the community benefits, the openness as well as obviously on the commercial side.

I would like to say that we'd like to see a lot more detail on the ideas and what is going to help us to make this project financially successful. And I guess there was a huge difference in the amount of investment involved.

So that's good and bad between the two proposals. On the one hand, it's great that there's going to be an enormous amount of investment with your proposal. But it also worries me in terms of just how is this going to be all funded.

And the particular part that I think you mentioned -- but perhaps, we need to know a little bit more detail -- is in terms of -- it was mentioned in the staff report -- just to understand clearly all the seismic work and the seawall and sea-level-rise response that needs to be reflected.

I think we've had many major magnificent projects proposed to us in the past -- we would include the Warriors among that on Piers 30-32 -- only to find out, when more detail, more research was done, that these projects became a lot more difficult and, turns out, not feasible.

So my question is really -- and I'm not sure whether you could answer them today. But I think it's something that the Port staff and all of us should be aware of -- what are the showstoppers for this project?

And I think we need to know what would not make this project come to fruition since we've been down this path before. And I guess that is something that, if you have any thoughts today to talk about, I would like to hear them.

But I'm concerned, when we have major developments, that there's always something that hits us along the way. And we're all very excited in the beginning. I can tell you I'm really excited. I mean, this is amazing, I mean, after all these years.

And I think it's worth the wait. And I'm pleased to say that both of the project proposers are people that we know and I think that we trust. And I think that both in terms of Simon in terms of what he's done -- the excellent work that he's done and, of course, Orton has worked with as well, so I think we have to be pleased that we had very strong proposals here.

But I just want to make sure that this time we don't have anything that's going to surprise us and not allow something like this to come to fruition. So I guess the question is, what would be the showstoppers here?

Rebecca Benassini - Commissioner Woo Ho -- Rebecca Benassini in real estate and development. I wanted to begin by just saying -- highlighting what David ended his presentation on, which is I would imagine we are very quickly going to start to look at

the in-water work and the extent and location of the various marina facilities that have been proposed.

And I can see some of those evolving and not from a showstopper perspective but just keying in on this program is going to evolve as we look at the permitting as the due diligence that Simon's group will have to do in terms of looking at where the best locations are in terms of the seawall and the bay mud and the locations of the piles and which piles will need repair, which will need full replacement.

So I want to highlight not a showstopper but definitely an evolution of a program. And Simon, I'll hand it over to you in case you'd like to answer further.

Simon Snellgrove - Thank you, Rebecca. Commissioner Woo Ho, we studied this back in 2009 for a subtenant of the then tenant of Pier 38. We had structural engineers come in and do a pretty thorough assessment. We did it again in 2013 with Rutherford + Chekene and Pat Ryan, the two engineers, both of whom have done -- they did Pier 1. They did Pier 15.

They're very experienced engineers. We have on our team two contractors who have been -- Nibbi Brothers, who's done a whole of the work. They did Pier 15. They did Pier 70, part of -- I'm forgetting in my nervousness now. But they've done a lot of work.

And Power Engineering has worked for us. And they've worked for -- they've done work in the basin right here next to the Ferry Building. And I've known David Mik for a long time. And he's a very knowledgeable engineer.

And Pat Ryan has been working -- and Power has been a consultant to the Port engineers on the seawall repair. In fact, that diagram I said don't both looking at -- that's only because we did it in January. And it's now been made more -- it's been changed.

We're fortunate in this area that the seawall is not as in bad shape as down, for instance, in Pier 1 1/2, 3 and 5. We know that it's going to be expensive. David has said [he thinks] our estimates are too high. So we're very thorough.

When I built Piers 1 1/2, 3 and 5, I used the low bidder. And I used a contractor that was doing the Bay Bridge. And I'll never do that again. So I went to the best. I decided to just go to a Rolls Royce and be done with it, so I don't have to, you know, not sleep at night.

And these guys have done an incredible job. This is a very thorough estimate. And I'm very confident in the costing. So I don't think there's any showstopper. The showstopper you asked about might be that we perform at the same rents that we're getting currently -- a little bit less than what we're getting currently on 1 1/2, 3 and 5.

So we have aggressive office rents. We think the space -- this location is so fantastic that we're not going to have any problem. And you'll see CBRE, our leasing people who leased the piers, leased the Ferry Building. And they have underwritten our rents.

We're giving a lot away for the community. The CAM charges will result in our gross rents being slightly higher. But if you take the maintaining, the sailing academy and eight restaurant -- you know, their contribution as a percentage of the overall 276,000 feet, it's pretty small.

So yes. We're pleased to go through due diligence. We're going to -- we have an acre of documents. I've been studying this for so many years. Our investors are satisfied with our due diligence. And we hope to be able to satisfy the Port and independent consultants whose name -- Musbach -- I'm sorry. I've forgotten the name.

We hope to be able to satisfy them as well. I just want to point out we developed Piers 1 1/2 3 and 5 on the waterfront for \$56 million after tax credits. We sold it for \$106 million. And the rents on Pier 1 1/2, 3 and 5 are higher than the top floor of the Salesforce Tower.

So we do good projects. I'm confident in our quality. I believe that we'll be able to attract the office tenants, you know, given that COVID doesn't keep up for 10 years and San Francisco fall in the bay with an earthquake -- I believe in the market -- I believe that we are going to be able to have the office tenant income subsidize the public benefit like sailing --

Commissioner Woo Ho: I have two other comments. One -- just one, you mentioned it. And actually, since you -- you know, we're living in a new environment with COVID. And I don't think that it's ever going to be totally eliminated.

But it's now made us much more aware of these types of pandemics and things like that. So I guess, in your design, I would just mention that, hopefully -- I think there will be new kind of office designs and other designs to address these kinds of threats in the future. So I guess that's something for you to consider, even the ventilation systems, etcetera.

So that's one thing. And hopefully, that's being considered. Then, the other piece is really for the Port side because you mentioned -- so it would be important for us to understand the benefits both -- obviously not just the public and everything else that you've mentioned in your vision but for us -- and I know this is not today.

But you know, I'm always the one who wants to understand the financial benefits that we will see. You know, we've worked well together in the past, Simon. So I don't doubt that that will not be worked out. But it's obviously something that I would like to just put on the record that it's going to be very important for us that, for an enormous project of this kind, given that we are faced now with tremendous challenges ourselves in terms of our capital projects.

And we are trying to help, as you've seen throughout this whole commission meeting, help a lot of our tenants to get through a difficult time. So hopefully we see some golden -- a pot at the end of the rainbow for everybody here. That ends my comments.

Commissioner Gilman - Thank you, President Brandon. Simon and to your team, I am really excited about your proposal. The bringing in of Cornerstone, the community benefits, they are very, very impressive. I'm really excited.

I don't have the history as other commissioners of false starts on Piers 38 and 40. So I was excited by your concept and your design. I had just a couple of questions. They don't need to necessarily be answered today.

You answered some of the financial questions I had around how it would pencil with all of the community benefits you were providing. One question -- I apologize also, David, if I missed it in the staff report.

There are other tenants currently occupying that space besides the sailing company. And I was just wondering what your plan was for those tenants to offer them space, either relocation space when you're doing construction or the right to return because there are some -- there are some small manufacturing businesses.

I might be getting the terminology wrong. I call it a shed. They're kind of out on the pier. And I'm just curious what your plan is to engage those tenants.

David Beaupre - Simon, I can take that. I think, as we move forward, Commissioner -- Simon, I'll try to answer it. Commissioner, as we move forward, we're going to try to engage existing tenants and the community and see how we can work with existing tenants that are out there.

They do activate and are important to the South Beach Harbor. But we need to work with all the tenants and the community to see how we can best address their needs.

Commissioner Gilman - Okay. It's -- just whether it's relocation assistance or right to return -- some of them are small businesses in manufacturing, all related to marit -- at least my understanding the last time I toured it -- were all related to maritime. So I just want us to now lose track of them as well as we do this incredible revamping of the pier.

And then, my only other question -- and Simon, it was more because you brought it up. And I apologize. I don't remember -- in your statement you just made. You did mention that you did sell the previous property that you developed in the Port, Pier 1 1/2 and 5.

And I was just wondering if there would be safeguards that, if for some reason you ended up after development -- post-development selling this project, some reassurances that the community benefits would stay intact at least for a solid length of time or in perpetuity so that, if you did sell post-development, that we wouldn't lose all the incredible benefits that you're putting into the project.

Rebecca Benassini - Commissioner Gilman, it's Rebecca Benassini. I can answer that one. As we get into the exclusive negotiating period and as we formulate a term sheet, which will be all of the items that will form the basis of the lease, then the long-term

lease will require all of the community benefits that we absolutely value to be in place for the term of the lease so that, if the tenant eventually chooses to sell the lease, the new lessee needs to fulfill all those obligations.

Commissioner Gilman - Okay. Well, I'm looking forward to seeing how this project moves forward and these benefits and working with a new partner, working with you, Perry, at Cornerstone, it's really exciting. So that concludes my questions.

Vice President Adams - David and Simon, thank you for the presentation. It has been a long time. Commissioner Woo Ho laid that out. But I believe also it's about timing. This is some exciting news amongst all the -- everything that's going on in our society.

I'm looking forward, I think, for each commissioner to be briefed individually. I think it's a lot of questions. And each one of us needs to be briefed individually. I think Commissioner Woo Ho has her questions, of course, President Brandon, Commissioner Gilman. I have mine.

And some one-on-one time because I know today at this commission meeting we're kind of running short on time. But I'm really excited about this. I want to learn more and then just kind of give us all the small details. But from what I've heard so far, it's very exciting.

And it's a very positive thing. And I myself am like Commissioner Gilman. How about those tenants that are already there? We pride ourselves in the Port about community and family and how we take care of people with dignity and respect.

So I'll look forward to it. David, thanks again. Appreciate it, Simon, Rebecca and all the team. Thank you so much. And I'll look forward to my one-on-one briefing. Madam President, I'm done. Thank you.

President Brandon - Thank you. David, Simon, Wayne, Mark, the whole team, this was a wonderful presentation. And Simon, I really want to thank you for listening to me over the last 20-some-odd years.

Simon Snellgrove - I'm terrified of you. [laughter]

President Brandon - And I am just so happy that you actually went and revised your project to include Cornerstone and Wayne Perry. I've known Wayne for over 20 years also. And for the last five, 10 years, he has been looking for a facility to do job training to give back.

And you are giving him that opportunity along with other skills that he will bring to the project. So I think this joint venture is absolutely phenomenal. And thank you for being one of the first on the Port to take a lead and do something on this size project like this.

So I really appreciate that. I think that we were really lucky to get two wonderful proposals for these piers. And then, we had a great panel. We had a great review panel that I respect highly everyone on that panel.

So for them to have chosen you in this project -- and I know you have studied these piers for the last 10 years or so. So I'm sure you're going to be able to create a great project. But you know it's all in the numbers.

So all of us will be looking to see what this will actually provide to and for the Port. But we're looking forward to working with all of you on this project. So thank you so much.

C. Informational presentation on status and findings of the Opt-In Rent Deferral Program and Proposed Rent Forgiveness Strategy.

Rebecca Benassini - Good afternoon, commissioners. Rebecca Benassini in the real estate and development division. I wanted to provide a brief moment of introduction before Crezia Tano-Lee wows you with all of the details she's going to provide.

And I know it's been a long meeting. The one benefit of being at home on remote is I can get up and stretch during meetings, and nobody can see me in the room. So I do appreciate that. And I'm sure you do too.

The item before you today is an informational presentation on a proposal for rent forgiveness. We've been talking about this at several meetings. We've gone over quite a lot of numbers. We appreciate the inclusion of all of the Port's divisions in this discussion.

We've been coordinating closely with Katie Petrucione, Andre Coleman, Nate Cruz in finance, Tyrone Navarro, Director Forbes and all of the others, Mike Martin and Mark Lozovoy both in their various respective leave states at this moment.

So we've worked quite a lot on this program. And I just wanted to provide one introduction, which is we are trying to get the balance right. And we're really looking for your guidance here. The key balance is between the Port's fiscal health and our tenants' health.

And as we're working on that balance, we're also looking for a program that we can administer. With more than 500 tenants, we need to come up with a program that is administerable by our small staff.

And we also, in providing this program, we need to provide the rationale to our tenants. I think they will be more accepting and supportive of the programs if they understand that we have a clear rationale for the proposals we're making.

So we want to go through those with you and get your feedback. And I also wanted to just point out that we've been looking at other programs. We've been looking outside of San Francisco. We looked at Port of San Diego.

We, of course, are looking at SFO and within San Francisco for other models. And we really feel as though the program we are starting to develop is more robust than others we've seen. Most of the programs are focused on deferral.

They're only starting to dip their toe into forgiveness at this moment just as we are with this informational. So I wanted to just kind of assure the commission that we're looking around to see what other large landlords are doing and really feel that, as we get into the Q&A, you'll begin to see that the proposal we're going to put in front of you for discussion is robust and really drives at getting that balance between our tenants' health and the Port's fiscal health.

So I'm going to hand it over to Crezia to go through the presentation. And we will all be available for the discussion. Crezia?

Crezia Tano-Lee - Thank you, Rebecca. Crezia Tano-Lee, manager on the real estate and development team back with the commission on our proposed rent-forgiveness strategies.

I'd like to extend a very immense amount of gratitude to my colleagues, Rona Sandler and the legal team, Rebecca and Mike, the maritime team, our lease admin team and our finance and accounting team because this really has been -- what I have discovered is we are slightly -- we are pioneers in this effort to really extend relief to our tenants. So it has been a lot of work to prepare for today's presentation. Next slide, please.

My presentation will give an overview on: our broad-based rent-deferral program that is slated to expire on July 31st; our opt-in rent-deferral program where our application is actually closing tomorrow everything; our rent-forgiveness strategies that we have proposed in our staff report; the fiscal impacts of all three of those programs and then the thinking on further relief and other relief measures that are already currently in place to support our tenants. Next slide, please.

So with respect to broad-based rent deferral, an overview and a reminder -- I know we've seen this quite often. But so the broad-based rent-deferral program waives all late fees and default interest on rent payments from March 1st through July 31st.

It covers nearly all of our tenants with a handful of exceptions. It does not modify any lease provisions. It forbears any pursuance of eviction proceedings for unpaid rent. And tenants must continue to comply with all of our lease obligations during the deferral period. Next slide, please.

The chart in front of you is our revenue performance between March and June. This is revenue paid versus unpaid. As you can see here, in March, we had -- due to our billing and invoicing cycle, a lot of payments did come in at early March.

We had announced the deferral program in mid-March. So we had collected a good amount of rent in that month. So our collection rate there was 91 percent; in April, a decrease in collections to \$3.2 million with a 54 percent collections rate; in May, down to \$2.6 million collected with a 40 percent collections rate; and in June, \$2.3 million with a 37 percent collections rate.

In our calculations and applying estimates to revenue performance moving forward, we removed March because it was an outlier. And the average of April through May -- April through June was an average of 44 percent revenues collected. Next slide, please.

So with respect to the opt-in program, I won't go through all of this. But where the major difference from the broad-based deferral program to the opt-in program is that we are going to be waiving late fees and default interest from August 1st through December 31st.

This does allow tenants who had been deferring rent during the broad-based period to carry that over into this new period of time subject to their submission of all information requested. Next slide, please.

So at the time that the Power Point was presented, we only had 24 applications in. As of noon today, there were 34 tenants that submitted information on the online system. So the data I will be sharing today is more up to date than what is on the chart that you see on the screen above.

It should also be noted that I have been checking the online application. So now, that 34 number is actually bumped up to 44. So I imagine that -- that number seems low. But people have referred to this program as like submitting tax information.

So we might be seeing a severe uptick in applications submitted by 11:59 tomorrow evening. So in summary of all of the applications as of noon today, there were 34 applications, seven of which were maritime tenants, six of which were restaurant tenants, four were retail tenants. Seventeen fell into the other category. At this point in time, we actually have no parking operators who have submitted an application to the program.

In terms of gross receipts, our application asked a variety of data, which we are still culling through at this point in time. But as of noon today, we wanted to give a snapshot of the size of businesses. So the best number we thought we could use was 2019 gross receipts reported.

So our businesses -- businesses that report under \$1 million of gross receipts were 12. Businesses reporting between \$1-5 million were roughly 10; \$5-10 million were five tenants. And businesses that generated over \$10 million in gross receipts were four.

There were three submittals that appeared to be typos. So we're reaching out to those tenants to just get clarification on that point of information. Of the 34, 27 of our tenants applied for financial assistance varying from local grants to payment protection program.

We are reviewing that data now to understand how many people have applied and received those funds, who are still waiting to hear back for their awards. And then, in terms of the 34 applications, those applications represent \$4.5 million in deferred rent. Next slide, please.

So due to the limited number of submissions, we decided not to update this table. This table has been presented to you at a prior commission meeting. And we will update it at the next -- at the August commission meeting after the application period closes.

But in summary, this is an analysis of the total estimated financial exposure or potential exposure from the rent-deferral program. We anticipate total potential rents being deferred at \$36.6 million, likely payments of that deferred rent through December 31st at \$15.2 million.

And based on historic payment performance, we estimate that the likely actual exposure is at \$21.4 million because many of our tenants continue to pay rent during this period of time. Next slide, please.

So shifting to rent forgiveness, we are proposing the four following sectors. These fall into: tenants who pay some form of percentage rent with us; the second is select maritime tenants; the third, as stated by Stephanie earlier today, local business enterprises; and fourth criteria-based tenants that would -- could apply to a not-to-exceed amount set by the commission. Next slide, please.

So an overview of the proposal -- the percentage-rent tenants, we are recommending that the Port forgive all base rents and require payment of percentage rent as defined in their current lease agreements.

This relief period would be from March -- retroactive from March 1, 2020 through April 30, 2021. With respect to the select maritime tenants and the LBE tenants, we are proposing forgiving of all base rents. And that relief period being from March 1st through May 31st.

The fourth bucket -- there are many tenants that don't fall into those three. So staff thought it would be prudent to propose a criteria-based program where tenants who are not covered in those categories could apply for rent forgiveness that were possibly trust consistent or similarly public serving in its nature or who demonstrate a significant economic impact or -- negative impact from the pandemic.

At this time, we don't have a proposal on the relief period. But it would be based on an application process that we would administer. Next slide, please. So in an analysis of our rent roll and the maritime tenants, we worked very closely with our finance and admin team and the maritime team to really cull through all of our tenants.

And these are estimates of the tenants affected by our program. So in percentage-rent tenants, we estimate that there are approximately 51 tenants. And those 51 tenants represent \$14.5 million in rent forgiven for a 14-month period.

With respect to maritime tenants, the maritime tenants that we are proposing to provide forgiveness to would be fishers, crabbers, fish processors, sport fishers up in the northern waterfront. And this group is approximately 122 of our tenants.

And they represent \$700,000 in rent forgiven for that three-month period. LBE tenants -- we estimated that to be 28. This number slightly differs from the number presented earlier today. In the research that Stephanie did, there were several tenants who had claimed Port premise to be their place of doing business.

But in looking at the rent roll, we discovered that they were not actually tenants of ours. So we really can only provide forgiveness to those we have an agreement with. So those turned out to be 28 and, for three months, would represent \$160,000 in rent forgiven.

The criteria-based category -- we left that very open ended and very much want to hear from the commission and from the public on their thoughts on how this criteria-based program could be crafted. Next slide, please.

So in terms of proposed conditions, generally speaking for all of the categories, we are recommending that all tenants satisfy the responsibilities under their lease. They must state and maintain agreed-upon hours of operation.

And they must -- if they have not yet submitted an application similar to the opt-in program, they would be required to submit similar or additional information on top of that. And tenants who have outstanding balances greater than \$10,000 prior to March 1st would not be allowed to participate in any of our forgiveness programs.

Specifically regarding percentage-rent tenants, we would require them to report sales as required by their existing lease agreements and obviously pay that percentage rent throughout the period of time that the base rent is forgiven.

And then, for local business enterprises for that March 1st through May 31st period, they will -- it is our proposal that they maintain LBE status during that period of time. Next slide, please.

So rent forgiveness and our administration of that program -- there are two overarching -- operationalizing of the program. In order for this to be efficient and fair, we are proposing to use standardized forms by sector.

The form will include standardized language, terms and provisions that are applicable to those sectors. And it is our recommendation that, if a tenant elects to participate in our forgiveness program, they will be required without exception and without negotiation to enter into that form amendment.

We will present the draft forms of these amendments to the commission at the following meeting. With respect to rent credits, there have been tenants who are contemplated in this forgiveness program that have paid rent, may continue to pay rent.

So if any of the tenants that fall into those categories did pay rent, it is our proposal that that rent paid be treated as a rent credit in fiscal year 2021-2022 and that that payment would be spread -- or sorry -- that rent credit would be spread in equal payments for that 12-month fiscal year. Next slide, please.

So in terms of fiscal impact, of the percentage-rent tenants, the maritime tenants and the LBE tenants, this represents approximately \$15.3 million in base rent forgiven for the varying periods of time. And in terms of estimated percentage rent that may be collected during this period of time, it was -- we obviously don't have a crystal ball of the future.

So the analysis we did was we looked at 2019 sales reported by all of our percentage-rent tenants. And in summary, we looked at each of those. We took what the gross sales could be, took the percentage rent and then determined what a 25 percent performance would look like, a 35 percent performance would look like and a 50 percent performance would look like.

And the potential percentage rent generated from that could range anywhere from \$6.6 million to \$13.2 million. As Rebecca noted, we've research with other city agencies and other similarly situated private-sector commercial landlords.

Our proposal is one of the first that tackles the topic of forgiveness. Many of our colleagues are considering various forms of forgiveness and abatement and have confirmed that waiving of base rent and moving to percentage rent -- percentage share is a very fair approach.

Our forgiveness strategy really does reaffirm a shared-prosperity model and is a program that can be operationalized efficiently with our current staffing. As you know, we've lost -- we've had a lot of retirements, people moving on to jobs. So our team is very limited in bandwidth at this point in time.

Many of our private-sector colleagues have either the luxury of either a small set of tenants or a very deep bench of employees to really tackle a one-on-one negotiation

process. We at the Port unfortunately don't benefit from either of those scenarios. Next slide, please.

So in terms of other relief, you know, we have mentioned this criteria-based and budget-limited rent-forgiveness category where tenants could apply to and state why they have been negatively impacted by COVID.

We have discussed previously a repayment program. We continue to do research on what standardized interest and fees might look like and terms for a repayment program. The city continues to pursue Board of Supervisors legislation.

And at this time, the eviction moratorium was extended to August 16th. And the city administrator's office is pursuing legislation to assist in delegating authority to departments to enter into these lease agreements.

At this time, that legislation has not been introduced. We will keep the commission updated on those items. In terms of shared spaces, we created that program within a two-week period of time, launched the application online.

I think we have -- 11 of our tenants have had approved permits to operate. Eight have submitted in our various steps of the review process. I would like to give a shout out to Joyce Chan who has really been a champion of that program and has been processing all those applications through our pipeline process. And she has been an immense team player on this program.

And the other relief item that we are considering are lease extensions for some of our tenants who are terminal operators. I know that some of our tenants have approached us with other requests for lease extensions, modifications, etcetera. Next slide, please.

So in summary, we really would like input on any element of our suite of programs. We would like to confirm that our categories -- or our sectors are -- is the right set of thinking around helping to provide rent relief to our tenants and any recommendations on important criteria for the criteria-based program and any parameters you have in thinking about that. So next slide, please.

So that's the end of my presentation. Rebecca and I are here to answer any questions that you might have regarding our proposal. Thank you so much for your time.

Public Comment on Item 10B:

Kevin Westlye - Hi. My name is Kevin Westlye. I'm with Lou's Fish Shack on 300 Jefferson Street. I want to say that we are incredibly grateful that you're considering a rent-forgiveness program. We did fill out the rent-abatement form and spent many hours putting together our financial projections.

At a 75 percent recovery rate against 2019 sales, we're still upside down and losing money. And that's paying percentage rent with not base rent. We employ 45 people. We've been a tenant for 20 years. And we look forward to any support you could offer [forgiveness] because really this is a survival issue for us.

And I can speak for many others in the restaurant community that this type of program will give us the opportunity to stay in business. I thank you very much for your time and your consideration.

Pete Sittnick -Hello. Good afternoon, President Brandon, Vice President Adams, Commissioner Gilman, Commissioner Woo Ho. This is Pete Sittnick, managing partner at Waterbar and EPIC Steak, restaurants on the waterfront on the Embarcadero.

Appreciate your giving us the time to comment on this proposal. I'll give you a little bit of background because we have been open for the last four weeks doing outside dining. We're very fortunate that the patios and outdoor spaces that we have at Waterbar and EPIC are phenomenal as they sit right on the waterfront with great views.

We're doing about 25 percent revenue of pre-COVID revenues. And I will let you know that, at that level, we do not make money. We do not break even. We lose money. I've been able to bring back about half, 50 percent of the 250 people that we employed pre-COVID.

And as we take a look at the future and with Governor Newsom and Mayor Breed's announcement yesterday that indoor dining is sort of on a temporary hold, we kind of look like maybe six weeks to 10 weeks before indoor dining would open up, which kind of puts us in this same boat of 25 percent to 30 percent of revenues.

So the forgiveness program and to be able to participate on a percentage basis is certainly what we would like to see. All of our salaried managers that are working in the restaurants have all taken salary decreases.

We've kind of informed all of our investors and owners that there won't be any distributions this year at all. On top of that, we've had to take a 4 percent minimum wage increase effective July 1. So everything is kind of stacking up against us, especially uncertainty for how business is going to come back in the future.

So I really appreciate your taking a look at this forgiveness program and helping the restaurants stay viable and have them be able to contribute to the Port on a fair and equitable basis based on how busy we actually will be given all the circumstances. Thank you very much for your time.

Drew Harper:Hello, Port Commission. This is Drew Harper calling from Spinnaker Sailing and Rendezvous Charters down at Pier 40. Thank you once again for hearing us all today during the meeting. I think you have a very gentle ear to a lot of people that are trying as hard as they can through some very trying times.

As a side note, I was trying to voice some comments on agenda item 10A. But since off m -- I couldn't get on in time. For some reason, I was having some technical difficulties. The delay between the TV and the phone conversation makes it a little hard to sign in.

So I sent those comments to Amy to give to you just so you can have some anecdotal information about that project. We opened up June 1st. We are -- 50 percent of our business plan is sailing. That's the corporate charter, commercial charter business.

But the sailing school is actually up and running and doing relatively well even though we've cut our capacity in half. Currently, just so you've got some anecdotal information, our revenues are running roughly 25 percent year-on-year comparison this year to last, the only difference being this year, of course, we're all working through COVID.

And weather, everything else is pretty much identical as is often common in San Francisco. I do want to thank you for hearing staff's proposal on some rent forgiveness that will allow us -- you know, we're a 35-year-old tenant of the Port at Pier 40.

It will allow us to get through what we can get through on COVID. We have already put our largest -- we have the largest certified schooner in the Western U.S. called Bay Lady that's certified to 80 passengers.

We actually listed her up for sale two weeks ago, which is heartbreaking because that boat has been an integral part of San Francisco's waterfront forever. But going forward, she just can't be supported without any operations.

And we've got to figure out a way to keep the company alive, which we are fighting tooth and nail for. But we're going to make it through somehow and do appreciate your kind support and perhaps continued assistance. We look forward to working with our new percentage-rent partner in the future. So thank you once again.

Mahogany Roland - Hi. Good evening, Port Commission, commissioners and Port staff. My name is Mahogany Roland. And I represent an organization called Rebuilding Together San Francisco. We are a Port tenant on Pier 28.

I've just started with the organization about seven months ago as the new executive director and just wanted to share tonight and highlight [some of the nonprofits'] voice and how the pandemic has been really negatively impacting our nonprofit and really want to thank the Port staff and the commission for considering rent forgiveness and relief.

For our budget in particular, I did already submit an application for the opt-in program and didn't really see a section where our organization fit in. So I just felt it was important to highlight. I know I'm not the only -- our organization is not the only nonprofit within the Port and just wanted to highlight, you know, rent relief, rent forgiveness and reimagining our partnership with the Port, being a community service.

Our organization has been around for 31 years and certified as a legacy business. And we really want to figure out a way to stay at the Port and also [see support and] relief from the Port as we're kind of really managing unprecedented time and eliminating having to -- essentially cancel and postpone fundraisers for this year and have really seen a surge in our [services] and just the need for our work.

So having some rent relief and support [unintelligible] moving forward would be huge as our budget, like many other businesses that have commented, have been negatively affected. So thank you so much and just wanted to highlight the nonprofit voice in this [meeting and this] discussion. Thank you.

Peter Osborne - Thank you, President Brandon and Port Commission. This is Peter Osborne, owner/operator of the Mission Rock Resort. First and foremost, I want to thank the staff for their continued availability thinking outside the box in support of our ongoing challenges.

It's really been a pleasure to work with such a professional group of people. Secondly, take a minute to give credit to all of the new frontline people working out in the world of COVID, and that is the staff, managers, employees of restaurants up and down the waterfront.

It's serious times. We are taking serious measures to protect everyone's health including staff and public. It's no joke. And it's hard work on top of an already difficult job. With that said, this base-rent-abatement program I think hits the nail squarely on the head.

It allows us -- certainly those of us who have been fortunate enough to reopen for business given the access of outdoor dining -- Mission Rock, I'm proud to say, has a wonderful outdoor facility. And we have been very fortunate to enjoy some strong revenues as a result of that.

Of course, weather has been good, and that will change as the year goes on. Hopefully, we will continue to set an example in the City and County of San Francisco and be able to elevate to the next level of dining, which will include indoors. And then, hopefully, groups can gather at some point in late '20, early '21.

With that said, simple message of, again, thank you. Appreciate everyone's hard work. I wish all of the conversations could be as fun and as exciting as the redevelopment of Piers 38 and 40. David and his team did a great job. And I love the vision for the project. Thank you for everyone's hard work and time. Stay safe. Stay sane. And have an enjoyable week. Thank you.

Commissioners' Discussion on Item 10B:

Commissioner Gilman - Thank you. First of all, I want to thank the staff continuously for the thoughtfulness and details of your report. We have been talking about this item ever since we reconvened for commission meetings in April.

And Crezia and Rebecca, I just really want to thank you for your diligence. I have some comments. But I have a couple of questions. And I was hoping maybe -- they're pretty small. But we could take them maybe one by one.

So the first one was that there's about roughly 200 tenants -- I'm doing back-of-the-envelope math -- that you have encompassed in your proposal, which I'm strongly supportive of. Can you just tell me, what's the balance of other tenants who would fit into the other category?

Crezia Tano-Lee - So that is a tricky question. So we have a variety of rent rolls. There's the land-side rent roll. There is our rent-roll on maritime. And then, there's the parking rent roll. So roughly, I think -- encompass all of that, we're looking at possibly 800 tenants or customers. I guess tenant is not the right term but 800 businesses that do business with us at the Port that, you know, are customers of ours.

Commissioner Gilman - Rebecca?

Rebecca Benassini: Yeah. Thank you. Crezia, could you also just clarify by that you mean that there are customers who have multiple locations? So there might be one company that has multiple locations. That's our clarification.

Crezia Tano-Lee - Yeah.

Rebecca Benassini: And could you also provide the number we talked about earlier about how many tenants have been continuing to pay rent during the deferral period when they actually weren't required to pay rent?

Crezia Tano-Lee - Yeah. So on the deferral program, we had approximately 500 tenants that were eligible for deferral. During this period of time, we roughly had about 240 plus or minus giving the months who had made payments during that period of time.

So you know, we continued to see a 44 percent payment response. So this [one] always stymies me because I still can't get a complete handle on all of our -- the businesses that --

Commissioner Gilman - Okay. No. It's okay. I was just trying to figure out what the balance of others would be from what you proposed. So you've given me a sense of that. The other question is just a technical one. It's just more for my own knowledge.

It's in the staff report on page two under section two when you talk about the maritime tenants. I'm assuming this is a typo. But it says these tenants are at the heart of the Port's commercial maritime business and have been indirectly affected by SIP orders as

their restaurant customers have been shut down. So are there restaurants within the maritime category? Or is that a staff typo?

Crezia Tano-Lee - For the most -- I would say that is a typo. There is a little bit of a nuance in how we categorize our tenants. So a good example is The Ramp restaurant. The Ramp restaurant's lease agreement is tied to the Boatworks. So under our agreements, they would be designated a maritime tenant. But -- yeah. We should have - that is a good catch.

Rebecca Benassini: Well, if I could clarify, it's Rebecca. I think what we also meant is that there are several types of tenants, for example, fish processors who sell to restaurants and sell to --

Commissioner Gilman - Yeah. I was just trying --

Rebecca Benassini: -- wholesalers.

Crezia Tano-Lee - Thank you.

Commissioner Gilman - Yeah. No. Thank you. I just wanted to understand it because I wanted to ensure that the 51 folks that you cited that relate to the \$14.5 million that we're considering relieving in base rent are comprised mostly of restaurants because you said parking had not come in.

I didn't want to see a restaurant that fell under maritime use not having the same benefits and option as other restauranteurs. That didn't seem fair to me. So that's why I was asking the question. So that clarification is really good.

My only other question is -- could you maybe tell me the staff thinking -- since the rent seems nominal compared to the number of tenants -- there's 122 tenants that make up maritime. But for this period of time, which I know is only a three-month period at \$700,000 of forgiveness, why we chose to only forgive through May 31st of 2020.

I'm just curious why we chose that date and if there had been any considerations for an extension of date not so much because they want to be in business. But some of these maritime tenants -- I'm assuming not all of them -- are seasonal work like the sailing company we just heard of in public comment.

So come December, come January, they normally probably wouldn't be in operations anyway. So I'm just concerned about the viability of some of our maritime tenants if we're only forgiving during sort of the SIP period.

Rebecca Benassini - Maybe I could start, Crezia, and you can finish. So our thinking on that was exactly what you just hit on, to forgive during the heart of the shelter-in-place period and then to have them on the deferral program for the remainder period.

And what we're working on next is the repayment plan. So come presumably January 1st, tenants are going to have to start paying rent again. And we would offer some sort of a payment plan that we comprise with your all's input in terms of paying any back rent that would come between the latter period of this year. Crezia, I don't know if you can give any examples of the types of tenants in your work with Andre's group.

Crezia Tano-Lee - Yeah. So the 122 and the 700,000, I think the -- why that's so different from the percentage-rent tenants is that the type of space that they lease is, you know, typical shed space, lower square-footage numbers.

A lot of these tenants are primarily up in the northern waterfront who use apron space, berthing space, etcetera. So I don't know if Andre is on the line. But to reiterate, the thinking is that these tenants -- they are still able to operate during this period of time.

So there's still some level of -- the supply chain was hit for a period of time. But it still continues differently from say a restaurant operator.

Commissioner Gilman - Okay. That concludes my questions. I guess, just overall, I really want to say how much I appreciate the sector approach. It's something we've talked about at commissions for the last couple of months.

I'm very supportive of looking at it sector by sector. I think, in the other category, we might want to break out office as a subcategory also and also -- I mean, I don't know how much more we want to break it up.

But office might just be an interesting one to break out from other groups like -- I'm not sure what else is in the other group but, you know, lay-down space or construction space because some of those activities have been occurring the whole time during the shelter-in-place order.

So that's just more a suggestion to staff. I am at least, to let my fellow commissioners know, fully supportive of the rent forgiveness for -- and moving to participation through April 30th of 2021. I think there's lots of evidence to show that, even with outdoor dining bringing in revenue, as weather turns that's going to turn as well.

And I think, from what's been happening at the state, you know, with the governor actually issuing the closure -- and I don't know if this affects any Port tenants -- of all bars, breweries and pubs in the state, that this business line is not looking incredibly optimistic that they're going to come back in full force anytime this year.

So I just wanted to reiterate how much I'm supportive of that. I would like, before it comes back as an action item, for us to consider and to really see what the numbers are versus our overall budget.

I would be interested in extending forgiveness for the 122 maritime tenants. I know commercial real estate has different principles and practices. And it's a newer field for me.

But I will say there is data -- as an illustrative example, there is data that shows, for residential renters, that coming in and just forgiving a portion of rent while they still owe other back rent, it makes it incredibly hard for them to ever catch up regardless of length of payment plan.

It also adds to the instability of that tenant already who may have been in precarious economic situation. So by us maybe even forgiving one more month could put someone like the gentleman who spoke during public comment or, as another illustrative example, the San Francisco Sailing Company, some of our smaller maritime op -- that one-month forgiveness might give them the capital they need to keep going while their capacity is at 25 percent or lower.

So I would like us to consider a possibly longer forgiveness for that group of tenants -- but very detailed report. And I, again, really want to thank you for all of your work, your time spent.

And my only other comment would be I want to encourage Port staff too -- for some of our tenants that are maybe less sophisticated or don't know all their resources -- again, addressing public comment -- that the City and County of San Francisco at least for nonprofits that contract with them, which is, you know, variable --

I know we have a lot of nonprofit tenants on the Port. Some are private nonprofits. But some do contract with the city. The city is offering a whole assortment of services from their own relief package like the PPE loan for businesses to bring back essential workers if they're in the essential work category to help with rent payment and other.

So I strongly encourage us to -- when those folks submit applications, to also remind them to please go -- to circle back and check with OEWD and the Mayor's Office of Housing because there are supports out there for folks who are direct contractors with the city. And thank you again so much for the diligence on this report. That concludes my comments.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Yeah. Thank you, Crezia and Rebecca. I mean, very comprehensive -- and obviously, we've gone through a lot of evolution as we've talked through this. And all of you have done, obviously, a lot of the hard slogging work to think through all these particular situations.

So I just have a couple of comments, just overview comments. One, I guess I just want to be sure that, you know, the slide you showed us of the payment of rent versus the uncollected rent -- that excluded our major master-lease tenants, I assume.

We're talking about people that have direct leases with us. So this does not include our Pier 39, Pier 1. That's not in that slide, the initial one that said who paid and who didn't pay March through June. Is that correct?

Crezia Tano-Lee - That is [crosstalk] possibly --

Commissioner Woo Ho - That's the complete rent roll?

Crezia Tano-Lee - It is. But it doesn't include the percentage-rent tenants. And it doesn't include maritime tenants and doesn't include parking-stall tenants so the drayage truckers down in the southern waterfront. I would defer to my colleagues on the lease admin team. But I don't think that they're on the call right now.

Commissioner Woo Ho - But I read in the staff report that this program doesn't necessarily apply to some of our larger master tenants like the Giants and other things. I mean, they really should be in a different category. And even though everybody is hurting, but it still -- it's a different category than what we're talking about, which is like the people that called on the phone and told us their individual situations.

So then, that's a little misleading if we have people that may have the ability to pay but are deferring. And I don't know. I mean, are we going to allow the Giants to opt in and say we're going to defer payments?

Crezia Tano-Lee - So the way that the program was designed was that, if a master tenants like Hudson Pacific or Jamestown or Pier 39 were extending relief measures to their tenant, they could also defer that relief. We're going through a process right now to look at all of the unpaid rents during this period of time to determine who those master tenants are, confirm the relief provided to their subtenants.

Commissioner Woo Ho - Okay. Because I mean, it's sort of like what we've learned through the whole evolution of the federal PPP loan. I mean, you know, we want the funds -- the help to go to the people that really need it and not because the program is available, and you can meet the criteria. Okay.

So there is a big difference between capacity and real need. So I think we just want to make sure that we also have our filters on to understand that difference. So I hope that, when you come back, you can explain to us that we have also put our filters on appropriately between, you know -- you can design eligibility.

And sometimes, you don't think through, as we've learned -- you know, look at the federal government has learned a big lesson on some of the PPP loans of where -- you know, people will -- they felt -- they followed the criteria.

But some of them, as you know, I mean, they realized that they were not necessarily people that perhaps should have gotten the loans to begin with because they had other resources and other capital that they could have tapped into.

So let's just make sure that we are really getting it to the people that really need it and that our information in terms of who's paying and who's not paying is accurate in terms of the type of tenants that we're talking about because I really wouldn't -- because, when I read in the staff report and what we showed in that slide, I thought then therefore we were not talking about the same people.

But now, you're telling me maybe they're in that group too. So let's be clear on that because I do make a distinction between people who have capacity who just choose not to pay versus those who really are struggling to keep themselves going. And those are the people we are trying to help and address. Does that make sense?

Crezia Tano-Lee - Yes. We will have that data when we return in August.

Commissioner Woo Ho - Okay. And then, I also had a similar question to Commissioner Gilman. And I guess, you know, we sort of had a formal shelter in place. And then, we started to open again. And now, we're going backwards again.

So I wonder just how our -- I guess our sliding timeline works because the decisions that are being made are not being made by the Port. They're being made by either the mayor or the governor. And you know, it's not controllable by our tenants.

So I don't know -- you know, I don't have the answer. But how does the flexibility work particularly for, you know, a restaurant as an example where, you know, they have to follow the guidelines that come out from the city and from the state and so how that impacts them? I guess the percentage rent -- but that still is an issue.

And lastly, I think we asked last time and you said that, if somebody just said, "Look --" and there are restaurants that have announced in San Francisco and other businesses that said, "We can't -- this doesn't work for us anymore. We're going to shut the doors."

So have we heard any -- have we received any report from our tenants that said, "We really don't think we can go on. We want to shut down now. And just tell us so that we can get out of our --" you know, and do we have a program for them to sort of end their lease early?

Crezia Tano-Lee - Yeah. [crosstalk] Yes. So -- and we didn't include it in this presentation. So we have Commission Resolution 09-04 that would allow us to enter into early terminations with tenants who have less than five years remaining on their lease agreement and pay less than \$10,000.

So that is one tool that we have in our toolkit. I will say, since March 1st, we've had approximately 15 tenants approach the Port either requesting terminations [of] space modifications to their lease agreement.

Of those 15, 11 were on -- either had expired terms and were on month to month. And then, of that, one -- there is one that has requested -- and they actually don't fall under the 09-04 provisions. So that is -- we're trying to understand how we can negotiate a potential early termination because they -- you know, in the deferral application, he was saying, you know, "I just know my business isn't going to make it."

And it doesn't feel appropriate to say -- to file for a deferral program that he won't be able to meet obligations [to. So the staff] is working on how to approach those termination and modification requests.

Commissioner Woo Ho - Right. So we don't want to have people that hang on and hang on. And if the market changes and the conditions are back where we are -- you know, people are able to sort of operate out of our premises and do real business, we don't want to have somebody that's hanging in there and hanging in there.

And they really should have just cut the noose. And we have not enabled them because of the deferral program to wait till the very last minute. So I just think we just need to make sure we understand those situations.

So I'm just asking you to think about it and those situations where we can just say, look, if you're -- let's say you're a percentage rent customer. And you have zero percentage to offer us over a period of time.

Do we just then say, "Look, I don't -- this is probably to your benefit and our benefit to start talking about an early termination"? Do you understand what I'm saying? Does that make sense?

Crezia Tano-Lee - Yes. Absolutely. It's something we actually have a staff meeting scheduled for tomorrow to discuss all the potential scenarios under which we would pursue early terminations. And we will be sure to report back on August what the policy approach might be to those scenarios.

Commissioner Woo Ho: Okay. And then, in terms of the timeline of how this works -- because, as I said, you know, we all thought that, you know, if we controlled this, that we would sort of go through these four phases and eventually open up.

But reopening has become a lot more challenging. And now, we just sort of semi-reclosed again. So how do we factor that in in conjunction with this program? I think Commissioner Gilman sort of started talking down that path.

But I'm not sure, you know, we have - -I'm not asking you to give me the full answer. It's something to think about to decide how to handle that too.

Rebecca Benassini - Commissioner Woo Ho, it's Rebecca. Maybe I can provide a beginning of a response. As our property managers have been talking to tenants and surveying them on how their business is going, that -- you hit on exactly the thing that people are having the most difficulty handling is the different dates that they are trying to shoot towards and the investments they need to make in order to get to those -- what they really want is the indoor dining.

But we all have to respond to the public-health crisis appropriately. So they are being whiplashed quite a lot. And that was part of the reason we proposed the relatively long-term length of the base-rent forgiveness for those percentage-rent tenants who are the most affected by the changing public-health conditions.

So we propose that 14-month term to get -- to provide the tenants one bit of stability, which would be they can rely on providing us percentage rent. So they need to operate. Then, we'll share in those operations.

And that would get them through that -- the sort of coming low season that comes in the winter back to that spring reopening that we all hope is our better days ahead. So understanding those whiplashes that are coming as the public-health crisis evolves, that was kind of underlying the reason we provided that longer term for the tenants -- the percentage rent tenants that really rely on the public being able to congregate.

Commissioner Woo Ho - Okay. I'm not sure I 100 percent understood Crezia's answer as far as the master tenants. If their subtenants are telling them, you know, like in the Ferry Building or Pier 39 that they need rent deferment -- so they're appealing to their master landlord. How does that then fall into our program? I'm not sure I fully understand that.

Crezia Tano-Lee - I'll take a stab at that, Rebecca. So we have a -- so we have these master tenants that have extensive lease agreements with us. So it's contemplated that, for our master tenants, we would enter into potential negotiations and workout plans with those tenants. And Rebecca, you might provide more --

Commissioner Woo Ho - That's fine. That's fine. You don't need to go into any more detail. But it sounds like we are not at the point where you have any to discuss with us at this point.

Rebecca Benassini - You've got it right.

Commissioner Woo Ho - Okay. Got it.

President Brandon - All done?

Commissioner Woo Ho - Yes.

President Brandon - Okay.

Commissioner Gilman - President Brandon, I'm sorry. Could I ask a follow-up question based on Commissioner Woo Ho's questions?

President Brandon: [Yes].

Commissioner Gilman - I was just curious. You said you received a handful of tenants who wanted to terminate their leases or who had approached you. Could you just maybe tell us the category of business they're in without discussing the individual tenants? That would be inappropriate.

But I'm just curious. Is it maritime? Is it restaurants? Is it parking? Is it office? Do you have any sense of who they are? Because I think that could be telling to our program moving forward and the rest of our tenants.

Crezia Tano-Lee - I would say that, of those who have approached us, they really -- they are a wide variety of our tenants. I would say a lot of them are in shed spaces. A handful are very small office spaces that just -- you know, they had two demisable spaces. They just want to get rid of one of their offices. So I mean, there's -- it was really h -- to try to like digest that information. So I don't have that at this point in time.

Commissioner Gilman - Okay. And then, I just had one other question based on what Commissioner Woo Ho said. So if we have a restaurant who is not participating in outdoor dining or takeout -- there are some at least on the northern waterfront that just seem absolutely shuttered, doing neither.

They would still be el -- would they still be eligible for the program and possibly pay zero rent because there would be no participation through March of next year?

Crezia Tano-Lee - The way the program is designed is that they have to have operating hours during this -- or like an operating plan in order to participate in this program. I think what you're illuminating is that there are some that either cannot be viable in an outdoor space or can rely solely on indoor. And then, that will potentially trigger other discussions on terminations for those tenants.

Commissioner Gilman - Okay. I mean, I do want to just say it's observation. And maybe we can discuss it at a further meeting. Many of -- it seems like more of our historic tenants on the northern waterfront don't appear to be open.

Scoma's is an exception. But many of them along sort of that corridor between Hyde Street Pier and Pier 39 -- many of them are still shuttered or appeared to be not doing takeout. So I do want to flag for us that some of those are institutional tenants of ours.

And we should maybe -- if, at the end of the day, they don't apply for this program, that's their active choice. I don't think we need to be handholding anyone. But I just wanted to

make sure I understood that operating hours was a component of opting into the program.

President Brandon - Okay. Thank you, Commissioner Gilman. Vice President Adams?

Vice President Adams - Yeah. Crezia and Rebecca, thank you both. This is a place that we've never been before. This is a very difficult conversation. And we definitely know that cases are rising across the country. The mayor and the governor -- they're making decisions.

And you can't even say what the long-term strategy really is going to be because this thing is changing daily. And I really appreciate -- I agree with Commissioner Gilman on extending the maritime out. I support the rent forgiveness.

One of my concerns is that -- how long can we sustain this? And did the Port itself -- did we apply for any stimulus money ourselves? Did the Port of San Francisco -- did we apply for any stimulus money?

Crezia Tano-Lee - It's my understanding we did not benefit from any CARES Act funding. But if Katie or Nate are on the line, they can speak more to COVID-related relief.

Katie Petrucione - So this is Katie. No. We did not -- we were not the recipient of any federal support for COVID. There is still some hope that there will be a successor federal bill that will provide additional support to local governments. And we would hope that ports would be included in that legislation.

Vice President Adams - Okay. Yeah. I know they're working on one now. They're trying to reach some kind of an agreement back there on -- I think it's on the HEROES Act. Us not knowing how long this thing is going to last -- because I believe this thing could last way into next year.

We don't have a compass to tell us how long it's going to last. It might would be good -- just my suggestion is to talk to every commissioner one on one. Maybe give them an hour, hour-and-a-half briefing, get all their questions answered before we vote on this thing, so everyone feels comfortable.

That's just my suggestion because there's so much of the unknown. And for me, as I said, I want to help. I heard from the people on the phone. And I definitely think the Port is in a position to make a difference.

But also, too, I think this year the Port will lose money. And I don't know how long this will be going on. So I hope that, at some point, I can talk one on one. And I'm hoping you could talk to all the commissioners one on one, so all our questions can get answered. So -- but I think it's a good program for forgiveness. But we just don't know how long this is going to last. Thank you.

President Brandon: Thank you, Vice President Adams. Crezia, thank you so much for the report, Crezia and Rebecca. There's a lot of information. And it's a conversation we've been having over a few months. And there are a lot of questions.

And I'm a little confused because I thought that we were going through this opt-in period, so we could gather information. So then, we could have the information to be able to come back and present what we think would be best for our tenants based on those documents.

So I was really confused when I saw this item. And I am totally for helping our tenants however we can. I'm fine with rent deferral. And I'm even fine with some rent forgiveness. But whatever decision we make has to be based on our balance sheet and what we can afford.

So if we're losing tens of thousands of dollars of revenue, how does that affect our balance sheet? And if we decide to, you know, give however many tenants forgiveness or deferral, what does that actually mean to our balance sheet?

Are we going to have to start laying off people? Are we not going to be able to provide the service and the projects that we have in the pipeline based on doing this? So how does this affect our overall balance sheet?

And we're looking at 200 tenants out of 500-800 per your description. What happens with those other tenants? And how do we help them? Is that the [D], criteria based?

Crezia Tano-Lee - I was just going to [say to] the balance-sheet question that you had -- so we've been working closely with Nate and Katie. So the budget that was approved by the commission at the last commission meeting -- this 15.3 is well below the anticipated losses or revenue cuts that we see in the fiscal year.

So you know, there's a little bit of a -- the process that finance took was really taking like larger economic trends and making cuts. And then, this is coming from the bottom up and looking at, you know, tenants with forgiveness who might defer, etcetera.

So really, it's like kind of converging from the top and the bottom. So I don't -- I think the part that is unknown is the number of tenants that might want to execute terminations with us and those who might potentially not pay back on the deferral.

So we're -- you know, and I do -- and to the point of the timing of this all, I guess we -- because we're trying to provide as much relief to our tenants in a timely manner, we wanted to bring forgiveness back to you because our summer months are only one meeting a month.

The opt-in application period -- I guess I had hopes that more of our tenants would submit applications earlier on in the process. And it appears that a lot of them are just waiting to the very last minute to submit their --

President Brandon - Okay. But how do we make these recommendations without that information?

Rebecca Benassini - Crezia, maybe I could help a little bit. I think that the key tenants that we know are shut down, the 51 percentage-rent tenants, we have a strong sense that they aren't operating. And they aren't generating revenue.

And they have very many stories that I'm sure all of you have heard as well that, even though we're deferring rent, they're not going to be able to pay that rent back come January 1st. So we certainly want to provide as much information.

But we know that -- we wanted to start quantifying and kind of socializing these numbers with the commission because we just see it coming. And just to put a fine point on what Crezia started to get at, the forgiveness program that we're discussing now is about \$15 million.

The budget that Nate and Katie brought before you all a couple months ago showed about a \$55 million revenue loss. So we're well within what we thought the revenue loss would be. And what Crezia mentioned -- we don't know how many tenants are going to make it out of this.

We still have tenants who are paying revenue -- or paying their rent. We still have tenants who are in types of businesses that aren't quite as severely impacted for sure. So -- but we don't know that difference between that \$55 million that Nate and Katie had in the budget compared with our \$15 million.

The difference between the two of those could be, you know, just reduction in sales, reduction in business activity and also terminations that we aren't -- we can't predict at this moment.

Commissioner Woo Ho - Okay. Can I say something to -- I mean, maybe to kind of frame this, to help us, to Commissioner Brandon's point -- because I think I raised at one point too even just the budget process. You know, if we go on the path that the budget forecast -- since you brought it up -- you know, we will have eaten through our actual fund reserve in two years.

And then, the Port will have a tremendously difficult time, okay, because we have so many needs, capital projects, etcetera, etcetera. So I think maybe we need to figure out a way just like the PPP loan program where there is a number, where there is a certain amount that we will -- that we all understand and that everybody understands.

And you know, there has to be something finite. And that's the only way that's fair to us as well as for the tenants. So I'm just going to throw out that concept for you to help maybe come back and say there's only so much -- and you need to do some calculations.

But there is only so much that we will -- at some point, we're going to have to shut the spigot because we can't sustain it. And unless we get federal funding or something, which I don't know we can, the buck stops somewhere.

And so we have to figure out where it's going to stop because it's not like we can -- we don't have an open checkbook here. We're not the U.S. Treasury. We cannot continue to print money.

President Brandon - Right.

Commissioner Woo Ho - Okay. So right now, your projections are a little bit lower because of what you've seen so far versus what Katie projected in the budget, which was higher. But if we were to ever get into that type of trend, then the Port is really going to be bankrupt in two years.

And I don't think that's something we want. So I mean, we want to help. I mean, don't get me wrong. I want to help in what way we can. But we just have to know -- and I think that where we're feeling uncomfortable is we just don't know how far that help can go that we can afford. I think that's what Commissioner Brandon is trying to get at.

Director Forbes - If I could please make a comment. Thank you all so much for this conversation. I think that it's very important that, for the next item -- and staff has done such an amazing job getting us to this point -- that we discuss how we see items one and two in our business interest as well as a tenant-relief packet because, when we all were discussing internally, staff really brought me quite quickly to one and two, which is getting into a percentage-rent agreement essentially with tenants who are operating and providing relief to our core maritime tenants.

They quickly got me to comfort with those two from a business-interest perspective as well as a financial-capacity perspective. Item three I got comfortable with on the LBEs because of our interest in these businesses and our real efforts to promote and grow the businesses. And they're essential to our success.

Four is the TBD category, which President Brandon just asked about. What do we mean by this? That is a very open-ended question, a very key question. When we come back next time, I suggest [that a team] will work together on this to answer some of these key questions.

And we can hold it for informational again if we need to prior to action. And we have on our list potentially a special meeting on the crabbers -- the crab fishers and LBEs. So potentially, we could have another conversation. I think these are all excellent questions

that staff and I would be eager to work on in anticipation of a next conversation. Thank you.

President Brandon - Thank you. But I do think that the amount of, A, the forgiveness piece really -- we really need to consider that an -- I'm not quite sure where that 14-month number came from.

Director Forbes - Okay.

President Brandon - I could even get comfortable forgiving it through the end of the year and then, once we revisit our balance sheet and our budget, extending it. But just to forgive it for 14 months and we still have all these other tenants to deal with, that's a big [leap] for me.

And I also think it would be absolutely phenomenal if we could use the information that we said we were going to get to be able to make these recommendations because we don't know how many of our tenants got help that we're not getting.

So I just thought that the goal of the opt-in program was to gather the information to be able to make recommendations based on the information that we gathered. That's what I thought. We may have changed the focus.

Crezia Tano-Lee - President Brandon, absolutely. We do want to use the data that we're collecting through the program to make data-driven decisions. Again, the participation as of right now is very low. So the numbers we presented was as of noon today, which was only 34. But when we return to the commission, we will have that data in hand.

President Brandon - So this program is open to all of our tenants.

Crezia Tano-Lee - The opt-in program -- it's not open to all of our tenants. It has those exceptions that were in the broad-based program so not city agencies, not lay berthing agreements and only master tenants to the extent that they provided similar or better relief to their tenants.

President Brandon - So approximately how many tenants are those?

Crezia Tano-Lee - Those are over five h -- about 500 tenants.

President Brandon - All right. Okay. Yeah. I do think we need to get that information. I thought that was where we were going with this whole program.

Vice President Adams - I'd just like to say something. I also feel that we need a special meeting to discuss this. I definitely hear from the commissioners there's some concerns. And we need to really hash this thing out. I hate voting on things and I'm not 100 percent sure.

And I think that -- and you had laid out and so did Commissioner Woo Ho that you thought we were going to get some other information, and we haven't. So I know she said we've only had one meeting in the summer.

Well, if we have to have a special meeting, that's our job as commissioners. Let's have a special convening. I think we need to dig down into this because this is probably one of the biggest decisions we're going to make as commissioners. And we want to get it right.

So if we've got to have another special Port Commission meeting, we've got to talk and drill down for three or four hours. Let's all be clear. And then, all the commissioners -- we walk away. And I think they've heard what we had to say.

I think Director Forbes has heard some of our concerns. So let's set up another meeting. Let's dig down into this. And let's have our questions. And let's tell them -- let's give them some directions on what we want at the next meeting.

And let's be clear and then have them bring that information. So President Brandon, you're fine. Commissioner Woo Ho, Commissioner -- myself and Commissioner Gilman, so we're crystal clear when we vote this thing up or down. But we know this is the right thing to do. So that's my suggestion.

President Brandon - Thank you. Any other comments or suggestions?

Commissioner Gilman - I just had one other suggestion for staff, which I think also might help get us to a point where the commission is comfortable voting. Since the biggest sort of tranche of relief we're looking at are the 51 folks who do participation and base rent at \$14.5 million, I think it might be a good idea, once the application period closes for the opt-in, for anyone who did not apply -- which I know this is staff intensive.

So I do want to say I really, really do recognize that. I would urge you to reach out to them individually. I will say a couple of smaller folks who are going to submit forwarded me the application and did feel it was a little c -- it was a little more complicated than I think they thought it would be and also involved them bringing in their accounting staff or th -- folks who are smaller operators who didn't have in-house management staff like some of our larger operators to do it.

So they had to get their bookkeepers or their tax consultant online to do it for them. So we might want to reach out to anyone who doesn't of the 51 particular and maybe even just ask the baseline questions that President Brandon answered.

Did you get PPE? Did you get other loans? Are you planning to terminate? So maybe -- I want you to have as much rich data as you can have to bring forward to the commission. So that is just a suggestion, which staff can operationalize or not. It was just sort of my thought process because that's the biggest tranche we're forgiving is that group of 51.

Commissioner Woo Ho - Okay. So I want to correlate the fact that you showed us slides that now over 50 percent of the rent is uncollected at the moment. So these tenants think something -- you know, that they do not have to pay at the moment.

So they're counting on something. And yet not all of them have opted in. So I just -- you know, something is not connecting for me here. They're not paying. But they're not also applying or opting in. So -- and if it is as Commissioner Gilman says it's because of the paperwork, so you may want to match even the people who have applied to the people who haven't paid. Does that make sense?

Crezia Tano-Lee - Absolutely. You know, I share -- I have had a lot of anxiety with the number of applications submitted. So in terms of outreach, the property managers have been -- we did a huge email blast at the onset of the program.

We did follow-up emails from our property managers specifically to their tenants in their portfolios. We also then followed up with a robo text message that was deployed with the help of Joe Reilly through our emergency management system to make sure that people were getting hit.

We did another follow-up email. And then, for the tenants where we had heard that they were suffering during this period of time, our property managers had conversations. And I think, to Commissioner Gilman's point, the application did seem very daunting to a lot of our tenants.

So they either needed to get assistance in supplying that information that was requested by the Port -- because we did ask for a lot of data. How much did you spend on PPE? What was the cash burn rate? What is your projections through the end of the calendar year? So I think a lot of tenants were -- had to invest more time than originally thought to opt into the program.

Commissioner Woo Ho - But they feel right now there's a basis that they don't have to pay. They're not paying. I mean, I know there's no evictions going on. But is there -- we haven't had a policy about nonpayment except you are not going to be charged late fees and interest is what I understand.

Rebecca Benassini - Right. And I think it might -- thank you, Commissioner. It might be helpful to note that our original broad-based deferral program, every -- almost all of the tenants except for the couple of exceptions Crezia noted were automatically provided that opt-in deferral.

So they knew that they didn't have to pay. They wouldn't accrue late fees. And we would not pursue evictions. So you see that big bar chart that I know you keep thinking about in your mind of those folks who did not pay. They didn't have to do anything to not pay.

So now, they have to do something to continue to not pay. And I know Crezia has been working so hard to get people to respond to this registration to register for the opt-in. I also want to note that they have this deadline tomorrow.

They also know there's an eviction moratorium in San Francisco through the middle of August. So even if they don't opt in tomorrow and we are chasing after them to get them to opt in like Commissioner Gilman mentioned, they know they still have this other buffer period.

So we're working among this sort of changing landscape and changing -- or different rules to really break through all that noise to get to our tenants to let them know that, if they want to continue deferring, they need to opt in to this program.

And it's really a registration. We are collecting data kind of per the commissioners' wishes and per our finance team's wishes to get a lot of information from our tenants. It's a registration. If they don't supply every bit of information, we're not going to exclude them.

We're collecting the information just to be more informed and more targeted as we continue rolling through these months and trying to make sense of the economic landscape.

Commissioner Woo Ho - Yeah. Well, I think we're clearly not ready to make a decision today. And I think that [unintelligible].

Director Forbes - Just to be clear, everyone. This is an informational item. So we're not proposing a decision today. And we will be scheduling another informational item on this.

President Brandon - Thank you. Any other questions or comments? Thank you so much for this presentation and all the work that's gone into this so far. We really appreciate it.

Director Forbes - You're welcome.

11. NEW BUSINESS

Director Forbes - I have a couple. I have that we will be scheduling a special meeting -- looking to schedule a special meeting to move items 8A and 8B, the LBEs and the crab fishers program before August 11th. And I also suggest we, if staff is ready after data collection, come back on this item.

We may need until August 11th to do so. We need to check in. We also will be scheduling briefings with the Simon Snellgrove team for the commissioners. But that will be after you authorize the ENA per the blackout period.

But Carl will be reaching out and scheduling time at your request. And we will reach out for additional briefings if you choose to do so on tenant relief. And is there any other new business? Thank you so much.

President Brandon - To update us on racial-equity issues.

Director Forbes - Yes. In every -- yes, of course, in every director's report.

President Brandon - Yes.

Commissioner Gilman - And I would like either in August or September an informational from the Department of Public Health and OEWD on how we are communicating San Francisco's stellar precautions for our community to our tourists who are entering the waterfront.

There are so many people I think who are unaware even with state guidelines of our face and mask coverings. And I do think, since we are such a tourist-trafficked area, that we should -- I'm curious to see how we can do more education, more signage to really enforce what we know works best in San Francisco to prevent COVID-19 spread.

Director Forbes - Okay. I'm sorry. I can't put my camera on for some reason. I will invite the Department of Public Health. While we're in shelter in place, we're not having -- tourists and those types of activities are not currently allowed under orders. But there is visitation.

So that's a complicated issue. And I think it will be interesting also to include the key representatives from the economic recovery task force. So I will reach out and organize something for the commission related to good precautions, state-of-the-art precautions.

As Dr. Aragon would say, we want to be the safest city for the virus and the safest city to visit. But I think that's a forward-leaning goal from where we sit today. But I certainly will prepare something that will be meaningful related to tourism and safety. Thank you.

Commissioner Woo Ho - Yeah. So Elaine, should we just, at this point, plan on having another team virtual meeting on August 11th? Because there's nothing -- I mean, there's no announcements. And it doesn't seem like anything's going to happen really quickly.

Director Forbes - Well, that's already scheduled. I think we want to come together sooner from what I understand. And I think Carl will need to look to the commissioner's schedules to see what we can accomplish in a two-week timeframe.

Commissioner Woo Ho - Yeah. No. I'm just saying, are we going to continue to meet virtually?

Director Forbes - Yes. Yes. Definitely. We will continue to meet virtually for the foreseeable future. I would say definitely through the end of the this year we should anticipate virtual meetings.

Vice President Adams- Definitely.

Commissioner Woo Ho - Okay.

Elaine Forbes - Yes.

Commissioner Gilman: Absolutely.

Commissioner Woo Ho: Okay. Well, I wasn't sure because I think, at one point, people were thinking, by the end of the summer. But given what's happened in the last few weeks --

Director Forbes - I think that's right. Given what's happened with reopening paused, with some -- with the region having to go backwards with reopening and the surges we're seeing across the nation, I think it's very clear that, if we can reduce our -- you know, the risk to zero and provide the public access in a safe, secure format like this, this is the policy approach until further notice.

We're all speaking citywide about these kinds of meetings extending as -- also with telecommuting as well. Just if we can do so this way, this is preferred until there's a different situation with COVID-19.

Commissioner Woo Ho - Okay.

President Brandon - Commissioners, any other new business?

12. ADJOURNMENT

ACTION: Vice President Adams moved to adjourn in memory of Ron Miguel and Jane Morrison. Commissioner Gilman seconded the motion. All Commissioners were in favor.