

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING SEPTEMBER 8, 2020

1. CALL TO ORDER / ROLL CALL

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

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES – August 25, 2020

ACTION: Commissioner Gilman moved for approval of the minutes; Commissioner Woo Ho seconded the motion. In a roll call vote, the minutes of the meeting were adopted unanimously.

4. ANNOUNCEMENTS

- 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.

5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

6. EXECUTIVE

- A. Executive Director's Report

Director Forbes - Good afternoon, President Brandon, Vice President Adams, commissioners, members of the public and Port staff. I am Elaine Forbes, the Port's executive director. Today, I'm going to provide information about actions the Port is taking to address an oil sheen at Hyde Street Harbor.

And we'll give some updates on the efforts around economic reopening and the Port's recovery in the light of COVID-19 and new guidance from health experts. I will share some highlights on the shared-spaces program and play a short video

that really tells the story of all the work Port staff is doing for the city's COVID-19 response.

And last but not least, I will be providing an update about our continuing equity work here at the Port of San Francisco. So first for the Hyde Street Harbor update, in the spring of 2020, the Port staff began observing recurring petroleum sheens in the Hyde Street Harbor area from an undetermined source.

We immediately made required notifications to our regulatory agency partners. And we partnered with our regulatory agencies right away to start investigating the sheen. On July 9, 2020, Port staff observed an area of suspected petroleum discharge from the shoreline alongside the former Wharf J10.

And with our partnership agencies, we have since confirmed that this is the primary source of the sheen. Since the 9th, we have been working very closely with the United States Coast Guard, the United States Environmental Protection Agency, or EPA, the California Department of Fish and Wildlife, the San Francisco Regional Water Quality Board and the local regulatory agencies including the Department of Public Health to investigate the source of the sheen, identify responsible parties and work, of course, to clean up the site.

On July 9, we implemented petroleum containment and removal measures, which have evolved. Our support team has been making daily observations to understand the extent of petroleum-seep areas. Seep areas currently span approximately 300 feet of shoreline.

The current contaminant includes 800 feet of petroleum containment boom in two rings, inner and outer boom configuration, which substantially eliminated petroleum sheen that had previously migrated from Wharf J10 to [Fisherman's Wharf inner lagoon].

I want to thank George Bibbins, Tim Felton and the team in the maintenance division, who's been so diligently monitoring that this boom is in place and effective in partnership with the regulatory agencies.

Staff removes petroleum from the contaminant regularly using absorbent pads. Regulatory agencies have expressed satisfaction with our measures. They're monitoring our measures. And they have said that they will provide additional emergency response and resources to the Port as needed.

As I said, we're working very closely with our regulatory partners. They have signed off on our responses as we continue to investigate the source and look to

clean up the area. We are now reviewing the analytic results of the petroleum product with the agencies to understand its origin.

As the team looks to identify a source, it could take several weeks or longer. As the incident transitions from an on-water-emergency response to a comprehensive upland environmental investigation and remediation project, United States Coast Guard has transferred lead-agency responsibility to the EPA.

The Port and partner agencies continue to work through this investigation. And we're working through an incident command structure. I would also like to thank Andre Coleman and Shannon Alford for leading this project with a whole team of professionals and to really say that Port staff is on the ground making sure that the contaminant follows the requirements and that we're moving product out of that lagoon to keep it out of the bay.

And we're working very, very closely with the agency partners. We'll continue to keep the tenants and the public informed. And I'll provide you updates as I have them.

On the economic reopening, the Port's health and safety staff, Karen Taylor and, again, George Bibbins, continue to do really, really good work to keep us safe in COVID-19. We're very lucky to have such strong environmental health professionals in our organization.

They are working to ensure we have the supply of personal protective equipment, the PPE we've all learned so much about that we need to keep supplied in our workplace and that we need to perform our jobs.

They are working closely with maintenance division continuing training. Our reopening continues to be successful along with South Beach Harbor and Pier 1 staff.

The wildfire seasons have complicated and made more challenging a life for all of us. And this is the case with reopening as well because COVID posed -- and wildfires together are complicated to handle both at the same time because the smoke can worsen illnesses from COVID and because smoke requires a different kind of face covering than preventing COVID spread.

So our occupational health team has worked very closely with our health professionals and DHR to make sure that we have the right protective gear with multiple hazards this season. As guidance regarding face coverings continues to evolve, health and safety is monitoring studies regarding efficiency of neck gaiters and face shields.

So we'll continue to adapt as working with our workforce of what's comfortable and contains and is most effective for the spread of the virus. So thank you, Karen and George, for keeping us safe. And thank you to all Port employees who are working together to make a safer workforce.

Also, last week, our mayor, London Breed, along with Assessor Carmen Chu and Dr. Grant Colfax made announcements about reopening. Happily, the reopening that we had is sustained going forward.

There's also additional outdoor activities. And the real focus is turning toward getting kids into school especially at the elementary level. So it's good guidance for us to understand what's going to be possible in this period of COVID-19 along our waterfront.

And we are looking to assist with our tenants' reopening to sustain a safe and successful reopening and deploying these public-health guidances to the maximum extent possible in a creative framework.

With that, I'd like to talk about the shared-spaces program. We have -- shared spaces is a very, very good program that the city has launched and amplified in order to really help with economic reopening, especially outdoor dining and retail, taking advantage of outdoor spaces, which -- you know, indoor space is not allowed for restaurants. And outdoor space is so preferred for our public-health officials.

And the Port has taken advantage of the shared-space program for waterfront restaurants and is continuing to work with tenants and BCDC to quickly process these permit applications. To date, we have 17 applications in. Eleven have been approved, and six are under review.

So as we now know our guidance going forward, outdoor dining sustained, indoor dining not allowed during this period living with COVID, a focus on more outdoor activities. We see the value of our Embarcadero promenade and our shared spaces as ways to allow for public to gather and take part in waterfront activities in a safe and sustainable way.

I would like -- we'll continue to work on this reopening. Every week, we have new information that we're tackling and working with our tenants to pivot and make living in COVID as successful as it possibly can be as we prepare for life after COVID.

I would like to share with you an important value to me and to our Port staff has just really been the way in which the Port has pivoted to respond to COVID-19.

And thank you so much to President Brandon and the Port Commission for having us pivot so successfully in this regard to see our obligation as disaster recovery workers and as part of the city family, an organization rich in property but also in operational, logistics, project management expertise that we were able to deploy ourselves to the city's effort.

And it was so many different Port staff. And the video you'll see is not all of them. It's a short video. I probably talked about it longer than it will go. But have a look at what the Port staff has been doing to respond to the pandemic -- if we could play the video.

[video plays]

And last but not least, I'd like to provide an equity update. The Jacob Blake shooting in Kenosha provided yet another horrible and shocking and urgent demand for justice. I want to thank Vice President Vice President Adams for sharing his writings with me on that topic.

We really must stand together now and work to create a just an equitable society. I feel that it is such a critical issue for all of us at this point in our juncture as Americans. And I'm really proud to be in a position here at the Port of San Francisco with you all that we can take this issue on as an organization.

And there's hard work ahead. But we are committed to building an anti-racist community and organization. We are very much working under the Office of Racial Equity in the development of the race equity action plan.

The city is lucky that Mayor London Breed set up this office and gave goals and objectives in this arena prior to COVID-19. So we have the framework to do the work quicker. The Port's racial equity working group has developed an engagement strategy for staff to give their inputs into seven areas of the phase-one framework.

That meets the requirement of the Office of Racial Equity plan. I mean, the plan is the race -- equity action plan. The working group has created portals of input such as one-on-one sessions, small focus groups and drop boxes that will be accessible Port wide for meaningful engagement.

The listening tour will be launched later this month and will continue into October. And this is really the internal work of communicating and expressing our beliefs and understanding and really engaging in important conversations about racism.

Additionally, the economic impact policy team is working to review existing goals and objectives and assign metrics to the plan. So we can monitor our success as we implement actions to improve opportunities for communities of color.

We'll continue to keep you apprised of our equity milestones. Tomorrow, the Port will host a contract monitoring division mentor-protégée program participants. This is a two-year program where 10 LBEs were partnered with a mentor on development of their business capacity.

We were the first department to host participants. And we look so forward to sharing insights about the Port and our contracts to these panelists. I want to thank Rod Iwashita, Steven Reel, Kevin Masuda and our facilitators, Tiffany Tatum and Stephanie Tang and to CMD for hosting this tomorrow.

And that leads me to my final item on the agenda, which -- in the time of COVID, we're getting very accustomed to us bidding adieu really important long-term staffers. And the first few were quick shocking to our system.

And I think we're learning to say goodbye to one giant after another as they transition out of a very long and fruitful career in our organization onto the next phase of their life. So today, I want to -- [phone rings] apologies.

Today, I'd like to bid adieu to Mike Nerney. Mike Nerney is a San Francisco native, a graduate of St. Mary's grammar school, Sacred Heart and St. Mary's College. He began his maritime career working for Williams, Dimond as a ship agent before continuing his work on the waterfront with the Port of San Francisco.

He started his career 21 years ago as a wharfinger. His first task was working in the heart of Fisherman's Wharf, establishing strong relationships with the commercial fishing community.

Soon, Mike was promoted to maritime marketing manager where he continued to use his relationship-building talent and business aptitude to grow a robust and vibrant cruise industry in San Francisco, planting the San Francisco flag as a global cruise destination.

His cheerful demeanor and calming humor led him to his current leadership role, the assistant deputy director of the maritime division where he develops, manages and leads day-to-day operations for the Port's maritime division.

His name and smile are known up and down the San Francisco waterfront. And he is a trusted public servant, loyal to the end and always willing to find positives in any situation. His ability to bring people together will be greatly missed by everyone on the waterfront.

I had the great opportunity to work with Mike when he was in the marketing position. And it was very important to me because cruise is a big revenue generator to the Port of San Francisco. And I've worked with him closely in the cruise business development and making sure -- Mike has just been so committed to developing the cruise industry and to making sure that San Francisco really provided the experience and that we continued to welcome the public in a really world-class setting.

And Mike is so committed to being excellent at customer service that he -- I personally attribute so much of our cruise success to Michael Nerney. So thank you for all that work.

I also worked with him when he served as acting head of the maritime division as we went through our recruitment. And I worked with him during his promotive time. I'll say Mike has many, many, many incredible skills.

What I will miss most about Mike is his genuine, genuine, genuine regard for people and his genuine desire for people to do their best and for his interactions with them to bring out the best in the team and his genuine, genuine love for the Port of San Francisco and loyalty to it.

So I want to congratulate you, Michael Nerney, on a very successful career with San Francisco with the Port. And I really do wish you fair winds and following seas in a very, very well-deserved retirement. Thank you so much. And that concludes my report.

President Brandon - Thank you. Before we open up the phone lines, I want to give the staff and the commissioners an opportunity to say something to Mike if you'd like to. Just jump right on in.

Commissioner Woo Ho - Hello. This is Commissioner Woo Ho. I just want to echo especially what Director Forbes said. I think I have come across Michael a few times in terms of visiting cruise ships and talking to him about what's happening with the cruise business.

And I think the description that he was always cheerful, always positive, always looking forward to how he could continue to grow the business, and it was very clear as we sometimes went on the cruise ships that he had an excellent relationship.

So I really want to echo him and found that he was a great supporter and partner with us on the -- and since we did make the cruise ship terminal one of our key focal points to grow our business, I think Michael played a tremendous role there.

And I just want to thank him for his service and also for being a very enjoyable companion for all of us. Thank you.

Commissioner Gilman: Mike, this is Commissioner Gilman. I just want to wish you and your family much happiness and prosperity in your retirement. I hope you get much needed rest since working for the city can be daunting.

And I want to thank you for growing the cruise ship business and the opening of the terminal under your watch. I hope you have an enjoyable retirement.

Vice President Adams - Okay. Hello, Mike. Yeah. I just wanted to say, Mike, it's been a pleasure knowing you, Mike. I was really shocked when I found out that you were retiring. I didn't know that you were going to be retiring. It really came as a shock. But nothing this year surprises me anymore.

And Mike, like [Renee], is one of the most liked persons I've ever met in my life. And I would think Mike is the ambassador of the cruise ships. And when we talk about the recognition that Mike has, it's just not locally. It's all over the world.

Ship captains all over the world are coming to the Port of San Francisco, know Mike Nerney. Mike Nerney is a class act. The historical knowledge -- Mike is from San Francisco. He worked very closely with Peter Dailey and Jim Maloney and others.

And it's going to be hard to replace Mike because of this knowledge of maritime and the industry. And the relationships that Mike has is just invaluable. I wish, Mike, I knew you were going to leave. But I know a couple years ago you told me you were looking to that and your leaving.

But we owe you a debt of gratitude. And we're a lot better off, Mike, at the Port of San Francisco you came this way. And thank you so much. And wish you the best, brother, in whatever you desire to do moving forward, whatever it be and be successful. Thank you.

President Brandon - Would anyone else like to comment?

Peter Albert - This is Peter Albert from the Port development. I just appreciate, commissioners, the opportunity for me to say something personal to Mike because we're so constrained in this context. But if I have any words of wisdom for someone so much wiser than me, it is that retirement means never say never.

So you say you're retiring. But I wouldn't be surprised and I would -- my fingers are crossed that we'll still see you around in the future, Mike. Thanks for all your help.

President Brandon - Would anyone else like to comment?

Andre Coleman - Hi, Mike. This is Andre Coleman from the maritime division. I just want to, again, congratulate you on 21 successful years with the Port. In the year and a half that I've had the pleasure of working with you, you've been one of the most pleasant and positive individuals to be around.

And I think those key characteristics have definitely played a significant role in growing the Port's cruise business throughout the years. Again, it's been nothing short of a pleasure working with you. Congratulations on your retirement.

Best wishes to you and your family. And in the maritime department, we will make it our goal to uphold the Nerney standard. Thank you.

Rod Iwashita - Hi, Mike. This is Rod Iwashita, chief harbor engineer. I just wanted to say that it's been a real pleasure getting to know you and working with you for these past three-and-a-half years and just wish you all the best in your retirement. And yes, I hope our paths cross again. Thank you.

Diane Oshima - Hi, Mike. It's Diane Oshima just echoing my colleagues. But because I'm a long-timer too, I also want to thank you for keeping the ship steady. You provided a really important bridge for facilitating all the changes once Peter retired and keeping everything shipshape both on the land as well as the sea.

I think Pier 27 has benefitted not only from all of the cruise operations that you've facilitated but the success of the events there as well. And that's all attributed to your good nature. So enjoy yourself. And we'll see you soon on the waterfront. Take care.

Carl Nicita - President Brandon, this is Carl. We received a letter from the Maritime Commerce Advisory Committee. And they asked us to read it into the record. So I think now might be a good time to do that if that's okay with you.

President Brandon - Sure. Yeah. I was going to read it. I was just waiting for --

Carl Nicita - Go ahead. I'll allow you to read it.

President Brandon - No [unintelligible]. Would anyone else like to comment?

Brad Benson - This is Brad Benson. I'd like to say a few words. Mike, you just -- you bring a flair and just a good spirit to every occasion that is really remarkable. For those in the public who don't know, we have these birthday celebrations amongst Port staff.

And Mike is master of ceremonies leading the celebration for everybody. And it's just -- it's great. It really bolids morale within the team. And it's so genuine. So I need to ask for a ruling from somebody whether it's appropriate to sing during these farewells.

Is that okay? Because there's a song that Mike leads us all in at these birthday celebrations. Would it be okay to sing, "For He's a Jolly Good Fellow"?

Brad Benson: [sings "For He's a Jolly Good Fellow"] Thanks, Mike.

President Brandon - Would anyone else like to comment?

[Diane Oshima]: That's pretty hard to top.

President Brandon - [laughs] Okay. If no one else -- as Carl mentioned, we did receive a letter as a commendation for Mike from the Maritime Commerce Advisory Committee that I would love to read into record because I don't know if I could say it any better.

It says, "Dear President Brandon and commissioners, the Maritime Commerce Advisory Committee, MCAC, commends Michael Nerney, assistant director of the Port of San Francisco's maritime division, and congratulates him on an auspicious occasion of his retirement.

"The maritime tenants of the Port have been blessed and are forever grateful for Mike's devotion and strong leadership for the maritime mission of the Port. Mike has been an inspirational champion and ever-exuberant voice for the maritime family building a strong camaraderie among the tenants throughout his career with the Port.

"Whether it's our [sail in] at city hall welcoming the cruise ships, flying the flags for Fleet Week and more recreating history, master of ceremonies at the annual PSA [spoon ship] event for ensuring and prospering maritime opportunities.

"Michael is always there at our side with a big heart, creative spirit and over-the-top sense of humor. MCAC sends best wishes to Mike and his family for the future. Sincerely, Ellen Johnck and Marina Secchitano."

Mike, I think -- I agree with everything that has been said. I just -- I was also in shock when I found out you were retiring. It seems like every meeting we have a new person who has so much institutional knowledge and so much history with the Port and has just dedicated so much to the Port leaving us.

So I was just -- I didn't know you were retiring. And I just want to say it's been a pleasure working with you. You have been so wonderful to work with. You have

such a great reputation in every maritime industry, not just cruise but everyone, as everyone has said, knows you nationally, internationally.

And you have just done so much for the Port of San Francisco. So from one native San Franciscan to another, I wish you much happiness in your retirement. But then again, I do hope to see you again at the Port. So thank you. Would you like to say a few words?

Michael Nerney - Yes, please. Thank you, President Brandon. Thank you, everyone, for the kind words. I am so grateful for having been able to work on the San Francisco waterfront for the past 41 years, the last 21 years of which at the Port of San Francisco, starting in 1999 at the Ferry Building and at Pier 1 since 2001.

As the old song goes, it's been a fantastic voyage. There are so many wonderful people I've worked with over the years, too many to single out except for a few, first to the San Francisco Port Commission, President Brandon, Vice President Adams, Commissioner Woo Ho and Commissioner Gilman, for your service to the City of San Francisco, for your leadership and guidance to the Port.

I have enjoyed working personally with you on many projects through the years particularly in connection with the cruise industry. To Peter Dailey, former maritime director who served the Port faithfully and well for over three decades, also a dear friend.

He opened the door for me at the Port. And we worked together for 20 fun and memorable years. To Monique Moyer, former executive director who accomplished so many great things during her tenure but best of all, in my opinion, was the James R. Herman cruise terminal at Pier 27, a place I know well.

To Andre Coleman, maritime director who is doing an outstanding job leading the maritime division, the talented and capable colleagues with whom I have enjoyed working so much.

To Executive Director Elaine Forbes, who is guiding the Port through the present stormy waters, there's no better person to be our captain. Together with the great team Elaine has assembled, I know the Port will survive and be resilient.

Last and most important, I would like to thank my wife, Roselle, who also retired last week after working for 24 years at Sacred Heart Cathedral. We are sailing into the sunset together and looking forward to yet another fantastic voyage. Thank you all once again.

President Brandon - Thank you, Mike. And congratulations again. We're really going to miss you.

Michael Nerney - Thank you.

President Brandon - We will now open the lines for public comment on the executive director's report from members of the public who are joining us on the phone. Jenica will be our operator and will provide instructions now for anyone on the phone who would like to provide public comment.

Public Comment on the Executive Director's Report:

Ellen Johnck: Hello. Thank you. This is Ellen Johnck, co-chair of the Maritime Commerce Advisory Committee. And good afternoon, commissioners, Executive Director Forbes and President Brandon and Michael Nerney. And Kimberly, first of all, thank you so much. You did a beautiful reading of our letter.

And I'm so glad it's in the record. So about all I could add is just a couple of things. My collaboration with you, Mike, on the MCAC has been absolutely stupendous for -- I can't believe it's been over 10 years. And of course, we've known each other, you know, before that.

You really breathe new life into the committee and working with Peter and Jim Maloney. And we had a great team. And of course, the cruise terminal was one of the great achievements. The clean air committee -- remember that, all the work we did on that?

And I think just finally your outreach to the maritime community throughout the city has been great, all the nonprofits that work to keep the maritime mission strong at the Port and the city. You've really done such a wonderful job on that.

So from -- personally, I'm just going to miss you a lot. And I hope to see you soon. And good luck. And lots of love to you. Thank you so much.

President Brandon - Thank you. Seeing no more callers on the phone, public comment is closed. Mike, did you want to say something? Okay. So we will -- Commissioner Gilman, do you have any comments on the executive director's report?

Commissioner Gilman - Thank you, President Brandon. I just wanted to thank all the Port staff for all the work that everyone has been doing during COVID-19. That video I found incredibly moving. And I think it's something actually that we should really elevate either through our social media channels, even our Listservs we have for bidding and other issues at the Port.

I really think we should be showing and celebrating the work of the Port during the COVID-19 crisis. So A, I want to thank all the staff who were redeployed. And I want to also thank the staff who were not redeployed who I am sure stepped up and filled the gaps of their colleagues to keep the running of the Port day to day going.

I want to thank Director Forbes for her leadership. And just -- it was an outstanding piece. And I really hope that we can publicize it widely to show folks in San Francisco but also to the hundreds of thousands of visitors that we hope to welcome back to the waterfront post COVID-19 or when there are therapeutics and a vaccine to really show how much the Port is part of the fabric of the City and County of San Francisco. It was very moving. And thank you for all of your work.

President Brandon - I totally agree. Commissioner Woo Ho?

Commissioner Woo Ho - Yes. I wanted to echo what Commissioner Gilman said about the video. I thought it was extremely moving and very heartwarming to see how both the people who really sort of volunteered to help and also the people that obviously had to carry on at the Port at the same time.

So I think, Elaine, you did a great job yourself in terms of joining the task force but also in terms of the whole team effort was amazing. My question really is -- because I think Commissioner Gilman actually -- the more elegant way of putting all this.

My question is, how is this video being publicized? If perhaps Executive Director Forbes can tell us where this video is being placed so that we do find out how it's being recognized because I think it is a wonderful piece. And then, I have another question on her report. But let's answer the question on the video first.

Director Forbes - On the publication of the video, we included it in our newsletter, I believe. But I will check in with Randy Quezada. Actually, Commissioner Gilman, President Brandon had similar comments to me when I shared the video with her, which is why I played it today.

What a great video. And we need to get the story out because it is inspiring. So we will be sure to discuss internally and get it out to a wide audience. Thank you so much for your comments.

Commissioner Woo Ho - Yeah. Maybe we should send it to some of the actual news media even if they don't obviously show the video. But they could be writing

stories about how the Port has been contributing to the effort, as one example of one city agency.

And I'm sure there are stories in the other sister departments as well. But this is a very great story because it really ties -- I had one question.

Is the food bank still operating? Because we don't hear as much news these days about the food banks and those who were in the news a lot in the very beginning of COVID-19. And I'm sure the need and demand is still there. But is this particular food bank still operating?

Director Forbes - It is operating from my understanding. Randy says it's been on social media. He's responding to the following question -- the prior question. Sorry. The food bank is still operating. And the numbers are actually bigger now than they've been before. So it's opening, and it's serving more, happy to report.

Commissioner Woo Ho - Okay. And then, as you reported in your shared spaces, just wanted to know if there were any of the restaurants that we could recognize that are actually using the shared spaces among our tenants and if there's any other plans to increase the capacity of shared spaces even though we're slowly getting into the weather season where it's not going to be as feasible but since that seems to be at least right now the only way for some of these restaurants to be able to increase some of their capacity and their ability to survive in the long term.

Director Forbes - That's a very good comment. Also, we will recognize the restaurants. We have a list. I don't have it with me at the moment. But I will share it with the commission and bring it back to the report.

And we'll also do something on our website. We are moving to a groundbreaking of Jefferson Street in October right in middle of San Francisco [summer]. And we are continuing to work with new tenants on the shared-spaces program. Thank you for your question. And we will follow up with that information.

Commissioner Woo Ho - Okay. Is it just on the waterfront side of the Embarcadero? Or is it also across the street, the shared spaces on the sort of -- on the other side of Embarcadero.

Director Forbes - The program can be either side of the street. It's citywide.

Commissioner Woo Ho - Okay. Great. Thank you.

Vice President Adams - I just wanted to echo what my fellow commissioners said. But I thought that that video was off the charts. This year here, 2020, will be a

year that this commission -- this is a defining moment, I think, in the history of this set of commissioners, the Port director, the Port staff.

Not only was that video a shot in the arm. But it was reported last week that over 1,000 people a day are leaving San Francisco. So San Francisco -- the old San Francisco as we know it will be changed. It will be changed forever.

And we will be ushering in a new era of San Francisco. You can see it with the retirements, as President Brandon laid out, with so many of our history, all the people that are leaving. And a new San Francisco will be emerging right in front of our eyes.

So under President Brandon's leadership, Commissioner Woo Ho, Gilman, I guess soon Commissioner Burton, we will move forward with Director Forbes and the Port staff. And we are taking leadership. And I couldn't say -- I couldn't be prouder to be with this set of commissioners.

And I think that we shouldn't be afraid to tell our story. I hope we will expand that video. And we need to let everybody know that we have a makeup going on, a makeover as to say. And we're coming back bigger, better, even more progressive.

And going into 2021, I think we will lay out a new course of history for the Port of San Francisco. So let's hang on. Let's all enjoy the ride. Thank you, President Brandon.

President Brandon - Thank you. And thank you, commissioners. I really appreciate your thoughts about the video because I just happened upon the video. I think it may have been on Facebook, on one of the social media sites. And I saw it. And I said, uh, my gawd. This is phenomenal.

So I had a conversation with Director Forbes. And I said, "You know, we are doing so many amazing things that we need to be more proactive in getting our story out and showing people what we're doing because the staff has just stepped up in such an amazing way during this crisis.

And all that we're doing around the waterfront for San Francisco to keep us healthy and make San Francisco a better place is just phenomenal.

So I just want to thank everyone who was involved in creating that video and looking forward to much more press or videos to show -- to tell our story because we have amazing things going on but especially want to thank the staff because they are just phenomenal. Thank you. Carl, next item, please.

- B. Port Commissioners' Report: Without discussion, at this time Commissioners may make announcements regarding various matters of interest to the Commissioners.

No Commissioners' Report

No Public Comment on the Commissioners' Report

7. REAL ESTATE & DEVELOPMENT

- A. Informational presentation on the responses received and scoring panel results for the Request for Proposals (RFP) for the development, lease and operations of Piers 30-32 and SWL 330, generally located along the Embarcadero between Bryant and Brannan Streets, consistent with the goals and policies of the Draft Waterfront Plan and the Port's Resilience program.

Peter Albert - Thank you. Good afternoon, President Brandon and commissioners, Director Forbes. I'm Peter Albert. I'm with the Port's real estate and development project. I'm the manager of the Seawall Lot 330 and Piers 30-32 project.

And I'm going to be joined in this session by Rebecca Benassini, the acting director of real estate and development. She's going to handle some of the slides. But if it's -- before I launch into the slides, I just would like to do a shout out to some of the staff who made this really important project work in this extraordinarily difficult time.

It includes the team that I've been working with regularly: Grace Park, our attorney; David Beaupre; Stephanie Tang, our contracts person; Matt Bell, the project engineer. We have online a financial expert, a consultant Debbie Kern from Keyser Marston Associates.

And there's a whole list of people on the waterfront plan, engineering, resilience, communications who really helped us get through what was such a complicated project even if we weren't hit with COVID at the same time.

So if that's okay, I'd like to go ahead and go right into the slides. Next slide. In this outline, what I'm going to do is just give a little backdrop on how we developed the RFP and the structure of the RFP.

That includes making sure that we were consistent with strategic plan priorities; giving a little bit of the context to the sites themselves -- we've talked about that at previous commission hearings, but it's helpful to renew some of the high points there -- and the process of developing the RFP because that was so important.

I'll do a quick overview of the respondent development concepts. But we're going to be joined by three teams who were submitting their proposals to the project. And they'll have 15 minutes each to hit the highlights of their project.

I'll talk a bit about some of the technical expert review that helped our scoring panel with their very important work of giving the reviews, scoring the different proposals and coming up with some final recommendation in terms of scores. We'll then have the overview presentations from the three teams. And then, I will wrap up with next steps. Next slide.

The strategic plan priorities that we reflected in the RFP -- actually, it hits on all of them. Because this is such an unusual site -- 30-32 and the Seawall Lot 330 are vacant land for all intents and purposes. So we have the ability to shape the evolution of the Port.

We have a unique ability to talk about development as a sustainable project affecting transportation, affecting the building conditions, affecting the quality of the water. Resiliency -- it's very important. This is both a structure that has to be seismically sound.

But it's on the waterfront, so it supports the seawall program and anticipates flood and flooding protection. Community engagement, as we hear later, was a huge part of developing the RFP not just in terms of the advisory committees but also meeting with the general public.

The priorities of equity, more important now than ever -- but one of the most important premises of developing the waterfront is that the activities that the development encourage are going to be advancing our goals of equity and access for all, a diverse type and number of people who would be attracted to the waterfront as a result of this project.

Stability, maintaining the Port's financial strength by addressing deferred maintenance. We've talked in previous commissions that doing nothing with Piers 30-32 is not a solution because that just costs us money to leave it in the state it is.

So to make this a more stable development that actually contributes revenue to the ongoing and capital needs of the Port, it's both a stability concern and a productivity concern because rehabilitating these piers and making them productive members -- part of the waterfront community also helps us generate revenue to address other important parts of the Port, especially the Embarcadero Historic District, which flanks these piers. Next slide.

So in the premise of framing this RFP, we started with the waterfront plan. There's been so much concurrent good policy development with the waterfront plan.

We wanted to make sure that we were emphasizing diversity, the users who would come to the waterfront, looking at them with an equity focus, looking at them to make sure that the activities and the people enjoying these activities represent a broader cross section of San Francisco.

We looked at a mix of public-oriented uses but also revenue-generating uses and hopefully finding a sweet spot between the two. We talked about how the RFP would be shaped by the nine Port-wide goals.

Those goals are part of your attachments. With your staff report, you have your nine Port-wide goals. You have the South Beach subarea goals including the acceptable land uses over there for South Beach.

You also have the community values, which is such an important point for all of our community engagement, reflecting what the priorities were for a broad cross section of the community. It isn't just the residents. It's the people who work there, the people who want to use the waterfront, the Maritime Commerce Advisory Committee.

So many people have a vested interest in a good development on both of these parcels. We talked about the resilience program, the seawall program, the Army Corps of Engineers partnership with us in the flood study. Next slide.

So with that, to frame the development of this RFP, as I mentioned, it's been a series of commission hearings with you where we talked about the questions you wanted answered: could we get to the bottom of some of the numbers; the structural integrity of the pier and what it would take to fix them up to be current with the development standards we have today; to also make sure that we're reflecting the very changing and evolving priorities of the community.

That meant meeting with CWAG. These are the community groups that we were meeting with last year: Central Waterfront Advisory Group; Northeast Waterfront Advisory Group; the Maritime Commerce Advisory Committee; but also the South Beach-Rincon-Mission Bay neighborhood group.

We met from June through October really helping identify what priorities should be reflected in the RFP so that the RFP is actually a conversation with the community that cares the most about good development happening here.

With all that work done, we went to you in December. And you gave us the approval to issue the RFP. And we did. We issued it on February 3rd. We had a pre-bid meeting on February 18th. We got five responses.

Now, I'll get to the gap between February 18th, which was the pre-bid meeting, and the submittal deadline of June 26th. But I think it's well understood March 16th was shelter in place. What a scramble it was to help keep everybody who was interested tethered to the latest developments as we kept wondering how to go forward.

And we did end up with a series of addenda to push the deadline back to make sure that the teams could convene and do their proposals with a good amount of time and still get us a proposal by June 26th.

And from that deadline, we received three qualifying responses that advanced to scoring. I'll talk a bit more about that. But I'd like to go to the next slide and talk about the offering itself.

The offering -- so Piers 30-32 -- historic piers built in 1912 -- of course, the historic structures you may know were demolished or destroyed in the fire of 1984. So what we have is a 13-acre deck, 574,000 square feet.

It's about 625 feet by 950 feet. It's zoned M2, which is sort of a wide open industrial mixed-use zoning. But the substructure conditions are one of the greatest concerns. As you followed some of the previous development proposals, it always came back to the huge amount of effort to stabilize and shore up that structure.

As it is right now, only 1,000 parking spaces can be permitted on 30-32 because of the conditions of the pier. But there is still a functional deep-water berth that gets used periodically. And one note, Red's Java House is a historic resource for the Port.

And it's on the very northwest corner of this property. But it is excluded from the RFP. Although, we pay close attention to how the proposals are proposing to address it.

Across the street, we have Seawall Lot 330, 2.3 acres, about 100,000 square feet. It's a vacant lot. Historically, it was a railyard for the Belt Railroad, paved over, used as a parking lot.

The zoning district is South Beach downtown residential, which is a relatively high-density zoning district. As it is today, a little less than half, 47,000 square

feet, are used for the temporary Navigation Center. The balance of the site is used for parking. Next slide.

So a little more details on the RFP process because that talks about how we managed through the COVID pandemic shutdown and still keeping in touch with all the community members and the developer proposals.

We did issue the RFP on February 3rd. We got about 100 RFP downloads. At our pre-bid meeting on February 18th in South Beach, we had over 50 people attending, a good mix of developers, subcontractors, mini LBE firms, architects.

We got five responses that were submitted on the deadline of June 26th. Two of them were deemed nonresponsive by the standards of the RFP meaning that they did not demonstrate that they met the minimum qualifications.

They were proposals by the Enterprise Consortium or EPX2 Earthprise, another proposal. We reviewed their protest to that determination that they didn't qualify. We sustained our determination. And we moved forward then with three proposals that advanced to the scoring panel. Next slide.

Those three are -- and this is just alphabetical order -- Strada, Trammell Crow Company Partners, LLC; Tishman Speyer Worldwide, LLC; Vornado Realty Trust. For brevity, I'm going to refer to them from now as Strada TCC, Tishman Speyer and Vornado. Next slide.

So I'm only going to give a couple of slides for each one because you're going to hear from each one of the proposing teams. We're so grateful that they could join us today and be part of this presentation because I couldn't do justice to the richness and the sort of excitement that each one brought to this conversation.

But with the Strada Trammell Crow Company proposal -- next slide -- we do have this shorthand table, which just lists some of the sort of important top numbers that come out of their proposal. They propose 376,000 square feet of office, about 31,000 square feet of retail, residential, café space, mostly on the pier site.

There was 610,000 square feet of residential across the street but on the piers was 161,000 square feet of open space. There was accommodation for a deep-water berth and access to and provision area for the deep-water berth.

Across the street on the seawall lot, there were 643 market-rate units mixed in with 57 inclusionary affordable units. And then, there was a standalone 100 percent affordable building with another 150 units bringing the total to 850 units on the Strada proposal. Next slide.

Tishman Speyer -- and you'll see the numbers on your next slide too on that same table. So they had in their proposal: 520,000 square feet of office space; about 70,000 square feet of retail, residential, exhibition space; another 58,000 for maker space, meaning sort of a production, distribution, repair function that allowed for creative workspace environment; a building for the Port at 41,000 square feet; and then across the street were 304,000 square feet of residential.

They had about 330,000 square feet of open space on Piers 30-32. And across the street in the residential side were 230 units of market-rate housing and 230 units of affordable housing. So while Strada had a 25 percent affordable-housing inclusion, this proposal was 50 percent affordable, totaling 460 units. Next slide.

Now, on the Vornado project, we have -- you'll notice this one thing. And we can stay on this slide. The commission asked us to entertain three different prospects for a response to this proposal.

And you may remember we were looking at bidders who were looking to bid on both sites, bidders who were really only interested in one site, maybe the seawall lot, maybe the piers. We were lucky to have three teams that came forward with proposals on both sites.

So each one of these three -- they submitted a complete pro forma for the development at the seawall and the pier, which I know was important to some of the commissioners to make sure that we were looking at something that could activate and provide some activity on both sites.

In Vornado's proposal were: 850,000 square feet of office; 176,000 square feet of retail, residential space; and there was 270,000 square feet of residential across the street. The open-space component of Vornado's was about 530,000 square feet.

They'll talk more about that, a very interesting concept about how to handle green roof. They also accommodated a deep-water berth, as did the other two on their site on Piers 30-32. In their seawall lot proposal were 270 market-rate units and 90 affordable units.

So again, they were the 25 percent affordability ratio. The city likes to see a minimum of between 18 and 20. So all three proposals gave a little more or a lot more than the minimum affordable housing component.

Now, at this point, I think -- let's go to the next slide. This is where I'm going to ask Rebecca Benassini to join me. She worked carefully with the proposals and

with the financial experts on looking at the rent proposal and the finance.
Rebecca?

Rebecca Benassini - Thank you, Peter. And good afternoon, commissioners. The respondents were asked to provide a proposal to the Port that included both a base rent -- or an amount of rent to the Port that would be a stable revenue stream.

And then, they could also propose other elements that would come to the Port depending on performance of the project. So what's what these two rows represent. So [if -- the bottom] that today the Port -- or as of numbers that are a bit pre-COVID, last fiscal year we received about \$2.4 million from both sites.

That's the revenue stream we're getting from the activities that were largely parking prior to what we're using 30-32 for now, which is more COVID testing. So this number is sort of a pre-COVID. We were at about \$2.4 million without really a capital program in place to improve the pier particularly.

So the proposers came up with base rent. You'll see Strada and Vornado both propose \$1.5 million per year in base rent. Strada also included in their proposal, if the Port wanted to endeavor just a seawall-lot-only sort of proposal, they estimated about \$3 million per year just for the seawall lot with the residential program.

However, the rest of the proposal -- or they didn't address elements that made that just a proposal for Seawall Lot 330. So I only mention the number here because it was mentioned. Their proposal is for both sites.

Tishman Speyer had a creative approach to the base rent. They propose that they build sort of a cultural or a public-oriented building that the Port would program and gain rent from that building.

So they propose to provide the Port about a 41,000-square-foot building. And then, the Port would get net rent from that building. And our financial consultant estimated, you know, if the Port provides lower rent on a building, maybe we'd be netting \$750,000 a year.

I know Tishman Speyer's pro forma was a bit higher. I think they'll talk about a little bit later. Maybe it was over \$1 million. So that's the base rent across the three proposals.

The participation rent -- each one came up with a different approach to this metric. Strada proposed that the Port would participant in 20 percent of net

revenue after the project receives an 18 percent IRR. That's sort of a familiar bar on some of our other land-development projects.

Tishman Speyer provide the 1.5 percent in each capital event. So each time the leases are transacting or selling, then we would receive 1.5 percent of those proceeds. And Vornado proposed a participation of 6 percent in net income after the Port provided a rent credit in order to rebuild the pier and also a participation in lease sales.

Our financial consultant analyzed that perhaps by year about 30 the rent credit would be exhausted on rebuilding Piers 30-32. And the Port would receive a relatively significant 6 percent of net income from that point on maybe until about year 65, 66 of the lease. Next slide, please.

I also wanted to highlight the sources and uses of funds or particularly the sources of funds. Each of the proposers provided a significant equity contribution between 32 and 40 percent of the total project depending on which proposal you're looking at.

It's funded by equity. The rest is debt. Strada and Tishman both proposed using public financing, which was a potential option. We mentioned it as a potential source of funds. So that would be getting in place a community facilities district to add special taxes and using tax increment and some combination of those to public financing sources.

Both of the proposers, Strada and Tishman, also proposed using jobs-housing linkage fees. So those are the fees that the commercial would pay. They're an impact fee in order to subsidize the affordable housing on Seawall Lot 330.

Strada also proposed using affordable housing fees that would be generated from the market-rate units on 330 as part of the affordable-housing development. So I only mention these just to note that, in order to effectuate the use of these funding sources, we would have to make sure that that process goes through the city.

So to use these funds, we would have to form a CFD. We'd have to activate the IFD. We would have to enter an agreement with the city in order to use those -- direct those fees to remain on site on Port property.

Just wanted to mention that. It's not -- you know, we've done those things before. We didn't provide greater or lesser points for either approach. It's just something to be aware of as differences for the proposals. Next slide. And I'll hand it back to Peter.

Peter Albert - Thank you. Thank you, Rebecca. Now, I'm going to talk a bit about the scoring panel. But before I do, I wanted to talk about some of the expertise that helped -- that we thought would help the scoring panel make good sense of so much complicated data, so many important criteria that we put in the RFP for what a successful project looks like.

To that extent, we basically prepared two memos -- expert memos with the expertise of outside consultants in real estate financial feasibility. So we have on the session today Debbie Kern from KMA. She can be a resource for you, commissioners, if you have questions about that memo.

It certainly helped the scoring panel understand some of the differences between the proposals that you just heard Rebecca outline.

But in addition to that, because it was important to -- I believe it was Commissioner Woo Ho that said, "We have an unusual opportunity to have extraordinary design on the waterfront and the seawall lot. Could you make sure that we're looking at the architecture in a way that understands how important this opportunity is?"

So we engaged the subcontract services of Van Meter Williams Pollack to look at some basic architectural aspects considering the context of the site, the historic neighbors next door, the pedestrian viability and sort of street-friendly sense of design there.

We also looked carefully at the transportation issues because the community told us loud and clear they really worry about congestion, negative impacts of traffic and a very thoughtful strategy that might be outlined with a development proposal.

It's a little early in these conceptual stages to talk about what the transportation solutions might be. But we still could pull together a basic overview of transportation issues that a proposal would have to consider as the project takes shape.

The other memo was contracted with Port staff. And that was a Port engineering memo following a lot of the work that we did for the commission in the last year about the challenge of either rebuilding or renovating the piers given the seismic standards, sea-level rise, the seawall-lot program, flooding, all of those issues taken into consideration, translating that into not just costs but an engineering strategy.

And it was important to also have a little more help from the Port staff in that we had the Port preservation staff on hand to help us if we were determining an engineering solution might compromise the integrity of the historicism of the Embarcadero Historic District. Or also, the architectural issues might be something that the Port's architect would be concerned about.

And on the call today, I believe, we have Matt Bell, who was a huge help in the engineering part of this as well. So these memos were prepared to help the scoring panel, which I cover in the next slide.

Scoring panel -- the commission asked us last year to outline a panel of about five people with a diversity of representation for San Francisco. And this included diverse communities, but it also included diverse skillsets.

So to fill that panel, we included a development expert who had Port experience, Kirk Bennett, who was -- he's retired from the Port. He was the Port assistant deputy director of development in the past, also a member of Waterfront Plan Working Group.

We had Kari Kilstrom, who is in the Port planning department as the waterfront plan manager. So that was addressing a consistency with the waterfront plan concern.

From the community, we had Katy Liddell, a resident of South Beach. She's been in the Central Waterfront Advisory Group. Now, she's on the Port's Northern Advisory Committee. She's the co-chair. She's the president of the South Beach-Rincon-Mission Bay Neighborhood Association. And that ended up helping us especially with the community-value aspect of our work.

From the regional policy perspective, we brought in Jasper Rubin. He is a San Francisco State assistant professor of geography and land use. He was a former member of the San Jose planning department and also a member of the Port's Waterfront Plan Working Group. So he had a great familiarity with the Port's waterfront issues.

And then, because of that concern about design and making sure that we had good skillsets helping us look at the different proposals from a design perspective, we brought in Michael Willis, an architect and a professor of design at Washington University.

So working with the scoring panel was -- and this was so instrumental to me to have the help of Stephanie Tang. I cannot thank her enough for the professionalism she lent to making sure the panel felt comfortable.

But we respected all of the transparency and integrity protocols of having a scoring panel work. We sat down with them. And we cleared them from an ethical-clearance standpoint including the blackout forms, minimizing the communication that they might have with anyone who's proposing.

From July 20th to July 30th, we sent to the scoring panel once they volunteered and agreed to volunteer -- we sent them the RFP submittals, score sheets that they would fill out including the criteria in the RFP that says these are the priorities of the Port and the memos that I outlined -- technical memos about structural and financial feasibility.

Between August 6th and August 10th, we convened with the scoring panel and memo experts to have good discussions about how to evaluate their scoring -- the submittal that was written, and it was sent to them as a written submittal because there were two aspects of the submittals.

One was the written submittal, which we received on the 26th and then the oral interview, which I'll get to later. But of that written submittal, the panel completed their scoring by August 11th and sent us back those scores.

And then, on August 13th, we convened the oral interview with the three teams that were qualified. And the panel sat and listened to the three teams and used separate score sheets for those. On the 14th of August, the Port staff received the complete scoring panel sheets from the scoring panel including their scores for the written submittal and the oral interviews. Next slide.

Now, the criteria for the scoring of this -- this is straight off the staff report. But I just wanted to sort of emphasize that there were two score numbers that we were working toward. The written submittal was a total of 100.

And it's spread between quality of design of development, the strength of the financial proposal, the financial capacity of the respondent and then the experience and organizational structure of the respondent team.

And then, in the oral interview, we focused on quality of design and development, experience of the team and then the organization of the team including how they might be set up to work closely with the community and different stakeholders.

The written submittal was for a total of 100 possible points, the oral interview a total of 30 possible points. Next slide. So with all of that scoring done, we had a process of throwing out the highest and lowest scores in each of those criteria from each panelist, so we could make sure we were achieving more consistency across the panel.

And we came up with these final scores: the top score at Strada TCC of 109.3 out of 130; Tishman Speyer having 89.33 out of 130 and Vornado having 75.33 out of 130. There were some really tough scores. And I do want to emphasize how impressed each panel member was with aspects of every one of these proposals.

And now, what I'd like to do -- rather than try and paraphrase the strengths of the proposals that we evaluated, I'd like to invite the scoring-panel receivers -- these are the proposals who did all this work and gave us the written submittal and submitted to the oral interview -- they're each going to spend 16 minutes with you, one minute of introduction and 15 minutes of explaining their proposal. So with that, if we could have the first team, which is Strada TCC.

Jesse Blout - Thank you, Peter. Hi. My name is Jesse Blout, a principal with Strada Investment Group. Thank you, President Brandon, commissioners, staff. It's an honor to be here. We're really excited about this project -- if we could go to the next slide.

And I just wanted to give a special shout out to Peter and his team, Rebecca and Katie especially for running an incredibly meticulous and thorough and transparent process, one of the best I've seen.

As mentioned, I'm the founder of Strada along with Michael Cohen, who many of you know, and my other partner Scott Stafford. We're a 10-year-old, fully integrated real estate development company based, born and bred in San Francisco.

We have about 20 people on staff with deep experience in entitlements, design, construction, all sorts of regulatory expertise. And really, in many ways, there's no developer based in the Bay Area that has the depth of experience working on complex waterfront development projects like we do.

As one indication between Michael Cohen and I, I think we have helped draft and pass eight different state-lands-related bills in the state legislature for San Francisco waterfront projects. Next slide, please.

Just a little bit about our development team -- you know, I'm not going to go into detail. But one thing that's important to note here is every single firm on this list here has had direct experience working on Piers 30-32.

And that was really important to us because there's so much complexity, as we've all heard about that goes into a project like this from the regulatory side, the construction side, etcetera.

So this team represents expertise in that area with the exception of Grimshaw and James Corner Field Operations who are our lead architect and landscape design firm, which will be talking in this presentation. But we're thrilled to have both of them on board. And they also have experiences we'll discuss on Port projects. Next slide, please.

One of the things I want to say before we get into the specific -- the proposal is a little bit about team engagement. The slide you just saw just represents a small portion of our full team. Ultimately, we're going to add probably another 20 firms onto the design and professional services side of this.

And we're very committed to equity and inclusion through that process, frankly all phases of this project. And just as an example, Strada's own experience -- we've been very proud of our percentage of LBE, SBE, MBE, WBE on these types of projects.

For instance, our Mission Bay project, we hit 53 percent. We oversaw the Warriors project down in Mission Bay. In that case, we were nearly 50 percent. And on the construction side there, we had 89 SBEs, total construction value of \$245 million on that one project alone. If we could go to the next slide

In terms of Strada and Trammell Crow company, our partnership, we're really excited about this partnership. It really combines the best of both worlds.

We've got the local experience on the ground with Strada here and the national and on international, frankly, footprint of Trammell Crow Company, which is the largest commercial developer in the United States and has extensive experience in construction, financing, leasing.

They have a global footprint that allow us to tap all sorts of tenants and other relationships. And they also have experience in waterfront development. Next slide, please.

Just a few of our project team's experience -- project experience -- we've got the Exploratorium that David Mik from Power Engineering worked on.

By the way, I'll just mention that David and his firm have touched 75 percent of San Francisco's piers over the last 10 years in the form of some construction or other work. So you couldn't ask for a more capable and kind of plugged-in partner on the water-construction side. Next slide, please.

This is Pier 70. Strada worked closely hand in hand with Forest City and then Brookfield on the entitlements phase for Pier 70 from its inception. And of course, Grimshaw and Field Operations were also involved in that. Next slide.

Chase Center -- Clarke Miller, who was the lead for this project for Strada will be the lead on this effort as well. And obviously, this is one of our signature projects. And we spent two years crawling all over Piers 30-32 before we switched and pivoted down to Mission Bay for this project, a \$1.4 billion project that we successfully entitled and had a key role in construction of. Next slide, please.

One Mission Bay, a 300-unit housing project with a 200-room hotel that Strada developed on the channel down in Mission Bay -- Next slide.

And I would be remiss by not showing a Trammell Crow project. So this is an incredible billion-dollar waterfront development or riverfront development in Austin that they recently completed. Next slide.

As mentioned, we brought this incredible team of engineers and in-water-construction experts on early in this process when we developed our concept. And one of the through lines of all the past failed efforts on this particular pier has been the incredible cost and risk associated with retrofitting or rebuilding the piers.

It's a 13-acre pier, as was mentioned. And it's very, very expensive. We got our experts around the table. And we began work on a solution. And pretty quickly, a lightbulb went off. The question revolved around, what if we solve the cost problem by dramatically reducing the footprint of the pier all while building the appropriate amount of program to address all of the competing goals of the Port and all the regulatory agencies.

And as this diagram illustrates, when accounting for all the requirements of the site, we end up with a 45 percent reduction in total pier area. So in other words, we're building back new seven acres -- 7.2 acres, which leaves about six acres that we'd be restoring -- removing and restoring the bay.

This has a couple of advantages. First, it's obviously cheaper to build seven acres than 13 acres. Second, by rebuilding instead of retrofitting, which we feel is not feasible, we're going to be creating greater cost and schedule certainty.

Third, it has tremendous environmental benefits both during construction -- less in-water work -- and obviously long term with removal of six acres of fill from the bay. Next slide, please.

A few other things before I turn it over to Grimshaw and James Corner Field Operations. At its core, this project is grounded in precedent. We are proposing 375,000 square feet of office on the pier for a reason.

That is the amount of square footage that mirrors AB 1389, which many of you may be familiar with from the late '90s, early 2000s, otherwise known as the Lendlease project. In that case, the legislature and all the other regulatory agencies signed off on about 375,000 square feet of office.

So we took that as our guiding light in terms of the pier non-trust, commercial component. You know, obviously, you know, we could have added more to the pier. But we felt like, you know, in this particular instance, going with precedent made sense.

I mentioned minimizing the footprint. So I'm not going to get into that. But in terms of the public access, we have some incredible public amenities that we're delivering as part of the project, the centerpiece of which is what we call the [Water Room], which is a public facility, a swimming facility that's at the center of the pier site.

But we also have incredible public access around the perimeter of the pier as well as a very well thought out east berth for deep-water ships -- deep-water draft ships. We also are fulfilling a lot of the Port objectives generating a total of \$325 million in total revenue over the life of the lease and almost \$370 million in infrastructure investment in terms of new pier and seawall strengthening, all to -- in a way to accommodate sea-level rise as well.

The balance of uses -- we're talking about a mix of housing and commercial, 25 percent affordable on the residential side, fully paid for and financed by the project. Importantly, we felt like it was very important to generate enough revenue to fully pay for all of the affordable on site and not rely on outside city sources for the affordable housing, something I think that sets our proposal apart.

In terms of equity inclusion as well, I think there's going to be some interesting opportunities hopefully we can get into the Q&A about ways in which we might, on the long-term development, focus on some really interesting stuff that we're doing in other parts of the city.

But I also wanted to say that we're really focused on making sure that the swimming facility and the access to that is free or, in some cases, low cost but free to low-income residents and folks that don't have the means to pay for access to swimming in the city.

We intend to create a nonprofit to manage that facility. So now, I'll turn it over to Richard from Field Operations, who's going to talk about the public realm. Next slide, please.

Richard Kennedy - Thank you very much, Jesse. As Jesse was describing, we're so excited to be sharing the vision with the commission and the public for a project that we believe creates the maximum number of diverse public benefits for the city, the surrounding neighborhood and, of course, the whole region. Next slide, please.

We started with the effort to create as much environmental, ecological and sustainable achievements across the entire project as possible, making sure that we have initiatives at the water level, at the level of the public realm and promenades and public-access areas and within buildings and their terraces and rooftops to make sure that our project is actually achieving biodiversity goals and environmental goals but is also displaying and making them visible to the public. Next slide.

Our design also starts with people and nature at the very center. We've been inspired by the Bay Area's pursuit of healthy lifestyles and wellness initiatives. And this spirit has persisted throughout all of San Francisco's life.

Perhaps most idiosyncratically is the expression of playing in nature at Sutro Baths nearly a century ago, of swimming in the Pacific Ocean at the waterfront of San Francisco. Next slide.

And this spirit still persists with Aquatic Park and other spaces around the bay where people have a rugged access to recreational efforts and spaces in the bay with close proximity to water and natural resources. Next slide, please.

So our effort does exactly that. It puts people and nature right in the center of the piers, visible from the Embarcadero in various forms. This image depicts the Water Room, the opening between Piers 30 and 32, now fully publicly accessible with a floating pool, with docks, seating elements and spaces for public access, floating wetlands that are visible display of nature, promenades on both piers with furnishing, overlooks and planting to create spaces for all people to access the waterfront, view the scene of activity as well as the horizon of the bay. Next slide, please.

The site plan depicts this effort to create as green a project as possible with the green terraces and amenity spaces of a seawall lot on the left-hand side, the green Embarcadero initiatives, the green promenades and green rooftops of Pier 30 and 32 and the center with floating wetlands, floating gardens within a floating pool that provides that recreational centerpiece. Next slide.

This diagram depicts the public access ways. We've ensured that we wanted to make connectivity all the way from the city to the water's edge with a view

corridor and pedestrian access spaces that are public through the seawall site on the left-hand side, public access all the way from the Embarcadero to the eastern berth on the far east side -- unique features such as access ways and plazas around Red's that's remaining in the top left corner there, kayak launches down to the water's edge along the Embarcadero, overlook spaces called the City Room with views to the downtown skyline ---- the Bay Room with views to the bridge and the bay horizon, promenades that connect all of those spaces and the floating public pool in the center. Next slide, please.

We've also ensured that the project accommodates and maintains maritime uses. We've made sure that we have solved for all of the servicing needs, the access needs and all the other functions to make this effort a unique activity that continues well into the future. Next slide.

And just lastly, the image and portrait of the project with an open public center -- open and accessible to all with a recreational element with the floating pool at the center, green initiatives around, promenades and access throughout and, most importantly, the open horizon now where the bay is front and center. Andrew?

Andrew - Thanks. I am going to talk briefly about the buildings. The ability to reconstruct the pier has enabled us to reinstate the historic form of the two finger piers originally constructed for Piers 30 and 32 in 1912.

It allows us to carve away the buildings in particular locations to create these public-realm spaces and to also maintain the main street view corridor. Next slide, please.

It enables us to deliver two key spaces that are publicly accessible that celebrate the city and the bay. The City Room on the left-hand side has a unique relationship to downtown and the activity of the Embarcadero and, on the right-hand side, on the northeastern corner of the development, the Bay Room, which sits there under the dramatic skyline of the Bay Bridge and the vistas towards the East Bay. Next slide, please.

Care was taken when we developed the buildings to be resonant of a historic typology of [wolf-style] buildings and [masts in] the construction really echoes that, that prioritizes natural daylighting and natural ventilation.

Understanding the requirements for sea-level rise and the measure of the height limit from the Embarcadero, we undertook an assessment and knew that the three-to-four-foot rise for sea level required us to make sure that we could deliver a building within a 36-foot height limit.

And we determined that two stories was only the really viable way of delivering a space that is high quality that is appropriate for the market demands. Next slide, please.

And then, sitting between the Water Room and the Bay Room, we have a direct relationship across the Embarcadero towards the Seawall 330 site to enable a valley that is cut through the building form to have a direct relationship to the Water Room space. Next slide, please.

The use of the state density bonus enables us to create a building higher than the current zoning requirement that enables for careful carving and crafting of the building mass to be really responsive to the neighborhood conditions, safeguarding views to the bay from the Watermark tower and views to the Bay Bridge as well.

It enables us to create this really considered and sculpted building form that creates a lot of visual interest and activity along the Embarcadero to prevent the perception of a relentless building form along that edge. Next slide, please.

And finally, we just wanted to speak about the importance of creating an active and successful public realm where community and retail-based activity will be creating a positive relationship to the street and an affordable offer on Bryant Street. Next slide.

Jesse Blout - I think our time is up based on that beep. Is that correct?

Andrew: Yes. I think so.

Jesse Blout: Okay. Well, I'll stop there then.

Peter Albert - Thank you very much. I really appreciate you working with the time limit. We have a long day with the commission. But it's such a complicated project. And I really appreciate your patience with us. Now, we'll have the next team, which will be Tishman Speyer.

And again, just to sort of reiterate, the -- about a minute for introduction and 15 minutes for the presentation. We really appreciate you working with our schedule that way.

Carl Shannon - Great. Thanks, Peter. For those of you who don't know me, I'm Carl Shannon with Tishman Speyer. I run our Northern California operation. And I'm here today with Matt Biss, Sarah Dennis-Phillips, Nick Alimam and Andre Krause from our team in San Francisco.

We have a team of over 50 professionals here in San Francisco and thousands of professionals worldwide. And we're thrilled to present this project to you today.

You know, we believe that we've worked within the existing zoning at the waterfront. We believe that we've provided a flexible structure to deal with the realities of the unknowns that come with this site.

We believe that we've provided the project with the most amount of retail and public space at the ground level of the project. And we provided a very special treat in a building specifically built for the Port.

We committed to 50 percent affordable on the residential. We would love, as Peter said, for this to be a conversation, would like to work with you and answer your questions. And with that, I'll turn it over to Sarah to start the formal part of our presentation.

Sarah Dennis-Phillips - Good afternoon, commissioners. I'm Sarah Dennis-Phillips. And I'm very glad to be back before this body since my time working with you on Pier 70. Can I have the next slide, please?

Our starting point for the site prioritizes public space. Yes, waterside and water recreation space where people can get close to and into the bay but also actual usable public open space where the public can gather for events, watch water shows, play Frisbee and even picnic.

And that requires retaining as much of the piers as possible. What you see here in our overall land-use proposal is a central garden promenade that connects the residential uses across the Embarcadero at the seawall lot through to the piers and to the water and also serves as our primary access way for the deep-berth activities at the pier's end.

We have two signature one-acre public spaces on the Embarcadero side and the bay sides of the piers along with a new public-serving cultural asset. We have a string of waterside jewel-like spaces along the perimeters of the piers getting people into and close to the water.

And critically, we are proposing an active [ground floor plan] full of small-scale retail, restaurants and maker spaces below the mixed-use buildings that serve as the economic engine to move it all forward. Next slide, please.

The six distinct open spaces you see in our proposal are called out in this diagram. Altogether, they make up six acres of walkable, usable land-side open space. Next slide, please.

Here, you see an image of South Beach Plaza, which is our neighborhood anchor located along the Embarcadero. This is intended to fill a gap in the activity along that stretch. Right now, it's a bit of a hole.

And we really want to activate that, get people excited about the piers and bring them into the site. It's welcome canopy acts as a setting for all sorts of dynamic programming from food trucks to shows to a children's play area. Next slide, please.

And the Bay Bridge Plaza, with its 40,000-square-foot cultural building is its counterpart, a dramatic amphitheater looking out to the bay and beyond. Next slide, please.

We've thought a lot about the urban design of the site. We have a lot of respect for the long pier shed buildings typical here. But they were built to serve ships and industry, not people. When we looked at great waterfront precedents including the city's Ferry Building, we found that a finer-grain scale was what really invited people to participate in the waterfront on an everyday basis.

So our proposal takes inspiration from the typical pier shed. But it breaks it down in size to create smaller human-scaled increments of blocks and buildings. Next slide, please.

The result is something really interesting, a large idea that's broken down into special moments. As you can see in this image, it creates the kind of spaces where visitors can find their own place and have their own intimate experience with the waterfront. And with that, I'd like to turn it over to Matt Biss.

Matt Biss - Next slide. The photos of the projects in front of you represent the breadth of Tishman Speyer's experience in development world-class projects in San Francisco. But they also illustrate our extensive experience with building complex projects on the waterfront. Next slide.

Notable recent projects include MIRA, the latest icon to transform the San Francisco skyline. Located a block from the Embarcadero, this is a project that includes 392 homes, 40 percent of which are affordable. Next slide.

An image of the Mission Rock neighborhood, a project that the Port Commission knows so well, an extraordinarily complex development that will transform the city, bringing new homes, offices and a public park to the waterfront.

Renderings are exciting and important to illustrate a vision. But there's nothing more exciting than actually building and delivering a project. Next slide.

This is a photo taken last week. We are so proud to be leading the team that is actively building Mission Rock, a project that is very much under construction. Next slide.

Tishman Speyer has an extensive track record of working on projects that are multifaceted and complicated, projects that include building over the water. This is a photo of a project that we just completed in Boston Harbor with full redevelopment of a historical pier structure consisting of new homes, offices and restoring public access to the waterfront. Next slide.

Each and every project on the screen is one that we designed, entitled and secured the required approvals. And while designing and securing approvals are important, they only represent the first steps in bringing real estate to life.

Most importantly, each and every project on this screen is one that we've actually built and delivered. Our strength is our track record. Simply put, when we make a commitment, we say what we will do. And we do what we will say.

Nothing is more important than selecting a partner that will stand by you, solve challenges together and will deliver on their promises. I'll now turn to my colleague, Andre Krause.

Andre Krause - Next slide. Good evening, Port staff and commissioners. My name is Andre Krause. I'm here to talk about our commitment to diversity, equity and inclusion. And at Tishman Speyer, this considers diversity both externally and internally.

We understand the importance of different perspectives and experiences. And we understand the importance of that local connection and commitment.

And on these important waterfront projects, we also recognize that diversity and equality means public accessibility, not just bringing in community input and voices in the design process but also providing insight to shaping the programming activities and functions including things like watersports programs for local disadvantaged youth. Next slide.

Working towards equity, we recognize the value of focusing on and improving local small-business participation including minority-owned and women-owned small businesses. We've also learned the success with building the project team on both inside and the outside by partnering with our broad project team members including builders, subcontractors, key LBE consultants and our Port partner. Next slide.

During construction, we're not only seeking to have local resident and disadvantaged worker participation, but we believe in building enduring and lasting relationships with those who joined the project.

Ultimately, we look to have opportunities that will grow with the project from its beginning to its ongoing life and operations. So when you join the project, you are part of the project family. Next slide.

Speaking on inclusion, we have some specifics that we're proposing including: 33 percent of retail space made available for small, local and minority-owned retailers; establishing training, mentoring and internships with office tenants; mentoring and internship programs like TechSF, STEM Talent Pathway and community colleges Career Pathways Trust.

These are just a few of the things that we're proposing. To close my section, I want to invite your follow-up questions on this extremely important topic of diversity, equity and inclusion. With that, I hand it off to Nick.

Nick Alimam - Next slide, please. Good evening. I'm Nick Alimam. And it's a pleasure to appear before the commission this evening. The intent of the financial construct imagined and presented for Piers 30-32 and Seawall Lot 330 includes and addresses all the learning lessons from over 20 years of development experience in San Francisco.

We've aligned our interests with the Port all with the intention to create a new, unique, dynamic waterfront community and realize the Port's vision for this incredible site. From this construct, the Port will enjoy both one-time revenues as well as ongoing revenues.

As for the one-time revenues, our program assumes \$92 million in net-development-rights payment to the Port at the signing of parcel lease and Port participation at the time of stabilization, refinance, subsequent refinance dates and ultimate sale. The \$92 million development rights payment should be viewed as a form of base rent. Next slide, please.

To accommodate the Port's desire for ongoing revenues, we have assumed 100 percent of the revenues from the operations of the new cultural building at the prominent northeastern edge of the site will be a benefit of the Port.

It is estimated to generate between \$750,000 to \$1.5 million per year of net income to the Port. We view this construct as a way to create a true partnership with aligned interests. And we know this is only the beginning of the discussion

with regards to the financial proposal. We welcome all commissioner questions on this topic. Next slide, please.

More qualitative in nature, the scale and design imagined for Piers 30-32 and Seawall Lot 330 offers a number of community benefits including: as many as 500 new homes, up to 250 of which will be permanently affordable; a new 40,000-square-foot cultural building to be deeded to the Port; a TDM plan to enhance bike, pedestrian and muni experiences; seven-and-a-half acres of usable public open space and 2,400 linear feet of bay access, perhaps one of the most unique parts of this site's offering.

And to our commitment to diversity, equity and inclusion, we will go beyond the development and procurement phases. We will offer at least 33 percent of ground-floor spaces at heavily subsidized rate to accommodate minority-owned retailers and jobs programs to make sure everyone has a voice at this new destination.

And our residential community will be truly mixed income with half of the units permanently dedicated to a range of renters. In closing, I would like to turn it over to Carl Shannon.

Carl Shannon - We'd just like to say thank you to the commission for their time this afternoon. And thank you to the Port staff. We think we've put forward a flexible structure. We'd encourage you to pick a partner for this incredibly complicated project who has the wherewithal not only to see this through entitlement but to actually get it built.

And we think we have a very strong track record of actually building projects in San Francisco and providing the kind of opportunities we've laid out. We're committed to the ground-floor retail.

We're committed to the ground-floor public open space. We're committed to 50 percent affordable housing. And we're committed to the diversity, equity and inclusion strategies that Andre laid out in detail.

We hope that you will pick us. And we hope that this is the beginning of a conversation, as Peter said. Look forward to working with you in the future. Thank you for your time this evening.

Peter Albert - Thank you, Carl. So now, that brings us to the last team, Vornado. Vornado, if you're ready to be on deck, that'd be great.

Michael Franco - Okay. Peter, you ready for us?

Peter Albert - We are.

Michael Franco - All right. Thank you. Nice to see you again. Good evening, everybody. We appreciate the opportunity to present our plan for Piers 30-32 and Seawall Lot 330 to the Port Commission. I hope all of you have been staying safe and healthy during this challenging time.

Before we get started on our presentation, let me introduce the people from our team today. I'm Michael Franco, president of Vornado Realty Trust. In addition, I'm a trustee to the Urban Land Institute and, for the past five years, have served as the chairman of Breaking Ground, the leading developer and provider of permanent and transitional supportive housing for homeless and low-income New Yorkers.

Barry Langer, who is Vornado's co-head of real estate, oversees all of our development, has been instrumental in our execution of many large-scale developments over the past two decades.

Jared Toothman is one of our senior investment and capital market professionals. He's also been involved with many of our successful developments. And I think, importantly, you know, us in addition to most of the other professionals have been at Vornado for the bulk of their careers.

And that continuity is important when dealing with long-term projects, particularly ones of this prominence and complexity. So the team you see now is the team you will always be dealing with.

In addition, Jeffrey Heller, who is one of the founding principals of Heller Manus Architects -- Jeffrey served on both the Port's waterfront plan citizen advisory committee in the early 1990s and BCDC citizen advisory committee in prior years.

And finally, Gregg Miller, who is a partner at Coblentz Law and a seasoned land-use and real-estate-transactions attorney who has guided many developers through numerous high-profile projects including major port developments.

So with that, let's go to our presentation, you know. Next slide. As we begin our presentation, the three key points that I want to emphasize -- first is that our plan is viable through financial and zoning standpoint and is executable.

Second, our plan will deliver a world-class public destination and waterfront amenity for the City and San Francisco and all who visit. And lastly, Vornado is uniquely capable of being the group that finally redevelops the piers and delivers on the Port's goals.

As you'll see in this rendering, our proposal delivers a monumental 12-acre public park including eight acres of rooftop green space, offering residents and visitors spectacular views of the skyline and bay.

This is built on top of 850,000 square feet of office and 150,000 square feet of retail and community uses. We intend to maximize waterline accessibility for the public as well as maritime uses including docks for ferries and water taxis, a marina and over 600 feet of pier frontage dedicated deep-water berths.

We welcome stakeholder input to help program the 12-acre public green space and over 2,000 linear feet of water line. Importantly, we have proposed projects that are zoning compliant and economically viable individually with private financing based on the inclusion of low-rise commercial and residential space.

And we intend to develop Seawall Lot 330 with affordable and collocated housing to complement commercial development at the piers. We are committed to honoring waterfront height limits and partnering with a local affordable housing developer to deliver a minimum affordable percentage of 25 percent and potentially more.

We have a track record of working with and using W/MBE firms on our prior projects and intend to have them integrally involved here. Next slide, please. There's another vantage point as well. Next slide.

For a number of reasons, we believe Vornado is the group best equipped to redevelop the piers. By way of background, we are a large publicly traded REIT with an enterprise value of roughly \$25 billion.

By the way, CalPRS and CalSTRS are two of our top 100 shareholders. So California would benefit in multiple ways from our involvement. And there are a number of characteristics which make Vornado unique.

We have significant financial resources and do not need to rely on raising capital from outside investors to complete the project. We have extensive experience with big, complicated projects such as the piers, some of which have taken many years from start to finish.

This includes several public-private partnerships, one of which we'll touch on later in the presentation. Third, we are a long-term owner who believes that developing projects to the highest quality standard will help them endure.

This results in enhancing the cities and communities in which we develop, and we have many examples throughout our portfolio. Fourth, we have been an

industry leader for many years in sustainable development and operations. And we plan to apply those same principles here.

The bottom line is that we have the capital, expertise, patience and vision to see this project through and to transform the piers into a unique public green space. Next slide, please.

Our proposals are 100 percent zoning compliant, reflecting lessons from recent Port proposals that face community opposition for "wall on the waterfront" concerns. We have maximized public access, preserving over 85 percent of the piers for public enjoyment.

Financially, we are an investment-grade company with \$4 billion on our balance sheet to self-finance the project. And from an affordable-housing standpoint, we are committing to at least 25 percent and potentially more.

And we've already had discussions with a significant local affordable housing specialist, CCDC, about being our partner on this where one of the three buildings would be dedicated for affordable housing.

Our proposal incorporates a host of maritime [uses requested] in the RFP including deep-water berths. And finally, our proposal is achievable without subsidies. Our plan is 100 percent privately financed. Next slide, please. Next slide, please.

Utilizing green roofs affords maximum public enjoyment of the piers, accessible via seamless, architecturally striking connection to the Embarcadero. The rooftops create unique views of the skyline and bay.

And public viewpoints such as Dolores and Alamo Square Park are among the city's most beloved public spaces. Next slide, please. Next slide, please. Next slide, please. Thank you.

Here, you can get a sense of how you enter the project on the public greenspace and the park, which goes on top of all the buildings there. Next slide, please.

This is a visual top-down where you can see the scale of the park and how it is utilized in the linear waterfront around it so that the public goes around it, through it, on top of it. Next slide, please.

In addition to our local-house team and the relationships we've built over 13 years as owners and stewards of San Francisco's iconic 555 California Street complex, Vornado has assembled an all-star team specifically for this project.

Our architect, Heller Manus, and engineer, SGH, have extensive experience with the Port. Lighthouse Public Affairs is a leading government and community relations specialist. And Gregg Miller of Coblenz is a local land-use planning and zoning expert who has helped entitle recent Port projects.

And through our ownership of 555 California Street, we have been involved in numerous -- next slide, please -- numerous charities over the years giving back to the community. We've hosted the annual tree-lighting event there for many years embracing the community. We continue to do so through public programming here and involvement of local firms not only to help build it but ultimately to be a part of it. Next slide, please.

On the affordable housing side, we currently own over 2,400 multifamily units including affordable housing and have developed many successful multifamily and condominium projects in multiple cities.

As such, we acknowledge the nuances of housing [unintelligible] city and have committed to partnering with the local firms I mentioned. We're going to bring in the experts in this area in San Francisco and make this a premier affordable housing project. Next slide, please.

Finally, with respect to over-water experience, Vornado is developing two finger piers in Hudson River located just west of Manhattan. Developing on the Manhattan waterfront presents unique infrastructure, environmental and regulatory challenges similar to those found in San Francisco.

So we are confident we can execute here. We will select a marine contractor to rebuild the piers and seawall via competitive bid resulting in not only the best outcome but a project which is cost effective, which ultimately results in delivering a participation sooner to the Port.

Finally, I'm going to turn it over -- next slide, please. There's a picture of Piers 92, 94 in New York City, which as well is a public-private partnership with the State of New York. I'm going to turn it over to Barry Langer to also talk about a significant public-private partnership that we are just completing.

Barry Langer - Thank you, Michael. Next slide, please. As a case study of Vornado's abilities to do public-private partnerships, one of the most complicated projects we've ever worked on is the Farley Building in New York City.

Much like Pier 30 and 32, which has had a long history of projects that have been proposed and failed, the Farley Building in New York is the same. Finally, in

2016, we were designated by the State of New York to build for the citizens of New York a new train station, expanding Penn Station by almost 40 percent.

This is a project that had lots of dreams. But no one ever could figure out how to get it done. In 2016, we were designated to build this. We started construction on the train station soon thereafter and started speculatively building the office space well in advance of us ever finding a tenant.

I'm proud to say that this project will open on time and on budget notwithstanding COVID in December of this year delivering a huge improvement to New York City's infrastructure at a time when most other developers would have put their projects on pause.

This is an example of our ability to bring capital -- mostly our own capital to bear -- deliver on a public-private partnership for San Francisco just like we were able to do finally for the City of New York. Next slide, please.

Here's a picture of that train hall -- it's the size of Grand Central for those of you who have been to New York -- being added to Penn Station, which is the busiest transportation hub in North America. Next slide, please.

And with that, we thank you for your time today. And we look forward to continuing the conversation with you. Michael, would you like to add anything else?

Michael Franco - No. Thank you for your time. We're excited about the possibility of redeveloping the pier. And we're confident we would do a world-class job for the City of San Francisco. Thank you.

Peter Albert - Thank you. Thank you, all three teams, for this -- Carl, can you give me the next slide? This is really the end of the presentation. I just want to sort of wrap up before we turn it over to conversation.

I do want to thank the proposing teams. I think, commissioners, you can see what a difficult task it was for the panel to evaluate all three of these. But we worked closely with the RFP standards.

I want to also thank the scoring panel. They worked really hard. And they really took each issue very seriously. I want to thank the consultants, Matt Bell, Debbie Kern who are on the call for any questions about engineering or financial feasibility.

And I want to sort of just go over what the RFP stated. So at this point, this is the informational hearing on the project. And the RFP set it up so that we have two

options. The commission can go with the top scorer and recommend that -- on an action item as early as September 22nd, that the Port staff enter negotiations with the top scorer.

Another option is the commission could cancel the process and go to a different course of action with the RFP. I am scheduled to speak to the Port's Northern Advisory Committee on the 16th depending on whatever we talk about today.

But I map out the September 22nd action -- possible action item with the commission. And then, if we go forward with that recommendation, then we would be working in the fall and the winter of 2020-2021 working with the commission's approval to enter into an exclusive negotiation agreement.

With that, this concludes my presentation. Again, I want to thank the proposing teams, the panelists, the experts and Port staff.

President Brandon - Thank you, Peter, and thank you, Rebecca, for the presentation. And thank you to all the teams. This was great. This was just absolutely wonderful.

Public Comment on Item 7A:

Russell - Hi. My name is Russell. I'm a local resident in District 6. I live a few blocks from the project from Piers 30-32. And I'm just calling in enthusiastic support of the proposed development. I, as a resident of San Francisco for a few years, have been really hoping that the city can increase the supply of housing.

It's a super-important issue to me. I've really appreciated that the high-scoring proposal has so many new housing units. And I think it would be a beautiful addition to the waterfront.

I'd also like to emphasize that, to me and to other residents I know in this district, what's really important is the kind of speed at which all of these projects get approved and can actually be developed.

I think we've seen it take a long time for major development projects to go through all of the regulatory committee approvals, etcetera. And of course, there are good reasons for lots of those.

But I would just really like to emphasize to the commission that every day that projects like this languish is a day that we don't have, you know, a beautiful waterfront that we can enjoy.

So I'd really just encourage the commission to feel the urgency of moving whenever a proposal ends up winning or going along the furthest, just moving it

along as quickly as possible. So we can enjoy it as residents of San Francisco. Thank you.

John William Templeton - Good afternoon. My name is John William Templeton. I am a historian. And with Fred Jordon, I'm a co-founder of National Black Business month and also chairman of the Central Brooklyn Economic Development Corporation in New York City.

As I mentioned in my remarks last October, the first building that was built on the Port was built by an African American in the 1840s. And in 1960 at the height of the Port's history as a working port, African Americans were the second-most- numerous group in the city.

And they were concentrated along the waterfront. So I would urge the Port and its commissioners and the staff who've been leaders on this issue for a long time to take advantage of the interest that's been placed in this property and the international players that have gotten involved and to really use that leverage to change the paradigm from large entities getting tremendous public subsidies and then tossing crumbs to the community.

You know, the research that we've done across the country indicates that it's really -- unless you have ownership, unless there's equity that's diverse, you wind up with a waterfront looking like Walnut Creek.

Down in L.A., you have Donahue Peebles who is building an 80-story building, which will be the tallest building on the West Coast. So there are definitely African American firms that have the wherewithal to compete for projects like this.

And we need to make sure that, you know, we're part of the discussion. [I sent a note to] the preferred candidate and asked them questions about their workforce and their track record on other projects around the country and haven't gotten a response yet.

So I definitely would encourage the Port to really go beyond just kind of filling in the blanks and doing what the city's been doing because, as we learned in the series of weekly discussions with black contractors last year, what the city is doing now isn't working.

So that's why we have gone -- Fred and I have been part of the folks who encourage the California legislature to pass Prop 16 so that we can -- [timer beeps] Sure. So like I said, I'm doing a presentation for Architecture and the City

on the 14th and on the 17th to talk about the role of African Americans and architects here in the city. Thanks.

John - Hi there. My name is John. I've been a resident of the area for 25-plus years. My family came to this country about a century ago and worked on the waterfront for a couple generations. Interesting designs but one thing that really strikes me with the Strada design is just the mass on the seawall lot is much, much more substantial than the other competing proposals.

The view from the bay -- it looks almost like a skateboard ramp or something. And that really significant abutment pushed right up to the intersection of the Embarcadero and Bryant is going to look like a wall.

I've been involved in other proposals to the Port and development going all the way back to the original Lendlease proposal. And that was always kind of a design issue that seemed to always get whittled down because it's just very stark.

I'm surprised that wasn't dealt with earlier. The Vornado proposal -- you know, certainly the massing is a much more, I think, tolerable effect. I just really hope that you folks don't get caught up in trying to maximize density on that seawall lot to the detriment of it just not fitting scale of the rest of the project.

But anyway, I think all these projects are impressive. And I think they'd all make good replacements for that fallow pier before it goes right into the bay. But please don't just max out volume and density on that.

It's just going to drum up an awful lot of neighborhood opposition. So anyway, thanks to all the project teams that put these proposals together. They're all impressive. Thanks.

Commissioner Woo Ho - Okay. Thank you. I just want to start because I think that one of our callers today is also someone who was the resident who was very concerned when the Navigation Center went up. And I just want to say that, at the time, we said that we would open this up for development.

So I think we have fulfilled our commitment to the residents in the neighborhood and the community to say that we were not going to hold that site permanently for the Navigation Center, though it has served a very, very important purpose during this COVID pandemic. But I just want to note that we are fulfilling our commitment with this process that we're going through right now.

First of all, I want to say that all three teams -- very impressed with the creativity and the innovation and thought because this has been such a difficult project, particularly given the state of the piers and the infrastructure involved.

Of course, we always knew that Seawall Lot 330 was kind of the carrot for the project but that somehow -- how would the Piers 30-32 would be developed. And I think all three came up with some excellent answers and appreciate that they're all very, very extremely qualified. So I want to thank all three teams for bidding on the project -- most impressive.

I think that I wanted to just ask some questions. And maybe if Peter Albert or anybody from the Port staff -- my understanding in reading the staff report that, number one -- since our number-one concern was the investment in the infrastructure of the piers to make them earthquake resistant, sea-level rise, etcetera and to meet the demands of any massing on top of it -- so my impression at the moment is that the Strada plan is much more specific.

Is that correct in terms of the infrastructure investment required for the piers even though it is a rebuild of the piers? So that's my question number one.

Peter Albert - Commissioner, you'd like me to answer the questions as you go? So -- yes. Peter Albert again from real estate and development. What I'm going on is -- what you're looking at are the resulting scores of the panel that reviewed especially that question. They referred to the engineering memo that talked about the pros and cons of each approach.

If you look at how the scoring was given for the engineering response, Strada got strong scores for their proposal to reduce the overall size of the pier because that actually helped bring the cost down of rebuilding a pier -- structure is actually smaller than rebuilding from scratch, not trying to rehabilitate or renovate existing structure but building straight up.

That ended up being more or less a strength in the other two as well that they're leaning toward the idea of rebuilding rather than renovating the pier. But I think what you see in the high scores from the panel -- and someone who's listening to the whole conversation -- it was the clarity and the sort of absolute certainty of approach that Strada brought to that engineering challenge that stood out.

Commissioner Woo Ho - Okay. Because that was sort of the number-one deterrent to sort of even deciding how to develop that. So I'm glad that that obstacle has been dealt with. And it sounds like we have a good handle on that. Obviously, there's a lot more work to be done. But at least everybody is very clear on what the challenge is.

My second question relates to, I guess, the fact that two of the proposals have public financing involved with all of the various facilities that we've used in other projects as well. And I guess, just a comment from you or from Brad Benson or anybody else in terms of whether these public sources -- any risks involved with that that we should be aware of and if it's something that we should discuss in the final presentation.

But I would like to get a better feel for -- versus the Vornado proposal, which has no public financing -- so that we should be very clear on any risks associated with public financing given the environment that we're in today.

Rebecca Benassini - Yeah. Why don't I start? And then, if Brad is around, you can definitely opine. Or Peter, you can fill in for me. Thanks, Commissioner, for the question. That was definitely something that -- at the very beginning of issuing the RFP pre-COVID and pre-very difficult budget situation seemed like absolutely we would be using public financing on these piers because the feasibility gap we know is very difficult.

I think it is an extra step that we have to be aware of doing. But throughout developing the RFP, we anticipated this would be the type of mix of uses that would be applied to the piers. So I thought it was just worth noting in the presentation that Vornado did not propose that.

And of course, in some of our sessions, we don't get to totally inquire as to why somebody did one thing and somebody did another thing. I think it's worth noting that it's an extra step.

But it's something we think 30-32 could make a very strong case at to the broader city to dedicate that tax increment to the site because it really is a but-for type of project. Unless we get that subsidy, it could be very difficult to fill that gap that those piers represent.

Commissioner Woo Ho - Okay. I guess then -- you know, I understand that we're saying we do think it's feasible. But I guess just to understand before we sort of just make a final call on this that, if there was any risk, what would be the alternative backups?

So I think we should be aware of that. So if you could work with the Strada team to make sure that we have a full understanding of the picture there. [crosstalk]

Peter Albert - So Commissioner, also to add -- I just wanted to add to what Rebecca said. Looking at the scoring again -- and as we go along with your

questions, I'm making sure I'm referencing the scoring panel because I know that's a baseline that you have to work with.

There was recognition of the uncertainty of public financing. So then, what they were looking for from the response was a track record, a track record of a proposal team that had navigated the similar public financing challenges and put together a successful strategy.

And I do want to acknowledge that Vornado's proposal not to use public strategy was considered -- for public financing was considered a strength, a strength from the team's proposal.

The final thing was the question of financial capacity and the financial strategy. It was also looked really carefully at the cost estimates.

And those are some of the numbers that the commission wanted us to look at -- so to the extent that each team reflected that cost estimates for the structural work ended up shaping [that -- the] discussion about what would your financial strategy be with the range of numbers you've got to work with.

Commissioner Woo Ho - Okay. Next gets to the number of -- the housing. And I just wanted to -- and I know we're at the conceptual stage. But is there clarity whether -- because we've talked about the affordable and also the market rate. So is this going to be -- is there a mix of rentals versus condos? What is the mix of the housing?

Peter Albert - I'm going to say right now it never came up in the conversation, the mix of whether it was ownership or rental. It was always a conversation of degree of affordability and how the affordability was going to be cross financed with the development on the pier. [crosstalk]

Rebecca Benassini - And Commissioner, it's Rebecca. Seawall Lot 330 will be under a lease. So we assume it's all rental and not for sale.

Peter Albert - Right.

Commissioner Woo Ho - Okay. So whether it's market or affordable, it's all rental.

Rebecca Benassini - Right. That's correct.

Peter Albert: Yeah.

Commissioner Woo Ho - So this gets into a little bit more of a [knit]. But I'd just be curious to know if there's any information or discussion that you've had in terms

of a mix of the type of units, size of the units so that we also understand particularly in affordable versus the non-affordable.

Peter Albert - Yeah. It's a good question. I'm glad Debbie Kern's on the call. But I don't remember a variation of two, three-bedroom units versus studios, that kind of thing. To be fair, the concept was really all we expected anyone to advance in terms of the deadlines that we got and [unintelligible] restrictions. I'll put it out to anyone else on the team that might want to answer if I've left something out.

Debbie Kern - Hi, Peter. This is Debbie Kern. Good afternoon. Actually, each of the respondents provided a unit mix in their proposal. So Strada includes a mix of studios, one and two-bedroom units. Tishman Speyer has the same studios, one and twos. And Vornado -- their proposal reflects one-bedroom units.

Peter Albert - Thank you.

Commissioner Woo Ho - Okay. Thank you. Because I think also, in contemplating when we think about affordable housing, we think about families. So if it's just studios and one-bedrooms, that doesn't quite -- it's a different sort of concept versus families.

So I think we just want to have that in the consideration of the type of mix of the units to say, are we talking about singles, couples or families and what we envision as residents of these units.

My next question relates to -- and this is something Rebecca is sort of bailiwick here. You gave us a very high-level obviously. And I understand it was very high level from all the proposals. And I wanted to get a better feel -- and maybe this is a question not to answer today -- but for us to understand what's upfront in terms of cash flow. What is over time?

And my understanding is that one proposal -- I think it's Strada's -- after X years we would get something. So if we could have a little more elaboration of what that looks like so that we have a -- even if it's more conceptual not getting down to dollars and cents and nuts because I know you're going to have to go through ENA discussions.

So I -- we can sort of have a sense of the financial feasibility versus the -- you know, how much we're going to get back in terms of credits, etcetera. So when do we actually see some cash come to the Port? I understand the base rent. But even that could be applied to some of the development costs. So I'm not sure I have a full understanding of that yet.

Rebecca Benassini - Yeah. I could start. And Debbie, please elaborate. What I presented as the base rent, the \$1.5 million for Strada and Vornado's proposal -- Debbie, please correct me if I'm wrong. But I understood that that was guaranteed -- that was base rent to the Port typically after the project is built.

And Strada did propose some construction-period rent. But that would be the rent that goes to the Port sort of no matter what from basically day one. And then, Tishman's equivalent was providing a building that the Port could lease out.

And then, presumably, we would be successful at that. It would be a brand-new building. And we would get the net income from that building. So just to confirm that part, Debbie did I phrase that correctly?

Debbie Kern - Yes. That's my understanding as well. [crosstalk]

Commissioner Woo Ho: Okay. So this is not one where we go down the line for 30 years, and we don't see any cash. And then, finally, we begin to see cash after 30 years.

Rebecca Benassini - That's exactly right. That revenue stream is a stable one that we wanted the proposers to be specific about. And then, the other revenue streams we talked about are dependent on performance, dependent on cost, that sort of thing.

Commissioner Woo Ho - Okay, well, obviously once you go through an ENA we'll obviously want to know a lot more about the financial and economic viability of the project.

And lastly, this one is just -- about the floating swimming pool, which I'm very intrigued about because I'm a swimmer myself, I just want to know whether this kind of floating swimming pool has been used elsewhere. You know, is it a concept that has actually already been proven to be feasible elsewhere anywhere in the world?

Peter Albert - As the facilitator, what I'd rather do is make sure that the experts who can talk about the floating-pool concept -- if I understand correctly, it's on a barge. And it's actually not in the water of the bay. It's floating on a barge on the bay. If someone from the Strada team would like to weigh in on an explanation to that --

Jesse Blout - Sure. This is Jesse Blout. Thank you for the question. I'll ask David Mik as well if there are detailed engineering aspects of this to weigh in and perhaps Richard if there's more interest in the international examples.

But it is very much based on other experiences not so much in the U.S. but in parts of Europe and also Australia. There's quite a few number of these floating swimming pools around the world, very beautiful.

There's one in Copenhagen that's amazing. There's one in Helsinki that's amazing. And they're real public amenities for everyone around the cities to enjoy. In this particular case, the design we ended up with was a sort of steel bathtub sitting in the water on kind of a barge that's affixed with piles, kind of floats between piles.

So it deals with wave action. And my understanding is some of the detailed engineering that we put into the RFP response was based on some very real experience on another project in San Francisco. So we might indulge David Mik from Power Engineering to discuss the precedent -- the local precedent. That would be great.

Commissioner Woo Ho - Okay. I just wanted to make sure that it actually has been utilized elsewhere because it is a very interesting design. And I think it would be valued by the public to have that amenity. So I guess it's going to be at ocean temperature. Right. So it's going to be only for the hardy.

Jesse Blout - It'll be bay temperature. Although, we are -- on the drawing board, we have an idea of potentially using, much like the Exploratorium, a bay cooling system for the office buildings. And as you may know from the heat-exchange process there, that could warm up the bay water and be used in the pool.

To the extent we wanted to vary the temperature maybe within different portions of the pool, there's multiple pools in our proposal. So there's all sorts of creative ideas that we've been kicking around, none of which is, you know, landed on yet as the final idea but some really interesting opportunities and really drawing upon a real history of public swimming facilities.

You know, Richard Kennedy mentioned obviously Sutro Baths. But we also have the incredible Fleishhacker pool out where the zoo is that closed in the '70s that was a real, you know, community resource. So we're excited to add to that history with this pool.

Commissioner Woo Ho - Yeah. No. I think it's a great [concept]. And particularly - I mean, if you have any heating facility in addition to the fact that this water sounds like the way you're planning it could be also cleaner water than just [spilling] out to Aquatic Park.

Jesse Blout - Absolutely. We'll be filtering all the water that comes into the pool from the bay.

Commissioner Woo Ho - Okay. I think I've taken up enough time. Thank you.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - There we go. Thank you, President Brandon. I have -- and I want to thank Commissioner Woo Ho. She asked a lot of really great, in-depth questions. I have one question for staff. And then, I just have some comments and observations.

Rebecca, I was wondering if you had crunched the numbers. On the slide in the presentation, you showed that on the Strada team proposal that, after base rent - participation rent, that we would receive 20 percent after they received an 18 percent IRR.

And on the Vornado proposal when there was a similar metrics, you said that you had crunched the numbers and that that was at year 30. Can you tell us when Strada is predicting to reach their return so that we would start seeing our 20 percent?

Rebecca Benassini - Thank you for asking. I will defer to Debbie Kern. What has been helpful in these proposals is having this consulting staff to really keep Port staff a little bit one wall away from evaluating all the proposals.

So Debbie, I'm looking at your memo. And I don't know that you came up -- you tried to project the year that Strada would achieve the 18 percent. And I wasn't sure if that was because you didn't have enough information, or it was too uncertain, too far in the future.

Debbie Kern - I would have to look at our information for a few minutes to see when that is projected to start, which I can do if you want to star --

Rebecca Benassini: - [Wonderful].

Debbie Kern - -- look at another question. And --

Rebecca Benassini - Yeah.

Debbie Kern - I'll get back to you.

Rebecca Benassini - Commissioner, we'll get right back to you. But that was a good distinction. There was a year that Debbie's team did come up with on the Vornado proposal based on their pro forma that we were able to predict around

year 31 we start that sort of participation rent most likely. And she'll get back to us on the Strada anticipated year.

Commissioner Gilman - Okay. Yeah. I think I would just be interested. And I didn't find that in the staff report --

Rebecca Benassini - Thank you.

Commissioner Gilman - -- either. And then, just some observations -- I actually wanted to thank all three teams for sort of your thought and your diligence in putting together tremendous proposals. And I also want to thank the scoring panel. I mean, proposals that were also so strikingly different from concept to office square footage, to housing, to Strada's proposal returning so much of the pier to the bay.

I'm sure it was a really difficult and hard assessment for the scoring panel to be looking across the same scoring criteria for proposals that, from my perspective, were so different in their approach and in their concept.

So I did want to thank all of the teams that submitted to us. It seems clear to me from a scoring perspective that the Strada team and particularly on the engineering really was head and shoulders sort of above the rest.

So I did want to acknowledge that from a scoring perspective. And then, I also -- well, I know this is the preliminary part. And I know you'll be coming back for us to action. In the future, there'll be many more points of touch.

I do want to just say, from an equity perspective, which I think is so important today, you know, strong LBE, WBE participation, having partners on the teams that represent the community and the community of San Francisco is vitally important.

But for me also, what's really important is that we have a community along the waterfront where we have diversity of individuals who are living there, renting there. So the affordable component, I will just say, will be of particular interest to me.

You know, so wanting to drill down more to some of Commissioner Woo Ho's comments at a later date around unit size, levels of affordability and then also really understanding -- while I admire that Strada will not be seeking any local funds for the project, I'd be curious if they're seeking state funds to make the project work or if it's going to all be privately financed.

So while I don't need answers to those things today, I will just say I'll be keeping a particular eye on that component of it along with access to office and retail that's on the pier so that it can really be an environment where everyone in San Francisco can enjoy this tremendous development.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - First of all, I want to thank the staff, and I want to thank the teams, all that participated. This is such a complex project that's taken on. And I took a lot of notes here. And I want to thank Commissioner Woo Ho for asking -- digging down into a lot of really, really -- things to really think about, Commissioner Gilman. And I'm sure you, President Brandon, will bring it home.

But I'm going to get all this information. I'm going to think about a lot of this tonight. I like the commitment of all the teams. Like I said, in these kind of weary days that we live in, this is something that's very, very positive for the Port and for the citizens of San Francisco.

So I'm really excited to see how this complexity unfolds. And I really think it'll be something really great if it comes to fruition, Piers 30-32. Thanks, President Brandon.

President Brandon - Thank you. Again, I want to thank all three teams for your presentation. I think that you have put us in such a hard position because we have such great proposals that we have to choose from.

So I just want to back up a minute and start from [a positive] and understand that we had five proposals. So I just want to understand how we went from five to three and if there were any protests and where we are now.

Peter Albert - Sure. That's probably a good question for me. We did receive proposals in the beginning. Two of the proposals that I highlighted in the staff report -- but I can explain that in more detail here -- they didn't demonstrate some of the minimum qualifications.

The minimum qualifications included that they had a project successfully completed that was at least \$40 million. They had a project that was entitled for \$40 million. And they were able to obtain \$40 million for financing for a project.

That didn't necessarily have to be the same project all three times. But we needed that track record. We needed a signed statement saying that they were going to honor the communication sort of blackout period. And that didn't come in some of the proposals.

There was also a requirement of earnest money that wasn't submitted with those proposals. So we sent them a letter explaining that this was considered a nonresponsive proposal based on those criteria.

And there were some other elements between the two that were not part of the proposal. They came back. They appreciated our letter. They didn't address the aspects of the proposal that kept it -- continued to keep it in a nonresponsive mode.

So we sustained our determination that they were nonresponsive. We did go with the three that did demonstrate they met the minimum qualifications and demonstrated the other aspects of the RFP. To be fair, everybody was working off the same script.

The RFP was our set of rules really for the competition. And we really held everybody to that same standard. We were really careful about being as fair and transparent as we could in spite of all of the challenges of COVID and all of that. That's why the RFP requirements -- they really became more important than ever.

Rebecca Benassini - And Commissioner, it's Rebecca. Could I just round out? Peter addressed the two respondents who didn't make it all the way through the process. We also want to note that Tishman initially didn't have a complete response.

They had missed one of the elements that was required, not the minimum qualifications but another element. So they also received a letter that said, "You didn't provide this piece of information." And they provided that piece of information.

And within that five-day protest period just like we gave the other two respondents, we evaluated what they provided and decided, you know, this is what they intended to do. And we will allow them to go forward.

And also, at the end of the process when we let the respondents know how their ranking came out, Vornado also reserved the right to protest. We provided them score sheets. We provided all the respondents score sheets to give them more information about the process.

We're really pleased that they presented today. But we understand that, you know, it's a difficult process. It's hard to put so much into it and to not come out on top at the end. We want to just recognize that we're trying to provide all the information to the respondents about how we're going through this process.

And we did -- along the way, you know, respondents for different reasons came forward and asked for more information or wondered why they've been treated this way or that. So we're so happy that we had Stephanie and Peter and David and I kind of watching this through to make sure we're providing everyone the same information, and we're holding everyone to that same bar.

President Brandon - Great. Thank you. So at this point, there are no protests [unintelligible]?

Peter Albert - There are no protests that we've received regarding this latest determination, the score summary.

President Brandon - Great. I think Commissioner Woo Ho did a great job of asking a lot of technical questions and [digging deep into] the proposals. I think that we have three phenomenal proposals. And I really want to thank the scoring panel for taking the time to go through all these proposals.

I think what will be helpful for the commission is to also get the assessments that were provided to the panel to see how they made their decisions. I think it would be helpful to see the real estate and financial feasibility and the engineering and resilience feasibility assessment. Those would be extremely helpful.

I think that all projects on the waterfront are very complex and take a lot of different skillsets. I do want us -- and it's unfortunate that it wasn't part of this RFP -- a diversity, equity and inclusion component.

And I was surprised to see in the Strada presentation no mention of diversity, equity and inclusion. Luckily, I know that, with the Chase project, they set a standard and a model for other projects across the city we could look at.

So I hope that that continues. And like John Williams Templeton said, hopefully there will come a day when we will see it at this level, not at the backend. But I think it's very important that, when we're looking at these projects, that we make sure we're inclusive of all San Franciscans.

I think that the community outreach and input is going to be very valuable in the success of this project. So I can't wait to hear what the [normal] advisory committee comments are about the project. And I look forward to you guys coming back in two weeks, so we can make -- [crosstalk]

Commissioner Woo Ho: Commissioner Brandon, could I make one last comment or -- When the staff comes back -- you know, we have conducted many ENAs. We start the ENA. And I guess, if you look at Mission Rock and some others, it takes forever.

I would like to see if we could -- and if you could talk to Strada and map out -- and this is not a commitment -- but at least a timeline for when we think, you know, entitlement -- all these things would have to happen over time, CEQA, everything -- so that we have a timeline of how long it's going to take to get this realized.

We have a lot of experience now with a lot of different projects. And many of them have been delayed longer than we had anticipated. But if that's something that you could present at the next commission meeting -- so this is not going to be 20 years from now.

I hope it's in my lifetime. I'd love to see it. So if you could give us a sense -- so I realize I'm not asking for a firm commitment because lots of things are still uncertain. And things change along the way, etcetera, etcetera.

But if we could at least get some sense of when will this potentially be realized -- and if you want to put in a best-case, likely-case, worst-case basis, that's fine with me if the rest of the commission agrees with me but at least to have a sense of how long this is going to take.

I think the neighborhoods would also want to know that as well. The community would like to know, how long is it going to take?

Commissioner Gilman - Sorry. Thank you, Commissioner Brandon. I also think, similar to your request -- and I just want to make sure I heard you right. You did request that we have the teams come up with an equity, diversity and inclusion plan.

Were you thinking of that before the 22nd? Or were you thinking of that throughout the process? I just wanted to clarify what I thought you articulated.

President Brandon - I do hope that we hear some mention of -- well, I did hear it today. But I think the other respondents were a little more -- I think they put a little more meat on what that really means to them.

Commissioner Gilman - No. So I was going to say I think in a similar vein because I think they're so interwoven. I would like to have a little better understanding particularly from the Strada group on their affordable housing component particularly -- even though I know so much was out of our authority and not really procedurally where it sits with us.

It sits with the planning commission and other entities in the city. But I'm just curious conceptually what they're thinking because there's affordable housing, you know, for a family of four that makes \$100,000 a year. And there's affordable

housing for our baristas and our cab drivers who are a family of four making \$40,000 a year.

So I would like to understand better from an equity perspective what they're thinking on the affordable housing component and if they have reached out to any affordable housing developers. Like some other groups identified, I'd like to have a better understanding of that as well.

Director Forbes - -- if it's a good time. I just wanted to offer some feedback in terms of where we are in the proposal and what we can provide with specificity. And I understand definitely all the commissioner questions. And we're taking them down.

In terms of the timeline, we are at the stage just to confirm -- for the commission to consider and confirm the panel's recommendation if you feel inclined to do so based on all your due diligence. The timeline will be a -- following the execution of an ENA will be something that relates in large part to the regulatory framework, the regulatory approach, the entitlement approach.

And we could give you ballparks. But it won't provide detail with specificity. And it is in everyone's interest to tighten timeline and deliver the project in a more expeditious fashion than we have done so with other projects.

And staff has a lot of ideas about that. And as you heard in the presentation, the preferred respondent had a lot of ideas as did other developers, other competitors. So timeline with specificity before execution won't give you much. So I just want to set expectations there.

On the equity and inclusion plan, we have entered into some form -- and they are getting better over time -- of -- it started out as just the LBE plan. We have expanded much further what we include in equity and inclusion in these plans.

But those plans really are brass tacks of how the project is delivered in terms of deliverables and achievables, etcetera, that also the details of that will come in the future. And finally, issues of affordable housing will be ongoing conversations should you move forward with the panel's recommendation in terms of policy and approach to equity and affordable housing.

So I did just want to set expectations for how specific we can be and wanted to remind the commission of those things. Thank you so much.

Peter Albert - Thank you, Director Forbes. I just wanted to circle back. There was one question that was outstanding to Debbie Kern just to see if she did get a chance to round out those numbers. Or it's something you need more time to do?

Debbie Kern - Yes. I was able to look at that. And this is an IRR participation. So when that will occur is when really the leasehold interest is sold. And the applicant has estimated that would be in year 2028-29, about the 10th year out from today.

Commissioner Gilman - Thank you so much for clarifying that for me. I appreciate it.

Peter Albert - And with Director Forbes's comments withstanding, there are a couple things that commissioners asked us to produce. So we can send you right away -- we can provide you those [tech] memos. That's something that we can do right away. And then, we'd be happy to get back to you with the comments we hear from the NAC when we meet with them on September 16th.

President Brandon - Great. Thank you so much. And thank you to all the teams that presented today. We really appreciate it. Thank you. Carl, next item, please.

8. NEW BUSINESS

Commissioner Woo Ho - Commissioner Brandon, I think maybe not at the next meeting but at some future meeting maybe we want to get an update on how our tenants that have -- rent-forgiveness program, etcetera, is going. I think it's maybe not the next meeting. But let's put it on the agenda again at some point to get an update.

President Brandon - Definitely on the tenant relief and on our loan program. Any other new business?

Commissioner Gilman - Commissioner Brandon, I'm curious, when we bring that back, it could be October or November. I'm just curious -- this may not be possible. I'm just curious if there's any way we can find out if there have been any complaints from the public around COVID-19 violations within the Port or any Port businesses with the number of tourists coming in.

I was really happy to see the other day Pier 39 and at least part of the northern waterfront somewhat coming back to life. But it was obvious that they were not San Franciscans. And San Francisco has a very different health protocol than many other parts of the state. So I was just wondering if we could get an informational or an update in the director's report about how our compliance is going.

Vice President Adams - Yes. President Brandon, I would like for Director Forbes to kind of maybe give the commission an update on what are we going to do to

replace all those valuable people that have retired this summer. And are they going to backspace that? Are they going to hire?

Does Mayor Breed have a freeze on hiring? What are we going to do? I mean, I know we've got a great team. But we lost some heavyweights here in the last couple months.

And I just wanted to know, are we going to replace them? Or are we just going to go with what we've got till things get better? Maybe we can't afford them because of things that we're doing.

9. ADJOURNMENT

ACTION: Vice President Adams moved to adjourn the meeting; Commissioner Gilman seconded the motion. All Commissioners were in favor.

Commission President Kimberly Brandon adjourned the meeting at 6:05 p.m.