

# **CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION**

## **MINUTES OF THE MEETING SEPTEMBER 22, 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 – September 8, 2020**

ACTION: Vice President Adams 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, members of the commission, members of public and Port staff. I am Elaine Forbes, the Port's executive director.

This last Friday, we lost United States Supreme Court Justice Ruth Bader Ginsburg. Justice Ginsburg had a monumental impact on advancing gender equality in this country and was really the lion of the court in terms of justice and equity for many decades.

She was able to see things as they should be, not just as they are, and bravely and methodically taught others to see too. She was a giant in her intellect. She had relentless commitment to excellence, and she had complete humanity.

We are fortunate that she walked among us. So many women have opportunities to make the most of their lives and talents because of Justice Ginsburg. In her honor, I will begin my report with an equity update.

The Port has begun the internal work to build, support and reinforce an anti-racist workplace. We are engaging our staff in reviewing our workplace demographics really to identify areas where we can be more racially diverse and inclusive.

We're looking at hiring and recruitment, training and promotions as well as discipline and separations. Reviewing our data is a critical step in analyzing the impacts of our current policies and practices and seeing where we can make interventions to change things.

I'm excited that we're launching this tour internally. It's an opportunity for staff at every level to engage in this work that is so important and to have their input reflected in our racial equity action plan.

While it has been a long journey to get to this point, as an organization, many, many staff have put in important time to lay the groundwork. And we're ready to take this important step at creating a more equitable Port.

As an organization, we're facing the problem of racism head on and recognizing that doing so is a core part of everyone's work at the Port of San Francisco. I'd like to thank President Brandon and all members of the commission for guiding us in this important work. And we will need your continued leadership and support, and I look forward to bringing future updates as we continue this work.

To economic re-opening -- last week, the mayor announced that San Francisco's plan for reopening indoor dining. The city will move forward with 25 percent capacity with a maximum of 100 people if the state is classified on the state's list in orange for what's possible to reopen. This reopening will occur no sooner than the end of September.

If local COVID cases and hospitalizations do not remain stable, we may not meet the state's criteria, and indoor dining would not proceed. So please stay tuned. At this point, the plan is end of this month.

The Department of Health is developing health and safety guidelines in close coordination with the restaurant industry to really prepare our restaurants for safe, limited, indoor dining. This opportunity may help many Port tenants -- restaurant tenants who have been using pick-up, takeout and outdoor dining.

This additional option may be a difference in keeping restaurants going during COVID but has to be implemented carefully and in strict accordance with health and safety protocols.

Also, the Port Commission heard public comment at the last hearing of September 8th about restrictions on ferry excursions. On Monday, September 14 in the health officer's amended order that was for the next phase of re-opening, that order included a change to open-air boat excursion restrictions.

Now charter boats, including fishing boats with up to 12 people, are allowed. And the prior 12-person cap on ferry excursions has been removed. The 12-person -- now multiple groups in pods of 12 passengers can be on a vessel at one time so long as the operator can ensure that the groups will remain separate as guided by the safety protocols outlined in that order.

This is very welcoming news for maritime partners. And the Port is pleased that more activities can occur safely on the Bay. I wanted to give a budget update. The budget is actually before the Board of Supervisors today.

We went forward with the approved budget from Port Commission. It really didn't change dramatically through the mayor's process or the board review. Our overall budget did decrease by less than \$1 million.

So we're now at \$124.8 million. And it decreased by \$1.1 million for the second year for \$111.3 million. The revenue projections stayed the same. The expenditures changed due to citywide adjustments and technical revisions.

Our citywide cost-allocation expenses went up from \$0.5 to \$1.7 million. And we had a 2.5 increase in higher insurance expenses. All of these increases were offset by cuts through the mayor and budget analyst phase.

Notably, the budget analyst cut the Port's budget by \$240,000 mainly to increase attrition savings. We were the beneficiary of a \$100,000 add-back. And that add-back is for youth employment programs to support Port participating in a new City College effort to improve workforce development programs.

So we're eager to see the intersectionality for our work and how to best participate in that opportunity. Our \$10 million economic recovery project went through the process and actually received some positive feedback from members of the board. However, we do have a budget finance committee reserved.

So once we're ready to spend on economic recovery after coming and getting Port Commissioners' review and recommendation, we will be on our way to the Board of Supervisors to release that reserve.

Finance staff expects to turn around and begin the next budget process, which will be much harder to perform as we think through our COVID response for fiscal years '22-'23 in November. And we'll be back to the Port Commission with a new budget for consideration in February.

That brings me to my last item, which is very welcome news. Crane Cove Park is set to open to the public next week on September 30. This is a wonderful seven-acre park, and it is really years in the making and reflects the deep value of community engagement and Port Commission oversight and leadership.

While numerous Port staff across many divisions made this park happen, I really need to mention two staffers and commend them. David Beaupre and Erica Petersen both have really worked tirelessly to pull off the vision for Crane Cove Park, and it shows.

Crane Cove Park advances several important goals for our organization. It closes the gap in the Blue Greenway, a really important effort to bring the nature to the southern part of the waterfront. It incorporates the Union Iron Works National Registrar Historic District for future generations.

It has a very important history. And now, it will be told to the public and future generations. It also addresses environmental contamination and prepares for sea-level rise. But I'm especially proud that this park is in District 10 and is opening at a time when access to open space is vital for everyone's wellbeing.

This will be the first park on the east side of San Francisco to provide direct access to the Bay. The next closest beach opportunities are Aquatic Park and Crissy Field. The park design includes a multipurpose lawn, a plaza to activate historic resources. It can accommodate special events.

It has a family barbecue area and a pocket beach for kayaks and canoes, non-motorized water recreation and pathways for pedestrian and bike access, a beautiful garden that includes storm-water improvements and great interpretive history. It's a special place. And we really can't wait for the community to start enjoying it.

Thank you, commissioners, for your tenacious leadership of this project through its twists and turns. And that concludes my report. Port staff does ask that you close the meeting in honor of Justice Ginsburg. Thank you.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman - Thank you, Director Forbes, so much for your report. I am so excited about Crane Cove Park opening. I know, probably due to COVID and

social distancing, we all as a commission will not be able to gather there for the grand opening. But I'm excited, on my own time, to visit the park.

And I am so pleased that we are closing our meeting in dedication to Ruth Bader Ginsburg. As a commission that historically has been a majority of women sitting on the commission and having President Brandon who served and has been president so often in the past 20 years, I think it's quite fitting that we honor all of her work that she did for gender equality. Thank you.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - I just also want to congratulate the staff and -- [for now], this exciting Crane Cove Park. We've been working on this, I think, the whole time that I've ever been on this commission since 2011. So it's great to see it come to fruition even in this kind of difficult time.

While we can't all be out there, I've been out there several times just to look at the area, not just at Crane Cove Park itself. So I think it's another, I guess, piece of the jewel or the jewelry we call of the Blue Greenway.

So I think it's great that we have that and everything else that is slowly coming up around it. It's going to be a great area. So I think that's wonderful. I just want to compliment the staff on that.

And I think also it was -- it's also very fitting that we celebrate R.B.G. today in closing. She was sort of such an iconic model. And she gives us -- in terms of her battle for women, for equality and the fact that she really became a rock star in the last decade of her life. So there is hope for all of us.

President Brandon - Thank you. Vice President Adams?

Willie Adams - Director Forbes, thank you for your report. I agree with Commissioner Woo Ho. Crane Cove Park has been a long time coming. It has been a lot of twists and turns. And it's so good to see it come to fruition.

David Beaupre and others have been with this since the start. And a lot of the old-timers from the ILWU -- they haven't lived to see the day. But I appreciate the Port continuing its efforts. I think it's only one left of the original eight of the committee. And they've definitely got to be smiling down from Heaven now knowing that Crane Cove Park will open.

And it goes without saying about Justice Ginsburg. The young women of the day are dressing like her. They emulate what she stands for. Definitely, she is one of the last of the giants. Thank you.

President Brandon - Thank you. I also want to say how happy I am that we are celebrating R.B.G. and that we are closing the meeting in her honor. She was such a giant in the justice and equity and women's rights and in all rights.

So it's just befitting that we honor her and celebrate her for all that she's done for all the women before us and for us. And I want to thank our Executive Director Forbes for leading our equity work [unintelligible] and for taking it on because it's not easy.

So just know that we are here right behind you to back you to continue our work at the Port. I'm really happy to hear about -- hopefully, we will have indoor dining soon because, as winter approaches, I'm sure everyone's not going to want to sit outside with heat lamps.

So hopefully, we can make our numbers and continue to do well and be able to open up a little more. I'm also happy that [the board] included a youth employment program addback in the budget. I think that's absolutely wonderful because we definitely have to help the younger generation and provide jobs.

Hopefully, Elaine, you can share the budget update with us. Just give us a summary of [unintelligible] has asked us to do or done to our budget. That would be absolutely wonderful.

And I had the opportunity last week to tour Crane Cove Park with Director Forbes and the mayor. [Unintelligible] of course, David Beaupre and Erica Petersen. And I just have to do a really big shout out to David Beaupre because he led this effort from day one.

He engaged the community. He went through various renditions of what the park would look like, various budgets. And Erica came in and did the finishing touches. And we have an absolutely beautiful park out there.

We were able to -- we were joined by community leaders from Dogpatch, Potrero Hill, Bayview. So it's a true, dedicated park for D10. So I really want to thank David and Erica for all the work that they put in to making that happen. 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. CONSENT**

- A. Request authorization to advertise Request for Qualifications for two Micro LBE Set-Aside contracts for As-Needed Public Relations, Communications, and Media Relations Services. (Resolution No. 20-43)

ACTION: Vice President Adams moved for approval of the Consent Calendar; Commissioner Gilman seconded the motion.

No Public Comment on the Consent Calendar.

Roll Call Vote:

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

President Brandon - Motion passes unanimously. Resolution 20-43 is adopted.

## **8. FINANCE & ADMINISTRATION**

- A. Informational presentation on Mission Rock Community Facilities District financing, including the bond documents and Preliminary Official Statement, to partially fund Phase I horizontal improvements at Seawall Lot 337.

Phil Williamson - Good afternoon, commissioners. This is Phil Williamson, senior project manager for the Port's real estate and asset department here to present an item that we are very pleased to bring before you, an informational item on the Mission Rock Community Facilities District. Next slide, please.

So today, I'm going to be joined by Wyatt Donnelly-Landolt from Port staff. Together, we are going to be presenting a project overview and an update on the project's financing leading up in our next meeting with you, an action-item meeting, to the issuance -- your approval to issue bonds for the project so very exciting time for the project.

So let me start with a project overview. You are very familiar with this project by now. We appreciate all of your support and encouragement and advice to date. Next slide, please.

So just by way of quick summary to refresh memories, at full build-out, the project will be: 2.7 to 2.8 million square feet of retail -- ground-floor retail, I should say, office and residential uses; approximately 1,200 housing units, 40 percent of which will be affordable at a wide range of area median income from 45 percent to 150 percent so addressing a large need in all parts of the housing spectrum; [970] to 1.4 million square feet of office space; 240,000 square feet of retail production space primarily on the ground floor of all the buildings on the site; and at some

point down the road, Pier 48 rehabilitation of approximately 240,000 square feet as well. Next slide, please.

So phase one, which we're on the cusp of starting -- and today is an important milestone towards that happening. Phase one is four buildings in total. And you can see on the diagram here phase one is shaded in blue.

It includes four buildings. It includes China Basin Park on the north side of the project. It includes new streets, sidewalks and utility infrastructure to serve the four phase-one buildings. There are two housing buildings, residential buildings -- total 537 units total, almost 200 affordable.

The commercial buildings -- which in this diagram it's hard to tell -- but Parcel A and Parcel F -- or excuse me -- B and G -- excuse me. I switched those around -- will be office buildings totally 550,000 square feet.

Ground-floor retail in phase one is approximately 65,000 square feet. The park, again, is 5.5 acres on the north side of the project, lots of new utilities, street lights.

Everything you would expect in a new neighborhood will be put in in phase one to make phase one productive and feasible and attractive to tenants and visitors alike. We're targeting completion for phase one in 2022. Next slide, please.

An important aspect of this project and all Port projects is our effort to reach out to LBE firms in San Francisco and to utilize them as much as possible. This project had a preconstruction goal of utilizing 10 percent of LBE participation.

And we are very happy and proud that we have accomplished that and then some. To date, we are at 18.5 percent of LBE participation in the preconstruction work. We're looking ahead to construction starting in the next couple of weeks hopefully, definitely in the next couple of months.

And the goal increases to 20 percent LBE participation. And we feel very confident we will meet or exceed that goal going forward. And I want to mention that -- I know next week the project team will be meeting with Commissioner Brandon and Commissioner Adams to give a more detailed update on the LBE efforts of this project to date.

And we're looking forward to having that meeting and showing you just how productive we've been in meeting these goals. So now, I would like to conclude my kind of project overview and update. And I want to introduce Wyatt to take it from here.

Before doing so, just want to remind the commissioners that, earlier this year, you approved the phase budget. And today, you're going to be hearing about how that

phase budget is going to be implemented and how important the CFD bonds are to making that budget a reality.

And the four leases for phase one will be signed either today or tomorrow. We signed one a few months ago. We signed the other three last week. And we expect them to close this week so very exciting time for the project, four leases for four buildings with construction just around the corner. And with that, I'd like to introduce Wyatt.

Wyatt Donnelly-Landolt - Hello, commissioners. Wyatt Donnelly. I work on the finance aspects of the development projects at Mission Rock and Pier 70. I'll go over the bond itself and just the general financing structure. If you can't hear me okay, please just let me know.

So just a reminder on the funding structure, there are three sources to fund the project. The early stages -- I'm just looking at this graphic starting at the bottom left -- are developer and Port equity. Those are the early investments to get started.

In the middle term, those are replaced with the Port's land value on the site, the prepaid leases for the vertical parcels, and the final source are the CFD and IFD. Those stand for community facilities district and infrastructure financing districts.

I'll talk about those a little later in more detail. But they're two tax mechanisms we use to fund the horizontal infrastructure on the project. So those go in to fund the horizontal infrastructure, the roads, parks, sewers, electricity, so we can start vertical element.

And the developer earns 18 percent return on their investments. So the Port aims to limit this return. And the CFD, IFD sources and this public financing are really the key way that the Port is limiting that return, particularly this early financing. Next slide, please.

So just a reminder on the phase-one budget, it's structured into costs and revenues. And I'll go into the details of those line items in a second. But the costs are really three items: hard costs, which are the actual infrastructure itself; soft costs including the management, planning, environmental review; and then, the final cost is the return on the developer equity for those improvements.

The revenue side, which is what we're talking about here today -- the first source is the four phase-one prepaid leases that Phil mentioned. And we'll be closing on three of those this week. And then, the second major source is public financing sources.

So we'll have community facilities district bond proceeds and then pay-as-you-go taxes, which is really just the regular taxes collected each year and leveraged in a

bond. And we'll get those from the community facilities district and the infrastructure financing district. Next slide, please.

So just a high-level overview of the phase-one budget approval from last year was \$265 million total for both uses and sources. This bond will fund approximately \$35 million. And because it's an early source, it's really key for reducing the return on the project and making sure that the project is on budget. So this is one of really the two key early mechanisms for funding the project with those prepaid early leases. Next slide, please.

So to date, we've taken several public financing actions. The first was in February 2018, which was the creation of an infrastructure financing district, project area I. The Port has an IFD, infrastructure financing district, along the entire waterfront.

What it does is it captures the tax increment, which is the increase in property taxes on the site. And it allows us to use those for infrastructure on site. So we actually use the taxes to pay for the roads and parks and sewers on site.

The second key action was in September 2019. The Port made amendments to the city's special tax law by the Board of Supervisors to include certain items for Pier 70 and Mission Rock. Some of the key things were [including being able to] pay for seismic improvements, waterfront resilience projects and those items.

And then, the final one in May 2020 was the formation of the community facilities district, which is an additional tax assessment to fund the improvements on site. So the CFD and the IFD combine to provide the key sources for funding the horizontal infrastructure improvements. Next slide, please.

So this bond specifically uses the CFD as its main source. And there are four taxes in the CFD: the development tax, which funds infrastructure and parks; the office tax, which funds infrastructure and parks as well -- there are similar uses there, but the office tax has more flexibility -- the shoreline tax, which is for shoreline protection, sea-level rise; and then the services tax funds ongoing operations and maintenance for the site.

So this bond will specifically use the development tax. That is the earliest one to kick in. It kicks in the fiscal year after the 24-month anniversary of the lease close. So we will get those taxes in two years.

However, there are early payments that the CFD requires to fund this bond. So we'll have taxes immediately to pay the debt service on the bonds from that development tax. Next slide, please.

So the bond issuance itself is limited by two things. I mentioned earlier that the size of the bond, the amount of money they expect to get is \$35 million. That's

limited by the appraised value of the CFD, the community facilities district, and ongoing tax revenues.

So the CFD limits it because that is the security for the bond. And the city has a policy of only issuing CFD debt with a three-to-one value-to-lien ratio. This is a citywide policy put out by the controller's office.

It's a conservative approach to make sure that we can always cover our debt service for these bonds. And we anticipate a \$125 million valuation resulting in \$40 million of bonds for the project. The difference between that 40 and 35 is things like cost of issuance and reserve requirements for the bonds.

The second limiting factor is ongoing tax revenues. We have to have 110 percent debt-service coverage. What this means is we have to have an extra 10 percent in taxes. So if our annual payments are \$1 million, we have to have \$1.1 million to have a little buffer.

The bond issuance here is sized to the development tax from phase one, which are far in excess of the \$40 million bond issuance. So this is not the limiting factor here. The CFD is. However, once the project is complete in two years, we will issue additional bonds using that extra value that's been completed through the horizontal improvements in the buildings. Next slide, please.

So the next steps -- we'll be coming back next month with a future action item to request adoption of a resolution supporting the Board of Supervisors' approval of the Mission Rock CFD financing including the bond documents and preliminary official statement, or the POS, and authorizing and directing the executive director to cause the package to be submitted to the Board of Supervisors and to work with the director of the Office of Public Finance to finalize and cause distribution of the preliminary official statement.

And what this means is that the Port Commission will be acting to support moving the issuance forward. Because it is a city district, the Board of Supervisors is the body that actually approves the bond issuance.

But the Port Commission will take action to recommend that support at the Board of Supervisors. And just a timeline -- the Port Commission action item will come in October. We'll have a capital planning committee meeting after that.

And then, we're looking to introduce legislation with the Board of Supervisors in October or November depending on the timing. Those hearings will be in November, December. And we'll sell the bonds in probably early 2020. We're hoping for January, maybe February.

That is all. And I believe Jack Bair from the Giants is on the line to give some quick comments from our partners. I'll turn it over to Jack.

Jack Bair - Thank you. I don't know if everybody can hear me. But I just wanted to say a few things. The coronavirus has had a major impact on all of us. This is certainly true with the Port and the Giants but also true in the real estate industry itself.

We're very pleased that our project is strong and compelling enough to meet the challenges posed by COVID. We've been able to secure financing and proceed despite some strong headwinds that have stopped other projects.

For the last several months, we've been very busy on the construction site. We've installed stone columns throughout the site. And we'll begin construction of the streets shortly. We expect to commence construction of the vertical buildings as early as late October or early November.

And as Phil has indicated, we've also made good progress in identifying, recruiting and involving local business enterprises in the project including those businesses that are women and minority owned.

We look forward to giving regular updates on our progress to the Port Commission and to the Southern Advisory Committee and soon having you visit the site to see things for yourselves. In closing, I would like to acknowledge the leadership of the Port, your executive director, Elaine Forbes, and Becca Benassini, Phil Williamson and the entire team in helping us stay on track in a very challenging time. Thank you.

No Public Comment on Item 8A.

Commissioners' Discussion on Item 8A:

Commissioner Woo Ho - Sorry. I was just unmuting myself. Well, first of all, it's great to hear from Jack the progress that is being made on the project before I comment particularly on any of the financing. But that's wonderful news to hear that you are proceeding forward.

And I unfortunately have not been in the city for much because I've been sheltering in place in Napa. So I haven't gone by the site. But I will try to come down sometime and look at the site and see the progress that you're making.

And I'm sure it'll be wonderful to see that this is moving forward. And given that it is a very difficult real estate market because of so many different things going on at the moment, COVID, everything -- the wildfires, everything is a little bit up in the air in uncertainty this year.

So anyway, congratulations on that. I just wanted to make a comment and thank you for assistance and to our staff for also keeping this objective. It's a long haul. But we're getting there.

As it relates to the presentation on the CFD financing, I just had some general questions because I guess, given that we -- I know we've used this kind of structure before. And we've used it on some of our other Port projects.

But I guess I want to know -- just because we're going back into asking to even put a b -- actually a fairly modest bond together -- but just the overall structure. How many CFD financings are there now or IFDs in the city at this point?

I mean, I know Brad Benson was kind of the expert on this at one time in terms of educating us all. So I'm just wondering, how many have we had in use? And I'm always worried that, at some point, you know, the window won't be as open as it has been. So I'd just like to get a better context.

Wyatt Donnelly-Landolt - Sure. Excellent question, Commissioner. I can provide some background and talk about the statewide market as well. So there are CFD financings at Transbay, the Hunter's Point Shipyard development. And there's one coming up soon for Treasure Island.

We've discussed, you know, having multiple issuances with our underwriter. And they're very confident. Statewide, the market is still very robust. We're seeing very low spreads for the interest rates.

And they are having extreme demand still I think because of the guaranteed return on these. And investors feel they're pretty safe. There is strong demand. And we have not had any indication from our underwriter that they're concerned about having too much in the market at this point.

Commissioner Woo Ho - Okay. Well, that's good. And obviously, you know, having a three-to-one-value is a very conservative way of structuring this. My other question really is just to understand -- we came up with the CFD appraisal value I think in the staff report that said \$120 million.

And I just wanted to understand, if this had just not been a CFD appraisal but a regular appraisal, what would the difference in approach be? You don't have to answer the question on the dollars. But what would the difference in approach have been that could have caused differentiation in value?

Wyatt Donnelly-Landolt - Sure. I think they're looking at different things. So a standard appraisal will look at an individual building. And it considers just the costs and revenues of the building itself. This CFD appraisal is really looking at the site as a whole so all 12 buildings together.

And subtract out -- what are the costs of those buildings? But also, what is the cost of all the infrastructure and the work that needs to get done just to make the site developable? So there's a difference in approach there.

Obviously, some of the assumptions will be similar when you get into the nitty-gritty details. But the top-line figures will be different because you're not looking at the whole site with the standard appraisal. And this CFD appraisal is of the whole site so all 11 parcels on the site whereas, you know, an individual appraisal is of one building.

Commissioner Woo Ho - Okay. That also sort of reconciles of why you have a three-to-one value kind of approach if there is a delinquency that, therefore, the bond holders have to look at --

Wyatt Donnelly-Landolt - Yeah.

Commissioner Woo Ho - -- the delinquency and any foreclosure on the site. So I understand that.

Wyatt Donnelly-Landolt - Yeah.

Commissioner Woo Ho - And the only reason I do ask that question is that, given in this kind of less robust real estate market, just to understand that, when you have this public financing structure in place, it does make it seem -- versus a private development, which does not use public financing.

And in our discussion, which we're going to talk later today in terms of -- it is not using -- it's also using this similar structure. But one of our proposals for Piers 30-32 and Seawall Lot 330 was to use totally private financing.

So I'm just curious to know how to compare when you use different financing vehicles from a developer's point of view. Of course, using public financing is to their advantage. But then, it also makes it a little bit -- perhaps more expensive too in the long run. Does that make sense?

Wyatt Donnelly-Landolt - Yes.

Commissioner Woo Ho - Because you're asking -- you're assessing more taxes.

Wyatt Donnelly-Landolt - Yes. Yeah. And part of the structure here is that IFD. And I didn't get into the details too much. But there's that IFD offset, which actually reduces the CFD tax burden. And that increases the land value.

So that's one of the considerations that happened early on in the formation to increase the land value. And that raises both appraisal values, both the appraisal value of an individual building and the CFD itself.

Commissioner Woo Ho - Okay. So so far in what you know in the market, whether it's in San Francisco or elsewhere, there have been no CFD delinquencies that we are aware of? I hate to be sort of looking at the negative scenarios. But I think I just want to know the full picture as -- [crosstalk]

Wyatt Donnelly-Landolt - I can't speak to the state. But we have not had any in San Francisco.

Commissioner Woo Ho - Okay. Well, I think -- I just wanted to be sort -- we have to go in eyes wide open knowing both obviously the advantages and the disadvantages and worrying about any pitfalls that we haven't thought about and we haven't thought through. So that's why I raised the question, not that I have any doubt or lack of confidence in what you all are doing.

Wyatt Donnelly-Landolt - Yeah.

Commissioner Woo Ho - And I hope that the market is not over flooded because that's the only other issue is when the market gets over flooded with issues.

Wyatt Donnelly-Landolt - Yeah. Yeah, all very important concerns and things that we'll keep an eye on and work with our underwriter who really has a good understanding of the state market.

Commissioner Woo Ho - Okay. That's my comments. Thank you.

Wyatt Donnelly-Landolt - Thank you.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - I just wanted to thank the staff and the Giants for the update. It's really exciting to see this project moving forward. I don't have any technical finance questions. Commissioner Woo Ho, I think, really provided sort of a great lens to look at it, comparing public and private financing.

And again, I just want to say I'm so excited to see a project moving forward with 40 percent affordable on site. To me, it's the gold standard of what we should be expecting from all of our developments. So thank you so much. That concludes my remarks.

President Brandon - Thank you. Vice President Adams?

Willie Adams - I agree with my fellow commissioners. I enjoyed the presentation from the staff and from the Giants. It's good to hear from everybody. And it looks like things are really tight. And I'm looking forward as this thing moves forward. Thank you, President Brandon.

President Brandon - Thank you. [Wyatt], thank you so much for the presentation. And Jack and team, congratulations on four leases. That's incredible. That is so wonderful. So congratulations. And thank you for exceeding the LBE goal and all of the equity work that the project team is involved in.

And like you said, we're going to meet next week. And I really appreciate you guys taking the lead and really leading the way in this important work on this project. So thank you. Carl, next item, please.

## **9. WATERFRONT RESILIENCE PROGRAM**

- A. Informational presentation regarding the Embarcadero Seawall Multi-Hazard Risk Assessment, public engagement, and seismic and flood measures for the Embarcadero Seawall.

Brad Benson - Good afternoon, President Brandon, Vice President Adams, commissioners, Director Forbes and members of the public. The waterfront resilience team is pleased to be before the commission today at a major milestone in the resilience program, which is the completion of the Embarcadero seawall multi-hazard risk assessment.

And today, we're going to share the findings of that work and some of the work that the team started on to develop seismic and flood measures to mitigate those risks, moving towards Proposition A projects. Next slide, please.

So we just want to give a brief review of all the work that is happening Port wide in the resilience program. So we have a number of initiatives that are Port wide. The Army Corps flood resiliency study is from Aquatic Park down to Heron's Head Park.

As part of our planning efforts, we will be producing an adapt plan that is also Port wide. Staff has been looking at how to flood proof the piers. In the Embarcadero area, we're focused on the Embarcadero seawall program.

Primary funding source is Proposition A for that work. In the southern waterfront, we're also pursuing, with the help of the engineering division, the southern waterfront seismic vulnerability assessment.

And in coordination with the planning department and San Francisco Municipal Transportation Agency, we're studying adaptation around Islais Creek with a focus on how it affects transportation, which is heavily congregated in the area.

There are a number of Port-related projects that we provide some support to, foremost among them the waterfront plan and the historic pier rehabilitation program. Next slide, please. Thank you.

So initially, when the program was founded, it was focused on the Embarcadero seawall. We heard from the public and President Brandon a need to expand efforts Port wide. And we're grateful to have the flood resiliency study to help fund that work.

We have a need to pursue even more dollars beyond the bonds and the Army Corps federal funding if we qualify for that. Next slide, please. Next slide, please. Thank you.

Today, we're focused on the Embarcadero seawall, the multi-hazard risk assessment. I mentioned the measures to reduce risk. We've been out during this process of performing the risk assessment, understanding key priorities from community and stakeholder engagement. And we want to describe to the commission and the public next steps to develop Proposition A projects. Next slide, please.

So as a brief overview of the Embarcadero seawall program, it's from Fisherman's Wharf to Mission Creek. We are in the planning phase of the work through the end of 2021. Our focus is seismic and flood risk associated with the seawall. And Proposition A is the funding source. Next slide, please. Thank you.

Along with Proposition A, we submitted a seawall earthquake safety program bond report to the capital planning committee and the Board of Supervisors, which outlined the need for the bond, mentioned the need to perform the multi-hazard risk assessment and really set forth these critical criteria for the program: life safety and disaster response, which are going to guide our thinking as we develop Proposition A projects. Next slide, please.

So these are the eligible funding sources under that bond report: planning work like the multi-hazard risk assessment, earthquake improvements, flood-protection measures, mitigation measures and enhancement measures.

If we're doing major projects that provide an opportunity to provide public-access enhancements or transportation improvements, those are eligible expenses. Next slide, please.

So this is a high-level schedule for the program. The dotted line is today. We have completed our existing-conditions analysis of all of the Port's assets and services in the study area. We've also looked at city assets and services primarily along the Embarcadero, transit services, transportation and utility infrastructure.

We've already started work developing these seismic and flood measures. We'll talk a little bit about the bulkhead wharf today. That is current flood protection for the city. So we've been looking at, as sea level rises, is there the opportunity to elevate the wharfs?

But our main focus is on getting to Proposition A project selection. So the work this fall will be taking everything that we've learned and these measures that we've developed to come up with a range of alternatives for the commission to consider as we move towards project selection. Next slide, please.

With a goal of being in construction by 2023 or 2024 and complete by 2027 -- we'll revisit this schedule when we've selected projects to make sure that it matches the projects that the commission selects. Next slide, please.

So we just wanted to represent for the commission the work going into developing this program. And you'll see here that the flood and seismic hazard-assessment work, all of the look at our infrastructure -- city infrastructure, disaster-response assets, the public realm -- that's really foundational for the program.

And this MHRA is going to [unintelligible] the Port for the decades to come as we build out this program over time. And it also leads through this alternatives process to environmental review and actual construction of Proposition A projects, the first projects in the program. Next slide, please.

Now, I'd like to hand it off to Steven Reel, Embarcadero seawall program manager to talk about the MHRA. Steven?

Steven Reel - Thank you, Brad. And good afternoon, President Brandon, commissioners, Executive Director Forbes, Port staff and members of the public. My name is Steve Reel, the seawall program manager. And I'm super excited to be here this pivotal step and to present the multi-hazard risk assessment today. Next slide.

The multi-hazard risk assessment, or MHRA, is a detailed earthquake and flood-risk assessment of the Embarcadero seawall area stretching just over three miles from Fisherman's Wharf to Mission Creek.

The study provides the foundational knowledge for the overall program and supports efficient development and evaluation of improvements including the Proposition A projects. The MHRA uses a probabilistic approach to define earthquake and flood hazards from frequent to very rare including current sea-level rise scenarios and assesses the likely damage and consequences expected to occur over time if we do not act.

A key component of the MHRA is an extensive geotechnical boring program consisting of 90 new borings along the seawall. What is under the ground matters both for the assessment and for developing alternatives. And this subsurface knowledge is a big first investment. Next slide.

Key findings of the MHRA. The MHRA projects that we can expect up to \$30 billion in damages and disruption from combined seismic and flood risk by 2100 if we do not act. Earthquake risk is the near-term program.

And a damaging earthquake can happen at any time. However, sea-level rise will increase overtopping of the seawall in the coming decades resulting in widespread flood damages and disruption to the Port and adjacent neighborhoods in the next 30 to 50 years.

Focusing on the earthquake risk, earthquake instability of the seawall and lateral spreading is low to moderate south of the Bay Bridge, which is a good finding from the study. But it's high north of the Bay Bridge.

In the former Yerba Buena Cove between Rincon Park and Broadway, deep young bay muds up to 100-feet thick cause this instability. Moving north to Telegraph Hill and into Fisherman's Wharf, we find the instability is caused by liquefiable sands under the seawall that create a roller-skate-like condition.

The highest-risk structures on the waterfront are pile-supported bulkhead wharfs or marginal wharfs that sit over the seawall and are vulnerable to both seawall instability and to ground shaking. These structures also provide flood protection for the Port and city, as Brad mentioned. Next slide. Next slide.

Of note is that the aging timber-pile bulkhead wharfs in Fisherman's Wharf are some of the highest-risk earthquake structures due to ground shaking and liquefaction in that area.

Another key finding is that the fill throughout the Embarcadero is also susceptible to earthquake-induced liquefaction. And that will cause damaging settlements to the roadway, light rail and utilities.

The study predicts that liquefaction will occur in earthquakes just larger than Loma Prieta. Loma Prieta was 60 miles away. If it were closer, 15 to 10 miles, we'd expect to see the Embarcadero liquefy under that type of earthquake. Next slide.

So this slide shows the typical existing shoreline condition along the Embarcadero. The seawall itself consists of a large rock dike up 100-feet wide and 40-feet tall. It's capped by a pile-supported bulkhead wall and the wharf.

These elements retain the filled land containing the Embarcadero and utilities and provide coastal flood and erosion protection for the waterfront and city. Next slide.

Earthquakes cause ground shaking, which liquefies the fills in the Embarcadero and causes the rock dike to slide bayward on the weaker soils below. When this happens, the piles in the bulkhead wharfs are pushed out. And the ground behind can spread and crack, called lateral spreading.

Lateral spreading has occurred in many earthquakes. The bottom-right photo shows lateral spreading during the 1906 earthquake near today's cruise terminal. The ground conditions out there are still the same today. Next slide.

I mentioned earlier the bulkhead wharfs also serve as flood protection. This infrastructure was built nearly 100 years ago and has served the city very well. However, we have little flood-free [board] left as areas have settled over time and as sea levels have begun to rise. The right photo is a king tide, which is about a foot higher than a normal tide. Next slide.

Sea-level rise science is evolving. And the Port and city are using the latest projections from the Ocean Protection Council updated in 2018. These projections include a likely scenario of 3.4 feet by 2100 and a possible scenario of seven feet by 2100.

The spread makes it a challenge to plan for investments on the waterfront. But that's the environment that we're in. The graphic on the right shows sea-level rise impacts on our waterfront. As sea-level rise increases, it increase all tides.

So two feet of sea-level rise will increase the low tide by two feet, the daily high tide by two feet, the 100-year-extreme tide by two feet and groundwater near the waterfront by two feet as well because the existing seawall is porous. Next slide.

So how does this advance our understanding? Well, first the site-wide investigation and testing of soils provides a very good understanding of the subsurface conditions and the engineering properties.

This information was used to develop refined earthquake models of the seawall to predict the earthquake behavior. And we're using it to test improvement concepts. The MHRA includes estimates of earthquake and flood damage and loss to seawall-dependent marine structures, buildings and infrastructure.

These damage estimates were used to determine the likely economic, social and environmental consequences. Finally and extremely importantly, we collaborated closely with the community and stakeholders during the MHRA process.

We heard what is important to them and included this in the process. And Lindy will expand on this later in the presentation. Next slide.

The MHRA is fundamental knowledge for the resilient program and advances our approach to Proposition A projects in the following ways. Earthquake instability of the seawall is high between Rincon Park and Fisherman's Wharf but moderate to low in South Beach.

The Pier 14 to Pier 9 area is the most challenging due to very deep young bay mud. And solutions here may be different and more costly than areas to the north. Bulkhead wall and wharfs are high earthquake risk due to both seawall instability and to ground-shaking vulnerabilities in these structures.

These are also shoreline and flood-protection structures for the city. Improvements need to consider mid and long-term sea-level rise strategies and how investments can be adapted over time.

The Embarcadero is also at risk from seawall instability and from liquefaction of the fill. Improvements to both may be needed for the Embarcadero to serve as a resilient lifeline corridor.

And finally, the Embarcadero waterfront is very sensitive to flood thresholds with major consequences by two feet of sea-level rise. The area of Folsom to Broadway is the highest-risk zone. Next slide, please.

So in addition to completing the MHRA, we've been hard at work developing measures to reduce seismic and flood risk. Next, I'll go over some of the seismic-measure concepts that have been developed. Next slide.

Top row of measures are primarily to address instability of the seawall. On the left is a near-short buttress. This measure replaces the current bulkhead wharf with improved soil and a bayward seawall that buttresses the lands behind. Next is a landside buttress, which improves the soils within the Embarcadero using deep soil mixing or jet-grouting techniques to create a stable zone.

This technique requires reconstruction of the roadway and utilities as these techniques are extremely disruptive. But it also provides a stable foundation for raising this area in the future if needed.

Next is a structural stabilization measure using large drilled shafts eight to 12 feet in diameter, which would be drilled down to rock and installed just behind the existing bulkhead wall in the promenade area.

These structures can stabilize the rock dike in a smaller footprint than the landside buttress. But they're not as effective in deep-bay-mud areas. And finally, on the right is a near-shore structural solution where the existing bulkhead wall and wharfs are replaced with what we call a super bulkhead wharf, which has large-diameter piles and is robust enough to stabilize the shoreline.

Similarly, this is effective where the ground conditions are better and less effective where we have very deep young bay mud. Finally, on the bottom, we have targeted measures, which include liquefaction mitigation of the fill using grouting techniques that minimize disruption of the utilities and roadway.

These techniques are less proven. And we are currently investigating the applicability in the unique fills that we have out there. And finally, our structural retrofits of the bulkhead wall and wharfs -- these can improve the earthquake performance of individual assets.

Where we have high seawall instability, we would still expect considerable damage. But these are more effective where we have lower instability. Next slide.

As we develop these measures, we're determining the feasibility by completing conceptual engineering, cost estimating, constructability and exploring adaptability for sea-level rise. The Embarcadero waterfront is vibrant.

And we will rebound from COVID. And we're going to need to find ways to remain vibrant during construction. So it's important for us to really consider these as we move through the process. Next slide.

We're also determining the applicability along the waterfront, which is highly varied due to the ground conditions and the configuration of existing structures and utilities. We expect a range of tools will be needed. And compatibility with flood measures will be an important consideration.

Next, I'd like to introduce Lindy Lowe, who will go over the flood measures, long-term considerations and community and stakeholder input.

Lindy Lowe - Thank you, Steven. Good afternoon, President Brandon, commissioners, Executive Director Forbes and members of the public. My name is Lindy Lowe. And I am the Port's resilience officer. Next slide. Next slide.

While the seismic-measures team was developing the seismic measures that Steven just presented to you, the flood team was identifying measures to address flood risk. Flood measures include structural, ecological and non-structural approaches.

Structural, which are also known as physical measures, include levies, raised marine structures, raised roadways or flood walls. Ecological measures include ecological seawalls, marine structures or could include ecological breakwaters. Nonstructural measures include policies and site-specific approaches such as flood proofing. Next slide.

Once the measures were defined, we began to identify the suitability of different measures to different shoreline conditions and characteristics. For example, one of the measures that we looked at, raised marine structures, are applicable from Fisherman's Wharf to Mission Creek. Next slide.

Recognizing the need to address both flood and seismic risk in many locations along our shoreline, the next step was to identify compatible seismic and flood

measures to address both risks. We have here an example of both a super bulkhead wharf and a raised marine structure to address both the seismic and flood risk and the location where these measures could apply together. Next slide.

While we have been working on developing actions and alternatives for the near and mid-term seismic and flood risks, we also have been engaged in a long-term planning process to better understand those 2100 conditions that Steven was talking about where we have a range of sea-level-rise scenarios that are included in both state and city guidance, the 3.4 likely curve and the 1-in-200 medium-to-high-risk curve, which is approximately seven feet.

The long-range planning process that we've been engaged in is called Envision. Next slide. Envision examines the ways in which we can adapt the San Francisco waterfront to be resilient to those 2100 conditions including that range of sea-level-rise scenarios that I just described. Next slide.

The Envision process is building three concepts from technical analysis that's being conducted as well as the identification of public priorities that we've been c -- through our engagement process, that we've been engaged in since 2017.

The three concepts will inform our near, mid and long-term projects and planning processes. Including those funded by Proposition A are Army Corps flood-study alternatives and key findings for Port adaptation overall. Next slide.

And then, throughout the work, the team has been engaging the community and stakeholders at community events and advisory groups and at the waterfront resilience program's community meeting series held in three locations: Embarcadero, Mission Creek, Mission Bay, Islais Creek and Bayview. Next slide.

In the Embarcadero area, community feedback affirmed the priorities of life safety and emergency response and identified critical assets and services that the community cared about such as the Ferry Building, Fisherman's Wharf including the jobs and commercial fisheries and other marine infrastructure and uses there, transportation and mobility along the Embarcadero promenade and the muni tunnel and muni portal as the assets and services to preserve and enhance while we increase resilience along the waterfront. I will now turn it back to Brad. Thank you, everyone.

Brad Benson - Next slide, please. Thank you, Lindy. Thank you, Steve. So Director Forbes opened the meeting with a discussion about equity and the work that the Port is doing to advance equity throughout the organization.

Equity is just as much an integral part of the waterfront resilience program's mission, goals and principles. And we're working closely to align program progress with strategic goals in planning for racial equity at the Port and across city departments.

Today, I'll share three updates. We have: an update on LBE participation on the CH2M planning, environmental engineering contract; an overview of the new workforce development and LBE-support-services effort, which is just getting started; and an update on LBE participation on the Civic Edge communications contract. Next slide, please. Next slide, please.

So as you know, LBE participation is one way we track progress towards more equitable outcomes for small businesses, particularly minority-owned businesses on Port contracts. We were pleased over the past year to see that CH2M increased its participation for LBEs since September 2019.

The rate over that last year was 27.2 percent of contract payments. When we were at the Port Commission in September of 2019, we were at 12 percent. So this additional participation has increased our total rate to 17.1 percent.

We have a ways to go to reach our goal of 22.9 percent. We've started working with other key Port staff including the Port's new diversity, equity and opportunity manager, Toni Autry, to discuss opportunities for increasing participation by minority-owned businesses. We're also consulting with Stephanie Tang.

So as I mentioned, we've initiated a new task under the CH2M contract focused on workforce development and LBE support services. This is to ensure and enhance economic opportunities in future resilience program contracting opportunities.

And then, on the Civic Edge contract, contract participation is currently at 35.4 percent LBE participation as of July 2020 with a goal of 36 percent. Next slide, please.

So diving a little bit more into the CH2M contract, you'll see year one, year two LBE participation. This was a phase of the program where we were deep in the engineering and geotechnical work that Steve described.

And there were fewer LBEs that were qualified to do some of the streams of work. In year three, we have been doing very robust public engagement up until the start of COVID, also conducting planning work where there are more [unintelligible] engagements. Next slide, please.

This specific task on workforce development and LBE support services is intended to take the time between now and when we issue new contracting opportunities to work with underserved San Francisco residents and businesses and make sure that they're well positioned for the work that is upcoming in the program.

This is the time to start this task because we're just moving into alternatives development. And we really need to have a handle on what we are likely going to be building with Proposition A projects in order to position people for those opportunities.

We've added a number of subcontractors, you know, all minority-owned subcontractors to this task. The Allen Group is the task lead. We've added LBEs Davis and Associates, and RDJ Enterprises was already in the base contract to support this work.

The first part of the work is a baseline assessment of existing conditions and developing the overall strategy, which will happen between now and February of 2021.

And then, we'll, you know, pursue program development with integrated strategies so that we maximize opportunities for LBE bidders and for, you know, San Francisco residents who are trained in entry-level and other positions. And this program will also continue throughout the resilience program. Next slide, please.

I want to end the LBE and equity update with a focus on the Civic Edge contract. We've spent approximately \$1.3 million to date. That's 76 percent of contract funds.

The prime -- which in this case [unintelligible] LBE, but that does not count towards LBE participation when they're a prime -- has 51 percent. Thirty-five percent of the other payments have gone to LBE subcontractors. Next slide, please.

So I'd like to close the presentation with next steps for the Embarcadero seawall program. Next slide, please. So you've heard from Lindy and Steve all of the work that we've done understanding the risks, the assets and services, what they mean for people along the waterfront and some of the measures to address seismic and flood risk.

We know public priorities. We've been engaging with our city partners. That's the information that we are going to use this fall to develop a range of alternatives to address seismic and flood risk for consideration by the commission.

And we want to come up with a range of project alternatives to assure you and the public that we, at the end of the day, will recommend the most efficient alternative for Proposition A spending.

As we move through the fall, we want to be back in front of the Port Commission to talk about the decision framework for Proposition A spending, to make sure that we're aligned with the commission's goals in terms of the evaluation criteria,

design guidelines and funding guidelines that we are recommending for Proposition A project selection. Next slide, please.

And this is our expected high-level schedule for commission engagement. We hope to be back in October to talk about the Army Corps Focused Array. We want to present draft alternatives from the alternatives process that I just mentioned including that decision-making framework.

Our target is to be in front of the commission by the end of January 2021 with recommendations for Proposition A projects. And we hope to get an endorsement of those projects or commission priorities by the end of March 2021 so that we can start design and environmental review. Next slide, please.

That concludes our presentation today. We thank you so much. We're available to answer any questions.

Public Comment on Item 9A:

Taylor Safford - Good afternoon, Executive Director Forbes, President Brandon, Vice President Adams and commissioners. This is Taylor Safford, the president and CEO of Pier 39.

I just wanted to comment and congratulate you on this important milestone for this great work and actually acknowledge Brad, Steven and Lindy for their excellent work on the resilience program and being so proactive in working with tenants and their outreach in helping tenants understand the project, communication during the project and post work after sort of understanding what the risks are and kind of ways that [we -- then] tenants can approach those risks.

So it's a significant milestone. And it's really important work. So again, congratulations.

Susan Karasoff - Hi. This is Susan Karasoff, a San Francisco resident. Thank you so much for presenting this work about the current status of resiliency for the waterfront. I very much appreciate the fact that you have an office that is looking at overall resiliency for issues as varied as earthquake and flooding because we can get those at the same time.

We can get them during a pandemic, hey. All kinds of bad things can happen at once. It would be wonderful if you could also include biodiversity as one of the things that is important to the overall resiliency of the city.

Both the City of San Francisco and the State of California have a biodiversity resolution. And it would be wonderful if every plant the city put in the ground including everything at the Port were a local, native San Francisco plant.

I appreciate the fact that you have ecological measures including structures and features. If all of those could be local, native plants, that would be wonderful. That will help increase our biodiversity resilience.

And the plants that evolved here are already resilient to things like sea-level rise, sea-level fall and climate change. Thank you very much. That concludes my comments.

Fran Weld - Good afternoon, President Brandon, Vice President Adams, Commissioners Gilman and Woo Ho. My name is Fran Weld. I'm senior vice president with the San Francisco Giants and chair of the San Francisco board of SPUR, an urban policy and good government think tank.

I want to applaud the Port, Director Forbes and Port staff for your leadership on the Embarcadero seawall and resilience program. It's my perspective that you all are quite frankly leading the region and the state in this work.

And I particularly would like to commend the team for the inclusive nature of your approach. You've designed and convened a multidisciplinary interagency cross-sector team of stakeholders to address the challenge together.

And these certainly are sobering results, especially when you see them all at once. And it will take all of us working together to address these challenges. But I'm optimistic in our future with the Port's steady leadership at the helm. Thank you for your commitment to doing this work that will protect and improve the entire city. Thank you.

Flicka McGurrin - Hi. This is Flicka McGurrin from Pier 23 Café. Good afternoon. Can you hear me? Good. Okay. I just wanted to say that I've written a letter to the commissioners, which I didn't realize Amy had retired. So Don Kavanagh has it so that he can share it with all of you. And basically, I just want to say thank you for this extensive research on the problems that we look forward to with the possible sea-level rise and the earthquake that could come at any time.

I was here in the 1989 earthquake at Pier 23 Café. So I'm aware of the power of these events. But I just want to mention that I care that the [unintelligible] color that is part of Pier 23 Café and as well as Fisherman's Wharf and Pier 39 is not compromised too much by the necessary construction that will have to be done.

And that is my main concern. And I hope that letter gets to all of you because it expressed it a little bit better than I'm doing right now. Thank you so much. And thank you, Brad. That's it.

Commissioners' Discussion on Item 9A:

Commissioner Gilman - I just first want to thank the staff, Brad and Lindy, for this report. It was incredibly extensive. And I have a couple of reflections, and then I have just one question. My reflections is I just really want to commend you -- it was stated by the public comment -- for all of the community outreach you did.

I think these are very complex environmental issues, risk and mitigation issues that I think sometimes can seem incredibly theoretical. I think maybe now with the fact that we've all -- are living through a pandemic, a once-in-100-year event, hopefully the public and our stakeholders realize that these events will happen.

But I want to commend you on your community outreach and the diligence for this work and the co sort of creating and identifying what our stakeholders feel are the most important assets for them on the waterfront.

So I just really want to say I appreciate this report and the extensiveness of it. And also, moving forward, ensuring that our Prop A are used to the best of their ability -- you know, they are just a drop in the bucket of what the overall costs of this work is going to be in the long haul.

So I appreciate that and especially paying attention to equity and our contractors and who is participating with us in the work. So thank you.

The one question I had is, doing all this pre-work leading up to the study and this analysis, have we come up with any mitigation efforts in the event that we do have a major earthquake before we actually get to commence any of these projects or work?

Have we learned any lessons that will help mitigate risk or have us respond in a more timely fashion to a catastrophic event before we complete this work?

Brad Benson - Commissioner Gilman, that's a great question. I think where we've focused most on that question is in thinking about disaster response. The Embarcadero is a key corridor for disaster response for the city. Access to the WETA downtown ferry terminals is key for moving people in and out of the city.

We don't have recommendations yet for pre-project moves that the Port could take. One of the things that we are hoping to do -- but it's been complicated a little bit by COVID -- is to do a tabletop exercise with emergency managers in the city with the results of the multi-hazard risk assessment to help them think through, what's the most troubling of the findings that they see?

What are moves that could be made now to anticipate that kind of damage so that the city's response is better positioned if we haven't built improvements in an area?

Of course, all of the emergency managers have their hands full right now in terms of the city's EOC and the like. So we're looking for the first opportunity to have that engagement. And that's where I see the most opportunity for learning things that we could recommend pre-event.

Commissioner Gilman - Thank you so much. I just think that we should be aware of that. You know, I think, if we all had asked 24 months ago if we'd be living through a worldwide pandemic, we would have thought that's such an absurd event that would never happen.

So I think, if anything, this has shown us that these events do happen and are possible. And to be as resilient and plan as much as possible is important. So thank you so much. That concludes my question and my reflections.

Commissioner Woo Ho - Okay. Well, first, I want to commend Elaine and Brad and Steven and Lindy. I mean, this is like an encyclopedia. But it was -- first, I felt like it was almost too much to digest. But your presentation today sort of pulled it all together.

And I think actually presenting it in one full sweep is probably a good idea rather than parsing it out. So it was very comprehensive, as I guess has been mentioned already.

I think that it is a building-block approach. And it's like touching the elephant in the room from different angles. So you have the seismic. You have the sea-level rise. You could have just flooding, which is not related to either. It's just the tides, as we've experienced.

So I think that my questions a little bit is to understand -- and I think we need to approach this -- and it's more a suggestion as how we communicate because, as I recall when we positioned Proposition A, we talked about it was to protect the city and the waterfront and downtown.

But in this report, we sort of narrow it. And I understand why. Because the Port is responsible for seven-and-a-half miles of waterfront. But we sort of narrow the focus very much to that part of the city whereas you know, if we did have such a catastrophic event, it would certainly spill over way beyond the Embarcadero.

So I think we need to widen our lens in terms of when we communicate what the impact of such events are as much as we're trying to mitigate the parts that we manage and control. So a little bit of that is the way you communicate and position this.

And this also raises some questions from me as far as what I read in this is that the seawall today, if it was hit by an earthquake, would sort of collapse fairly

quickly. And I don't know what -- I think you probably know even technically what level earthquake.

And I want to know from the other end of the spectrum -- and I think that Commissioner Gilman said, "Well, what if something happens in between before we have everything shored up?" which we know is not a question of a few years. It's going to be decades or more.

What we're doing with all these different measures that you've pointed out -- and you have choices still to make. You have not made the final decision on a lot of these things. But there will be choices to make in terms of shoring up the seawall.

And what will it withstand? What level of catastrophe or earthquake will it be projected to withstand? And I think we should get a better sense of, you know, what -- the \$5 billion that we currently say is the price tag to really shore it up so that -- right now, I'm not sure.

I see that we're building a block, each one. And it's very important as we keep going. It's going to get better and better. But it's also looking at it from the other way in terms of understanding what we're going to be able to withstand.

And there may be some difficult choices to be made. But we cannot afford to have a perfect resilience. We will have to have some imperfection because we can't predict exactly what the event might be. But we can perhaps mitigate it up to a certain percent.

But I'm not sure I understand that given the information that you presented even though what you presented is excellent. So I'm not criticizing it. I think it's just more of a learning that we need to know going forward.

And what if -- and the other question I have is I guess maybe watching too many of these movies. What if we are hit by a tsunami, which is an earthquake somewhere else in the world? And it's not an earthquake off the shore of California.

So that kind of impact -- what happens to us? And how would we be -- and I guess the seawall is important in that sense because it would supposedly help to block to a certain extent, I'm assuming. But I don't know. I don't know the technical answer.

But I think there are some things that -- since we are presenting to the public, you know, that we are shoring up this to prevent any major damage to the city and how far the damage would go, I think we need to just widen how we discuss this and not say what we're addressing is just along -- what we're addressing is along the Embarcadero.

I understand that. But the impact is actually probably wider. And I don't think that comes across in this report to understand. And perhaps part of that is also because we need to link. And I know you are talking to them. But it hasn't been included here what the other city agencies are doing in their preparation for an earthquake.

As I recall, you know, in 1989 -- because my husband was in the mayor's office -- deputy mayor -- was dealing with the earthquake at that time. And there were lots of different areas of the city that were impacted.

So I think we need to tie them together. I remember the concerns in the marina. I remember the concerns in Chinatown. I mean, it was all over in terms of the impact. And it wasn't just the waterfront.

So I think we need to think about this very holistically and make sure we're linking in to the resiliency of the whole city because it will require the whole city to be resilient against such an effort, as Commissioner Gilman has rightfully said.

You know, who would have thought the pandemic would hit so much of the world, not just even one city, one country but the whole world? So I think we have to have that. So I think you've laid out a great landscape.

You've picked the forest from the trees. You've even picked some branches that we're going to work on, which is great. And I think that's absolutely necessary. I applaud you for that approach. But I think we also need to think it back -- looking back the other side and flipping it over to see whether we see on the bigger scale how this all links together.

So it's just a question of filling in more of those over time. And I think so that we can understand and we can also help to communicate that better as we also will eventually be going back to ask for more financing with the federal government or bond financing or whatever.

And I say this because we just earlier in this meeting approved on our consent calendar money allocated for communications and marketing to explain what it is the Port needs to communicate in our messaging of what we need to do and how we need the public engagement and the community support.

So I think these messages have to come through a little bit more broadly. So as I said, don't take it as a criticism. It's really to build on it. But it's also taking a wider lens is what I'm trying to say. Does that make sense to all of you? Brad, any reaction?

Brad Benson - I think that that is very good feedback. It's very important to put it in the broader context of what the city is responding to in some of these larger

events. Brian Strong's group in the city administrator's office -- he's the city's chief resilience officer -- is certainly taking that view.

And we're sharing our results with him and other departments. And all of your other points about what's the performance standards, what kind of earthquake are we responding to, what about tsunamis -- very good points for us to consider. Thank you.

Commissioner Woo Ho - I would like to know -- I mean, if we're going to spend \$5 billion for a seawall, what kind of earthquake is that going to protect us against just as a simple question? Or are we saying we're only going to go -- because we only think we can afford to do X?

I mean, I think it's important to know and just so that we also don't mislead people. And we just know what kind of risk that we are trying to mitigate. And then, as I said, we will not be perfect in this. But at least we know that we're addressing the bulk of it. I don't know. Elaine, do you have any comments?

Director Forbes - Yes. Thank you for your comments. It's very important as we go through this process to identify the overall risk and, as you've said, describe where we're intervening to reduce that risk and be very transparent about the risk that still stands.

And as you appropriately pointed out, these are really the building blocks. The MHRA provides all the building blocks to understand those risks from a utility perspective, from an emergency-response perspective, from what the public values and put them together.

So exactly the comments you're making will be what the team will be coming forward to you to discuss and to discuss in an ongoing way with the public. There also internally to the team has been conversation on long-term development concept of a tool as we move through improvements to Prop A that exactly show what risk the program is mitigating.

And this would be a tool to look at Port-wide risk as well and what other efforts are mitigating and resolving risk over time. So we keep our eye on the ball of getting to the most urgent things next.

And you're absolutely right. We have to be prepared to assume some level of risk because we do not have an entire program funded nor do we anticipate having an entire program funded. So there will be ongoing risk as we move through efforts to make the waterfront more resilient.

Commissioner Woo Ho - Yeah. I think part of it -- I just will end with this in saying that, you know, we're sort of the gateway for an earthquake or obviously sea-level

rise or a tsunami. But it is going to go beyond the waterfront. So that's why we want people to understand that we are sort of the guardians of the gate.

But then, it is going to pass through us. And so we're going to do everything we can to do the best to not just -- obviously, we're concerned about our tenants and everybody that's facing it almost directly. But it is not like it's just going to stop in even X number of feet away from the Embarcadero.

That will not happen. I mean, that's not how nature works. So I think we just have to be prepared to explain -- we feel the burden perhaps more than any other, I guess, agency in the city for what we're responsible for. And we should be.

And we're accountable for it. But it is going to spill over. And we just need to be -- we're the ones, I guess, on guard here to do what we think is best and to help the city and obviously all the residents of San Francisco accordingly. I yield. Thank you.

Brad Benson - If I can respond to one aspect of your comments, which is that there was -- one of the bright spots of the study is that our tsunami risk is low. So - - and we can follow up and share more information with the commission about that from the MHRA.

Commissioner Woo Ho - Okay. That would be good to know. Thank you.

President Brandon - Thank you. Vice President Adams?

Willie Adams - Brad, Steve and Lindy, stellar report being out front. This is such a complex project and so many moving parts. And it's good to know, like I said, that we're out front leading on this issue. My one question that I have -- and I want to thank my fellow commissioners, Commissioner Gilman and Commissioner Woo Ho, for their thoughts.

I want to know about contracting. It doesn't seem like, as far as contracting, there's an equal playing field. And I would hope for the team at the Port that this is a Port, not a two-tailed -- not one of inclu -- of exclusion but one of inclusion. Can you tell me, Brad, how many African American firms? And what is looking like? Because there needs to be balance.

Brad Benson - Sure. And I also want to invite Carlos Colon to help me out with a response on this. If you go to the staff reports for this item, the commission report on page 18 includes the ethnicity of our various contractors.

And you are asking specifically about African American contractors. On the CH contract, there are three African American subcontractors: the Allen Group, which is leading this new workforce development and LBE support service task, which is so critical to this work going forward; Holland Consulting, which provides

scheduling services to the program vital to keep the whole program on track; and RDJ Enterprises, which is supporting the public outreach and engagement.

Now, we've had a pause in that due to COVID-19. We're starting up online. And then, on the next page, page 19 goes over the Civic Edge firms, LBE firms including ethnicity. And there are four African American firms that are on that contract as LBE subcontractors, three of whom were recently added: Bonner Communications, NA Communications -- RDJ Enterprises was on the original contract -- and Spice It Up.

Willie Adams - So can you tell me, Brad, how much money they're getting compared to the other vendors and contractors?

Brad Benson - So we would have to add that up and report back. We're reporting here on a line-item basis. So if you're open to it, we could report back to the commission the percent of the total contract going to African American firms and the other ethnicity where we have it.

Willie Adams - Okay. All right. I will -- President Brandon, I'll go ahead and yield to you. I might ask some more questions. Go ahead.

President Brandon - Thank you. Brad, Steven and Lindy, Director Forbes, thank you for such a wonderful report. A lot of great work has gone into this. A lot of community input. Commissioner Woo Ho and Gilman asked some great questions.

I really want to thank you for having that first slide of the diagram of the overall projects to like focus us on what we're talking about because this is a lot. And I think, like Commissioner Woo Ho said, it's like an encyclopedia reading it. Reading this and the CH2M-Arcadis report is a lot.

And so for us as a commission to be able to keep it top of mind, I really think that we need to have more briefings on this as we go because we're getting to a critical piece where we're really going to have to start making decisions on how to use those Prop A funds and how to use them to get the best bang for our buck.

So hopefully, going forward, we can start, you know, maybe quarterly briefings just to keep it top of mind and us up to date because coming back every six months to a year, it's like we have to start from the beginning and come forward where, if we're consistent, we can just move this along because it's an urgent need.

So thank you so much for this report. I really appreciate it. Regarding the contracting and where we are at the Port and how we are really trying to look at everything through an equity lens, I think it's kind of hard to talk about contracting if we don't talk about minority contracting.

And as I -- [music plays] mute someone. Thank you. Thank you. So as I started looking at the contracting and looking -- because you know this is near and dear to my heart. So I've been involved from the very beginning.

And from the very beginning, I said that this is a huge project. This project is for all of San Francisco. And we have to make sure that we engage the entire city, every community within the city to make sure that everybody's views are heard and everybody is aware of what we're doing and that we start putting our workforce, our training programs, everything together now -- three years ago so that we are prepared for everyone to participate in this \$5 billion-plus project.

So when I started looking at our contracting dollars and how they had gone out, I went back to conversations we had in the past. And I said, well, wait a minute. We should be working with these firms because we made commitments to work with these firms.

Then, I went back. And I found an informational presentation where we had a list of minority firms that we committed to working with. And then, I look at these dollars that are going out now. And I don't even see those firms listed.

So then, it gave me cause for concern. And then, when I started looking at what dollars have actually been spent, when I look at our minority contractors, they are getting paid far less than our non-LBE partners.

So it's really cause for concern to me that, when I look at this, firms that we originally said would be a part of this who are not on this list and then some that are on this list who have gotten paid nothing. Or they may have \$150,000 contract, and they've been paid \$7,000.

So before I say that I think there is any bias going on here, I would just like for us to have a hearing -- have a presentation on where we started, where we are and where we're going. I really appreciate you saying that those firms -- RDJ, Allen Group, GNA -- we're going to look at using them going forward.

But we had that conversation over a year ago. And they should have been part of this existing contract. So I just really need to feel comfortable that we are really looking at these contract dollars through an equity lens.

So I really look forward to you guys coming and reporting. I also need to say that, when I was going through the MHR assessment report from CH2M and Arcadis and -- the pictures that were put under environment, open space and land use -- I did not see one minority in those pictures.

And if there is one, you would have to find a microscope to find them. So we have to look at this entire project through an equity lens, every part of it. We have to let all of San Francisco know that they are welcome to the waterfront.

So Director Forbes, I would just like to make sure that, maybe at our next meeting or one of the meetings in October, we can really delve into what we're doing with our contracting dollars and if they are equitable or if we need to make any changes.

And also, you know, just keep us up to date on what we're doing with this overall project because there's so much to it. And it's so critical. Thank you, Brad.

Brad Benson - Thank you so much.

President Brandon - Commissioners, are there any other questions or comments?

Carlos Colon - Sorry, President Brandon and commissioners. This is Carlos Colon. I apolo -- I had a little technical difficulties. But I can answer Commissioner Adams questions regarding how it's -- the breakdown of spending.

So to date -- and this is through July 2020, which is the last CH2M invoice we received -- we have spent, out of the \$3.5 million to LBEs, \$2 million has gone to minority businesses with \$1.5 million going to nonminority businesses. Of the tasks we've authorized to date for LBEs, we've authorized \$4.4 million with \$2.5 million going to minority-owned LBEs.

President Brandon - Thank you, Carlos.

Director Forbes - And Carlos, you may have missed we're going to be doing a report coming up. So we'll dig much more into detail and look at some of these issues and prepare for a presentation. So thank you.

President Brandon - And we'd also like the MBE portion broken out.

Director Forbes - Yes. Absolutely. Absolutely.

President Brandon - Commissioners, any other questions or comments? Thank you. Thank you for all the hard work. Thank you for the great report. This is great. And I can't wait to see what we're actually going to do as we put this plan into action. Thank you.

## **10. MARITIME**

- A. Informational presentation regarding a proposed lease with Bay Area Council for the mooring of the historic ferryboat Klamath to be located at Pier 9 South

at The Embarcadero and Broadway for a term of 15 years with two five-year options.

Dominic Moreno - Hi. Good afternoon, President Brandon, commissioners, Director Forbes and members of the public. My name is Dominic Moreno with the Port's maritime division. For today's presentation, I'm joined virtually by the Port's maritime director, Andre Coleman, Jim Wunderman CEO and John Grubb COO of the Bay Area Council.

Keith Garner and Ellen Johnck are also on representing BAC. Today, I bring before this commission for your consideration and direction a proposal that would return the historic ferry boat Klamath back to the San Francisco waterfront. Next slide, please.

The BAC has been a driving force since 1945 and this year celebrate their 75th anniversary. Bay Area Council's mission is to engage business and civic-minded leaders to solve the most challenging regional issues to ensure the Bay Area is the most innovative, sustainable, inclusive and globally minded place in the world.

BAC's work includes informing and mobilizing business, civic and political leaders on the most critical issues and opportunities facing the region. BAC is an association that includes many maritime stakeholders as members. Next slide, please.

The Bay Area Council is proposing to repair and rehabilitate the historic ferry boat Klamath and moor it along the south side of Pier 9. The vessel would serve as the headquarters for the Bay Area Council with office and conference room space that will allow the Klamath to become an important historic meeting place and a regional destination for leaders, partners and the broader Bay Area community.

Additional office space would be made available to rent to subtenants with priority given to maritime tenants. Next slide, please.

This slide shows the facility as it is today. As you can see, the gate stands locked. And the remnant steel piles sit ready for removal as part of site improvements in preparation of the berth.

The BAC would open significant public access to a currently closed pier apron and all levels of the vessel including to the roof deck, which would provide spectacular views of the bay and the San Francisco skyline.

The plan includes a museum exhibition space likely dedicated to the Klamath and the history of ferry service on the bay. The Bay Area Council would provide event tours with maritime education through historic points of interest onboard the vessel. Next slide, please.

This slide shows an illustration of the same facility of the Klamath at berth. The project would require a minor amount of dredging for the Klamath to moor alongside Pier 9. Electrical, water and other connections to land-side utilities will be improved as part of this proposal.

This project reactivates and opens an unused portion of pier space and offers the public direct maritime waterfront engagement with a vessel significant to our San Francisco history. Next slide, please.

Between 1850 and 1939, there were 120 ferry boats in operation on San Francisco Bay at one time or another. As George Harlan wrote in *San Francisco Bay Ferry Boats*, "This armada of cherished vessels profoundly influenced the settlement of the Bay Area and affected the daily life of the people who lived and worked in its communities. The boats came in many shapes and sizes and marked a glorious period in our history as they carried passengers, cars, trains, horses, livestock, agricultural and all manner of other items." Next slide, please.

The completion of the Golden Gate Bridge and Oakland Bay Bridges in the mid-1930s initiated the eventual end of this era. One by one, these stately boats were scrapped, destroyed or otherwise lost to time.

By 1979, only 14 could be accounted for in various locations in the United States. Since then, nine more have been lost, leaving just five historic ferry boats left. Next slide, please.

Since retiring from ferry service, the Klamath has housed great local companies including Landor and Duraflame. BAC has purchased the Klamath and plans to overhaul the vessel in order to rehabilitate her for a return to San Francisco to share and extend the incredible history of the Klamath and the old ferry boats of the bay. Next slide, please.

In 2005, the Port Commission adopted a historic vessel policy, which recognizes historic vessels as an important part of San Francisco's maritime legacy and provides eligibility criteria and guidelines in considering the static berthing of historic ships at the Port.

The Klamath satisfies all the eligibility criteria. Given the unique nature of this opportunity, Port staff has determined that a competitive solicitation is not necessary in these circumstances.

The Bay Area Council proposes to rehabilitate the exterior of the historic ferry boat Klamath to an external appearance similar to the appearance of the vessel in 1924 and to moor and maintain the Klamath as BAC headquarters and public space on Pier 9 under a lease with the Port. Next slide, please.

A key public trust objective as per our waterfront plan update is to foster activities that draw the public to the waterfront for recreation and enjoyment and to experience San Francisco's maritime historic and architecture especially within the Embarcadero Historic District pier facilities.

The Klamath would sit approximately 500 yards from one of her former ferry service slips and 150 yards from her 24-year Landor life at Pier 5. We feel she would visually balance the Broadway Open Water Basin, which also features the historic ferry boat Santa Rosa at Pier 3. Next slide, please.

Bay Area Council is seeking a long-term maritime lease with the Port at 15 years with two five-year options. The proposed lease premises include apron space for nonexclusive use and approximately 18,000 square feet of submerged land.

To be included in addition to tenant monthly base rent and annual CPI, tenants shall also pay on a monthly basis a percentage of subtenant rent plus a percentage of all special-event revenues. Next slide, please.

On August 27, 2020, the San Francisco Planning Department issued CEQA addendum three. The addendum concluded that mooring the Klamath at Pier 9 would not cause new significant impacts not identified in the final environmental-impact review. And no new mitigation measures would be necessary.

In addition, Port planning staff have ensured that the work within the Embarcadero Historic District and to the historic ferry boat percentage-rent is consistent with the Secretary of the Interior standards for the treatment of historic properties.

This commission adopted Resolution 89-04 in 2006 requiring all work within the Embarcadero Historic District comply with the secretary standards and supports the Port's stewardship of the historic district.

A BCDC permit authorizing new bay fill and an Army Corps of Engineers permit to authorize dredging and installation of piles will be required. All regulatory agency approvals are the responsibility of BAC.

BAC has sought and anticipates the approval of an amendment to the special area plan. The BCDC SAP amendment includes a balance of revised public benefit and revised development entitlement with strict consideration of health, safety and welfare of the entire Bay Area. Next slide, please. Next slide, please.

Key benefits of the proposed improvements are: one, providing the ADA-compliant and aesthetically pleasing enhancement to the southern apron of Pier 9 in the heart of the Embarcadero corridor and the Broadway Open Water Basin.

Two, the Klamath will open public access and provide a visitor destination bringing more foot traffic to the Klamath, the Pier 9 apron and associated businesses in the vicinity of the improvements.

And number three, the utilities-infrastructure upgrades will improve the longevity, viability and marketability of the facility for the future. Thank you for the catch on the slides. Next slide, please.

The proposed maritime lease is expected to contribute in a substantial way to meeting multiple objectives of the Port's strategic plan including: evolution by transforming the waterfront to respond to changing public and Port needs; productivity by attracting and retaining tenants and build an economically viable Port; equity by ensuring Port activities advance equity and public benefit and attract a diversity of people to the waterfront; and engagement by increasing the public's awareness of the purpose and benefits of the Port's function and activities. Next slide, please.

Port staff has determined that the proposed lease with Bay Area Council, the proposed capital improvements and associated lease term meet the criteria in the historic vessel policy.

As described above, Port staff has evaluated the proposed use and revenue projections as viable and has determined that the anticipated capital improvements will likely generate an additional long-term gain that the Port would not otherwise receive.

In summary, Port staff concludes the proposed location would activate a maritime berth facility that has long stood vacant and create increased public access, infrastructure improvements, financial stability and favorable conditions for recovery in a post-COVID economic climate.

The return of a historic ferry boat to the San Francisco waterfront for use as the headquarters of the Bay Area council brings focus and attention to our gateway of our world-class city and our boutique maritime Port, providing increased revenue-generating opportunities, securing a location that can be used for public education and inspiration while improving views and enhanced public experience along the Embarcadero.

And finally, the proposed new lease term is reasonable in relation to the size of the operation and the need to amortize the tenant's investment over a manageable period. Next slide, please.

It's been written the evolution of the waterfront from its beginning to the present reflects San Francisco's cultural history. The waterfront should continue to serve as a repository for memories of past events while also providing the stage for new experiences.

It is in this sentiment that the Port staff seeks comment, input and guidance from the Port Commission on Bay Area Council's proposed use and terms. If so directed, Port staff intends to incorporate the feedback from this commission in its negotiations and return to a future Port Commission meeting with a recommendation for action.

I appreciate your time and consideration. That concludes my presentation. The Bay Area Council team and Port staff are available to answer any questions. Thank you. At this time, I'd like to invite Jim Wunderman to make brief comments in support of this presentation. Jim?

Jim Wunderman - Hopefully, you could see me at this point. I'm still looking at the Klamath. And I'm happy not to be looking at myself. Can you see me okay?

President Brandon - No. We can't see you. But we can hear you.

Jim Wunderman - You can hear me. Okay. That's good enough. You can still hear me. Right?

President Brandon - Yes.

Jim Wunderman - First of all, thank you, Mr. Moreno. That was a really great presentation and I think captures the excitement that we feel about this particular project. It's really important not just for our organization but, I think, for the Port of San Francisco and for the city.

As I think you know, in addition to my job as the head of the Bay Area Council, I also serve as the chairman of the Water Emergency Transportation Authority, or WETA. So Director Forbes and her team and me and WETA staff work together on a lot of really important issues in which WETA and the Port serve as partners to bring values and benefits forward.

And it's exciting to work with the Port from the Bay Area Council perspective. You know, we think that staff has done a really great job in asking us all the right questions and challenging us on how this would be developed and I think getting all the assurances that this is a long-term play for our organization and for the use of this Pier 9 South.

You know, I think it's going to be a phenomenal addition to the Port and to the city. And we intend to attract a lot of people from all walks of life onto the Klamath and, you know, bring this incredible piece of history back to San Francisco where she belongs.

And we're going to invest a lot and have to raise a lot of money to make the kind of improvements to accomplish what Mr. Moreno described. So I think on all fronts this is a win-win situation for the Port and for our organization.

And we look forward to being partners with the Port for many years as we make this transition in our organization's 75-year history to have a long-term, permanent home in a special place that is really unique and colorful and wonderful and beneficial.

So I think I'll leave it at that. I'm happy to take any questions. Or you know, my team is here as well.

President Brandon - Thank you, Jim. And thank you, Dominic, for the wonderful report. Now, let's open it up for public comment. We will now open the lines to take public comment on item 10A 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 Item 10A:

Alice Rogers - Good afternoon, commissioners. This is Alice Rogers. I live in the area. And I served on your waterfront land-use update plan group. And I would very much like to see you support this proposal. As the proponent said, it's really a win-win for the waterfront to have this ferry boat come back.

It's been here before. And this new iteration, as I understand it, was [unintelligible] is going to be even more spectacular in terms of offering new ways for people to engage on the waterfront. So please support this plan. Thank you.

#### Commissioners' Discussion on Item 10A:

Commissioner Woo Ho - Yes. Unfortunately, I had some trouble trying to open up the staff report. So I'd just like to ask since I think we've had this item before, can you summarize any changes since the last time the commission discussed this item or had some information on the terms? I just would like to know if there were any updates or changes.

Dominic Moreno - Thank you, Commissioner. This is Dominic. At this time, I don't believe there was any changes to the terms agreed upon by commission's recommendation.

Commissioner Woo Ho - Okay. Then, I --

Director Forbes - I'm sorry. I can just clarify for your, Commissioner Woo Ho, that was a closed session. Last time, we were in closed session. There's no changes to the terms as discussed at that point.

Commissioner Woo Ho - Okay. All right. I have no further questions then. Thank you. I am supportive.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - Thank you so much for the staff report. I, too, have no questions. I'm very excited that this is moving forward. It's going to be a great asset to the waterfront. And I am looking forward to being on the Klamath and seeing it. And I'm excited to be in partnership with the Bay Area Council. This is great for the waterfront. Thank you.

Dominic Moreno - Thank you, Commissioner.

President Brandon - Vice President Adams?

Willie Adams: At first, I was kind of lukewarm to the idea. And the more that I keep hearing about it, the more I like it. And I appreciate the presentation today by Dominic. And it sounds like it's going to be a great thing.

And then, I read he said reasonable rent. So it sounds -- and if Alice says something -- I know Alice from the community. And Alice's voice goes a long way with me. So I'm good. Thank you.

President Brandon - Thank you.

Dominic Moreno - Thank you, Commissioner.

President Brandon - Thank you, Dominic, for the presentation. And thank you, Jim, for your words. I had the same question as Commissioner Woo Ho if there had been any changes since we last heard it because I think we heard it a couple of times in closed session.

And just want to thank Bay Area Council for really stepping up in bringing the Klamath back to the waterfront. I think it's going to be a great addition. So we look forward to seeing this item for approval at the next commission meeting. Thank you.

## **11. REAL ESTATE & DEVELOPMENT**

- A. Request approval of Lease No. L- 16697 for a lease with Andre Boudin Bakeries, Inc. for the Chowder Hut located at Seawall Lot 301 at The Embarcadero and Taylor Street for a term of 10 years with a 5-year option. (Resolution No. 20-44)

Rebecca Benassini: Good afternoon, commissioners. It's Rebecca Benassini from real estate and development. Just wanted to provide one moment of introduction before Jay Edwards launches into the great work and the details on this approval item that you have before you.

You might remember -- or maybe you don't because February really feels like a lifetime ago -- you saw this lease in an informational item back in February. Since that time, of course, we've all been experiencing this incredible economic and health disruption.

So just as a little bit of introduction, since February, we took a pause. And then, we reengaged with Andre-Boudin Bakeries related to the Chowder Hut lease. We're gratified that the terms that you saw in February have held out.

Jay can go over the details. But what's before you today is approval of a 15-year lease with the tenant. And you'll also recall that, in August, we took you through the rent-forgiveness program. We're now bringing that forward to the board.

And as it is up for approval with the board, this tenant, Chowder Hut, should you go forward with their lease, will be allowed to participate in that program. And you might recall that the way restaurants participate in the program is they're able to have their base rent forgiven so long as they operate for a minimum number of days and provide the Port percentage rent.

Just wanted to provide that bit of context. And I want to thank Jay Edwards and Rona Sandler as well as Mark Briggs for putting in quite a lot of work to get this lease prepared for execution and for consideration by the commission. Jay?

Jay Edwards - Thank you, Becca. Good afternoon, commissioners. Jay Edwards, senior property manager. I'd also like to acknowledge Vicky Lee -- She's a Port real estate staff member -- and Libby Seifel for all her work. She's available for questions later on in the presentation. Next slide, please.

This is an overview of what we're going to present today. Next slide, please. Andre-Boudin has operated the Chowder Hut as it's known or the octagon building, due to its unusual shape, since 2011. The lease expired in 2019 and operated on a month-to-month basis since then under the former leasing terms and conditions.

Boudin has been an economically productive partner for the Port generating \$4 million annual sales revenue and \$360,000 in base percentage rent in 2019. And the restaurant provides one of the few casual outdoor dining and beverage services we have available on the wharf. Next slide, please.

This is a shot of the exterior. As you know, the Chowder Hut is in the forefront. The Boudin flagship is on the right. And the waterfront is in the back. This is a view from Taylor Street. Next slide, please.

Okay. This is the premises map. It didn't quite come out exactly as I thought. But in any event, what you're looking at is the existing premises that the Chowder Hut has now. This proposes the same premises.

The light gray area surrounding the building is the outdoor dining area. And importantly, the public restrooms are in the white area in the middle. Next slide, please.

Port adopted the retail leasing policy for existing retail tenants who may qualify for lease extension based on the criteria described in the staff report and as shown on the slide. Next slide, please.

Port staff, with the assistance of its economic consultant, Libby Seifel, believes the proposed capital improvements and lease terms meet the criteria as outlined in the retail leasing policy and therefore justify a bidding exemption that's allowed under the policy. Next slide, please.

The business terms remain consistent with the February 11 staff report. And we have now finalized the lease for execution. As you can see, it's a 10-year lease with a five-year option, combination of base and percentage rent.

The base rent is going up substantially. The percentage remains at 9 percent, which is on the high end. We've increased our transportation fee. And the lease contains all current city ordinances and requirements and will require not only the Port Commission approval but the Board of Supervisors approval. Next slide, please.

There are mutual obligations regarding the public restrooms that were shown on the premises map. And this is a highly unusual situation, which Boudin has agreed to take on some of the -- take on the janitorial for the public restrooms as well as reimburse the Port up to \$25,000 for fixtures and repairs, replacements and hire a city-approved plumber if emergency repairs are required.

So it's an obligation that most of our tenants don't take on. And they have done so. Next slide, please. Port in return will provide all the utilities for the public restrooms, as we have done previously. And they serve an important amenity for the wharf visitors.

In return, Boudin will receive a \$4,000 monthly credit against base rent. And this amount was determined as the minimum the Port would expend for similar janitorial services. And all the obligations are per mutually-agreed-upon specifications. Next slide, please.

So Boudin proposes to construct a glass atrium around that shaded gray area I showed you earlier of the outdoor seating that will have a retractable roof. Improvements or estimated costs -- \$800,000 and must be performed within the initial two years of the lease.

Based on the projections from Boudin as well as the financial analysis from Seifel Associates, the improvements will generate additional revenue especially during the non-peak season. And in the staff report, there's pretty extensive analysis showing tables, how this is all projected.

That's our opinion that it's really going to drive revenue during those rainy months or even when the conditions are not ideal for sitting outdoors and provide a more comfortable dining experience for the public. Next slide, please.

That's the existing exterior. And there's a bar around the corner. Next slide, please. That is the rendering of the proposed atrium. Next slide, please.

So we've included a little bit of financial analysis here. And the top table represents the annual sales on a per-square-foot basis of the Chowder Hut as compared to similar-size restaurants on the Port. As shown, the Chowder Hut is number one in revenue per seat and number two in sales per square foot.

The second table is the Chowder Hut extension as compared to a competitive-bid scenario. This analysis completed pre-COVID. And we've got a section coming up next where we've updated for COVID.

But under the circumstance, we believe this gap between the lease extension and a proposed bid could exceed the \$2 million in added value that we perceive by extending the lease. Next slide, please.

So here's the update for COVID that we prepared. Basically, we reviewed all our assumptions on the projections, capital improvements, the terms, really everything and reconfirmed that the improvements and the lease terms are competitive and do deliver numerous benefits to the Port and the public.

You could see some of those up in the slide, Becca talked about the rent relief and so on. We won't go over that. Next slide, please. So our recommendation is we're really pleased that we're able to craft a new lease and deliver value-add improvements to the restaurant, maintain the public restrooms, improve the dining experience and contribute towards the Port's stability objective and hopeful Fisherman's Wharf economic recovery. Next slide, please.

We kindly request your approval for Resolution 20-44 and Lease number 16697. Thank you. And that concludes my presentation.

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

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner Gilman - Thank you for the report. Reading through the staff report and your presentation, I concur with staff that extending this lease and doing a no bid that we, A, showed that we met our criteria for moving forward in this way in a no-bid situation and that the benefit to the Port is substantial and to the public.

And I think, particularly in this time where outdoor dining is sort of where we're going to see a lot of our restaurants need to go despite if they can open at 25 percent later in the month, I think it's a huge benefit driving foot traffic and tourism to the wharf.

This kind of venue is what tourists come to do. So I'm very supportive of the item and excited to see the improvements and just hope, if possible, they could be speeded up to not take two years. I know they have until two years in their lease to get these improvements up and running.

But I really hope they're able to expedite them and do them quickly to make that venue more attractive on the waterfront and to drive more business towards it. Thank you. I'm supportive of the item.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Yes. I'm supportive of the item. I think they've been a good tenant. And I actually have been out there with Jay I guess when we went to the main Boudin facility. And I think he pointed out to me possibilities for Chowder Hut.

And it looks like this would be a good idea. And I think, given the circumstances right now, they have a good chance to obviously get themselves back on their feet. I think this lease can help them and help us in the long run. And [crosstalk] will help that whole area.

Once there's a little activity somewhere, then it will help the other -- the neighboring -- the whole area. And I hope that's the case. And with Boudin's when they open up their main facility -- or if they're open today but maybe with some limitations, I think it would be a good idea.

So I think we want to reactivate the area. And I think this lease will help to reactivate the area. So I'm supportive. Thank you.

Willie Adams - I'm supportive of the item. Jay, good report. Thank you.

President Brandon - Jay, thank you so much for the report. Can you refresh my mind and tell me what the restroom obligation is now?

Jay Edwards - It's similar, President Brandon, in that they do provide janitorial services. They do get a monthly rent credit. We maintain the restrooms as our restrooms, if you will, meaning repair them. We do major repairs. We unclog drains. So it really is a carryover of what we've had with some refinements and improvements, I think, if that answers the question.

President Brandon - So was it the same \$4,000 rent credit -- [crosstalk]

Jay Edwards - No. It was \$2,000. And that was set in 2011. So we went back and got a quote from our janitorial services on what it would cost for us for minimum services. And that's where the \$4,000 came from, Commissioner.

President Brandon - And the rent for COVID -- is that offered to -- the rent relief for COVID -- is that offered to all of our new tenants?

Jay Edwards - All of our percentage-rent tenants including the tenants that would renew leases. So they're an existing tenant. They're renewing their lease under these dire times. We're extending them the same program because it's really a renewal of an existing lease. That's the way we're viewing it, Commissioner. Hopefully, that's the way you're viewing it. [laughs]

President Brandon - Okay. Thank you. So this is for renewing tenants. I guess I'm just asking, is this option open to all retail tenants or just existing or renewing tenants?

Jay Edwards - No. This would be just -- yes, existing tenants only.

President Brandon - Okay.

Jay Edwards - Thank you.

President Brandon - And how has their business done over the summer or during COVID?

Jay Edwards - Well, thank you for asking. They've been struggling, as everybody has. But fortunately, because of their outdoor dining, they've been able to attract a higher-than -- percentage than -- so we get percentage-rent reports.

They're on the high end. It's still 60 percent off. Okay. But it's on the high end of what's reported for outdoor dining establishments and double in some cases. So I think they're doing good business under the circumstances, Commissioner.

President Brandon - That's great to hear. Thank you.

Jay Edwards - You're welcome.

Roll Call Vote:

President Brandon – Yes

Vice President Adams – Yes

Commissioner Gilman – Yes

Commissioner Woo Ho – Yes

President Brandon - Motion passes unanimously. Resolution 20-44 is adopted.

- B. Request authorization for Port staff to enter into negotiations for an Exclusive Negotiating Agreement (ENA) with Strada Trammell Crow Company Partners, LLC (Strada TCC), the highest scoring respondent for the Piers 30-32 & Seawall Lot 330 Request for Proposals, located generally on The Embarcadero between, Bryant and Beale Streets. (Resolution No. 20-45)

Commissioner Gilman - So I just need to recuse myself. I need to make a statement before we launch into this item. So thank you, President Brandon. In December of 2019, I consulted with Strada Investment Group on a non-Port-related project and must recuse myself from the discussion or acting on Port Commission actions involving Strada Investment Group through the remaining calendar year of 2020.

So as this being the last agenda item on our agenda for this evening, I'm going to be leaving the meeting. And I look forward to seeing all of my colleagues at our next commission meeting. Thank you, President Brandon.

President Brandon - Thank you, Commissioner Gilman. Okay, Peter. We're --

Rebecca Benassini - Hello, commissioners. Rebecca Benassini here from real estate and development. I hope you can hear me okay and see me. Before Peter launches into his excellent presentation, I just wanted to give a note of introduction on the item.

First, I wanted to just say thank you to so many of the respondents and members of our advisory groups. We were really gratified to receive great responses. The Port Commission heard the responses in its last meeting, which was the informational.

Since that informational, Peter and others, David Beaupre and others from the team, have presented to the Northern Advisory Committee. You'll hear about their comments today as well as the Maritime and Commerce Advisory Committee.

So we'll be integrating their comments into the report. I also wanted to mention that what's before you today is an action item which would essentially affirm the RFP scoring panel's score. The scoring panel scored Strada TCC as the highest respondent.

If you take action today, then you would be directing staff to work with Strada to write and develop the exclusive negotiating agreement. And then, we would come back to the Port Commission to authorize staff to execute that ENA.

And you'll remember from some of the other development projects that the ENA is that multiyear governing document that's the contract between the Port and the developer to work on the proposal and to work on the design.

So what we're looking at today are proposals that were responses to the RFP. They're not in any way, shape or form a done proposal. There's a lot of work to be done in terms of refining the proposal. And just a little timeline to put in your brains, I looked back at a couple of our recent projects that have gone from developer selection all the way through approval just to give you a sense of how long these things take.

The historic core at Pier 70 from selection to approval was about two years. That, square footage wise, is about half the size of this project. 88 Broadway, the affordable housing site, from developer selection to Port Commission approval took about three years. That was just one building.

The Pier 70 28-acre site, the Mission Rock site, both of those took between six and eight years from selection to Port Commission approval. So we're envisioning this project is hopefully somewhere in that middle, not at that six-to-eight-year period.

But I just wanted to put a fine point on the action that's being taken today and the fact that this is really the beginning of the process. And we have a lot of work to do in terms of community outreach. And really, what we have before us are proposals from the developer that I think they said previously were kind of done with their team in a vacuum.

If we move forward with starting to negotiate an ENA, then that starts this big process of kind of opening things up and doing a lot of community work to make sure this proposal works for all of the stakeholders.

Just wanted to put that in your brains as you're considering this action. And now, I turn it over to Peter Albert for his excellent information he can provide on what we've doing in the last two weeks.

Peter Albert - Thank you, Rebecca. Commissioners, I hope you can hear me.

Peter Albert - Great. President Brandon, commissioners, Director Forbes, Peter Albert from real estate and development. Next slide, please. So when I talk today, you're going to see some of the same slides that we saw in September 8th.

But I think it's helpful to take those steps again because I know that we're being joined today by a lot of people for the first time. So it just seems like a good chance to check in on elements like: the strategic plan and how it aligns with the RFP; the development offering itself; background that went into shaping the RFP; the RFP process; a little bit on Strada TCC Partners.

They're here on the call as well. So just as a resource for you, commissioners, if you'd like to ask any questions of the Strada TCC team, we've got Jesse Blout and Clarke Miller. We also have the financial consultant who helped with the scoring panel, Debbie Kern from KMA, also as a resource. And then , I'll wrap up with next steps. So next slide.

For how we develop the RFP, we wanted to make sure that this RFP was designed to support these elements of the strategic plan: an evolving waterfront -- this is a rare opportunity to develop large parcels, vacant parcels on the waterfront both on one side of the Embarcadero and on the next in a way that is consistent with the strategic goals of the waterfront plan and the Port.

We also want to have sustainable development, meaning not only the impact on the bay but also the development itself for transportation serving the development, the very building mechanics all aligned with sustainability.

Resiliency is a criteria here. It's also part of what we did in the RFP, meaning that we emphasize the seismic strength of the dilapidated piers, whether that's a rebuild or a rehabilitation and also looking at flood protection and sea-level rise.

Then, engagement was always a big part of shaping the RFP. You'll hear a bit more about how we worked with different community groups and residential groups and your own advisory committees. But that helped shape the RFP down to the point of the famous community values that we'll reference throughout this.

Equity emerged more importantly this year than ever as a quality. But it was always something important to the RFP development, something that resonated with the community as well as stakeholders, a real interest in making sure that we're looking at activities that are open to all San Franciscans and that, whether there's a residential component, a commercial component, an institutional or recreational component, there really are no barriers for the whole city or the region to enjoy this.

A stable project supporting a stable waterfront, meaning that there's financial strength coming out of this proposal. It addresses some of the huge deferred-

maintenance needs we have at the Port. It generates revenues to support the public actions and public activities that we want to see in the waterfront and that also we want a productive waterfront as a result of this development.

These piers right now are very limited in what they're able to do and same with the seawall lot. This is helping restore full utility to the assets and also helping support the Embarcadero Historic District with the improvements that come out of this and the revenues that come out of the improvements. Next slide.

So a real quick overview of the offering -- these are huge pieces of property. We don't really get the opportunity to develop property on the order of this size on the pier and across the street. But what we've got are the Piers 30-32 is a 13-acre site.

It's a rectangle of about 625 by 90 feet. It's zoned M2, which is an industrial-mix zoning. But the substructure conditions are in such compromised shape that it only can be partially used as even a parking facility.

You'll see an image of that later on that shows that. But it still functions as a deep-water berth with a very limited access plan to that berth. It does not include in the offering Red's Java House. Although, it was designated in the RFP as an asset we hope to save. And I think that's something you'll see in the Strada proposal.

Across the street, the seawall lot, 2.3 acres -- it's zoned for South Beach downtown residential. About half of the site right now is used for the temporary Navigation Center. And the remaining part of the site is used as a parking lot for 289 spaces. Next slide.

So in shaping the RFP, we wanted to start with the waterfront plan. It was helpful that the waterfront plan update was going on at the same time because it helped us update the plan to include focusing on diversity and equity as -- for the users and the beneficiaries of this development and a real clear understanding that we need a mix of publicly oriented uses and also revenue-generating uses to help sustain those public uses.

The RFP was shaped by the nine Port-wide goals of the waterfront plan. But it was also shaped by the South Beach subarea goals and the acceptable land uses that are proposed on the waterfront plan because this is both a regional resource, a citywide resource and a neighbor to the South Beach-Rincon Point area.

The resilience programs of the seawall and the Army Corps Engineer flood study shaped the RFP. Those were some of the criteria that you see we evaluated the proposals with.

And then, with the meetings that we had with what was then known as CWAG, Central Waterfront Advisory Group, Northeast Waterfront Advisory Group, the

Maritime Commerce Advisory Committee -- these meetings that we had over the summer and fall of 2019 shaped about 29 community values, emphasizing priorities on financial stability, equity, access, value as a cultural asset, the deep-water berth a very important priority and then some real questions about the residential character of the seawall lot.

But as a result of those meetings and with the meetings that we had with the South Beach, Rincon and Mission Bay community, we did develop the community values. Those are part and parcel of the RFP. And every respondent that was qualified responded to those community values. Next slide.

So where we were in the process schedule before COVID, we had the RFP issued on February 3rd. On February 18th, we had the pre-bid meeting. And then, we had the shelter in place in March.

So we extended the deadline for the submittal out till June 26th. By that time, we got five proposals. Three of them were deemed responsive meaning they met all of the minimum qualifications. And they supplied all of the submittal requirements.

Those advanced to the scoring panel. Scoring panel was convened from July 21st to August 13th. Five members of the community with various skillsets and representing different facets of the community along the lines of the recommendations of you, the Port Commissioners -- the panel convened to score the submittals.

And the scoring was done -- I'll talk a little bit more about that later. But they did it as both a written submittal and an oral interview. And they gave the scores based on that. You heard on September 8th the scoring results.

You also heard the scoring -- or the proposal overviews of the three top-scoring proposals. We'll talk about that a little bit later. But in the meantime between the 8th and today, we did meet with the Northern Advisory Committee.

And we meet with the Maritime Commerce Advisory Committee just on the 16th and 17th of September. I have some feedback for you on a slide there. But the options that we have today are to either authorize Port staff to enter into an ENA with the top scorer -- and these are the options that were spelled out in the RFP -- or to terminate the RFP process and direct staff to pursue other actions. Let's go to the next slide.

So the scoring criteria that the scoring panel used were broken into two elements, the 100-point total for what was written as a submittal and then a 30-point total for the oral interview. You see the breakdown here, the emphasis on quality of design and development but also in the strength of the financial proposal, the financial capacity of the respondent and their economic viability of the proposal, the experience, organization or reputation of the team. That totaled 100 points.

And to help the scoring panel with that, we did prepare those technical memos, the financial assessment memo that's done by Keyser Marston Associations. And again, Debbie Kern is available today.

We also had Port engineering do the engineering review of the proposals as well. Following the scoring of the written submittal, the panelists heard the interviews. There were 30 points possible. It was important for them to hear each individual team as an entity in how they handled describing the quality of their design and the development, their experience and the organization of the team. Next slide.

Out of those efforts, we had the scoring as such. So Strada TCC led with 109 points out of 130. Tishman Speyer 89 points out of 130, Vornado 75 points out of 130. All three of these proposals had strengths that the panelists recognized.

Some really were -- well, all of them were impressive. And some panelists really were excited that we got this kind of response given the very constrained circumstances we're in. The highest and lowest scores of each criteria were eliminated.

So this is more of a very moderated assessment of the scores without the sort of extremes on either end. And the remaining scores after the high and low were eliminated or averaged. Next slide.

So we have an image here. The image on the left is a fairly recent photograph. It's pre-Salesforce. But what you see is how limited the deck of the piers are used right now. There's only a fraction of the space used for parking.

There's a white path that lets access to emergency vehicle and berth access for heavy vehicles just because the substructures are so compromised. Across the street, you see the Watermark tower. And the parking lot -- at that time, there was not the Navigation Center on Seawall Lot 330.

The image to the right is Strada's proposal showing the rebuild. This is not a rehabilitation of the piers. It's a rebuild to about 45 percent smaller footprint of Piers 30-32, the development across the street of the mixed affordable and market-rate housing on Seawall Lot 330. Next slide.

Site plan here -- I won't go over too many details. It's not for you to have to read all of these points. But the highlights are that, on the left is the residential component, 850 units, 25 percent affordable. There's some open space that's available to the public at the -- it's sort of in the court area there, some pedestrian pathways through the site to allow there to be transparency or permeability toward the waterfront.

There's also a community room that's being offered in the proposal for the community. Across the street on the piers, you have two piers that resemble the historic sort of finger-pier format. They're two-story structures, mix of office and retail and commercial, a lot of open space committed here.

Especially notable is what we call the Water Room or what Strada has called the Water Room, which is the floating pool plus the basin that has room for personal watercraft, some floating wetlands and also access to the bay on south side.

On the eastern edge is a deep-water berth. They included an access diagram how to get to the deep-water berth from the Embarcadero as part of the proposal and adequate layover space aside the berth for loading and unloading and provisioning of the boats. Next slide.

The program here is what Strada TCC proposed. Of the 13-acre site on the piers, they propose 376,000 square feet of rentable office. The retail/restaurant component is about 31,000 square feet. Open space on the pier is about 160,000 square feet.

And then, of the 2.3 acres on seawall lot, there are 610,000 square feet of residential. If you skip below all of the square-foot metrics, you see other ways that we're counting what the proposal include -- for instance, the provision of a deep-water berth on Piers 30-32, 643 market-rate units on the seawall lot, 57 inclusionary affordable units mixed in with the development and with 643 and then a separate building that's 100 percent affordable also in that same parcel of 150 units, bringing the total to 850 units. Next slide.

Now, I told you that we met with the Northern Advisory Committee and the Maritime Commerce Advisory Committee last week. It was kind of a real hustle to get the recommendations on September 8th turned around and wrapped up for a presentation on the 16th and 17th and then again another bit of good work to get this to you.

But we think it's really important to keep the conversation warm and to highlight the points of these meetings because we know you have a very important decision to make today. So what we did is we summarized the basic comments from both the community meeting and the Maritime Commerce Advisory Committee.

I'll read them real quickly. In general, there was an appreciation from both groups that the community values were reflected in the response. There was an appreciation of the strategy of making both the piers and the seawall lot a community asset and a revenue generator especially so given the condition of the properties the way they are today.

There was a strong concern and desire for a strong plan to manage parking and traffic at both sites, not just the residential part but also considering the development on the piers and a very, very strong interest in an ongoing dialogue with the community.

Rebecca mentioned that early up. This is the very beginning of the process with the proposer. But I wanted to make sure that we hear loud and clear that this is conversation that has a lot of stakeholders who have a lot to say and hopefully find this opportunity to work with the proposer.

On the piers, there was a real appreciation for the overall engineering approach. This is not a rehabilitation of a compromised structure. This is the demolition and a rebuild of the structure and a rebuild to a smaller footprint.

That helped bring the cost down of the construction. They appreciate also that there is a deep-water berth and berth access accommodated. That came up a lot during the Maritime Commerce Advisory Committee meeting last week.

There was some acknowledgment of the design strengths on the piers. The similarity to the historic finger piers was appreciated. The site circulation and the low profile of the buildings on the pier impressed people.

There was an appreciation of the reduced footprint of the rebuilt pier as a benefit to bay ecology. So it's less cover of the water by more -- opening up more for the water. An appreciation for the public access areas -- there was a better understanding of the proposal of what the Water Room meant with the help of Strada walking the community through the process.

I'm sure that Strada would appreciate that opportunity to talk with the community in general about that if this is a negotiation that will continue after today. But there was also concern about the market demand for office in this post-COVID world.

Now, office was part of all three proposals. It's just a healthy thing to put up here in the chart. Are we in such a different world that the office that would be proposed would be used the way we thought prior to COVID?

But there was also a reminder that the timeline of building this project would be well past hopefully the full recovery of our experience with COVID.

On the seawall lot -- last column -- we have -- there was an appreciation of some of the sculpture of the design of the architecture, the setting back of the tiers to open views. But there was a lot of concern about the height and the massing of the residential building particularly along the Embarcadero and Brannan Street.

And there was some conversation with the Northern Advisory Committee about the ability for Strada to reshape that or modify some of those issues of height. It

was generally seen though as a better long-term use on the site than the Navigation Center or parking lot. And there was an appreciation of the proposed community space in Seawall Lot 330. Next slide.

So here we are then. At this point where today you may take the action, it would direct staff to a negotiation with an exclusive negotiating agreement with Strada TCC. The ENA subject to future approval would be a contract between the parties until a lease disposition and development agreement is signed.

But the terms will require collaboration with regulatory agencies. So BCDC, State Lands Commission, the U.S. Army Corps of Engineers are all very important stakeholders in moving forward with any of this development on the bay.

We recognize that. We're actually making sure that's reflected in our next diagram as well. We will include the parties' responsibilities in the ENA. That includes a thorough community and partner engagement.

It'll conduct site due diligence, negotiating terms and conditions including a community-benefit package, adhering to the performance schedule, completing the financing plan and the land-use plans and completing the California Environmental Quality Act provisions to secure the entitlements for the project. So that's what the ENA would fundamentally include. Next slide.

So here we are at the end of my presentation. We've got these resources, as I said, on hand. Clarke Miller and Jesse Blout from Strada, Debbie Kern from KMA in case you have any questions.

But where we are today -- the staff is seeking the commission's approval to begin ENA with Strada TCC, LLC. And then, once that's signaled, we start the collaboration in a much more intensive way with the community and with BCDC, State Lands Commission, the Army Corps of Engineers.

And we would then come back to you and seek approval to enter into the ENA itself after we have these community conversations and dialogues. With that then, I'd like to leave it to you for any questions. And I appreciate you sitting with me for this presentation.

**ACTION:** Vice President Adams moved for approval. Commissioner Woo Ho seconded the motion.

Public Comment on Item 11B:

Bivia Sunami - Yeah. I had a question about the timeline. Like what is the typical timeline and milestones for a project like this? That was the question that I have.

President Brandon - Okay. Thank you for your call. We will answer the question. Okay.

Alice Rogers - Good afternoon, commissioners. This is Alice Rogers again. And I am here as, once again, a member of your waterfront land use update working group and also a neighbor. And I would encourage you to please go ahead and authorize this exclusive negotiation.

I think that the process that you set up was very thorough. The responses were robust. The reviewing panel -- I know, having served on another review panel -- was exceedingly well managed and was supported by very good professional support staff.

So I think that it's very, very important to get these properties into more productive use. During our discussions over the years with the Navigation Center, our community is often divided. But during that discussion, I think, to a person, every person said, "Port, please put these properties into productive use." This is the first step. Please do it. Thank you very much.

President Brandon - Thank you, Alice. Next caller, please.

John McGrath - Hello. Hi. My name is John McGrath. I'm actually a resident of South Beach. And I wanted to make a couple of comments. First of all, I'd like to thank the staff for their thorough work on this project. But as a resident, I'd like to point out a few things that concern me personally.

One is the traffic. Even before the buildout of the Mission Bay and several new condominiums, the traffic in our area has been horrible leading up to the Bay Bridge. And then, on top of it, they've now eliminated a number of lanes for bikes, which by the way I support.

But it's not going to add to the problem. And then, you throw in the Chase Center and the ballpark. And to now add, you know, several new towers of residences, offices, etcetera, I just want to make sure that the team does a thorough study because it feels like we've got a disaster happening for traffic in the neighborhood. It won't get any better. So that's point number one.

Point number two is just a question of, do we actually need more high-end apartments, condos in this neighborhood? It seems like we're a bit saturated right now. We have projects that aren't selling very well in the neighborhood.

And we have a whole bunch of residences coming on in Mission Bay. At the same time, I think there's a lot of questions about the future of the property values in this area. And having an overhang that might be four years, six years, etcetera while we figure this all out is something that I think is very serious.

At the same time, we're also seeing the office market really soften. We saw Pinterest pull out of one of their projects as well. So when we think of this space, is it better used for something that's more open to the public, something more on the lines of what [New York] has done building open fields and ballparks, etcetera, as opposed to adding additional office space to this area that, frankly, I don't think any of us can say whether or not we know will be needed or not.

I think that this coronavirus has been eye-opening to us. And also, I think there's one last topic I'll bring up is -- you know, the neighborhood spent a lot of time and the Port discussing the Navigation Center and the serious need for housing for the homeless.

And now, we're throwing up high-end luxury apartments. It seems like the commission is actually speaking out of both sides of its mouth. I see that there is a low-income-housing component. But when you look at it in the totality, it feels as if it's not -- it's really not meeting the goals.

Barbara Inaba - Hi. Good afternoon, commissioners. My name is Barbara Inaba. I'm a Portside resident across the street on Bryant Street since 1994. So I commend the Port and the staff in getting to this point on a development plan that they've been so earnestly trying to do for 30 years.

And I do echo the previous commenter. I think his name is [Bryant]. I echo everything that he said. And I agree totally with him. I do want to say other things though. The massing of the seawall lot, those two towers, the part that Mr. Albert presented talks about massing on Brannan Street.

It's not Brannan Street It's Bryant Street -- the corner of Bryant. Portside is at 38 Bryant. We have a small seawall lot right in front of us that's a green grass area. So we don't really abut the Embarcadero.

But these two towers that are 160 feet on the corner of Embarcadero and Bryant, they abut the sidewalk is totally massive. It's almost twice the height. We're nine stories. It's almost twice the height of our Portside. This is 160. That's 16 stories. And the other one is also obstructing the view. It's obstructing our [value].

It'll create [unreasonable] shadows. So the development looks pretty. It might seem to meet all of the criteria. There's all kinds of criteria that the Port has presented, the waterfront plan, the Port goals, the RFP [and set] objectives, the Port's strategic [plan objectives], the Port community value.

But inherently, all these really big problems -- the massing, the tower height -- I don't think that the Port, the waterfront [park that's] -- in echoing the previous speaker, I think that too much commercial space is just being plopped onto the Port water. And they're like -- they're just appeasing the maritime [need].

Who's going to use a big public pool? I belong to the Bay Club. We have an outdoor pool. We have an outdoor pool at Portside. They're small. It's really not conducive to the ADA, to kids, to families. How do you get into this pool?

The access is ridiculous. Berthing for yachts and whatnot that only -- there's no social equity there. It's only for the wealthy. So I ask -- you know, it doesn't really meet everyone's needs. It's only for people that can afford to have a vehicle to bring the kayaks to even unload it.

The condition is incredible. I mean, this is COVID time. I was actually coming home from an appointment. And I had to, during mid-day -- or by 1:00 in the afternoon coming on the Embarcadero to turn left onto Bryant -- actually, the [two line] between the left turn lane was going into the other [two through lane].

So I ended up driving onto the Embarcadero on the pier side to get into the driveway, so I wouldn't have to wait and block the traffic. It's already congested.

Another thing is that -- you may not know it. But San Francisco is actually going forward with a [congestion impression study]. And they haven't included the Embarcadero as part of that.

[Mark Dragan]: Hi. I guess I'm live. My name is Mark Dragan. I'm a 15-year resident of South Beach. I live in a condominium complex where I'm the president of the board. We have 336 units. And I'm a member of the Northern Advisory Committee.

So I have seen this proposal. First, a shout out to Peter Albert -- he has done a phenomenally good job responding to emails at midnight, working off the clock. He's done a terrific job. I'm opposed to this proposal for two principle reasons.

The first is it obliterates the waterfront plan. It's not at all consistent. It's seeking for a 2X height variance, which is just massive. A lot of time and effort went into the waterfront plan to slope build things as they move to the Embarcadero. There's a reason we have that plan.

And this proposal ignores it. And it's particularly frustrating when the other two proposals actually complied with it. They were being good neighbors. So this proposal is just inappropriately sized for this location.

Additionally, the 8 Washington project, if it told us nothing else, it's that the citizens of San Francisco do not want walls on the waterfront, which is what the two towers here would create. If we move forward with this, we're signing up for years of contentious public hearings over the massing of these two towers.

And I don't think anybody wants to go through those public hearings again especially after having gone through the Navigation Center process. So the first point was it's inappropriately sized. It doesn't comply with the waterfront plan.

Number two is it's an economically bad deal for the Port. And KMA can discuss this later. Under this proposal, the Port sees a \$1.5 million land lease for each year and then doesn't see a dime until the developer reaches an 18 percent internal rate of return.

In a world where there's a 0 percent federal funds rate, 18 percent hurdle rate is incredibly high. It means the Port's likely not to see anything. And even if they do, it won't be more than \$13.5 million for a 75-year ground lease.

An alternative proposal from Vornado -- and I'm just reading this from the KMA study -- pays not only the land lease of \$1.5 million but \$135 million in participatory rent, 10X what this proposal does.

This proposal is capturing all of the economic gain for the developer and none for the Port. As Port Commissioners, you have to be fiscally prudent when you enter into a 75-year land lease. And this just does not generate enough revenue from the Port relative to the other proposals.

So to sum up, it's inappropriately sized. It doesn't comply with the waterfront plan. And two, it's not a very good financial deal for the Port. Thank you. That's all. Bye-bye.

[Carol Hart] - Hello, commissioners. And thank you so much for taking the time to hear from us. My name is Carol Hart. I'm actually a resident of the Watermark. I've owned a place at the Watermark since the time it was built.

I'm very concerned about the proposal. And I think that just, in terms of an overview, the way I see it is there's this beautiful and dramatic proposal for the piers. And it's just so appealing. And to me, it's beautiful. I mean, it's a lot better than looking out a flat concrete parking lot that we have right now.

But I think -- and this is per normal with the seawall lots -- the proposal for the seawall lot is sort of devastating in every way to the neighborhood. I would incorporate the comments from the three people who spoke previously.

Traffic -- traffic alone -- it was discussed when the Warriors proposal came forward that that area is already just wall to wall. Right now, it's somewhat down because of COVID. But basically, many times of the day, you can't move through that area.

Now, the idea is to put a huge increase in number of residents in the area, which means much more need for emergency services, much more need for

ambulances, potentially fire. How are they going to get there if the traffic increases the way it would inevitably with this proposal?

Also, I would agree completely that, when voters voted for Proposition B, what they were saying is we do not want the Port approving walls on the water, these giant buildings that completely violate the waterfront plan, that are not consistent with community character or the view of San Francisco as a step-down city with the highest buildings on the hills and then coming down so that there's this clear, open view and experience of the waterfront.

And that's what, I think, your job is as commissioners. And I have to say, you know, just as a resident of the Watermark, it may not be that we have the absolute right. But we definitely depend on what we're told at the time we spend millions of dollars to buy these apartments and condominiums, which is 105 feet.

Now, you know, the proposal is basically to obliterate that view. So along with everything else, it's hard to understand how that's in any way fair to the land owners. Although, I certainly understand perhaps an argument could be made.

So I think that, again, incorporating everything that's been said, I think that this project -- it's made to look appealing. It has appeal. But I think it is completely violative of community character and the experience of that neighborhood. Thank you.

[David Horowitz] - Hi. My name is David Horowitz. I'm a resident of Brannan Street. President Brandon, Vice President Adams, Executive Director Forbes, commissioners and staff, thank you for the opportunity to speak.

Quickly, I'd like to commend the developer on thinking about recreation and open space on the piers. Although, I have to agree with previous callers that some of that recreation space is limited and kind of high end. We really need ball fields and playgrounds in this area.

But the seawall plan, really I feel very strongly is too dense and too tall for the reasons that my predecessor callers have already mentioned. Reasons exist for the height limits in this area along the Embarcadero.

And this plan far exceeds these limits so the detriment of the neighborhood residents who've invested in views that they'll lose as well as area visitors who use the area to get to Oracle Park, Chase Center and the other wonderful waterfront amenities that we have.

And they'll have to deal with new crowds and new traffic that were not expected and that the area has not been built for on an infrastructure basis. So my recommendation would be respectfully that the Port Commission terminate the RFP process and pursue other actions. Thank you very much for your time.

[Alan Dundas] - Hi. This is Alan Dundas. I live along the San Francisco Watermark. Actually, I'm Carol's neighbor. My comments are going to be very similar. I've got something I want to read here. So in 2014, the citizens of this great city overwhelmingly approved Proposition B, which simply required new construction adhere to long-established height limits or require approval by the citizens via a subsequent citywide proposition.

The voters of San Francisco strongly communicated their values that development along the waterfront not create a "wall" instead a step down in height from taller buildings behind them. The other two proposals for this property appear to have listened to the community and fit within those requirements.

While the Strada proposal mentions it adheres to height limits on Piers 30-32 for the seawall lot, the current proposal does not meet these limits and, in fact, creates 180-foot wall along Beale.

Community values was mentioned over a dozen times in the presentation that we just listened to. I ask that the Port Commission not ignore the voice of the people of our city, not ignore the values that the community legislatively established and require any project to meet these Proposition B height limits. Thank you.

Ress McGillan - Hi, everyone. Members of the commission, I want to thank everybody for the hard work that they've put into assessing this project. I am [Ress McGillan]. I am a resident of the South Beach area. And I wanted to echo my neighbors who spoke before me on very similar issues.

But I wanted to bring up something that is very important to the city, which is our homeless crises, which the city has tried to address by putting in the Navigation Center. Unlike many, I was actually an avid supporter of it. And I was very happy to see it there.

And it's just a step forward to help address, you know, our homeless issues. And now, we're thinking, you know, why don't we just put in two high rises, luxury towers to replace what we have fought very hard to try and fix?

Knowing this area, having lived here through regular days and game days, trying to get home from Bryant [on] Beale Street has been a complete nightmare. Sometimes, it's been about 25 minutes just trying to turn from Bryant Street to Beale Street.

There's no other way to get on that. So COVID has dampened things down a little bit. Traffic got better. But I'm pretty sure, once things are back up to normally hopefully in the soon future, traffic will pick up.

And adding 850 residences just doesn't seem like the sensible thing to do. As much as I would love to see like a park and something beautiful to look out on on the pier, I don't agree on breaching the height restrictions and adding this many units.

And I also am an advocate for the homeless population and trying to make, you know, our less fortunate folks' lives better. And on that, I would like to hope and advise that you would take into consideration such a large-impact project and perhaps pursue other opportunities. Thank you for your time.

[Thomas Williams] - Hi. Good afternoon. My name is Thomas Williams. I'm a resident of The Brannan in South Beach. And I just want to mention first of all South Beach is an inclusive community. For example, I'm proud that we have the Delancey Street Foundation, which Pacific Heights rejected.

But I unfortunately believe it's a farce that we will create a luxury swimming pool in a city with extreme homelessness. I hope all stakeholders fully investigate realistic parking expectations and realistic parking solutions to keep harmony within our South Beach neighborhood.

Strada's proposed project of 850 residential units potentially surpasses occupancy of One Rincon Hill, the 700-unit, 60-story tower. Rental households in San Francisco usually have more than one cohabitating adult. Therefore, 850 rental units has a very realistic potential to add hundreds of cars to South Beach.

South Beach proper does not have large parking structures akin to Mission Bay. Street parking in South Beach is limited. But long term, it will become unsustainably scarce if 850 rental units are constructed.

Due to COVID, we in South Beach have not seen the parking consequences of the Warriors and the Giants stadiums at full capacity. The further scarcity of parking will impact the quality of life for homeowners in South Beach.

I'm also afraid South Beach commercial real estate is oversaturated. Pre-COVID-19, 239 Brannan at Colin Kelly, 274 Brannan, 300 Brannan and 599 Second Street at Brannan were empty. That's four empty storefronts outside my home pre-COVID.

Two Bryant Street across the street from Seawall Lot 330, a 53,000 square-foot commercial space developed by Strada is advertised for lease on LoopNet. I'm not incredibly bullish about the future of commer -- of just the immediate future of commercial real estate.

And I really hope that the commission considers long-term solutions. And I'm just not keen on what I perceive is an unrealistic and opportunistic building proposal on our public lands. Thank you. I yield.

[Earl Gee]: - Good evening, commissioners. Hello? Yes. Good evening, commissioners. My name is Earl Gee I'm a resident and business owner at Portside directly across the street from the proposed development at Seawall Lot 330 and Piers 30-32.

As one of the closest and most adversely impacted buildings to the proposed development, we are important stakeholders who must live with the consequences of this decision on a daily basis. The majority of our concerns with the proposed development including its improper height and massing, disregard for the waterfront plan recommendations, exacerbation of untenable traffic congestion and increased exposure to air pollution are a direct result of the proposed development's unacceptable scale and density.

I understand and support the need for housing. But to destroy a neighborhood by imposing mega density upon an already densely populated and congestion-compromised neighborhood is simply wrong.

When I and my fellow residents need to sit in Bay Bridge rush hour traffic on the Embarcadero, Harrison Street, Bryant Street, Main Street and Spear Street surrounding our complex for an hour or more just to get back into homes -- this is not progress.

This is the price of poor planning. I understand the need for housing around transit corridors. But when it is applied to an area that is already a major choke point for vehicle traffic feeding to the Bay Bridge, Highway 280, Highway 101 and renders its surrounding streets impassable and neighborhood unlivable, it is problematic public policy.

I urge the Port Commission to deny the authorization of an ENA with Strada TCC for the Piers 30-32 and Seawall Lot [RFP]. We sincerely hope the Port will not only hear the community stakeholders most impacted by their decisions but address their legitimate concerns. Thank you.

[Rick Dickerson] - Hi, commissioners. This is Rick Dickerson. I'm chair of the Embarcadero Safe Navigation Center advisory group and a long-time, several-decade resident and person who works in the South Beach area, used to also be chair of the Rincon Point-South Beach CAC when a lot of the plans for the area were being put together.

And first off, I would like to say thank you on behalf of the Navigation Center advisory group for continuing on with the RFP process for -- as was promised for this site and the pier -- the seawall lot and the piers and continuing on through the whole COVID-19 pandemic.

I know that it hasn't been easy. And once again, thank you for everyone submitting proposals. I think that you got three interesting proposals.

Unfortunately, I have to echo a lot of the things that other people from the area have brought up with regards to how the seawall lot is laid out in this particular proposal. The piers itself, the plans for the piers itself are kept low profile, which was brought up in the proposal.

But the problem is that, unless you're driving along the Embarcadero, you're really not going to see it because you're building -- the proposal is building a wall along the seawall lot. And there was a great deal of time and effort over a couple of decades through lots of negotiating and discussions about how to keep the Embarcadero open and the waterfront open.

And as they've cited, Prop B was passed by the voters of the city to try to do such a thing. And by doubling the density and massing on the seawall lot, it's going totally contrary to everything that the South Beach neighborhood tried to put together and that the voters of the city have said that they would like to see.

So if this is going to move forward, I would hope that there's going to be significant change to the design and the massing on the seawall lot by the developer and the P -- and I hope that the Port would mandate that there be a lot more outreach to the community because I think, as you're hearing tonight, there is a lot of displeasure in the community with the way that this has been put together. Thank you. Appreciate it.

John Cornwell - Thank you, commissioners and staff. This is John Cornwell. I'm a 26-year resident in Portside, across the street from the project sites. And I'm the president of the association. And I'm a founding member of The East Cut CBD.

And I've been involved in development attempts on the pier going all the way back in the early '90s to the original Lendlease cruise ship terminal project, Warriors, etcetera. And all those projects and all that time, even prior to the passing of Proposition B never proposed more than like 300-and-some-odd units. They were 250, 330, 350, something like that.

Eight hundred fifty units -- just to put this in perspective, this project is taller and larger than the Hyatt Regency. Let me repeat that. This is a bigger project than the Hyatt Regency. And the way thing is designed where it dips down in the center, it pushes the massing and the height onto the streets and onto the Embarcadero.

I mean, it's a really ridiculous design. I don't want to repeat myself or repeat what everyone else has said. But this is the most diametrically opposed plan to Proposition B that anyone could come up with.

And you know, in terms of traffic, the only egress to this thing -- it's not going to be on the Embarcadero. It's going to be on Beale, which is a cul-de-sac, which leads right onto a five-way intersection onto the Bay Bridge approach, which will completely mess up that.

And we paid and had some traffic modeling done during the Warriors proposal. And we already know that we're already beyond capacity. I mean, some of my neighbors and myself -- we have to park at rush hour a block away in a meter, walk home and then come get our cars after 9:00.

Even now with COVID, I was stuck in traffic. So this is not a very serviceable area. You know, also, there was not a lot of outreach to the community. I know the northern waterfront group. But that is not necessarily reflective of people who are immediately impacted.

And you know, we're really, really unhappy with the idea that someone is going with a 220-foot of elevation on these things when Proposition B limits them to -- I think it's 105 and 160 or something like that. I mean, this is really kind of affront.

And I think it's very arrogant, frankly, of Strada to assume that they're just going to blow right through those. And they might. They're very well connected. Who knows? Get some legislation passed, and just trump all this.

But as -- you guys have the responsibility to make sure that the legacy of the Port is that it's something that works with the community and the community intent. And this is the exact opposite of this. And I find it a little disturbing that one of your commissioners has recused herself.

I'm glad she did. But the fact that she was connected to one of the proposals kind of leaves me a little bit concerned. And then, lastly, you know, this pool [unintelligible]. But who is going to use a 55-degree pool?

I think it's an insincere community offering that they hope nobody will use. It's essentially a water feature for an office park. So anyway, I hope you guys do the right thing and go and look at something that's more community serving and in line with Prop B. Thanks.

#### Commissioners' Discussion on Item 11B:

President Brandon - Do you want to address any of the concerns that were brought up or talk about the timeline or the traffic study or the finances or the height limits?

Peter Albert - Thank you, Commissioner. I think what I do want to say is that I heard a lot of these concerns. And I think that it's really clear to everyone who's been involved in this that this is the beginning point of a conversation.

This is not, as Rebecca said, the final step toward any kind of entitlement. So what I would like to do is I'd like to allow you, the commission, to perhaps check in with the -- I think the team Strada is still here.

When they were representing their project to the community and to us, they kept saying that they were looking forward to these kinds of conversations about the height, about the density, about the configuration. So I don't want to speak for them. But I do want to make sure that they have that opportunity to explain their rationale at this point.

Jesse Blout - Sure. I'm happy to respond. This is Jesse Blout. I'm a principal at Strada. Yes. And by the way, I'd like to thank staff, Peter especially, for all the great work and moving through a very effective and fair and transparent process here.

And President Brandon and commissioners, Director Forbes, we're thrilled to have been, you know, recommended for this process. But as Peter said, you know, this process of submitting to an RFP is an unusual one for Strada because, as folks who've been involved in other projects of ours know, we often spend months in the community working through these kinds of issues before we submit anything to the planning department, for example.

And if you look at, for example, our most recent project in Bayview-Hunters Point, we got a unanimous approval from the Planning Commission, no opposition. And part of that was a testament to how we engaged in the community.

With an RFP process, unfortunately it's not possible to do that same kind of community process. You kind of go off into your shuttered room and come up with an idea and hope that it meets the expectations of the policymakers and the community.

You know, as it relates to the seawall lot, you know, we have been trying to balance a series of policy objectives that have been articulated in the RFP. That includes, first and foremost, paying for a considerable amount of public infrastructure, by our math \$370 million worth of pier and seawall strengthening, sea-level rise, east berth, public amenities.

So those costs have to be borne in some fashion by the project. So we took the view that it was important to address on the water side of the project past precedent and develop a footprint for the pier side that was consistent with past precedent. That's why we ended up with 375,000 feet of office that addressed all the goals for maritime and public access.

And really, the seawall lot becomes the sort of economic engine to deliver that as well as community benefits like the 25 percent affordable housing that we're proposing, you know, to be fully financed by the project itself.

That said, this is a starting point, as Peter said. And we're very interested in having a very deep and authentic conversation with all the stakeholders that have articulated their concerns. We said that at the Northern Advisory Committee. This is the beginning of the beginning.

And you know, I'm hopeful that we can come to, you know, a shared approach that addresses the desires of the Port to have the project pay for all these improvements but still meets, you know, some of the concerns that the community has addressed.

I will say, on the design, that we took a very intentional approach to take a set of zoning constraints as currently envisioned that creates really a very long, linear wall along the waterfront. If you max out the current zoning, you can end up with a very long street wall -- lower street wall be it than what we proposed but a very long street wall.

And instead, what we did is we said, let's push the density of the housing up to the edges and the farthest corners of the site and depress the middle of the site in the middle of the Embarcadero. And we walked through at the last presentation, you know, the visuals of that.

And the idea was to create a valley in the middle of the site to preserve some views. Obviously, there's some people that aren't happy with that approach. There's a million ways to approach the massing of this site.

And we're happy to engage with the neighbors in those kinds of discussions. And we said as much at the Northern Advisory Committee meeting last week.

President Brandon - Thank you. Someone had a question about the timeline for these type of projects.

Peter Albert - I'll start with that. This is Peter Albert again from the Port. So if we could go back to the next steps slide. I don't know if Carl -- there you go. It's very generic because the point would be that we're not actually entering into the ENA.

Today, what we're talking about is the approval to begin the ENA negotiations. But entering into the ENA would be at the conclusion of a fall and a winter of collaboration with the regulatory agencies and the dialogue with the community.

And it's important. As you heard today, the community is not just one entity. There's a whole bunch of different stakeholders who care about what comes out of this. So it would be at the conclusion of a series of meetings with the community stakeholders, with the regulatory agencies that we would come back to the Port to see if we're ready to enter into an ENA.

And I guess that that would be the conclusion of this request that we have the kind of community dialogue that the community has told us they want to hear and that Jesse has offered to provide.

President Brandon - Thank you.

Rebecca Benassini - Commissioner Brandon, it's Rebecca. Maybe it's helpful also for me to state what we've seen in past projects. I mentioned earlier I looked at our four last developer solicitations that led to project approval.

I mentioned the shortest duration we had was on the historic core at Pier 70, which is about a 300,000-square-foot project. That took us two years from developer selection to approval. Our longer timeframes that we've taken are on the Pier 70 28-acre site and the Mission Rock site.

Those took six and eight years respectively from selection to approval. I'd imagine this sort of a project is somewhere in the middle between two and six years are the sort of timeframes we typically take.

Of course, Jesse is proba -- Strada, I'm sure, would like to go as fast as possible. But that's what we do. And that's how long we've seen these sorts of processes take so multiple years between selection of a developer through project approval.

President Brandon - All right. Thank you. Okay. Thank you, Peter. Commissioner Woo Ho?

Commissioner Woo Ho - Okay. Thank you. Well, I want to open my comments to say I feel a little déjà vu here but different déjà vu. When we first proposed the Navigation Center for the homeless and the initial reaction, as you know, was just horror by the neighborhood, and it's interesting now to hear somebody say, "Well, let's keep the Navigation Center."

So all the terrible things that they envisioned as a result of having a Navigation Center did not materialize. And I think what I'm trying to say is sometimes you have to have a little vision and look over the horizon before you react to everything in front of you.

And I do think that, because the community perhaps, the neighbors have not had a chance yet to engage as fully -- and I'm very glad to hear Jesse say that you will have a discussion with them -- that we could come up with something that I think can meet -- it will not be perfect.

I mean, you cannot help to satisfy everybody's individual objective. There's a little bit of NIMBY here, I mean, because people realize that maybe their views may be affected. So I recall in many discussions on Seawall Lot 330 that the units behind them were told that, you know, something could be built in front of you.

So they've had the luxury of not having that happen. So I'm not saying that that justifies to have a huge, massive building. But on the other hand, that's something that they've gotten used to. So it's very hard to obviously now say, well, what we told you a long time ago is now starting to happen.

So I think we want a balance. And it's going to be up to, I think, our staff and Jesse if we go move forward and Strada to find a way that at least does find some balance here because I think, to say that we're just -- I don't think we're going to find any project that's going to meet everybody's demands.

I felt the massing on the piers on the other two proposals was too much. It's interesting my reaction -- my first reaction was the piers did not have tremendous amount of massing. Of course, if you're going to have finger piers, you can't to begin with.

That's just the nature of the way the preservation of the piers is supposed to be to begin with. You can't have two towers sitting out there anyway. And I understand the economics that have to be balanced by trying to figure out how to make the economic engine on the seawall lot.

So there's a lot still to be worked out here. It does not, to me -- I guess I should start off saying that we should stop this RFP. I don't believe that that is the correct path forward. I think we need to find a way to take this input and to go forward.

But number one, I want to just verify all the comments that we did hear that the current design absolutely does not conform to Proposition B. Is that correct, Peter, what all the speakers said?

The height limit -- I thought we couldn't do that. I mean, after 8 Washington, I thought we -- you know, that was the issue then. And then, I thought that -- and it pushed Prop B. So I'm just surprised that -- so could you comment on that first?

Peter Albert - Sure. I'd be happy to comment and to let my colleagues do too. So what's happening with this proposal is that they're working off the base zoning, which is 105/65, meaning towers up to 105 feet, base 65. That would be the base zoning that's allowed.

They're using the state density bonus law to have the state provide exemptions to a limited extent above that, up to about 35 percent of the floor area. So they're working off a base code and going higher by virtue of the state bonus.

And its relationship to Prop B, I understood, is something that is -- the attorneys are still looking at whether this is the base zoning or new base zoning. I don't know if anyone on the Port wants to elaborate on that.

Rebecca Benassini - It's Rebecca. I can provide just a little bit more detail. The key point, commissioners, is under Prop B, if the Port exceeds the height limit, a vote of the San Francisco residents would be required.

What Peter is alluding to that I don't think we have complete legal analysis on is whether or not increasing the height for the state density bonus would require a vote of the people. We will have that definitely nailed down as we move forward.

But we understood that was what the developer's approach was, was to take the base zoning, add the density bonus. And then, whether or not you would require a vote of the residents under Prop B to get to that height is something that we haven't tracked -- we didn't have the benefit of sort of full legal analysis at that time.

Commissioner Woo Ho - So my one comment to staff on this is that you can always anticipate that there's going to be neighborhood or community reaction to height. And that perhaps should have -- at least your response -- I think you should have anticipated to have explained it in your presentation and not to have them tell us that this is an issue because it sounds like we're ignoring it.

And yet, you understand the issue. There is a possible way to interpret it. We don't know the answer. But it just seems like this has gone viral with the neighborhood. So I think it's unfortunate that we find ourselves in a defensive position about it. Okay. So that's my response on that.

I mean, I think that probably in the RFP we did ask for housing because that is the mayor's number-one issue. And we have affordable housing here. And I'm not quite sure how the tag luxury all of a sudden has appeared on this project because I'm not even sure -- because I just even asked last time to understand the mixture of housing.

I didn't -- we didn't talk about even what the rental rates were going to be. But somehow, this is already out there as luxury. I mean, I don't know if that's an accurate depiction of what this -- because there's a certain amount of affordable.

So I guess just because there's other housing, it means it's luxury? I mean, I guess -- I think we have to be very clear on how we communicate what is -- where did that label come from? Because I think that's something that we're also now having to deal with.

And the other part which -- that's all sort of perception, cosmetics, [whatever]. The other part was not being in conformance with the waterfront plan, the land-use plan, which was -- I want to point out -- an advisory plan. It doesn't mean that we're absolutely bound by it.

We want to live by it. But what are the issues related to the waterfront plan that -- the comments that we received?

Peter Albert - The height would be the issue that people are talking about. And it was flagged in the last presentation, the density bonus and the height issue not being resolved.

But the land uses, if you do a checklist of the land uses in the proposed plan, there's no inconsistency between what's being proposed on the seawall lot in terms of residential or what's being proposed on the pier in terms of the mix of commercial and retail. So the land uses are consistent with the proposed draft update of the waterfront plan.

Commissioner Woo Ho - Okay. So my other -- and I'm sorry I'm not doing this in a particular order. I just wrote some notes down. So I'm kind of going down my notes. And I guess, you know, I felt that the presentation that we heard last time that there was a fair amount of obviously community access, open space on the pier side.

And I was also a proponent even of the floating swimming pool, which I mentioned, and the amount of recreational access, which we have heard not today but in other forums where the community has said, "We want more water recreation. We want more access to that."

Well, this was an opportunity to provide that. And I'm not sure again where the label it's already going to be for, you know, a luxury swimming pool. It seemed to me it was going to be open to the public.

I don't think we've made any decisions about that. And I think it should be made to the public. So I don't know how that got twisted into -- because I thought it was a public benefit, a community benefit. And I think we need to -- that's what I understood. And that's what I would expect that that is the -- that would be part of the plan if this design moves forward in that regard.

So that would be another comment to say that I think that there was a lot of discussion of open access. And somehow, that is not coming across in presenting it. And I think, in talking with the community, we should make sure that they understand it.

Now, there may be people who don't care about watersports or human-powered watercraft or swimming. But I think having -- we have heard that from other people saying that that is an important part of what we should provide.

I mean, people want us to put like soccer fields on Piers 30-32. I mean, if you're a soccer player -- I mean, it's just like somehow -- we are trying to provide recreation of some kind.

Now, the other question I do have -- and I think I am empathetic to the issue that's been raised. And it's been raised every time we talk about Piers 30-32, when we looked at the Warriors and everything else. And that is traffic.

And that's right up your alley, Peter, since you've just [left] from the MTA. But one of the things that actually was not included yet -- and maybe it's just not included yet -- one speaker was, again, having concerns about parking.

So I guess I would ask just in general because some buildings in San Francisco are not actually building any parking spaces. And I would say that the trends today in urban living is not to own a car. That's certainly not the millennial generation.

And I would say this project with studios, one bedroom, two bedroom is probably more going to be either millennials or seniors who don't want to have cars. But that's just my own sort of interpretation of what the audience could be in terms of who could be living here. But is there any comment in terms of --

Peter Albert - Sure. Yes. Th --

Commissioner Woo Ho - Are there going to be parking? So that might address the issue of, you know, people being concerned about how many hundreds of cars are all of a sudden going to appear.

Peter Albert - So thank you, Commissioner Woo Ho. The parking and traffic -- one of the challenges in this RFP process -- and I think you heard it from the Strada team -- is that there's a phase and a negotiation that includes developing a really strong transportation demand management program.

So when I worked with you in the past, we were well beyond this point. We were actually defining what we would project in terms of use and mode split. And we would use a transportation demand management program to tweak the mode split because there are opportunities -- actually, there are unique opportunities in this location to have stronger multi-modalism.

You heard one of the members of the community talk about the bike lane. We've never known the benefit of a real, integral bike lane on the Embarcadero. That's part of what's happening now. There's the transit investments that are all within a short walk.

But what I would expect out of a good transportation demand management program in this location is that they're maximizing the resources that are available to help effect a reduction in congestion. And I know that that came up in one of the presentations from Strada to the community group in the past is that they don't even have yet the transportation demand management team on board because the RFP process is only conceptual.

But not to words in Jesse's mouth, Jesse you did tell me that one of the buildouts of your team would be a really aggressive TDM manager. Do you want to talk a bit more about that?

Jesse Blout - Yeah. I mean, obviously, we're at the very, very early stages. I think conceptual is the right way to describe it, Peter. I mean, we have probably 20 different technical disciplines that we would add to our team if we're so lucky to move on to the next stage.

Obviously, we're also -- and I want to at some point, you know, hopefully talk about our plans for equity and inclusion. But we're planning on augmenting our team in many ways including transportation expertise and particularly looking at a specific role for one of our team members on developing a real state-of-the-art TDM program to manage the traffic flows.

I think we also mentioned one of the things that we were really focused on is making sure to eliminate, you know, traffic going across the Embarcadero -- going across onto the Piers 30-32 site from the Embarcadero.

So we did not put parking for the office building on 30-32. We do have some across the street proposed for the seawall lot. But we really felt like it was important to not have parking on the 30-32 side to avoid the conflicts with peds and bikes along that side of the Embarcadero.

Commissioner Woo Ho - Okay. Well, I mean, obviously, you know, people are jumping in with very specific issues and comments. And I think that what we're trying to decide here is, given that you have scored on the highest side whether to go forward -- but I think that it's good to have this input because I think it will be that we will obviously as a commission remember that these are some of the concerns of the community.

And I don't know that we are going to be able to meet all of the demand. I do not think that we should stop. I think we have to move forward because I think, you know, we've been looking at making sure that we do have productive use for Piers 30-32.

If we don't do anything with it, it's going to cost us money to get rid of it anyway. So I believe it's better to have something. And Peter, you mentioned last time I would love to have something that's iconic that we can say, gee, between 330 and 30-32, we have something that is iconic of San Francisco, I mean, that we've made the waterfront better, more vibrant, something very attractive.

And that's what my wish would be. So I don't want to stop this process. I think that there is a little bit of a knee-jerk reaction from the community right now. And I'm not

saying we should ignore it. I think we just have to sort of digest it and figure out, as you go forward, how to come back.

And maybe there will be some changes in the design. So I think, you know, my expectation is that there probably will be some tweaks and changes in design so that we can all land in a happier place. But that's sort of where my head is at at the moment.

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

Willie Adams - Peter, thanks for the presentation. You know, I heard the public. I think Rebecca laid it out. We're in for a fight. This is going to be a fight. I remember when I moved to San Francisco. We've looked at a lot of uses for Piers 30-32.

First, it was the cruise ship terminal. Then, it was the Warriors. And this is going to be a fight. And it's really clear that Strada has to do more work in the community to get the community engaged. And if they could learn from anybody, that was the Giants who did their homework to reach out to the community and brought the community in as partners.

And if we didn't learn anything from the 8 Washington -- and clearly, there's that feeling out there. And I just was going to say to Commissioner Woo Ho, when you talk about the Navigation Center, Commissioner Woo Ho, that was to be a temporary center not something that was going to be permanent. So that's something that you didn't mention.

Commissioner Woo Ho - Last time in the last meeting, Willie, I made it very clear and said we have fulfilled our commitment to the neighborhood to say that this was only going to be temporary. And a lot of people didn't believe it at the time.

And I feel that we -- so I also should say that I feel -- if the public's listening in -- I think we are trying to be as responsible to all the constituents that we serve. And we will do our best to make sure that the designs here meet the community. But you're never going to meet everybody's wish 100 percent.

Willie Adams - Yeah.

Commissioner Woo Ho - But I think that we're trying to go for the greater good here. And I do agree that there could be a fight. But people need to be reasonable and balanced. Would they rather just continue to have what we have and force us to tear down a pier? Because that's what will happen.

Willie Adams - Yeah.

Director Forbes - And for the commission -- this is Elaine just stepping in on the process here. So one of the things Jesse Blout said is this is the beginning of the beginning.

And I just want to reiterate for everyone and for the public that what we've done at this point is done a competitive solicitation process, that we followed long community dialogue in the waterfront land use plan, went through a community process and a commission process to collect the goals and values in the RFP that the respondents came back to us with and had a professional panel review all aspects of the RFP and score them for the most qualified respondent and project approach.

This is before the community engagement and the process you're all used to and we're all used to engaging in. So it really is the beginning of the beginning.

And this part is so important for the values of a competitive, fair and equitable selection process so that, when Strada goes out with Port staff and has that really robust community engagement to vet some of these issues and respond to some of these issues, the public can be assured that we had a fair competitive process, and the Port Commission did due diligence in selecting who we would negotiate with.

So I want to assure everyone this is the starting point. These are reactions and responses to the proposal that have not had the benefit of robust dialogue and engagement. That is in the next phase of the project.

And just to be clear, Port staff will be working hard to bring back that ENA to commission promptly, will engage regulatory partners, etcetera. But the big community-engagement process that occurs and improves and makes the project everything we want it to be is to follow. So I just wanted to make sure everyone was aware of that.

Willie Adams - So Director Forbes, you're saying this could be like a five-or-six-year process?

Director Forbes - Thank you for that question. We need to come back with a timeline. Rebecca Benassini did a good job of explaining our history of how long it takes from this moment in time to the permits and shovel hitting the ground and groundbreaking.

We are going to be looking internally and working with our regulatory partners to really vet what we believe a schedule will look like and also to inform the public of what that schedule is and what the access points are for input and engagement.

But it's possible that is the timeframe. As Rebecca said, we're sure Strada would like to see it shorter. We would like to tighten the timeframe.

But the key critical element is that we have ample adequate stakeholder community engagement, that we vet all of the issues, that the developer has really good opportunities to collaborate and respond and that the project is ultimately -- the point of all of this effort is that the project best balances competing priorities because, you know, the economics to the Port vis-à-vis affordable housing or vis-à-vis other improvements that we want to -- marine improvements, maritime improvements.

All of these things need to be packaged together in a way where all the values are balanced. So that is that process with community.

Willie Adams - Okay. Thank you. Well, I gave my input. I learned a lot today. And it sounds like we did things a little bit different this way. We went ahead and got someone that we picked. And they had never done the community involvement yet.

So it'll be interesting to see as this goes on. And clearly, I agree with you Commissioner Woo Ho. There is going to be opposition. There are going to be some for it. I don't know how much it fits into the waterfront plan.

And how are they going to talk about the 800 apartments or condominiums on the waterfront? How is that going to work?

Peter Albert - And Commissioner, if I may -- I really appreciate Director Forbes sort of illuminating. What I do want to say is, when I've come to the Port Commission in the past, we've always been in that phase of the project where we've had that community conversations, and we've been shaping the development.

What's unusual about the RFP process is I'm act -- most people were precluded to talk to any city staff except for me. And my role wasn't to actually have an opinion about the development but to support the review panel, so they had all the information for the scoring.

So what I can tell is there's a lot of frustration because people wish they had the opportunity to have that correspondence with me or other Port staff. But the peculiarity of an RFP process restricts that because you have to keep the RFP process very sort of strict on its transparency and on its objectivity.

And it's just getting to that starting point where we can have the community dialogue. So I do want to help the community understand how frustrating it was for me as well to not be able to have a free conversation because we just had to get to this point of this authorization point to start.

I hope I made sense with that. I'm not sure I did. But [laughs] that's been my experience is, once we have that green light, that's when we have the sessions

with the community. Then, we come back to you when we think the ENA is ready to be authorized. And that would be an important part of the timeline that Director Forbes is talking about.

Willie Adams - All right. Thank you.

President Brandon - Thank you, Vice President Adams. Thank you, Peter. Thank you, Elaine. Thank you, Rebecca. Thank you, Jesse. And thank you to all the callers and all the community who have called regarding your input.

And I just have to reiterate that this RFP process was done differently than we've ever done in the past where it was just limited to the panel members until this point. So now is the time for all of us to look at the proposal.

What's going to be in it? And it's going to be at least a minimum of a year before it comes back for an ENA. So there's going to be plenty of time for all the community stakeholders, all the community advisory groups, all the policy advisors to be able to take a look at this project to see if it is viable to move forward.

But at this point, we're not making a decision on what actually is in the proposal. We're just saying that we want to talk a little further and see if we can make something work here. Right, Rebecca?

Rebecca Benassini - Commissioner Brandon, thank you for letting me [key in]. It typically only takes us two or three months to write an ENA. And just to be really clear -- and I'm sorry this has gotten -- if there's been any confusion.

It typically takes us two or three months to write the ENA. The ENA says Strada, Port -- we're going to spend a year or two working on this project. Strada will have to do X, Y or Z.

They'll have to meet with the community 10 times. They'll have to make sure they have these kinds of consultants and plans. We expect in six months we'll do design work. Another six months, we'll almost be ready for a term sheet on the deal points.

And the ENA just kind of sets out what are we going to work on together with our stakeholders, with our regulators, with the community until we can get this project approved if we're so fortunate as to get the project approved.

So the timeline is two or three months while we work on these milestones. Unfortunately, we won't be able to do a ton of community work during that time period. There just isn't enough time.

So I want to be really clear with the community that we will start that engagement. And the key things we'll want to hear from the community while we're drafting this ENA are things like, should we be working through the [NAC]? Yes, for sure.

Which neighborhood groups should we be working on? I think we have a good idea about that. Do we want to set up a subcommittee of some of these entities? And those will be our regular working groups.

How do we want to integrate other RFPs? We've obviously done the 38 and 40. And we'll be working on that project at the same time. We don't want to step on one another's toes.

So the timeline would be, if we go forward today, two or three months we're working on the ENA. And then, we come back for the ENA approval. And that's just setting forth the next couple of years to get to the final project approval. Does that clarify things a bit?

President Brandon - Yes. It does. Yes. It does. So when you come back with the ENA, you're going to have benchmarks of what should be completed or done over the next couple years before you come back with a project. So there will be --

Rebecca Benassini - Exactly.

President Brandon - -- a lot of time for community input and involvement.

Peter Albert - That's right. And that's --

Rebecca Benassini - You got it right.

Peter Albert - That slide in the presentation, Carl -- if Carl goes back, that might be a good slide to just show because it -- Rebecca's steps were spot on. Carl, if you could slip back to the -- what happens with the ENA. Before that, one more. There you go.

All these bullet points that Rebecca was talking about -- the ENA is structuring those relationships that we're going to have with the community and partner engagement and the due diligence and negotiating the terms and conditions. So that's really where the bulk of the work happens. And that's what we structure in the ENA.

President Brandon - Great. Okay. Okay. Well, as I said at the last meeting, this is going to take a lot of community engagement to make this project successful. So I look forward to the ENA that spells out the terms of that community involvement and engagement. Thank you, everyone, for your time. So Carl, can I have a roll-call vote?

Roll Call Vote:

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

President Brandon - Motion passes unanimously. Resolution 20-45 is adopted.

**12. NEW BUSINESS**

Director Forbes - On new bus -- sorry. I have two items, Commissioner. And then, I'll turn it over. I have that we will add an equity-in-contracts report for the resiliency program where we'll cover where we started, where we are and where we're going with our contractors and subcontractors.

And we'll also be adding a regular briefing and commission items as it relates to the resiliency program in the run-up to selection of the Prop A project, so everyone is well prepared and informed. Is there any other new business?

Commissioner Woo Ho - Yes. I'd like to -- it's been a while. And with COVID and everything, I'm not quite sure whether timelines have changed. But can we get an update on Teatro ZinZanni?

Director Forbes – Yes

Commissioner Woo Ho – Okay. So please work it out in the schedule.

Willie Adams – I've got one, Director Forbes. My understanding is that cruise ships may be starting back up maybe the end of the year, first of next year. Have you heard anything?

Director Forbes – We have been watching carefully. And we've seen various closures extended and some bookings, though not in the U.S. But we will look again and get back to you on what we're hearing.

**13. ADJOURNMENT**

ACTION: Vice President Adams moved to adjourn the meeting in memory of Supreme Court Justice Ruth Bader Ginsburg. Commissioner Woo Ho seconded the motion. All Commissioners present were in favor.

President Brandon adjourned the meeting at 7.26 p.m.