



SAN FRANCISCO PORT COMMISSION

**October 13, 2020
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION
HON. KIMBERLY BRANDON, PRESIDENT
HON. WILLIE ADAMS, VICE PRESIDENT
HON. JOHN BURTON, COMMISSIONER
HON. GAIL GILMAN, COMMISSIONER
HON. DOREEN WOO HO, COMMISSIONER**

**ELAINE FORBES, EXECUTIVE DIRECTOR
CARL NICITA, COMMISSION AFFAIRS MANAGER**

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING OCTOBER 13, 2020

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:08 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman and Doreen Woo Ho. Vice President Willie Adams was absent.

2. APPROVAL OF MINUTES – September 22, 2020

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

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

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

ACTION: Commission Gilman moved to meet in closed session. Commissioner Woo Ho seconded the motion. In a roll call vote, the motion passed unanimously.

At 2:20 p.m. the Commissioners withdrew to closed session.

- (1) Discussion and vote in open session whether to meet in closed session regarding the following matter pursuant to California Government Code §54957(b) and San Francisco Administrative Code §67.10(d) (Discussion and possible action).

PUBLIC EMPLOYEE APPOINTMENT/HIRING

Title/Description of position to be filled: Assistant Port Director

- (2) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Discussion Item)

Elaine Forbes, Port Executive Director. Discussion of Performance Evaluation pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

5. RECONVENE IN OPEN SESSION

At 3:20 p.m., the Commission reconvened in open session.

ACTION: Commissioner Gilman moved to adjourn closed session and reconvene in open session. Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

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

6. PLEDGE OF ALLEGIANCE

7. 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.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Alex Lantsberg - Hi. My name is Alex Lantsberg. I'm a neighbor of the Port. I live down in the India Basin neighborhood. For the past 20 years and I'm sure certainly longer, the rendering plant at the Pier 90-94 Backlands has been a noxious nuisance for the neighborhood, especially during the summertime especially when the winds start blowing off the bay.

This past spring and summer, the plant has been especially bad. And having been stuck here at home, the problem is much more noticeable. You know, I used to be -- I was on the Southern Waterfront Advisory Committee many, many years ago when the rendering plant was being expanded.

And we were promised state-of-the-art odor control, a community hotline, a better management from the Port. And all of that has gone by the wayside. It's really vital that the Port get a hold of its lessee. And if the lessee can't correct their behavior, it should shut it down. Thank you.

9. EXECUTIVE

- A. Executive Director's Report

Director Elaine Forbes - Good afternoon, President Brandon, commissioners, members of the public and Port staff. I am Elaine Forbes, the Port's executive director. And first and foremost, Port staff will be looking into the prior caller's comments about the fat-rendering plant in the Backlands. So thank you so much for calling in on public comment.

My report today will begin with an equity update followed by updates on economic reopening and the Port's recovery in light of COVID-19 and new guidance from health experts as well as some key project updates, Hyde Street Harbor and Teatro ZinZanni.

I will also provide more clarity along with Michael Martin to offer some reflections on waterfront development in light of last week's presentation on Piers 30-32 and Seawall Lot 330, so the public is well-informed on waterfront development generally and specifically the process for Piers 30-32 and Seawall Lot 330.

- Equity

So let me get started with equity. We are in the final two weeks of our listening tour for phase one of the racial-equity action plan. I want to acknowledge staff who have engaged and offered ideas on ways the Port can become a more equitable workplace, more diverse and inclusive as an organization.

Our racial-equity action plan is meant to be reflective of the Port's collective voice. And we're working to do that. I'm happy to announce that the Port has now replaced Boris Delepine, legislative affairs manager, as the Port's representative to the LBE advisory subcommittee.

Boris served on the LBE advisory subcommittee since 2016 -- he actually replaced me when I became Port director -- and received an award for contribution from the subcommittee upon departure. So we're able to fill those shoes with Stephanie Tang luckily. Thank you, Stephanie, for filling this important role for our organization.

I am also pleased to report that our partners at the contract monitoring division who are administrators of the LBE program are preparing to conduct an availability and utilization study of local minority-owned and women-owned businesses.

The evaluation of whether the current LBE program and related contracting processes have had the effect of reducing and reversing discrimination against black, indigenous, people of color and women-owned businesses will inform our efforts and advance equity.

These findings will be very important to the city and to the Port as we advance equity results across our systems and programs.

- Port economic recovery

To economic recovery, last week, the San Francisco Economic Recovery Task Force, the ERTF, released a report and policy recommendations at its final meeting following months of stakeholder convenings.

The task force was chaired by" Assessor Carmen Chu; Treasurer Jose Cisneros; president of the Chamber of Commerce Rodney Fong; and executive director of the Labor Council, Rudy Gonzalez.

Considerable collaboration and hard work went into this effort. I appreciated having a policy seat as department head on the effort along with other city department heads with missions that touch the economy.

This process really had thorough and impressive stakeholder engagement. The Port wishes to extend our appreciation to Assessor Chu and to all members of the ERTF who took on this very important work. The report advances 41 policy recommendations that focus on long-term economic recovery and development narrowing the gap for vulnerable communities and providing businesses more opportunities and flexibilities to operate and succeed in the short and mid-term.

Mayor Breed has already announced the first steps to support San Francisco's recovery including: moving forward on a permanent shared-streets-spaces program building on the success of the program that has been so helpful in the COVID pandemic; providing direct funding support to businesses; creating a pilot basic-income program for artists; supporting cultural districts; delaying impact fees; and waiving certain taxes and fees for businesses that remain closed.

These are just the beginning of San Francisco's work according to our mayor to get the city moving toward economic recovery and meeting the policies and roles of the taskforce. The Port stands ready to support Mayor Breed in this important rebuilding effort that she's already gotten started. These first steps will have very positive impacts on Port tenants and on equity.

To Port reopening -- as we continue to settle into the new phase of living with COVID-19, the Port submitted updated Pier 50 COVID health and safety plans to our city administrator that included very detailed floor plans and shop-specific risk-reduction procedures.

The city administrator did approve our plan and strategies. At this time, we're 80 percent back to resume duties in our maintenance division. And the remaining 20 percent are committed to deploy as disaster-service workers in our maintenance crew through the end of 2020.

I really want to congratulate our maintenance employees who continue to take care of our property with expertise and diligence while taking care of one another with real commitment to the public health department health orders and guidelines.

- Key project updates

The Port continues to work -- this is about Hyde Street Harbor. The Port continues to work diligently with state and federal partners to investigate the source of petroleum seeping from the shore and bay floor into Hyde Street Harbor and to continue to remove that petroleum.

Since the last update here at Port Commission, the United States Coast Guard has transitioned federal authority for this incident under national contingency plan to the EPA so from the Coast Guard to the EPA.

The Port and partner agencies are continuing to work together under an incident command structure. I want to commend our state and federal partners for exceptional collaboration and proactivity on this effort.

I am going to discuss the details of the operation in a good deal of specifics for those in the public and our tenants and commissioners who are interested in those details. [Daily] petroleum containment and removal measures continue along Wharf 9 and J10 shoreline.

At this time, the area of interest has expanded to approximately 600 feet of shoreline. The current containment includes two 300-foot-long rings of contaminant, one for Wharf J9 and the other for J10 and contaminant under the [Al Scoma's] bridge to prevent sheen from flowing into the outer lagoon -- into the outer lagoon, J9 and J10 area into the inner lagoon.

The Wharf J10 contaminant is two-ring inner-and-outer-boom configuration because the largest volume of seepage has been observed in this area and to facilitate safe mechanical petroleum-removal operations using a petroleum skimmer.

Recoverable petroleum is also removed using petroleum-specific absorbent pads and boom. All recoverable petroleum is removed from the water once or twice week Wednesdays depending on accumulation rates and as needed each weekend.

Passive recovery using absorbent is also employed to reduce risk in between weekday cleanings and over the weekend. To date, over 140 gallons of oil and over 1,300 gallons of oily water have been removed.

The Port has committed over 3,000 personnel hours including both hands-on craft and office-based professionals to this effort and approximately \$30,000 in materials to date. Regulatory agencies continue to support and approve of our plans and to help us in our approach of site management and our overall response strategy.

The Port, the Coast Guard, the California Department of Fish and Wildlife have collected samples of the petroleum product to forensically evaluate the fuel types to determine an upland source either from the current use or historic occupants' use in the vicinity of the site.

Laboratory analysis and review of the analytics are ongoing. We did submit a work program September 21, 2020 outlining all of our next steps. It's available to the public. We submitted it to the EPA. And the EPA has approved this work plan as of October 2, 2020. And I will continue to keep you posted in my director's report. Okay.

To Teatro ZinZanni -- negotiations with Teatro ZinZanni, or TZK, have concluded. And we now have a fully executed lease disposition and development agreement, LDDA, for the Teatro ZinZanni project.

Current staff is working with Teatro to finalize the construction plans as well as with the PUC and public works to finalize onsite and offsite utility plans. TZK continues to search for construction and permanent project financing.

The LDDA requires financing and close of escrow by the end of the year subject to allowable time extensions for delay not within the control of TZK. TZK has evoked one of our agreement time extensions called force majeure because of the profound impacts that COVID-19 is having on the hospitality industry locally and across the country, which is extreme, as we all know.

Hotel occupancy is currently at record lows. And construction financing may not be available in 18 to 24 months. However, there is a bright line here. Despite this economic downturn, TZK remains committed to this project but needs more time to find financing and will continue working closely with staff to monitor the market and keep this project moving forward.

Port staff will keep commission informed. We're hopeful the project proceeds.

- [Port solicitation processes for public-private partnerships for Port development projects](#)

And finally, I'd like to end my director's report actually by turning it over to Mike Martin but ending with the topic of waterfront development.

I'd like to provide more clarity and offer some reflections on the discussion at our last Port Commission meeting around the development proposal for Piers 30-32 and Seawall Lot 330. Upon reflection on the meeting with the leadership team at the Port and with staff, we all felt we could have done more in communicating clearly the process.

First and foremost, development on our waterfront always draws a great deal of attention. It doesn't happen all the time. So the process can be complex or confusing to some. And we really do need to have a shared understanding of our approach to development projects and where we are in this moment in time with the development proposals.

First, the Port Commission and the Port is absolutely committed to open and transparent development. We cannot develop our property or meet Port Commission mission without such a process.

Now to Piers 30-32 and Seawall Lot 330 -- now, we've had several failed development attempts at this site. So the Port staff worked with community partners to develop a set of community values to inform the request for proposals and the development of an open competitive process for the sites.

We did this, of course, with the commission's review approval and direction. The articulated community values were put into that request for proposals, which yielded several responsive proposals for the Port Commission's consideration.

The process that we set upfront put the evaluation and review of the project proposals, which includes the project, the project approach, team strengths and capacity all into the hands of an impartial and experienced panel.

The panel was advisory to the Port Commission. Port staff served as referees of a fair and competitive process. Upon the commission's selection of a proposal for negotiations, Port staff will begin then working with the winner of that process to refine, actually develop a project plan to perfect the selected project proposal.

In these negotiations, the project proposal will naturally evolve to incorporate solutions to concerns raised by the parties and the public. The project that is to be developed will likely change from the proposal that we all saw as part of the competition.

And again -- but these solutions will be crafted and will be consistent with RFP objectives and community values that we screened for and had a competition for in that RFP. We had a similar approach to our solicitation for development partners at Pier 70 and Mission Rock.

This is our best approach to competitive solicitations for public-private partners. And it does follow all the recommendations of our updated waterfront plan, which

is what the community stakeholders recommended to the commission and the commission has endorsed.

So now, I'd like Mike Martin to walk you through more details on what this process looks like. And we'll close with that. And thank you for allowing for a lengthy director's report today. Thank you. Please take it away, Mike.

Michael Martin - Good afternoon, commissioners. Michael Martin, real estate and development. Could I have my first slide, please? So I think Director Forbes very well summarized this first slide. But basically, the process that we followed for request for proposals on those two recent transactions at Piers 38 and 40 being one and Piers 30-32 and Seawall Lot 330 being the other followed the recommendations that you adopted in conjunction with the update of the waterfront plan.

So this flowed out of a meeting with our working group stakeholders meetings over the course of several years. And then, we brought these recommendations back for specific guidance from you over the past year as we geared up and then issued those RFPs.

And our plan is to continue to do so including -- to continue to follow these steps including with the item on today's agenda regarding the Kneass Building and Building 49 down at Crane Cove Park. Next slide, please.

So this slide basically shows that RFP development process. And I wanted to walk through each of these steps in a little detail just to show where we went on those prior RFPs and where we're hopefully about to go.

First, we would come to you -- and we are coming to you today -- for a hearing to initiate the RFP development process. That is a hearing that we had for each of those prior RFPs ahead of issuing those RFPs as well.

And that's basically an opportunity for Port staff to come to you with our thinking about why a project at this location and of the kind that we're proposing to include in an RFP would be beneficial to the Port and also beneficial to the city at large.

And at that hearing, the Port Commission gives its feedback. And staff is then hopefully directed to go off and start with step two, which is the first oval under the timeline here, which is an engagement with the Port advisory committee relevant to that site as well as other key stakeholder groups that's relevant either to the site or what we're trying to do with the site.

And the goal, as Director Forbes aptly described, is to develop some values and priorities that we would bake right into the RFP document that basically, by establishing this community dialogue, we're saying to potential proposers, here's

what we've established thus far as what a value -- what we value from the project here and what you should prioritize in your project proposals.

After that engagement, we'd come back to the Port Commission and provide more detail on how an RFP would be structured including a scoring structure and a scoring panel process. And then, the Port Commission would hopefully give feedback and then direct staff to develop, draft and release the RFP.

So after that process is over, staff develops and releases the RFP. That will go into the world. We hopefully get a number of responses, as we did for the most recent two RFPs. And then, Port staff would convene the scoring panel that was called for through the dialogue with the Port Commission and described in great detail in the RFP document.

And this is the point in time whereas Director Forbes describes it -- we are now the referee. We are not engaging with the project proposals at all. We're simply walking through the process in an objective manner to make sure these proposals are presented back to you as the Port Commission along with the scores from the qualified members of the scoring committee that have been selected both from city staff as well as public stakeholders with expertise in relevant areas to the RFP.

So after that scoring panel is complete, we come back to the Port Commission with our report on the scoring. You're able to ask questions including of firms that show up to make their presentations. And then, the Port Commission is requested to make a selection and move forward or to say we reject these selections. And we're going to go [forward] in a different direction.

So those are the -- that action has been taken for two projects now very recently, one being Piers 38 and 40, the other being Piers 30-32 and Seawall Lot 330. So that is the selection process we've been through. And that's what we wanted to highlight where we are today on those two projects. Next slide, please.

So this slide is a preview of where we're going. And this is where we take off the referee jersey. And now, we're back being Port staff trying to work with the community and the proposer to create a good project that's worthy of approval.

So first step is to adopt an exclusive negotiating agreement. That's the top left on the top arrow. And that exclusive negotiating agreement with set forth a set of milestones and schedule for doing all the things that are needed to get to an approvable project.

So that will be a moment in time that we'll negotiate a document that will show a roadmap that looks like this slide but with much more detail in terms of specifically how much time that project will take to take these steps and what these steps look like from a staff perspective.

Once the ENA is approved, we then -- Port staff would then work with the project proposer to continue negotiations and refine the financial transaction of the project as well as the project description.

So hearing some of the comments we've heard within the community, are there ways we can evolve the project to start addressing those comments at this early stage?

Then, there's a point in time where we go back for sort of an in-process approval of, first of all, the Port Commission approving the non-binding term sheet to look at the negotiation and the transaction and the financials to make sure this is something we still want to work our way towards and then also going to the Board of Supervisors for their approval under the city's fiscal feasibility ordinance, which requires them to look at a project and say that it is feasible and worthy of the time and resources it would spend to do environmental review.

Assuming that second row of approvals gets done, we're now into the meat of the transaction negotiations, which has, as you can see here, many different threads. There's the basic financial transaction negotiation of those documents.

There's environmental review either on the state level with CEQA or the federal level with NEPA. There's regulatory review with our usual set of regulators at the Army Corps of Engineers, the Bay Conservation and Development Commission, the State Lands Commission and the State Historic Preservation office.

And all of those are things we'll have started the conversation at that initial phase of term sheet and project description but will now continue on with those regulatory partners to really better understand what it is that's needed for this project to be approvable.

And then, throughout all of this thread, we're going to have additional community engagement so that we can do more touchpoints and see whether our sort of proposed solutions to issues and impacts make sense.

Or do they create other issues that we want to address well -- all of which has a goal of bringing a set of approval documents together at the bottom row of this depiction of the post-selection process that hopefully has addressed these impacts, that has completed all the environmental and regulatory review and is ready for approval at the Port Commission, at the other relevant city agencies that would have approvals related to a project and then finally at the Board of Supervisors for their final approval of the transaction.

So this is sort of a preview of things to come and sort of also a preview that Port staff will have a much more active role in refining and evolving the projects that you've just seen from this point forward.

But again, I think part of this is also to orient ourselves to the Kneass and Building 49 item on today's agenda, which you'll obviously be able to ask questions about where that's going from here in terms of the RFP development process.

So that's my summary hopefully building off of what the executive director described. I'm happy to answer any questions if you have them here. Otherwise, I'm happy to hand them back to you to continue the meeting.

Public Comment on the Executive Director's Report:

Jay Wallace - Hello, commissioners. Jay Wallace, TZK Broadway, L.L.C. I want to thank the Port staff for its excellent work as always on this project. Ricky Tijani and Rebecca Benassini, notwithstanding the difficulty that we're all facing, have done a great job and moved the project along.

I want to just reiterate what the executive director said. We are fully committed to the project. We are doing what we should be doing. The financing possibilities are bleak at the moment, as you can imagine or as you know.

But that has not deterred us. And we are continuing to move forward. We expect that the markets may come back towards the end of next year -- not this year but next year. But we hope to be ready for the rebound in the market when it's appropriate and as that comes forward over the next few years or few months and hopefully not a few years.

So I want to thank everybody. It's good to hear your voices. And the project continues on as best we possibly can in these circumstances.

Francisco Da Costa - Commissioners, my name is Francisco Da Costa. And I was listening to you all very intently. When we have these virtual meetings, it is pertinent that the presentations that are shown on the screen are clear.

So the presentation that was in blue -- dark blue couldn't be seen very clearly. Now, it's important that we, especially during this time of the pandemic, watching the virtual meetings, which I do -- in the past, I attended physically. But now, I have to look at my TV screen to get a very good idea of what is happening.

So one of the things I think that we, the public, do not have a very clear idea is about the seawall. There was a lot of planning done. There's some mention of it made from time to time. But we, the public, need to get a very, very clear picture of the seawall.

Now, the public should also understand that the 7.5-mile area that you all have jurisdiction over is public trust land. You don't mention that. So the outreach should go even further. Again, when the presentations are done and something is

projected on the screen, we should be able to read the content. Thank you very much.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman - Thank you for the report. And thank you, Mike, for the clarification of the RFP process. I just had one question. While these RFPs have already happened and take place, there will be others in the future. Would there be opportunities if the commission -- I'm not saying we would want to do this -- but if we wanted to tweak or change any of the processes or steps, would the opportunity be more globally to communicate that to you and staff? Or would that be more on a case-by-case basis?

Director Forbes - Thank you, Commissioner Gilman. That's such a great question. We do talk about process case by case every time we put the RFPs together. Actually, we have really long conversation sometime about perfecting the process to get it just so because inclusion and equity, fairness, transparency, freedom from bias so important to the commission.

So we always talk deeply case by case. But there's nothing preventing us from having a more policy-based conversation about what we always do. We've done so as part of Waterfront Land Use Plan when the key steps were recommended.

If you wanted to schedule something like that, we would be amenable to talking either at a policy level or on a case-by-case basis as we do already. Thank you.

Commissioner Gilman - Thank you so much. And thank you for the report. That concludes my questions.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Yeah. Thank you, Elaine, for a good executive director's report. And it's good when it's long. That means you have a lot of content and you're working on a lot of stuff which we know of. I think that I appreciate that you did respond to some of the reaction to the last RFP discussion that we had with [Seawall Lot 30-32 and Seawall Lot 337].

And I think that essentially the process that you and Mike Martin outlined does give the public a better feeling that there are certainly continued avenues and openness for continued discussion about concerns and issues going forward as we evolve this process also knowing, however, that we're never going to make everybody 100 percent happy about everything.

But we do hope to make sure that we have taken a broad view for the greater good for the Port, for the public and for the City of San Francisco in whatever we do end up -- how this RFP and ENA eventually ends up.

So I think we are -- you know, we do try to be open and transparent. And I think that's what I think was a key message today about how we go about doing our business. So I think that's another point that I just wanted to reiterate in terms of the takeaway that I took from the discussion.

And I think, if there's any changes in the process, I think that the commission can take those up as we go forward on a case-by-case basis. I think the last time was a little bit where maybe there was more -- more of the information was out quickly in the public before there was a lot of digestion going either by the neighborhood or the commission.

[That process] sometimes happens. And we just have to take that in stride and work on it as we go forward. And there are opportunities to continue to go forward on that. I also want to thank you for the update on Teatro ZinZanni. And I appreciate that Jay was on the phone as well giving us an update.

And I do hope that financing will be more favorable. I was a little concerned with not hearing much about what their project was. I mean, I think we all believe that it's a great project not only just for the waterfront, for the City of San Francisco and for the whole sort of arena of having more cultural and arts entertainment in the city and, for the artists, that they also have a place to perform.

And that was a great concept to have the hotel and the Teatro tied together. And it's just unfortunate that the timing was such that they were not able to get their financing just before the windows began to close.

So I hope that -- it's good to hear that the project is going to continue and that the determination to see it through is there because I think it would be an important cultural addition. I just hearken back to the fact that we know, when Teatro was moved off of the Port property, that was before America's Cup, as Mike Martin might remember, as he was very involved with that.

So a lot of time has passed. So as I'm learning as I'm on this commission, it always takes a long time to get things done. And unfortunately in this case, we also had a very unexpected situation occur with the COVID situation that has put it back even further.

But I hope that we don't see this derailed for too long because I think it's an important contribution to the Port, the waterfront and to the city that this project gets done. Thank you. That's all my comments.

President Brandon - Thank you, Doreen. Elaine, thank you so much for your report. And I really appreciate the update on equity and the economic recovery. And thank you for being a part of the task force to bring us back after COVID. You've been really busy.

I wanted to follow up on Mr. [Da Costa's] request with the seawall. And I think I echo his sentiment in that we do need to see what's going on more often. So I think that we should have informational items, you know, at least quarterly because it's such a huge project.

And there's so many moving pieces. So I hope that we do have more transparency with what is going on with the seawall project because it's so critical to San Francisco. Also, if there's some way we can get him [a copy] of the slides or email him a copy of the slides that we show for the process -- the RFP process, which were really great slides for providing clarity on where we are within that.

And you may have said this. But I may have missed it. Regarding TZK -- so how long is the extension? And what happens next? I mean, how -- I understand we're in COVID. And I understand financing is hard. But what does that really mean?

Director Forbes - I'm actually going to ask Mike Martin to step in for me or someone from the development team because they'll have the details more close at hand.

Rebecca Benassini - Director Forbes, it's Rebecca Benassini from real estate and development. I can step in. So the LDDA term is one year. So we signed it about a month ago. They have one year to identify financing and to sign the lease.

They can pay for additional extensions. What the letter is that they sent to us thus far is stating that this one-year term should not start yet because of the force majeure event. And a pandemic is clearly listed as a force majeure event.

So we need to respond to that letter and be more clear about what's the time period that the pandemic may be affecting financing. And we're going to have some metrics to check in on that. So it's a little bit of a dance and a discussion about how long the force majeure event will occur.

But the typical term is one year after you sign the LDDA to get all your permits, to get your financing order to be queued up for construction. And then, we would sign the lease and turn the property over to them.

Right now, it's still being used as parking. So we don't want to turn over the property until they're really ready to get going in terms of the construction. So we're happy to keep providing updates. We're monitoring sort of the broker reports on hotels and kind of looking at how many landings are coming into SFO.

So we're monitoring this and happy to return as we have a better feel for how long this force majeure event is likely to affect the market.

President Brandon - Okay. So the LD -- the one year will start once we come up with a date that the force --

Rebecca Benassini - It started in September. But they've asked for us to delay it because of the force majeure event of the pandemic. So now, we need to respond back to them in order to state, okay, we'll extend it for -- and I don't know what that answer is yet -- three to six months. And then, we'll check in again and see whether or not there still is an absolute freeze on financing.

President Brandon - Okay. So I guess --

Rebecca Benassini - Does that help?

President Brandon - I guess it does. So I guess my request would be that, once we make that decision and once we understand what the schedule or the milestones are going forward, that you give the commission an update.

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

No Commissioners' Report.

10. CONSENT

- A. Request 60-day extension of (1) a Memorandum of Understanding with the San Francisco Office of Economic and Workforce Development for use of Pier 29 as a central location to accept deliveries of Personal Protective Equipment and its subsequent distribution to San Francisco nonprofits and (2) the deferral of rent for such use as it supports City's public health response to the COVID-19 crisis. (Resolution 20-46)

ACTION: Commissioner Gilman moved approval of the Consent Calendar. Commissioner Woo Ho seconded the motion.

No Public Comment on the Consent Calendar.

Roll Call Vote:

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

President Brandon – Motion passes unanimously. Resolution 20-46 is adopted.

11. REAL ESTATE & DEVELOPMENT

- A. Informational presentation on a competitive solicitation strategy for the potential rehabilitation and reuse of two historic structures - the former 'Kneass Building' and 'Building 49' - both located in the Pier 70 Area adjacent to Crane Cove Park generally along Illinois Street between 18th and 19th Streets.

Rebecca Benassini - Good afternoon, commissioners. Rebecca Benassini from real estate and development. I am here presenting on behalf of the team. Jamie Hurley is actually the project manager for this RFP and was just unable to be here today.

I also want to acknowledge Erica Petersen, David Beaupre, Mike Martin, Diane Oshima and Mark Paez along with others who have really helped craft the staff report that you all received as well as the presentation I'm about to give. So thank you. This was really a team effort for me to step in and do this presentation. Next slide, please.

So the informational item before you today is a discussion of how to get tenants and investment into the two buildings that flank the beach at Crane Cover Park, which is very fun to say, the Kneass Building and Building 49.

So I want to introduce you to those buildings, let you know about the planning, kind of take a little bit to almost a whole decade ago of all the various planning that had been done around these buildings and then to discuss an RFP strategy.

This is just an informational. It feels very apt with the introduction and discussion that Elaine and Mike gave about RFPs. So I feel like I'm really hitting the ground running with this presentation because you're all really thinking about this right now. Next slide, please.

So the two buildings that we're discussing today -- from left to right, Building 49 is on the left. It is a single-story building. You'll see when I show the square footages it's a little disorienting because it looks so large. But actually, it has fewer square feet than the Kneass Building, which is on the right, which has two stories inside of that building.

Both are untenanted and have been untenanted for quite a while and are in various conditions. It was important for me to show this aerial of the park just to show how their interface with the park is really important and really a huge asset to the buildings and how they can sort of serve to enhance what we've already delivered with that major investment of that wonderful park. Next slide, please.

So a little bit more detail about the buildings -- Building 49 is about 8,000 square feet. Our engineering group, as sort of the last contract related to the Crane Cove

Park improvements, is working to delivery core and shell improvements by next fall.

That will include a public restroom to serve the park to replace the current temporary restrooms that are on site. The building contracts that we're looking at now does not include a seismic upgrade. So the occupancy of the building would be limited to 100 people.

And it's important to think about that because there are high -- what we call high-occupancy uses like retail or cafes where you have members of the public coming in and out that would really not be possible for people to go inside the building with that low occupancy. Other uses can go in though without that seismic upgrade. It's also listed on historic register of historic places. So it's already a listed resource.

The Kneass Building, which was the building on the right in the photo I just showed you, is about 13,500 square feet on two levels. It is quite deteriorated. Building 49 is getting some improvements. Kneass has not had improvements for a while -- for quite a long time.

And it has been unoccupied for many years. So it's really deteriorating. As part of the Pier 70 trust realignment and swap that occurred with the Brookfield project, it was removed from the public trust as part of that trust exchange. So the uses that can go in that building are very flexible.

It's eligible for historic status. But any entity that came on board to invest in it would have to do a bit of work to get it listed, which we believe it could be listed, which would then potentially unlock tax credit for the building. Next slide, please.

So just to talk a little bit about the big context of what sort of planning has gone on and what sorts of public expectations have we set for these buildings, the major planning efforts go all the way back to 2010 when we did the Pier 70 master plan, which eventually led to the historic core Orton RFP process that resulted in those buildings being rehabilitated, also led to the RFP that resulted in Brookfield taking over the waterfront site, as our partner on that location led to the Port moving forward with the development and construction of Crane Cove Park.

And then, the next slide, if you could show that one, kind of built on to that process. In 2013, our planning and environment group developed a Crane Cove Park plan.

You can see here it's very similar to what ultimately has been delivered on site, which is very exciting. And the Kneass Building was not addressed in either of these planning efforts in terms of what use it might serve.

Building 49 was. So Building 49 is in the center of your slide. We anticipated it would be used for water recreation, bicycle parking -- there's other bicycle parking on site now so not sure if we need additional -- as well as just a site for sort of staging of human-powered watercraft. Next slide, please.

Continuing on, the draft waterfront plan, which was published in 2019, created goals and then subarea goals for each of the various locations on the waterfront. There are eight subarea goals that apply to the Southern Waterfront.

And we pulled out three in particular that we think really speak to what might go in these buildings. Number two of the eight subarea goals as listed in the staff report have to do with enhancements to water recreation and enhancements to the Blue Greenway and really doing something that enhances sort of the public's experience and the various public locations they can visit in the Southern Waterfront.

Number three was implementing Pier 70 project, which includes the delivery of parks and other public-realm improvements that the public can enjoy. And number eight was relating to community partnerships and community benefits for the Southern Waterfront and delivering more community benefits. Next slide, please.

Finally, the draft Waterfront Land Use Plan also set out the acceptable uses for each of the facilities. So you can see here that Building 49 was anticipated to have water recreation, recreational boating to relate to the parks and open space that it's right adjacent to, to have public access, to have some accessory food-and-beverage uses and other sorts of short interim uses.

The Kneass Building has a pretty broad array of potential uses in the draft waterfront plan, maritime office, harbor services or maritime industry, retail, general office, community facilities as well as interim uses.

So that's sort of the whole framework of what we have to work with in terms of previous planning efforts and then our current draft waterfront plan and what these facilities can really be in terms of putting them out for an RFP. Next slide, please.

A successful RFP project will support a whole lot of our strategic plan. We are evolving the waterfront. We're engaging by working with our community members to put out an RFP that speaks to their needs.

We need to have projects that are equitable, that are accessible, attractive to a very diverse group of people who live, work, use or visit our recreational assets. We have two long-vacant buildings. And the thing you're going to keep hearing or you've heard already is that RFPs are really the way we are implementing the draft waterfront plan.

We need other people's money to come into these buildings to bring them up to a state where they can be used by the public. And that's really a key strain you'll see as we go through this process of what might be in the RFP.

And those will relate to both productively using the buildings and also creating stability for the Port in terms of our financial side and in terms of maintaining the harbor fund and ourselves as an organization. Next slide, please.

So we are proposing to do an RFP on these sites. In order to do water recreation, retail and food and beverage, we need to do an RFP in order to do the competitive process that's required for retail leasing.

We are proposing that we use the process that's in the waterfront plan. You may recall what the general process is, informational at the Port Commission to discuss what are the particular big values for this area. And then, what are particular community values and minimum qualifications and whatnot that we want to see in an RFP?

And we go out to the community, vet those with them and then come back to the Port Commission. So we're proposing to use that same process, which I'll note in a subsequent slide in a little bit more detail.

We're proposing that we do a process where respondents can propose to one or both of the buildings. This is primarily because they are very close to one another. We can put a lot of the information [in RFP] that's about both buildings.

And we think that there is an opportunity that we may be able to get one tenant for both buildings. But we're also very open to having different tenants in the buildings. One is in a pretty poor condition and will require a lot of capital to bring it up to a usable condition. The other would need less capital potentially.

So there is definitely an opportunity to meet potential tenants in both of those categories. In terms of the minimum goals, what we are stating -- and then we're going to add on to that as we go through the process and with the community.

We think, at the very least, we need at least one food-and-beverage location, could be very casual, want to serve the needs of park goers for sure. We also need to have one personal watercraft rental, storage and sales facility, some sort of an aquatic center, which had been slated to go in Building 49.

We also want to see a community-development or community-serving use, a tenant that will provide a lot of co-benefits for being on the park, eyes on the park, bringing members of the community into the facility, bringing sort of a community type of service that we don't have elsewhere in this area on Port property.

Those are sort of the minimum goals of solicitation. I'm very curious to hear from the community and from you what other goals there should be. Next slide, please.

The next slide, of course, is the key economic development benefit. Sorry. One back. Thank you so much. The desired economic benefits that we're seeking through this RFP process is first investment in these buildings.

The preliminary cost estimates of how much it would cost to rehab both of these buildings is \$10 to \$15 million depending on the uses. There's quite a range because there is the opportunity to add a seismic retrofit to Building 49, which is on this slide.

And if one did that, that would cost more money but would result in more occupancy in the building where you could densify uses inside of the building. To give you a little bit of perspective, that's about \$500 to \$700 per building square foot, pretty expensive. And Kneass is more than Building 49 in terms of the per-square-foot cost.

The second key economic benefit we'd like is a tenant who will be responsible for maintaining and keeping watch over those public restrooms that will be in Building 49 delivered by our engineering group.

This is a really important maintenance responsibility that we think having a tenant on site to do this would be a real benefit for us and would really help in operations of the park. And then, the third goal is, through participation in net revenues or upside revenues, rental payment to the harbor fund to pay for the use of those sites. Next slide, please.

So I talked earlier about what the draft waterfront plan anticipates in terms of an RFP process and what we did for the Pier 38 and 40 and Piers 30-32 and 330 RFPs. They were to come to the Port Commission with the beginning outlines of the RFP.

We then went to the Southern Advisory Committee and, at that time, the CWAG, in order to directly ask those groups to advise on the community values and diversity, equity and inclusion goals for the RFPs.

We want to do an additional set for these two buildings because they are situated in this very public location and this great new park that we've just delivered and is getting, you know, even at short time period, a lot of use.

So we are also proposing to outreach to youth-oriented groups, elder groups, other at-risk populations and community-serving organizations who may wish to occupy the Kneass Building, to outreach to those groups to kind of enhance our understanding of what we could deliver through this RFP that would be really welcomed and valued by the community. Next slide, please.

So that's the end of the presentation. Our anticipated schedule, if you all direct, is to take this sort of a presentation, focus on the subarea goals and trying to get input on community values for the two buildings to our Southern Advisory Committee.

And then, we'd identify other groups that we can interface with virtually to also introduce them to the site and get their input in terms of community values. But we're really excited to work on these buildings.

They're small in comparison to the other RFPs that we've done. But we think they can really deliver that sort of other part of the Crane Cove experience that people are now getting to enjoy as the park has opened.

Having those buildings provide even more of an opening and more services to the community we think will really enhance the Crane Cove experience. So that's the end of the presentation. I welcome your thoughts and questions and input.

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11:

Commissioner Gilman - Thank you, Rebecca, and everyone for the presentation and the thorough, thorough staff report. I'm really eager to see this process move forward. I just have a comment and a suggestion.

I had the pleasure about a week ago to tour the park with Randy Quezada and David Beaupre. And it was a site to be seen. It was incredible. I am so impressed with this project, with how much it has to offer the southeast end of our waterfront.

So I'd highly recommend, as part of the process for [specific] bidders and to try to get maybe a more diverse pool of applicants to activate these buildings in this neighborhood is that we offer a site tour with David's commentary about the history of the park, about how intentional we were on design from ship build to the history of the waterfront and then also maybe include the promotional video that I saw featuring Supervisor Walton, President Brandon and Mayor Breed.

I think those bring a richness to the experience that could be beneficial for anyone bidding on the projects to make sure that, A, we get maybe not the usual suspects who think that they can come in and activate these kinds of buildings.

So I wanted to offer those two thoughts from a community-outreach perspective. And I look forward to you bringing back a more polished set of recommendations after the community process for the RFP. I'm excited to get these buildings activated.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Thank you for the report. I think it was well positioned. And I think that the sensitivities of the project have been well outlined. And I echo Commissioner Gilman's conversation. I will be going out to Crane Cove Park myself next week.

And I was looking forward and would suggest that a tour of the building, as much as you can see them from the outside, be included. And I think that it sounds like I should ask for David Beaupre as my tour guide.

So I look forward to going out there and seeing how it does mesh with the neighborhood. I guess, in addition to sort of the focus on the aquatics and the retail, do we see any of the building space used for office at all?

I know what you want to see minimally. But what else could we see putting in these buildings? And since one of the buildings doesn't have a lot of public trust restrictions -- so if you could comment a little bit more on that.

Rebecca Benassini - Definitely. Thank you, Commissioner. We anticipate there will likely need to be at least some ancillary office use in the Kneass Building in particular, which was already built out for some office space just to make the project financially feasible.

We think we probably will need those -- the kick of those revenues in order to get that building to cross the feasibility threshold. So we do anticipate that that one would have some office space. But we are defi -- open to any financially feasible project that meets that accessible-use table that I showed.

I also want to mention that, in addition to the aquatics and the retail, we're looking for some sort of a community-serving entity to take over -- we anticipate parts of the Kneass Building. Or it could be, you know, a greater part of Building 49 -- to kind of have members of the public come and use the building and then have that kind of spill-over effect into using the park.

Commissioner Woo Ho - Yeah. I actually obviously have not seen the interior of these buildings. And I don't know what shape they are to be able to see them. But it looked like they have high ceilings. So there could be some interesting uses if you think about it.

And given that we're all very sensitive about internal space and how much air and ventilation and open space there is given the environment that we're living in today, I think there could be some creativity applied to whoever looks at these buildings in terms of the uses of the building in addition to what you are looking for as some of the minimum.

So I think that's at least what it looked like from the outside. So I don't know if I'm correct in assuming that they have high ceilings. Is that correct?

Rebecca Benassini - Building 49 has very high ceilings. The Kneass Building is two stories. And I wouldn't say they're particularly high. But they can definitely have the ventilation through exterior air flow.

Commissioner Woo Ho - Okay. And then, there is no restriction on their -- they overlook the park. Correct? And is there going to be any restriction if they want to open up the walls to have more -- you know, bigger windows or open doors into the park space?

Rebecca Benassini - Good question. I'll definitely -- yeah. I was just thinking that when we were talking about ventilation. I'll be sure to consult with Mark Paez and others to make sure that secretary standards are met on the buildings. And how many openings might they be able to create if there are no openings there now?

Commissioner Woo Ho - Right. Particularly as I recall, historic preservation sometimes doesn't allow you to touch any walls. But I hope that, in this case, that would be an amenity obviously to whoever is in the building to be able to have a direct view onto the park. And if they cannot because -- from the views that you've given us, they're all closed off at the moment. We just saw solid walls. So --

Rebecca Benassini - You're right.

Commissioner Woo Ho - -- it would [helpful] to know whether you can open up some of the walls there both for light and for ventilation as well as view. So I think you should probably --

Rebecca Benassini - I'll find out more.

Commissioner Woo Ho - -- [work] that out before you set up the RFP, so whoever does set it out knows that information in advance if there are any restrictions. If there -- one of the buildings is going to be designated historic preservation. Correct?

Rebecca Benassini - One is already listed. That's Building 49. The other could be listed.

Commissioner Woo Ho - Okay. So --

David Beaupre - Rebecca?

Commissioner Woo Ho - We should think about whether we want the building to be listed because, once you list it, then you have lots of restrictions to deal with.

Rebecca Benassini - That's true. Thank you, Commissioner. I'm hearing David Beaupre, who knows quite a lot about these buildings. David, did you have something to add?

David Beaupre - Yeah. I'd just like to add that, Commissioner Woo Ho, Building 49, the large one on the left, historically had more openings. And when the Port carried a more detailed level of design with the park through that, we called for openings, which was consistent with secretary standards.

So that's something that we're hoping will also occur and come through these proposals. But as Rebecca mentioned, we have committed to doing designs that are consistent with secretary standards.

And the Kneass Building already does have some existing large roll-up doors that are on the east face of the building -- either roll-up or barn-like doors that could be redesigned to engage with the park in a more active way.

Commissioner Woo Ho - Okay. Building I think that would be a very attractive part of the building if they are able to sort of leap right out into the park area from that vantage point in addition [to access to the] other benefits: light, circulation, whatever.

Okay. Well, I think we're very excited to hear this. And it's -- you know, obviously have had such a long series of RFPs come across our agendas over the last few months.

And it's really exciting to see that this is continuing, that we continue to add to this and particularly given that this is coming right as the park is already now in its final phase, which is great, which we've been looking forward to a long time.

So congratulations to all of you who have worked on it for so long. And I'm really looking forward to seeing both the park and hopefully whatever I can see of the buildings this coming week.

President Brandon - Thank you. I need to echo everyone's comments on the phenomenal job that was done at Crane Cove Park. It is just so beautiful and just -- it fits right into the community. Hopefully, it's being used well.

But if you haven't seen it, you have to go out and see it. And hopefully, you can catch one of David's tours because he is so knowledgeable and informative about all the history of Crane Cove Park. And it's just a beautiful park. So thank everyone involved in the creation.

And then, this solicitation is exciting. I think my fellow commissioners have covered most of the points for inclusion. I'm happy that we're going out on a

listening tour to help understand how these buildings can help better serve the park and the community.

And I hope that, in our RFP, we really put an emphasis on community-serving uses because, whatever goes there, it has to be an attraction for families to bring kids or community groups to bring kids to use the park and for residents from Potrero Hill, Dogpatch, Bayview, the entire city, to make it a draw because it's such a beautiful destination.

So I hope whatever we're looking for is really focused on serving those community needs in the park. So thank you Becca and the team for this presentation and for this solicitation process. My only question is, can you just give us a brief idea of what your timeline is?

Rebecca Benassini - Thank you for the comment and the question. I agree going to the park makes me so proud to work at the Port. I bet a lot of people felt like that. So we wanted to get on the Southern Advisory Committee's agenda in November.

They don't currently have a meeting. So we're working with Mark Paez to see whether or not we can catch them in November. And if we're able to, then we would come back to you in November. If it's a little bit late, we'd have to go to the December meeting for the issuance of the RFP.

In the meantime, we're definitely working on the RFP documents. So we're hoping we can issue, you know, this calendar year regardless of whether or not we hit the November or December commission meeting.

Then, we'd issue the RFP. And it would go through the normal sort of couple of months' review period before we bring a selection to you all. So we'll be really clear in the next staff report what we're proposing in terms of the selection process and very interested in speaking with you more if there are things we should write now with this RFP or different turns we should take at this point to make sure that that process is really smooth.

President Brandon - Okay. So I was told that there's a Southern Advisory Committee meeting on October 21st. But with all the other groups that you're reaching out to, do you think you're going to be able to do that by December?

Rebecca Benassini - We hope so. We are really focused on talking about the community values. And we're hoping we can have that targeted conversation and then bring people along in terms of issuance of the RFP.

And then, the site tour is a really wonderful idea for introducing a respondent to the building. So it will be -- once it's out, it would be out for maybe two months. Typically, we leave the RFPs out for six, eight, 10 weeks.

President Brandon - Okay. I'm just hoping that we can get the most community input that we can prior to coming back to us with a solicitation proposal. So I'm hoping that, besides the Southern Advisory Committee, we also meet with these other organizations and get as much input as possible so that, when we do put out the RFP, everyone is pretty much on the same team.

Rebecca Benassini - Good point. Very good advice.

President Brandon - But hopefully -- so this will probably go out early to mid-next year.

Rebecca Benassini - We can definitely take our time and make sure we do all that work.

President Brandon - Okay. Great. Thank you. Carl, next item, please.

12. MARITIME

- A. Request approval of the Operations Agreement with DHL Global Forwarding (DHL) granting DHL authority to operate its Brisbane location as a Foreign Trade Zone No. 3 “usage-drive site” for a term of five years, with one option to extend for four years and outlining conditions for the operation of the usage-driven site. (Resolution 20-47)

Brendan O'Meara - Good afternoon, commissioners. Good afternoon, Executive Director Forbes. Brendan O'Meara from the maritime division here to request approval for a foreign trade zone operations agreement with DHL Global Forwarding. Next slide, please.

I want to start with some background on the program and the relationship with the Port of San Francisco as a grantee because both pieces have some interesting parts to it. So first, the foreign trade zone program was established through the Foreign Trade Zone Act in 1934 as a tool to stimulate international trade by providing incentives to U.S. firms to keep jobs and economic activity domestic here in the United States.

A foreign trade zone, or an FTZ, is a designated area that is considered to be outside of U.S. commerce allowing for some benefits and cost savings around duties and tariffs for the private entities that get activation.

Program is administrated through the Foreign Trade Zone Board by grantees like the Port of San Francisco. The FTZ board and U.S. Customs are fully responsible for compliance and oversight of foreign-trade-zone operations, which allows grantees like the Port to offer this public utility to all those that have been vetted and approved by those two government agencies. Next slide, please.

The Port of San Francisco has a long history of participation in the foreign trade zone program. The Port was given grantee status as Foreign Trade Zone Number 3 in 1948 when it became the third entity to enter the program. We only came after New York and New Orleans.

The Port's FTZ operations originate on Port property within our very own historic finger piers before the program adapted to the changes in shipping with production, manufacturing and warehousing moving further off of Port properties.

The FTZ board adapted to the changing times. And they created what is known as the alternative site framework, which allows for private companies to activate their own FTZ subzones on their own properties through the local grantee if they are within the grantee's service area.

The Port's service area includes San Francisco and six additional Bay Area counties. The Port currently has six FTZ operators, all of which are in one of the surrounding counties. That's one of the interesting pieces of the program is we have six active foreign trade zones under the Foreign Trade Zone Number 3. But none of them are actually in San Francisco.

Each operator pays the Port an annual fee to cover the Port's administrative costs. This fee is really meant to just cover administrative work done by the Port as grantee so that this public utility is accessible to all types of businesses.

Port has no oversight responsibility on the actual foreign-trade-zone operations and is asked by the Foreign Trade Zone board to treat it as a public utility. I would like to bring attention to the picture on this slide before I move forward, which is an interesting glimpse of the past and present day.

I have to give a photo cred to San Francisco PD Marine Unit, who took this picture of Pier 45 Shed D from the water for me last week. And for those who may not be able to see it, it's a picture of one of our finger piers from the water.

And at the top of the pier all the way across in large letters is faded letters that state Foreign Trade Zone number three, which is just an interesting piece of the history of foreign trade zone in San Francisco.

That finger pier used to actually be a live foreign trade zone. And that was a sign and signal to ships coming in who wanted to utilize the benefits to pull up to the finger pier and participate in the foreign-trade-zone operations there so nice piece of history still existing on the water side of one of our piers. Next slide, please.

The applicant for foreign-trade-zone activation is DHL Global Forwarding, part of the DHL global logistics company, which is one of the world's largest global logistics companies with 380,000 employees across 220 countries.

Interesting through this process, finding out that DHL was actually founded in San Francisco in 1969. DHL has applied through the Port's Foreign Trade Zone Number 3 grantee status to activate a Brisbane warehouse location -- Brisbane, California, which is within our service area.

They are a very experienced foreign-trade-zone operator. As an organization, they have 19 active foreign-trade-zone locations across the United States, which made the application process, which started back in April, very smooth from their end just because they're so experienced.

And both the Foreign Trade Zone Board and U.S. Customs have approved DHL for activation, which is pending an operator's agreement being approved by the Port Commission. Next slide, please.

In closing the Port's Foreign Trade Zone Number 3 is within the scope of the Port's strategic plan by sustaining economic vitality in the region and providing a public utility that supports local industry. DHL's Brisbane location is within the Port's service area. And they've received approval from the two bodies of oversight, the Foreign Trade Zone Board and U.S. custom.

Staff recommends approving the operator's agreement with DHL allowing them to activate their facility as a foreign trade zone. Next slide. That concludes my presentation. And I am available for any questions.

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

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Woo Ho - Thank you, Brendan, for the report. We have discussed foreign trade zone many times in the past. I'm quite familiar with them and understand what it means for the Port. I have no further questions. I am supportive of the item. Thank you.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - Thank you, Brendan, for the report. Similarly, I'm supportive of the item and have no questions.

President Brandon - Thank you. Brendan, thank you so much for the report. And thank you for all the history on the foreign trade zone and DHL. I learned something new. Carl, can we please have a roll-call vote?

Roll Call Vote:

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

President Brandon - Motion passes unanimously. Resolution 20-47 is adopted.

13. NEW BUSINESS

Director Forbes - I have recorded that we will be providing quarterly reports on the seawall program -- the resiliency program. We also will be providing updates to the TZK milestones and timeframe. Is there any other new business?

14. ADJOURNMENT

ACTION: Commissioner Woo Ho moved to adjourn the meeting. Commissioner Gilman seconded the motion. All Commissioners present were in favor.

President Brandon adjourned the meeting at 4:46 p.m.