



SAN FRANCISCO PORT COMMISSION

**FEBRUARY 9, 2021
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 February 9, 2021

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:00 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman and John Burton. Vice President Willie Adams joined the meeting during at approximately 2:02 p.m. Commissioner Doreen Woo Ho was absent.

2. APPROVAL OF MINUTES – January 12, 2021

ACTION: Commissioner Gilman moved approval of the minutes. Commissioner Burton seconded the motion. In a roll call vote, the minutes were approved unanimously.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

4. EXECUTIVE SESSION

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

ACTION: Vice President Adams moved to meet in closed session. Commissioner Burton seconded the motion. In a roll call vote, the motion passed unanimously.

At 2:04 p.m. the Commissioners withdrew to closed session.

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

(a) PUBLIC EMPLOYEE APPOINTMENT/HIRING
Title/Description of position to be filled: Deputy Director of Real Estate & Development

(b) PUBLIC EMPLOYEE APPOINTMENT/HIRING

Title/Description of position to be filled: Deputy Director of Maintenance

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

Vice President Adams - During closed session, the Commission unanimously approved the appointment of Rebecca Benassini as Deputy Director of Real Estate & Development and Timmothy Felton as Deputy Director of Maintenance.

- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

ACTION: Vice President Adams moved to adjourn closed session without disclosing anything else. Commissioner Burton seconded the motion. In a roll call vote, the motion passed unanimously.

At 2:45 p.m., the Commission reconvened in open session.

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 a touch-tone phone to register their desire for public comment. Audio prompts will signal to dial-in participants when their Audio Input has been enabled for commenting. Please dial in when the item you wish to comment on is announced.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Taso Zografos - Hi, my name is Taso Zografos, good Greek name there. I serve as President of the United Hellenic American Societies representing the Greek-American community in Northern California. And I'm proud to serve in his position as a volunteer to benefit our community and promote our culture.

There are about, last census was about 1.5 million Greek-Americans here in the U.S. All of them immigrated from Greece. There are about 10%, 150,000 of Greek-Americans in California, and about 75,000 are represented by my organization stretching from Monterey through Stockton east, northward.

Every year, March 25th, Greek-Americans and Greeks worldwide celebrate Independence Day. Greece's history is reflected upon in two periods, ancient Greece prior to 1400 and then modern Greece after 1821. And during that 400-year period, the Greek people were occupied.

So this year we are commemorating our bicentennial anniversary. And it's an important event for us. And due to COVID restrictions that we have in place, it kind of limits our ability to celebrate. So we are graciously and kindly asking if the Port could give us some consideration to raise a few of our flags during Greek Heritage Week, for a week's period of time so that families and others who are elderly maybe, can be driven around the Embarcadero to see their flags waving for a week period of time. And if also possibly that we could have the Ferry Building during that period in blue and white.

We are also working with the Mayor's Office as well for a flag-raising ceremony with the General Consulate Office and we're hoping to have City Hall as well in blue and white colors as well as the Salesforce Tower. We graciously ask you for your consideration on this and we thank you for your time and we thank you for your service to our community.

By the way, I might add, the Ferry Building. When my parents immigrated from Greece, my mother still recalls that being the iconic building when she arrived in San Francisco with my father in 1957. Thank you very much for your time.

President Brandon - Thank you. And what a great history and great memories. I'm sure Director Forbes will have someone contact you regarding your request. Thank you. Jenica, are there any further callers?

Commissioner Burton - Madam Chair.

President Brandon - Yes.

Commissioner Burton - All I would say to my dear great friend, "Yasou" and I wholeheartedly support you.

Pete Sittnick - Good afternoon, this is Pete Sittnick, the Managing Partner at Waterbar and EPIC Steak, two restaurants on the Embarcadero on Port property. First of all, I'd like to just say, "Congratulations," to President

Brandon and Vice President Adams on their re-election on the Commission and I want to just give my own gratitude and thanks to the Port officials and Port staff for their concern over Port tenants throughout the pandemic and the difficulties and challenges of dealing with COVID-19.

I do want to go on record, however, to say that while grateful for the Percentage Rent program that has been voted in place and goes through March 31st of 2021, that based on this second shutdown and the, what we're seeing in terms of the dynamics of the impact of the pandemic right now, we are just about ready to open up this week with Waterbar and EPIC. And so we've sustained another two months of not being open at all for business. And I would really like the Port to consider the extension of the Percentage Rent program to go through the full year of 2021.

And I think that that needs to get looked at and get on agenda right now, because if we look back at last year, the approval for that program took almost six to nine months to get approved. And I'd just like to get ahead of this thing now, because we're going to go through a full year of struggles, challenges and difficulties in being able to bring these businesses on the Port back to full vibrancy, which the city obviously needs, and we are very much committed to.

But I would just like to see and go on record that an extension of the Percentage Rent program is going to be very beneficial and should be looked at right away, not waiting until March 31st of 2021 and starting to look at a new program at that point in time.

So thank you very much for your attention and for listening. And hopefully we can all move forward now that some light is at the end of the tunnel with vaccines, and get the Port back to the vibrancy that it really deserves, wants to be and that the tenants want it to be as well. Thank you.

9. EXECUTIVE

A. Executive Director's Report

Director Forbes - Good afternoon President Brandon, Vice President Adams, Commissioners, members of the public and Port Staff. I am Elaine Forbes, the Port's Executive Director. My report today will provide an update on economic reopening, an Equity update, a Pier 70 update, news about the Lunar New Year and some -- and I will highlight for the Port Commission and the public Port Employees and Teams of the Year for 2020.

In positive news. the state listed the regional stay-at-home order last week and San Francisco has started to gradually reopen the economy. Outdoor dining and open-door -- I'm sorry -- open-air boat excursions are beginning

to resume operations as well as many activities that have been restricted for some time.

Although there is still virus in the community, we're able to begin reopening safely now because of the work of so many countless San Franciscans in following those public health orders: wearing masks, social distancing, hand washing. Like all of you, I'm excited to see our waterfront restaurants welcome diners back.

Fifteen restaurants participating in the shared spaces program have requested extensions through June 30, 2021. Several other restaurants have expressed interest in the program and are preparing applications. BCDC, Bay Area Conservation and Development Commission, has also approved licenses for some restaurants to operate outdoor dining in public access spaces.

We're excited to see diners return to these restaurants helping to boost this important sector of our local economy. And this is of course a revenue source to the Port.

Bolstering efforts against the virus, the City has opened two high-volume vaccination sites at City College and Moscone Center. The high-volume vaccination sites have the capacity to deliver thousands of units per day of vaccine and will go to residents based on eligibility criteria set by the state and vaccine availability. Currently the state is prioritizing health care workers and people over age 65.

And as more vaccine becomes available, the state's distribution strategy will shift to ensure that more of us, more Californians can receive vaccination. San Francisco and our Department of Public Health do not make local decisions about who gets vaccinated first. We're complying with federal and state directives. Please stay tuned and get vaccinated when it's your turn.

Now to Equity. I begin with more good news. Last week, the Board of Supervisors voted to approve the naming of two streets in the Mission Rock Development for Dr. Maya Angelou and Toni Stone, phenomenal black women who contributed to the city and the world of arts and sports.

Fittingly, the history-making vote happened at the beginning of Black History Month. I'd like to recognize President Brandon's extraordinary leadership on this effort. She's been a long-standing champion of equity initiatives at the Port and she worked closely with the Giants, Board President Shaman Welton and the community to result in such inspiring choices for the two street names at Mission Rock.

Naming these streets for courageous women who lived lives of creativity and liberation will no doubt inspire future generations, reminding them of their individual accomplishments and the efforts to create inclusive communities that celebrate and honor accomplishments of black people. As we work to create an anti-racist organization, I am proud of this effort and hopeful that those that come after us will be inspired and continue to fight to create a more just and equitable society where every person can achieve their potential.

Central to the Port's work to advance equity and create an anti-racist organization, the Port's Race Equity Team is currently assessing and prioritizing racial equity actions, plan action items to implement in 2021 calendar year and are soon to initiate work with our Commission subcommittee on Equity, President Kimberly Brandon and Commissioner Gail Gilman.

While they work to complete this process, the Port's Race Equity Team has focused on implementing actions from Section VI of the Race Equity Action Plan creating an organizational culture of inclusion and belonging. The team is working to complete a diversity calendar aimed at bringing awareness to historical contributions and cultural events celebrated by various committees, various communities represented at the Port.

As part of the diversity calendar, the Race Equity Team developed programming for staff to develop Black History Month. Lesser-known facts about black history are being shared daily. We are also launching our new "Just keeping it real" movie club where staff will be invited to watch a featured black film followed by a facilitated discussion.

Lastly, the Race Equity Team will invite all staff to experience black culture through food, Taste of Soul, where our black employees will share their soul food recipes for all to try. Keeping up with San Francisco's tradition, and one of the most anticipated events, we invited all staff to tune in to the 2021 Black History Month kickoff celebration that was held virtually this year.

To celebrate Black History Month on social media, the Port has been highlighting some of our essential workers and staff who have worked to keep the organization moving through this pandemic including our black Commissioners. Dr. Coleman, who was first, and our current leadership, President Kimberly Brandon and Vice President Adams, who we're grateful to have on the Commission today.

Each of our black Commissioners has provided invaluable leadership and support while also making history as trailblazers. Next week we will feature some of our tenants and our black-owned businesses. And we will close out

Black History Month with a reaffirmation of our commitment to equity and a preview of some upcoming work.

Now, I'm turning to Pier 70, to the waterfront development at the Pier 70 site. The Port's development partner Brookfield has requested a change to their Phase One approval. The transaction documents provide for my approval, my delegated approval for certain types of changes, so long as the Southern Advisory Committee and Port Commission receive advance notification.

The Port's Project Manager Christine Maher is here to describe the requested change to Phase One which will also be presented to the Southern Advisory Committee on January 27th. I'm sorry, was already presented. Christine if you could please brief the Commissioners for me.

Christine, I think you may be on mute.

Christine Maher - Sorry about that. That star-6 button. Thank you, Director Forbes and good afternoon Commissioners. My name is Christine Maher, I'm a Project Manager to the Port. As Director Forbes mentioned, the purpose of today's report is to inform you about a request from the Port's development partner at Pier 70 to change the land-use program for Phase One of the project. Next slide please.

The Development Program for Phase One was approved in May 2018 with at full buildout, up to 720 residential units, up to 350,000 gross square feet of office, 3.4 acres of open space and up to 150,000 gross square feet of retail, art and light industrial uses.

The Port's Development Agreement with Brookfield lays out a process for amending an approved phase. Material amendments, such as changes to the delivery of public benefits or the phasing of the project require Port Commission approval. Other types of changes can be approved by the Executive Director so long as they meet the phasing and funding goals of the project among other things, and have been presented to the Southern Advisory Committee and Port Commission for informational purposes. Next slide please.

As you can see on the Land Use Plan, Historic Building Two, circled in purple, is a flex parcel zoned for either residential or commercial [assets] usage. Currently the developer is requesting to change the building to use from residential to commercial [asset]. The basis for the request is the current economic challenges impacting the feasibility of rental residential projects especially given the high costs of rehabilitating Building Two.

The impact of the COVID crisis on the office market is still to play out but generally speaking, office rents are better able to support the high cost of construction. With the requested change, the number of residential units in Phase One would decrease from a maximum of 700 to a maximum of 588 and the amount of office would increase from a maximum of 350,000 GSF to a maximum of 464,000. The maximum development program for the project overall would not change.

Because the requested change is not material and meets the goals of the project, the change can be approved by the Executive Director following this report. The required presentations to the Southern Advisory Committee occurred on January 27th with no comments or questions on this item.

That concludes the presentation. Port staff and representatives from Brookfield are available for any questions you may have. Thank you.

Director Forbes - Thank you, Christine, for that brief presentation. Onward to the Chinese New Year float. Due to the ongoing pandemic, this year's annual Lunar New Year parade through Chinatown and festivities will be held virtually. To ring in the New Year and welcome the Year of the Ox, the Chinese Parade Committee is installing 11 life-size oxen throughout the city including one at Pier 39. Each oxen featured in the exhibit was designed by a local artist and will be on display through March 14th.

The Chinese Parade Committee approached the Port and asked to install an oxen at Cruise Terminal Plaza because of its proximity to planned New Years' activities. This oxen will be on display two weekends in February. On the 13th, the 14th, the 20th and the 21st. This float is the size of a trailer. It's 8 x 30 and 14 feet tall. In order for me to waive the fee, I will be treating this request as a public art request. We have an adopted resolution from the Port Commission allowing me to waive license fees for temporary art installations.

So please, members of the public, Commissioners and Port staff, we should all go see the float February 13, 14, 20th or 21st at Cruise Terminal Plaza at Pier 27.

And before moving on to the Champions Events, I'd like to mention and commend the swift action of the San Francisco Bar Pilots on the evening of February 2nd, 2021. The Bar Pilots saw a person in the water near Pier 7 hanging on to a piling and yelling for help and quickly jumped into action to get him out of the water. They stayed with him until emergency service personnel was on the scene and helped to save a life. Congratulations to that swift action. We're all very thankful.

To conclude my remarks, I'd like to share that Port staff came together for the 10th year in a row to celebrate our Employees and Teams of the Year awards. This is an internal awards ceremony where we honor one another. And this is an employee-driven, application and recommendation process where employees submit their nominees and an employee-based committee reviews those nominees to select the Teams and the Employees of the Year.

We, this year, produced a short video for the award given that it was virtual. And I'd like the opportunity to play it for the Port Commission and the public now. If it will work for us, let's try to play this video.

[Video begins]

Director Forbes - 2020, by all accounts, was a very, very challenging year. It tested our resolve. It tested our flexibility and it really threw our lives into a bit of a whirlwind. But Port staff, we stepped up. We stepped up for the City and we stepped up for our organization. And we stepped up in really big ways. And this award ceremony really honors many, many people who went well above and beyond the call of duty. We have a lot of talent at our Port.

Crezio Tano-Lee - On May 23rd, the Port unfortunately experienced a fire at our Pier 45 facility. We had over 20 tenants inside of that facility, most of which were fish-gear storage tenants. Our work is really mission critical to our fishers and our fish processors. There were a cross-divisional core of people conducting the salvage of all the remaining goods on site. That has been a significant component of the work this year.

George Bibbins - Over the last 100 years or so, there've been several companies that stored oil in this area. One day at low tide, one of our wharfingers was looking at the shoreline and noticed that this was actually seeping from the shoreline. Then we realized that there were several more spots where it was seeping out. Now we have about 800 feet of shoreline in this containment.

Containing the leak has been a huge team effort. We have seen the amount of seep diminish. We wish we didn't have this problem, but we all feel proud of how it's been going.

Wendy Proctor - After the shutdown in March, we provided three and a half acres to develop a shelter-in-place site. There's a number of people who are unhoused in the District 10 area so they prioritized 120 [dropoff] trailers for those people. It provides hope to that community that the City is doing something for them.

Katie Petruccioni - Last March, we had about 150 administrative staff suddenly start working from home. And my IT staff did an absolutely phenomenal job in making sure that staff had the resources that they needed in order to be able to continue to do their jobs from home. In June, the Finance and Administration Division totally revised the Port's budget to reflect the reduction of our operating revenue by about half. That was a significant accomplishment and a major milestone for us.

Joe Monroe - Me and my staff, we had to come up with a way to still provide a service for tenants still operating in that way, but doing it a lot of times from home. And also, we were still able to perform maintenance. We were still able to keep everything functioning the best we could during this pandemic.

Andre Antonio - Being on the construction side of things, everything is done in person. All of that had to change. The overall projects that were completed in 2020, I think have had a great positive impact for the surrounding community, especially the community surrounding the Crane Cove Park area.

Phil Williamson - My job was primarily focused on some of the big milestones that we were facing at the Mission Rock project and working to get the permits issued with Port staff and other City staff to allow construction to start. Fortunately we were successful and the project did break ground last month in December.

Mission Rock will be kind of the last piece of Mission Bay to be built. A place for workers and families and residents to live including new parks, new open spaces, new retail that is very visitor friendly and will serve the region and the city.

Katie Petruccioni - 2020 really required us to be creative and to think outside of the box. It really required us all to trust one another and that we were all going to figure it out. And I'm really proud of the fact that we did.

Director Forbes - Congratulations to each and every one of you for such accomplishments in what was a very, very hard year of 2020. We don't know what 2021 will hold. Already it's been challenging and opportunities are coming to the forefront. With the vaccine now in distribution and more coming, I do suspect we will be together in person again this year, and I cannot wait for that. And I can't wait to see what we all accomplished together and what we can celebrate in 2022. Congratulations team.

[Video ends]

Director Forbes - That video gives you a really nice overview of some of the major accomplishments. So here is the Pier 45 fire response honorees, the work group that really came together to respond to one of the most tragic losses that we experienced as a Port organization in some time. And we experienced it in the year of the pandemic.

The next team, next slide, is the Hyde Street Harbor oil spill response. You heard from the lead George Bibbins in the video. And here is the team that has really been doing yeoman's work to keep that oil leak contained with boom and had done incredible work pulling out product. And the regulators are very, very impressed with the work of our team.

The next team is South Beach Harbor and the leader there is Joe Monroe. This group has really stepped up to keep operations open, increase safety, security of the public restrooms, docks and offices. They've been vigilant on their protocol and have really observed many issues and have responded to them very gracefully and timely to keep the operation safe. We're very proud of the South Beach Harbor group.

Next awardee team was to the Mission Rock development team. You heard from Phil Williamson in the video. This team working from home went through major, major milestones and accomplishments. The first subdivision map, the significant street improvement permits. That was issued after a multi-year agency review on lightweight cellular concrete. Execution of four phases of the ground leases, all four of them. And Board approval of the first bond issuance. A great, great effort of this group working around the clock from home.

The next team is at Pier 94 shelter-in-place trailer site. This one you see took a village. You really see the names of so many Port staffers here. You heard from Wendy Proctor in the video. This happened, this team came together with so much fire power because we took a site that needed grading, electrical and a completion of the project from a pile of dirt essentially into an area ready for the trailers in 43 days. Congratulations to this team. Next slide please.

Here we have our construction management team. This team actually experienced a major retirement and the remaining staff really took the challenges head on. You heard from staff the importance of going from in person to social distanced in person. And we delivered a lot of capital work during COVID. Thanks to this team. Congratulations to you.

The next group is the emergency cost recovery group. And the person who made the nomination here is our lead accountant. Everyone on this list has helped us considerably with paperwork and filings to get FEMA reimbursed

for our cost. So congratulations to each one of your for doing that really important work for our financials.

The next team is the IT group and this is the group that figured out to go on VPN way before the pandemic and got our Pier 1 staff into a remote work experience very quickly and very capably. Thank you and congratulations.

The next team is the Human Resources and Payroll team. This was challenging. It was challenging to keep up with our policies and procedures. Staff had millions of questions about what to do when you need to be a schoolteacher instead of a worker for an hour because you have kids at home on distance learning, et cetera, et cetera. And this Payroll group kept us all up to speed, up to date and gave us extremely good information as we adapted.

Those are the Teams of the Year. We also honored individuals. From each division has individual awardees just for their exceptional work. Here you see Matt Bell who was awarded this year for Engineering. He's an extremely valuable resource. He's very technically capable and does a lot of work for us. He's transitioning and working on resiliency now. Congratulations Matt for your major contribution in 2020.

On the right is Joe Reilly. Joe Reilly really served as our emergency -- he is our Emergency Response Coordinator. And this year of 2020 was a big year for Joe. Not only was he deployed three different times to COVID command at the request of Mary Ellen Carroll who runs the DEM response, he was our point person and did a fantastic job with the 45 fire. There was civil unrest and a fire at Heron Head's Park and he really shone throughout 2020 in his role. Thank you so much, Joe.

Now to Finance and Administration, on the left is Suzette Love. She served as a liaison and administrative officer to the command center for the COVID command. She was lauded as one of the most valuable contributors to that effort. It was almost impossible for me to get her back to the Port, but she has now returned. And we thank her for her service for the City and we're so happy to have her back.

Anna Song here on the right. Anna developed a way to merge data between Citywide PeopleSoft database and the Port's property revenue management system which is data we absolutely need for our data-driven approach to our revenue information. Congratulations Anna for cracking the code.

And then to Maintenance, next slide please. On the left is Lenora Banks. Lenora is extremely dependable and she has been Acting Supervisor at Fisherman's Wharf. It's been a hard time at the Wharf. She's kept it

incredibly clean. She's been reliable and she is a great leader and Acting Supervisor. Congratulations for all your excellent work in 2020.

And on the left is Brendan O'Meara from our Maritime Division. Brendan is always willing to way above and beyond the call of service. He has got great business acumen and is considered the spirit of the team. And he's an asset to the Maritime Division and to the whole Port of San Francisco. Congratulations for your exceptional work in 2020.

And to the Planning and Environment Division. On the left we have Shannon Alford. She manages the Port's Maritime Dredging program and she's currently overseeing that Hyde Street Harbor mysterious oil leak. And she's done a great job problem solving. She's got a great ethic with all of her work and the regulatory agencies enjoy working with her because of her incredible professionalism and follow through. Congratulations to Shannon.

And on our right is our Real Estate and Development winner, Crezia Tano-Lee. Crezia led initiatives both within the division and in collaboration with other Port's divisions. She's really been the force behind all the tenant relief work. And she also was DSW and she helped set up the Piers 30-32 COVID test site, actually under my direction. Crezia is a real talent and we're very excited that she won an award in 2020.

We also celebrated important milestones for staff who have proudly served five years or more at the Port. And notably this year marked the 35th year of service to two staff, Fannie Chu from Accounting Operations, an Accounting Operations Supervisor, and [Edith Jibone], a Senior Accounts Clerk both with the Finance and Administration Division.

So congratulations to all the great contributors in 2020. And that concludes my Director's Report. Thank you so much.

President Brandon - Wow, what a great report. Thank you, Elaine. We will now open the phone line to take public comment on the Executive Director's Report from members of the public who are joining us on the phone. Jenica will be our Operator and will provide instructions now for anyone on the phone who would like to provide public comment.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman - Director Forbes, first off I want to thank you for such a comprehensive report. And I really actually want to acknowledge, the video was beautifully put together. And I really want to acknowledge all the staff teams who won awards this year. You know, if we could, I would say

every employee of the Port in San Francisco deserves an award this year for the work we've done during this pandemic and in 2020.

But I really appreciate the range of projects both from Maritime and Environmental to community serving. So I really want to commend all the teams and the individual Port members who won their awards. Your service is invaluable. So I did want to say, "Thank you for that." And the video was a beautiful way to convey the great work of the Port. I hope we pushed it out on our social media channels and let folks know what we've achieved.

I also just wanted to remark that on the cusp of Lunar New Year, I wanted to also appreciate the Port's participation with the Chinese Chamber of Commerce to make the floats available at the Cruise Ship Terminal. And the oxen along the waterfront, I think it's a great way to virtually recognize the start of Lunar New Year. Elaine, I want to thank you for waiving the fees as an art event which is truly is. The Port's always been linked to Chinatown and North Beach on the Northern Waterfront, the same way it's linked to the Bayview and other communities and Potrero on the Southeast waterfront.

So thank you for the collaboration with the community. And [speaks in Chinese] to our Chinese neighbors.

President Brandon - Thank you. Commissioner Burton?

Commissioner Burton - No. Yeah, Madam Chair members, I have to recuse myself on items 10A and 15B.

President Brandon - Okay, thank you. Vice President Adams?

Vice President Adams - Thank you Madam Chair. Director Forbes, excellent presentation and congratulations to all the staff that, I agree with Commissioner Gilman, they all are all-stars and superstars and they all deserve to be honored. And with that presentation, to me Director Forbes, I know last year we asked you what your commitment was to the Port. I think you just laid that out, what your commitment and that you have no intentions of going anywhere.

Actions speak louder than words. And so, I feel your passion and everything. And thank you for just putting it all out and giving us everything in your tank. Thank you. Madam Chair.

President Brandon - Thank you. Director Forbes, that was a great, very comprehensive report. And I really want to thank you for hitting so many areas that are so significant and mean so much to us at the report. And I really want to thank you for highlighting Black History Month and

showcasing our African American employees. This is something that's never been done, so we really appreciate it.

I want to really commend the Port on participating in the Lunar New Year festivities and doing whatever we can do to make it a festive occasion, because we need all the festivities we can get these days.

And thank you so much for letting us know about the change of use at Pier 70. And I'm happy that it was taken to the Southern Waterfront Advisory Committee prior to informing us, your decision to move forward with that. Thank you very much.

I also want to thank the Bar Pilots for their rescue efforts. I think that was absolutely phenomenal and what the Port's all about. And we, I just want to congratulate all of our phenomenal employees and teams. The way they stepped up last year is just incredible. And I've always said that we have the best staff in the City. And this video and these accomplishments show just that. So thank you so much Director Forbes for your report. Carl, next item please.

10. CONSENT

- A. Request approval of (1) the proposed Declaration of Restrictions (DOR) between the Port and 64 PKN Owner, LLC for Access Area for emergency pedestrian egress and a Clearance Zone for fire separation for the proposed mixed-use development on Pier 70 Parcel K North; and (2) the termination of the DOR upon Port Commission's dedication of the proposed 20th Street Plaza as a park; and (3) the expression of intent to dedicate the park at acceptance, allowing the park to be deemed a "public way" as defined in Port Building Code; and (4) provide for each proposed park in Mission Rock and Pier 70 Waterfront Special Use Districts to be publicly dedicated upon acceptance, to similarly serve as a "public way" for Building Code purposes. (Resolution 21-03)

ACTION: Vice President Adams moved to approve the Consent Calendar. Commissioner Gilman seconded the motion.

President Brandon - And we want to reiterate that Commissioner Burton is recusing himself in this item. So now let's open it up to public comment.

No Public Comment on the Consent Calendar.

Roll Call Vote:

President Brandon – Yes

Vice President Adams – Yes

Commissioner Burton – Recused
Commissioner Gilman – Yes
Commissioner Woo Ho – Absent

President Brandon - The motion passes unanimously. Resolution 21-03 is adopted. Carl, next item please.

11. FINANCE & ADMINISTRATION

A. Informational presentation on the Port's Ten-Year Capital Plan, Fiscal Years (FY) 2022-2031.

Nate Cruz - Hello Commissioners. My name is Nate Cruz. I'm with the Finance Department here at the Port of San Francisco. Before I get started on the presentation, I just want to thank everyone at the Port who helps make this plan possible. It truly is a Port-wide effort to get information from Maintenance and Maritime and Real Estate to understand the condition of our assets.

And I'm just really proud of the work that goes into the document, especially from a particularly new hire named Kelila Krantz who came to us with the San Francisco Fellow program and we snatched her up as a full-time basis recently. But she's the primary author of this document and deserves quite a bit of credit for it.

So today, next slide please, I'll go through sort of the "why" and the "how" we put together the Capital Plan. I'll also spend a moment highlighting some of our accomplishments over the last two years. Then we'll get into the details of it, the exact assessment of the capital need over the next 10 years, as well as the Funding Plan to attempt to meet that need, and finally we'll close out with some needs and opportunities that are emerging. Next slide please.

So this is why we're here today. Every two years, the San Francisco Code requires the City put together a 10-year Capital Plan. So we were here two years ago presenting the Port's contribution to that plan. And we're here again today. The attachment to the staff report that you received is the full report. Next slide please.

So the process at the Port is pretty well visualized in this diagram. What we start with is the Strategic Plan, sort of what we want to do as an organization, as well as the Waterfront Land Use Plan which guides how we can use our facilities and assets to accomplish those goals. So with that in mind, then we get to the real constraint unfortunately, which is the funds that we have available to accomplish those goals.

Those funds are the combination of Port capital with a target of 25% of operating revenues going to capital, as well as external funds that we combine to make our capital investments. So once we have the "what we want to do" and look at it through the lens of how much money we have, then we can actually start making some decisions in a capital planning process.

This involves all the divisions of the Port. And we prioritize and balance competing needs and make our decisions. We come to the Port Commission with three outputs from that planning process, this being one of them. So the 10-year Capital Plan that you're considering today is sort of a holistic look at the condition and the need of all of our facilities and the funding that we anticipate over the next 10 years to be available to address that need.

The other two documents are more specific and I'd say the heart of really the capital decision process is this five-year Capital Improvement Program. That's where we specify individual projects and the cost estimates go with them that we want to make investments in over the next five years.

The third document is just the mechanism by which we actually appropriate funds to those projects. That's the two-year Capital Budget that is subject to your approval every two years. And we'll be coming back to you actually in March with some Capital Budget requests. Next slide please.

The process itself has its challenges and opportunities. I want to go through those with you for a moment. As always, accurate cost estimates for 20 miles of, I'm sorry, 20 million square feet of real estate and seven and a half miles of waterfront is difficult. So I think it's important to keep in mind that the need here is an estimate and it gives you a really good sense of the scale of what we're dealing with. But the granularity isn't what we'd like always.

This particular year, as you saw in the video, presented some specific challenges due to COVID-19. A critical funding source is Port revenues and the rents that come in from our tenants and that we contribute to our Capital Investment Program. And predicting those revenues over the next 10 years is an uncertain exercise, I'll call it.

And finally, Sea Level Rise and seismic risk are ever-present issues that could swing numbers in the plan significantly. But on the other side, there are some opportunities for us to improve. Certainly in the area of racial equity, and I'll talk about that in a moment in a separate slide.

Another opportunity for us is to get better data on these cost estimates. And what we're doing is what we're calling FIRPA, which is the Facility

Inspection Review Program Assessment. That's where we send out teams of engineers to crawl on top of the building and they go in boats under the sheds. They really give us a really good look at the cost it would take to repair a facility and the useful life left in certain systems. And so we're getting granular data on certain sheds and piers. And we'll be rolling that throughout the waterfront in the future.

So we're improving our data set. There's always more opportunities to attract private development to the waterfront as well as invest in revenue-generating projects. And finally, especially in recent history, we've had an opportunity to really further our Maritime mission and expand the ferry infrastructure here at the Port. Next slide, here.

So I won't, I don't have an individual slide for each opportunity I mentioned, but I wanted to spend at least an additional moment and call some attention to our efforts to integrate racial equity into our work. As you know, we've hired our first, the Port's first Diversity, Equity and Opportunity Officer. And we have delivered Phase One of the Port's Racial Equity Action Plan.

And one of the -- there's a number of components of that plan that mention capital investment. And with help from the Office of Capital Planning and the Office of Racial Equity, the Port will, intends to integrate racial equity analysis into our capital projects selection. So when we're choosing projects, where to invest money, there's a very specific race equity lens being considered.

We don't have that tool yet, we haven't figured it out yet. But that's absolutely important work that we're proud to do. And we'll be starting that in the upcoming cycle when we start selecting projects. And of course, we'll continue to use our capital funds to support affordable housing, invest in the Southern Waterfront's development and resilience and to protect the transportation infrastructure and jobs that are concentrated in the Northern Waterfront along the Embarcadero. Next slide please.

So since we were last at the Commission two years ago presenting a Capital Plan, we've accomplished a lot. And I want to spend a minute highlighting those. Obviously, Crane Cove Park which you saw in the video has been delivered. A new seven-acre park from previously inaccessible industrial shoreline is now public access with a beach.

We've invested in the Alcatraz Ferry Landing substructure. Sort of a different category of investment where we're really spending money to ensure that the economic engine of tourism remains vital to, or remains sustainable along the Port and for the City. We've invest in RFPs to rehabilitate our historic piers.

We've done work in the backlands to create new leasable space. We did some environmental cleanup work at Pier 70 Shipyard relocating some PCB transformers. We've invested in ground transportation linkages between the Cruise Ship Terminal and the ground transportation that's available along the Embarcadero at Pier 27.

We also were able to create four new ferry berths south of the Ferry Building further investing in our Maritime mission. We also do things that aren't really press release worthy or have a pretty picture. But like at Pier 23 for examples, we did significant upgrades to the mechanical, electrical and plumbing systems. And finally, we put in a new public restroom at Pier 45, at Fisherman's Wharf. Next slide.

So to get into the details more about the Capital Plan, the 10-year window that we're looking at through Fiscal Year '31 identifies almost 4 billion dollars of capital need. And we categorize that in two different buckets, the State of Good Repair which on this slide says SOGR. That's about a 2 billion dollar need. And then Enhancements which are improvements to Port property at 1.93 billion.

Now in combination, that roughly 4 billion dollar figure is a 392.8 million dollar increase from the last time we brought the plan to you. Every time we come to you, there's factors that change the plan's figures, including the work that we did in those two years. Moving the 10-year window forward two years adds new work into those last two years. And finally there's also the just construction escalation.

This year you're seeing quite a bit of change due to that Facility Inspection Repair Assessment Program. By sending those engineers out and getting granular data, we were able to identify an additional \$160 million of work that was necessary that wasn't previously reflected in our plan. And so that information's very valuable so we can make better decisions, but it also tells us what an important investment this program is in and of itself to get us better data. A hundred and sixty million dollars of previously unknown cost is important for us to understand. Next slide please.

So on the State of Good Repair, to get into a little bit more detail, of the \$2 billion of need that we're estimating, unfortunately we only foresee about a quarter of that being funded, or having available funds to meet, at \$503.1 million. With an unfunded gap of \$1.5 billion, we'll have to be incredibly strategic about using that small amount of funds to make emergency facility repairs, access investments, dredging which is so critical to our Maritime mission.

And then also, when we have funds available, and where a strong cost benefit analysis justifies it, making repair and reinvestment investments in our facilities. Next slide please.

On the Enhancement side of the need, the picture is a little better. Again, the total need there is about \$1.93 billion but funding available is almost two-thirds available at \$1.24 billion. So it's much, the funding picture is much better. The unfunded gap there is \$691 million. And I'll get into the sources of those funds here in the following slides. Next slide please.

So this slide gives you an overview of all the funds available to pay for both State of Good Repair and Enhancement needs at the Port. And we've categorized them into Internal Funding and External Funding. Internal Funds roughly we've identified \$340 million of funds available. That comes directly from Port capital. We pass through the rents that we receive into our capital projects.

And the other component of Internal Funding is actually through our leasing of these large flagship facilities kind of like Pier 39 or the Ferry Building as a component, or a requirement rather, of the leases of those facilities, the tenants have an obligation to maintain the substructure and superstructure of those facilities. And that's priced in to the value of that lease, and so we consider it an internal source of funds. But that's reflected in that \$340 million figure.

The remainder of it, the lion's share of available funds really is External Funding. Next slide.

This lists the detail on the External Funding sources. We've enjoyed General Obligation Bonds like those that delivered Crane Cove Park. We've enjoyed, let's see, the 2018 Seawall Bond Authorization that's contributing towards our resilience work. We also used a new tool of local Special Use Districts, IFDs and CFDs that are funding Orton, Pier 70 and Mission Rock developments.

The federal and state sources are more traditional sources for us. We've received those in the past in the form of Port Security Grants and contributions from the Army Corps of Engineers. Mission Bay Ferry Landing is also an Enhancement project that brings some External Funding to the Port. There's certainly Internal City Funds in that project, but there's also Regional Measure 3 dollars. Those dollars are currently caught up in litigation but should be released to the project soon.

And finally, there's also some anticipated private contributions in that project. And lastly, and probably the biggest category is private investment

from developers. Pier 70 and Mission Rock particularly are attracting hundreds of millions of dollars to the waterfront. Next slide please.

And lastly I wanted to comment a bit on what the Capital Planning Framework calls Emerging Needs and Opportunities. These are components of our plan that may affect future versions of the plan. The numbers will likely fluctuate given these inputs.

And the first is RFPs. You know, as developers, we've issued these RFPs for Piers 30/32, 38/40 and there will be other RFPs in the future. Once we have development agreements with our counter parties, we'll be reflecting their investment obligations as a source of funds in this plan, but right now those, because those are subject to a contractual obligation, they're not in this plan. But I'm hoping in two years they will be, whenever we're back to you with the next plan.

And also, every year, we include conditional seismic costs. This particular version of the plan includes \$600 million of estimated conditional seismic costs. These are costs that are triggered if we do substantial work above the deck of a pier, it may trigger, depending on the extent of that work, improvements to the substructure, even if the substructure's in good shape. We're seeing that at the Pier 45 Shed C fire site where the fire took out the shed, didn't really cause any damage at the substructure. Nonetheless, due to the extent of repairs needed above the deck, there's going to be quite a bit of investment below the deck that's triggered.

And so we have a placeholder of \$600 million in the plan for that work, but it's subject to a lot of fluctuation depending on the extent of the projects that actually come to fruition. But that's the highlights of the plan. I'm here to answer any questions that you have. Sorry, next slide. Thank you very much for your time.

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner Gilman - Sorry. I'm just checking something in the staff report. Thank you for this report, it was really comprehensive. We have a lot of work to do [in indicating], I mean, the capital infrastructure of the Port is so, so important. And so thank you for your thorough report and your projections. And I have no questions.

Vice President Adams - Yeah, I really enjoyed the report. It was very thorough. And I like the one thing that he said about all the projects that we've done or things we're looking at that it doesn't have any bright lights on

it, but we're getting stuff done and things that we're thinking about doing. So thank you.

President Brandon - Thank you. Nate, thank you so much for that report. Very comprehensive. And I really appreciate you putting in the specifics, inclusion of the racial equity. And I look forward to seeing what the specific outcomes will be once that's figured out how to incorporate it.

So this is a 10-year Capital Plan, and then there's a five-year Capital Improvement Program and a two-year Capital Budget. So the five-year Capital Improvement Program, how does that fit into this?

Nate Cruz - Thanks for the question there, President Brandon. So the 10-year plan that you're seeing today is really an overview of the need and the sources. The five-year Capital Improvement Program is a very specific list of projects that we have chosen to fund and prioritize over the next five years. And so rather than the huge document that you're seeing today, it's a much shorter list. But it's very specific. It'll say, "This pier with this kind of work for this amount of cost." In years one through five, it'll lay out exactly what we intend to spend.

And so that's really sort of where the rubber meets the road for us, because that's our intent, our intended funding stream and intended list of projects over five years.

President Brandon - And so that will come to us in March with the two-year Capital Budget? Or --?

Nate Cruz - No, I'm sorry. The -- in March what you'll be seeing is a request to appropriate funds to capital projects for Fiscal Year '21-'22. And then next fall, when we go through the budget process again -- we've been going through a lot of budget processes lately. So, I can't believe it. But yes, we'll be back again with another, with the results of another budgeting process including a five-year CIP that will map out the priorities of the next five years as well as an appropriation ordinance that will accompany that in the budget.

President Brandon - Okay, so the last five-year Capital Improvement Program Plan was done five years ago?

Nate Cruz - No, I'm sorry. I apologize, I'm not --

President Brandon - That's okay. I'm trying to figure out [how they all fit together].

Nate Cruz - Yeah, we do a five-year plan every two years. So we do these 10-year Capital Plans in odd years. And then we do the five-year plans in the five-year plan -- I'm using the wrong word -- programs along with the budget on the even years.

President Brandon - Okay. All right. So, we're going to get a two-year Capital Budget in March based on the 10-year plan or the five-year Capital Improvement Program or -- how do all these work together?

Nate Cruz - Yes. So what you're going to see in March is an adjustment for Fiscal Year '21-'22's Capital Budget. You had previously approved, in the last two-year budget, a capital appropriations for '20-'21, the Fiscal Year we're currently in, as well as the next one.

We're going to come -- we need to make some changes to that based on, you know, COVID was hard to predict a year ago and it remains hard to predict. But we need to make some changes to that. And so we'll be back to you in March with those changes. That's the most immediate thing that's coming.

President Brandon - Okay.

Nate Cruz - Does that answer your question?

Commissioner Gilman - So --

President Brandon - Commissioner Gilman?

Commissioner Gilman - Yeah, I have a question. So what you presented today, the 10-year Capital Plan is the five-year, and this is really spurred by President Brandon's questioning. I didn't connect these dots before. Is the five-year program encompassed within that 10-year plan?

[Crosstalk]

Commissioner Gilman - Yeah, I think we're looking for the interconnectedness between the three things. I think this is where I'm getting a little confused now. So you have this 10-year plan. Is the five-year program part of the 10-year plan.

Director Forbes - I think I can help Nate out a little bit, if you don't mind.

Nate Cruz - Please. Yeah.

Director Forbes - The 10-year Capital Plan is really a summary of need. So it looks at what we need to be spending in the whole 10-year program

based on facility repair cycles, based on the backlog we know we already have. And so it's a big list of what we need to be spending, with a conceptual understanding of what we can spend, projections over that 10-year period.

The five-year Capital Improvement Plan is more specific on what we will spend on which projects. So it takes a five-year look on our spending plan for where we will invest project-specific investments. It does tie to the 10-year Capital Plan in the estimate of what we will be able to afford to spend. And then the two-year Capital Budget allocates spending and programs from that five-year Capital Improvement Plan.

So as Nate is saying, we have a standing five-year Capital Improvement Plan. We have to back off of it because we don't have the funding we anticipated due to COVID. So when you see your Capital Budget, your two-year Capital Budget, you will see reductions from what we had planned in that five-year Capital Improvement Plan to be spending.

So that's the major difference is the 10-year Capital Plan is a summary and a catalog of what we need to spend. And it's a more conceptual model, modelling document where the CIP five year and the two-year budget is very specific on the projects we will fund.

President Brandon - Okay. So the 10-year, the 10-year is updated every two years. The 10-year and the five-year are updated every two years to come up with the two-year budget.

Kate Petrucci - We alternate years, President Brandon. So one year we do the five-year plan and the next year we do the 10-year plan. And we use, the five-year plan is done in the same year as we're preparing the budget. And the first two years of the five-year plan become our Capital Budget for that two-year tranche that we're funding.

So we didn't bring you a five-year plan this past year really because of COVID. COVID kind of blew, the pandemic sort of blew all of our revenue assumptions up. And so we admittedly missed a year. So you would've seen a five-year plan with the budget in 2020, but it just -- our revenue projects weren't solid enough for us to really feel like we could give you a real five-year look.

So we didn't do a five-year plan in 2020. So you didn't see that. But now we're here with the 10-year. And then next year, we will come with the five-year plan accompanying the budget. Does that help?

President Brandon - So the five-year plan will accompany the two-year budget?

Kate Petruccioni - So the first two fiscal years that are identified in the five-year plan are the Capital Budget that will be in front of the Commission for your approval next winter, in winter of '21. This coming winter.

President Brandon - So this two-year Capital Budget that -- sorry, that we will see next month, what is that based on?

Kate Petruccioni - So next month, you're not going to see a two-year Capital Budget. Next month you are going to see tweaks, adjustments to the Capital Budget for Fiscal Year '21-'22 that was approved last year. We're not in an open budget right now.

We have a closed two-year budget. And because of COVID, we have to make some adjustments both to the operating budget and to the capital budget just for Fiscal Year '21-'22 which was the second year of the budget that was approved. So we're not bringing a two-year budget to you -- either a two-year operating budget or a two-year capital budget to you in March. We're just going to make proposals to make adjustments to Fiscal Year '21-'22.

President Brandon - Okay. Got it.

Nate Cruz - President Brandon, would it -- can I offer to put together a calendar of the next six months of what we'll be bringing to you? I think maybe that would be --

President Brandon - That'd be great.

Nate Cruz - -- be useful.

President Brandon - That'd be great.

Nate Cruz - Okay.

President Brandon: Thank you.

Nate Cruz - I'm happy to do that. Definitely.

President Brandon - And so, within our 10-year update, we have a racial equity inclusion. And so we don't have specifics about that so will we not hear about that until it's brought back in two years?

Kate Petruccioni - No. I would imagine that as we're putting together our five-year CIP, which is work that we're going to start this late summer, early fall. So, you know, in the next four or five months or so. That work is we're

developing the projects that we want to bring forth for funding over the next five years. One of the tools or lenses that we're going to use to evaluate which projects get funded will be a racial equity lens.

President Brandon - Okay, great. Thank you. Nate, I really appreciate you presenting this report and working with all the divisions to come up with all the, we have so many needs. And to put it all in one document, I know is not easy. So thank you so much for your work on this.

Nate Cruz - [You're] quite welcome.

12. WATERFRONT RESILIENCE PROGRAM

- A. Informational presentation regarding Waterfront Resilience Program (WRP) Local Business Enterprise (LBE) subcontracting and WRP equity actions.

Brad Benson - Good afternoon President Brandon, Vice President Adams, Commissioners and Director Forbes, members of the public. My name is Brad Benson, I'm the Port's Waterfront Resilience Director. I'm here with Carlos Cologne, the Waterfront Resilience Program Administrator. We're pleased to be giving the Commission this presentation today. LBE subcontracting and equity efforts within the Resilience Program.

And consistent with the Commission's direction, this will be a quarterly presentation to the Commission going forward. Next slide please.

So just to give a brief overview, a short introduction to this presentation, we want to talk about how we're prioritizing equity in the program. We want to give a brief overview of the structure of our main contract supporting the program. This is the CH2M Hill engineer's contract for planning, engineering, environmental services and construction oversight. Describe how we scope new tasks and authorize new tasks in that contract.

Carlos will provide an overview of the LBE contracting for that contract and for the Civic Edge Consulting contract which is our communications contract. And then we'll close with next steps. Next slide please. Next slide please.

So just as a reminder for the public, the Waterfront Resilience Program is a Port-wide effort with a range of activities, some of which are Port-wide, some focused in specific geographies. Port-wide efforts include our adaptation planning effort which we call the ADAPT Plan. The Army Corps Flood Resiliency Study is also Port-wide stretching from Fisherman's Wharf down to Heron's Head Park. And that's a partnership with the federal government to study flood risk through 2090.

The CH2M contract is supporting both of those efforts. We have the Embarcadero Seawall Program in the area from Fisherman's Wharf to Mission Creek. We've just completed the multi-hazard risk assessment for that program again with support from the CH2M contract.

In the Southern Waterfront, Engineering is taking the lead on the Southern Waterfront Seismic Vulnerability Assessment using Engineering contracting vehicles. And then we are partnering with the Planning Department, SFMTA and the SFPUC on the Islais Creek Mobility Adaptation Strategy. That is a Caltrans funded effort, again with a different consultant team.

And then there are other Resilience efforts being taken throughout the Port with different leads like the Real Estate and Development Division's effort for the Historic Pier Rehabilitation Program, or Planning and Environment's Waterfront Plan Update. Next slide please.

So we're prioritizing equity in the program. We're taking cues from the Port Commission's adoption of the Race Equity Action Plan, Phase One of that plan. And trying to bring those values into the program, both at the staff level and the consultant level. Next slide please.

Our focus initially is looking at the many economic opportunities that the program will generate over time as we gear up for Proposition A projects and the next set of contract opportunities. We want to take advantage of the time between now and then to work with existing workforce development efforts within the City, some of which have been spearheaded by other departments, to prepare San Francisco residents, including residents from disadvantaged communities for job opportunities in the program.

We are also similarly looking at LBE subcontracting opportunities that we see upcoming with the work and make sure that we're doing proactive outreach to qualified LBEs so that they're prepared to team up with primes for those bid opportunities. And then we're looking closely at funding for the program. We're very lucky to have Proposition A funds for the Embarcadero Seawall area. But we are being aggressive about trying to pursue funding Port-wide.

And we're lucky to have the Army Corps of Engineers on board for that Flood Resiliency Study because that is a Port-wide effort, but we're looking beyond just that funding source to how else we can bring funding sources in to support improvements, resilience improvements Port-wide. Next slide please.

So we have formed, in the program, an Equity and Inclusion Working Group. This is a combination of staff and consultant team members. Carlos

is a Co-chair of this effort on the staff side. Emilio Cruz with Carollo Consulting is the other Co-chair. This is a space where we're talking about race equity in the program context. You know, how we experience those issues as team members. And I've found this to be very educational for me. And I'm definitely in a listening mode as we, you know, grow together as a team.

We're talking in this context about how to pursue a diversity of well-paying jobs in the program, starting to think about post-pandemic internship opportunities that may be available. We're thinking about, we've heard through the public engagements that the community is looking for spaces in places that accommodate a diversity of uses and users. So we have to be very mindful if we're doing resilience work that may affect the public realm, how we're approaching that design effort.

And then, we want to prioritize actions in the program to advance equity and justice related to the economy, environment, infrastructure and resilience neighborhoods. We've heard a lot as we're prioritizing work in the program - - what are we doing to protect valuable community assets like affordable housing along the waterfront. Next slide please.

So CH2M Hill Engineers contract is the main contract that is supporting all of these activities in the program. We do have the Civic Edge Communications contract as a second support for the program. Next slide please.

We've asked CH2M who was acquired by Jacobs Engineering, you know, what are their policies for advancing justice and equity. They have a program that is committed to donating over \$10 million over the next five years in support of black educational and professional development and scholarship opportunities. They work to promote programs and volunteer opportunities for organizations committed to justice and equality. And they have a commitment to materially increase women and minority-owned supplier and vendor spending over the next five years.

They have a mentor-protégée program with local subcontractors and suppliers. And so we're impressed with the corporate commitment and we're seeing this expressed through their effort on the contract to increase LBE participation in the program. And more recently, the program manager for the CH2M team, Darren Milsom, worked with corporate to adjust an internship program that normally recruits from colleges and universities around the country, and he focused an internship opportunity out of the San Francisco Office on community colleges in and around San Francisco. Next slide please.

So just to give a little background about this contract. This is not a typical professional services contract for the Port. This is almost \$55 million contract plus contingency. As it was amended, it's really designed to support the program over multiple phases of the program. So initially it had a high level of scope and schedule. And we authorize new tasks for work as that scope can be defined.

So as an example, we've completed the multi-hazard risk assessment. We have a better understanding of risk in the program. That helps us define the next steps as we're working on alternatives in the program. Firms identified in the main have scoped review with each new task. This process ensures that we can scope work as we move through the program and have efficient delivery and contractual control of tasks. Next slide please.

The way the process works is the Port submits a task order request to CH2M for a new scope of work under a task. CH2M develops and submits a task order including scope, subconsultant utilization, schedule, deliverables and budget for Port staff review and comment. CH2M can use these new tasks as an opportunity to evaluate the addition of potential new firms if they need a new skillset, new qualifications to perform that work. That is an opportunity to add new LBEs which is coordinated with CMD if there is that opportunity.

We've definitely been learning as a team, both at the staff level and on the consultant side how to manage this contract and to try and maximize those LBE opportunities as we go. And we found that early consultation with CMD is helping us engage in best practices for all new firm additions. Next slide please.

So to have strong oversight of this very important contract, we've instituted some new procedures. We're reviewing new task orders with the Deputy Director of Finance and Administration and the procurement and contracts manager prior to authorization. We're meeting quarterly with the Executive Director and the Assistant Port Director to review the quarterly LBE report and budget and progress under the contract.

And as I mentioned earlier, we'll be reporting to the Port Commission quarterly as well. Next slide please. Now I'd like to hand it off to Carlos Cologne to walk through the LBE quarterly report.

Carlos Colón - Thank you, Brad. I'm Carlos Cologne, the Waterfront Resilience Program Administrator. And as Brad mentioned, I'll be speaking about the program's current LBE participation. On this slide is a table of total contract payments to CH2M broken up into two categories. There are payments from NTP in November 2017 to the approved contract

amendment in September 2019 and payments following the contract amendment through the end of 2020.

At the time of the contract amendment, 12.2% of payments to CH2M were for services provided by LBE firms. Since then, 28% of invoices have been for services provided by LBEs bringing CH2M to a total of 18.8% with WBEs and MBEs seeing increases in this period.

This table also shows 9.6% participation for African American, Arab American, Asian American and Latino American firms. You'll notice that this number is higher than the 6.5% participation listed for MBEs and this is because some of these firms choose to be categorized as WBEs in the CMD database.

This LBE participation exceeds CH2M's original projections. CH2M had originally projected lower LBE participation in Phase One with increased participation in Phases Two and Three and I'll speak more to that in the following slides. Next slide please.

So this chart shows us what CH2M projects for LBE participation per phase of their contract. With the majority of Phase One now scoped, they project Phase One to have 15.5% LBE participation through 2024 which includes work on the Army Corps Flood Study. About 9.6% of Phase One will go to MBE firms, and 5.9% to WBEs. CH2M projects 27.5% MBE and six -- excuse me -- 7.6% WBE participation in Phase Two with 20.4% MBE and 4.2% WBE participation in Phase Three.

I'd like to point out that these projections are from the time of the contract amendment, and Phase Two and Three have not yet been authorized. As Brad mentioned earlier, CH2M can look for opportunities to increase LBE participation through the task authorization process when scopes of work are more clearly defined. Next slide please.

So this graphic shows the cumulative impact from the previous slide. As you can see a forecast of accelerated LBE participation in the next two years as CH2M moves into Phase Two, Preliminary Design. At the time of the amendment, CH2M projected they would 7.3% LBE participation based on the total contract amount by the end of 2020.

At the beginning of last quarter, October 2020, they were at 9%. And this morning I confirmed that CH2M finished 2020 at 9.8%, an increase of 2.5% over their initial projection. Next slide, please?

So Civic Edge Consulting is the prime consultant on the WRP communications contract which was awarded in late 2017 and is set to expire this summer in August. Next slide please.

So due to the pandemic, in March 2020 the Port pivoted to a digital communications and community engagement. Led by Civic Edge, we are planning to continue this digital engagement approach in 2021. This year, we have already successfully a [King Tides] social media campaign managed by DNA Communications. And we are also continuing Youth Engagement, a citywide digital presentation roadshow to community based organizations and small tenant engagement, all managed by Bonner Communications. Next slide please.

So Civic Edge Contract has a 36% LBE contract commitment. The contract is currently over 82% complete. And as I said before, it expires this year in August. Total invoices through December 2020 had 39.2% invoiced for services performed by LBEs and total LBE participation will be over 80% if you include Civic Edge which is also an LBE/WBE.

Civic Edge is confident that they will continue to exceed their 36% LBE commitment at the time of closeout. Next slide please.

And these are the next steps. Next slide please. Brad?

Brad Benson - So as I mentioned earlier, we'll now be on a schedule of reporting quarterly to the Commission on both of these contracts. As Carlos mentioned, the Civic Edge contract will likely be closing out in August of this year. And then we do want to make a suggestion similar to what we've heard has worked well with our major development projects at Pier 70 and Mission Rock to implement a quarterly meetings with CH2M Hill, Port leadership, program staff and Commission officers to review progress towards LBE goals.

And with that, next slide please. We thank you for your time and we're here, available to answer any questions.

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Gilman: Thank you Brad and Carlos for the report. It [was really] comprehensive. I don't have any questions about the details of the report. I do want to, you know, just say that I appreciate so much that even when we're looking at resiliency in the Waterfront Plan, we continue to put equity front and center and particularly around the listening tours of the community and the staff to see what the needs are, particularly on the Southeast Waterfront where so much of this resiliency work is going to be.

So continue the good work. I'm happy to see it's happening. And, yeah, let's engage our LBE partners. We're going to need them over the next decade to help us ensure that we have a waterfront, we have resiliency and they're part of the partnership that makes it happen. So thank you so much.

President Brandon - Thank you. Commissioner Burton?

Commissioner Burton - No questions. But as a comment, very thorough report and tremendous information.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - First of all, Brad, my condolences in the loss in your father and to your family. And you're in our prayers at the Port. And to you and Carlos, great report. So much to look forward to. It is really exciting when we hear about all this with the resiliency and what's going to happen with this project. It's a big project with a lot of moving parts to it but I'm glad that you're working on it and with the team. So thanks for the update. And once again, our condolences on the loss of your father.

Brad Benson - Thank you.

President Brandon - Thank you [Vice] President Adams. Brad, again, my condolences on the loss of your father. You're definitely, your family is in our prayers. And thank you and Carlos so much for a wonderful presentation. This project means so much to the waterfront. And you and your team has just done an amazing job to date pulling together so many resources around this project and to keep it moving forward. Because it's an urgent, it's a very urgent process.

So I really want to commend you and everyone on the team for where we are. And all the support that we've gotten from the federal government, from the state government, from local government, from our citizen of San Francisco. This is one of our most urgent projects on the waterfront. So thank you so much for your leadership.

And I want to ask you for this presentation. The reason I asked for this presentation is because this is a new way of doing things for us. And it took me a little time to get my arms wrapped around how we were doing business, how we were contracting. And I'm so happy that Mayor Breed has asked every department to come up with a Racial Equity Plan so that we have something in writing, we have framework, we have guidelines. We have a document that we can follow to say, "Okay, we can no longer do business like we've done in the past." We have to look through other lens to make sure we're being inclusive of everyone here at the Port.

So we have learned a lot of lessons from this. I'm happy that we have a strategy going forward. I, as a black woman, know bias and racism from a mile away. I can see it a mile away because I've lived it all my life. So I'm so happy that we as a team are coming together to look through different lenses to make sure that all of our small businesses, all of our communities can participate in this very vital effort at the waterfront.

I want to take my hat off to CH2M and Jacobs for their commitment to racial equity and justice. And I do hope they follow through with their commitment, I truly do. I'm happy that we are going to have more transparency in our contracting, that our subcontractors can see clearly where they can participate and where they can't participate. And I'm so happy that CMD and Stephanie will be involved in that process going forward so it is very transparent.

I guess the only thing I would like to hear is Civic Edge's commitment to advance equity and justice because I didn't hear anything about their commitment. And I did have issues with how they were contracting with our minority businesses.

Brad Benson - So, thank you President Brandon for those remarks. And thank you to both you and President Adams on your condolences. So Civic Edge, we believe Civic Edge is committed to an aggressive LBE subcontracting goal. We did not for this report reach out to them for their race equity policies. We were starting with our major prime in the program, but we will, as part of the next quarterly report, come back and share Civic Edge's race equity policies for their firm.

In terms of the contracting work, the subcontracting work under that communications contract, as Carlos mentioned, we've moved to primarily online communication and the two primary subcontractors who are carrying out that online engagement under Civic Edge's leadership are Bonner Communications and DNA Communications. And I will just say that the outreach in the, you know, particularly in the Southern Waterfront has been excellent. There's been really strong support from that subcontracting team.

Just last night, a number of us were at the Hunters Point Shipyard CAC giving a presentation about the program. And I just, I want to commend the broader team for the aggressive outreach in a difficult environment.

President Brandon - I really appreciate those comments. But I'm sure those same firms could've done that last year also. So I'm happy they're being used now, that we have a Racial Equity Plan in place and hopefully going forward we will incorporate all of our contractors throughout the contract where they can be useful. But thank you again for this presentation. My

condolences to you and your family and thank you for being [here] to do this presentation. I really appreciate it. Thank you.

Brad Benson - Thank you so much President Brandon.

13. PLANNING & ENVIRONMENT

- A. Request authorization, subject to Board of Supervisors' approval, to accept a donation of material valued at approximately \$417,000 to be used in construction of the Heron's Head Park Shoreline Resilience Project from Hansen Aggregates, a Port tenant. (Resolution 21-04)

Carol Bach - If I could have -- oh, there we go. Good afternoon Commissioners. I am Carol Bach, the Environmental Affairs Manager for the Port of San Francisco. And I'm here today to request your authorization to accept a donation of mixed sand, gravel and shell which I am referring to as beach material from Hansen Aggregates, a Port tenant at Pier 92. To seek Board of Supervisors approval to accept that gift of material, and three, to execute a Memorandum of Understanding with Hansen regarding the donation of material. Next slide please.

When I was last before you in August, I described the objectives and key components of the Heron's Head Park shoreline resilience, or Living Shoreline project including placing sand, gravel, cobble, and rock along the Southern Shoreline of Heron's Head Park to protect the shoreline and tidal marsh from erosion and enable adaptation to Sea Level Rise. I also described restoring the native wetland plant habitat by removing invasive species and planting a diversity of tidal marsh species.

Recall that at that meeting in August, you authorized Port staff to accept and expend a grant from the San Francisco Bay Restoration Authority to fund the native plant habitat restoration work. Next slide please.

Since then, we've completed the engineering design for the living shoreline construction -- [echoes] tidal marsh from erosion and enable -- and updated the construction cost estimate. The current cost estimate for shoreline construction is \$3.08 million. We're continuing to pursue grants from state and federal grant programs to secure funding to complete the shoreline construction. Next slide please.

Beginning with our early outreach regarding conceptual plans for the Heron's Head Park Shoreline Resilience project, Port staff and our tenant Hansen Aggregates recognized that the mixture of coarse sand, gravel and shell that Hansen generates as a byproduct of its sand production process

is perfect beach construction material for the Heron's Head Park Shoreline Resilience project.

Hansen dredges material from an approximately one square mile area of the Bay floor located between Angel Island and the Golden Gate Bridge in accordance with leases from the State Lands Commission and permits from the State Lands Commission, the Army Corps of Engineers, the Regional Water Quality Control Board and the Bay Conservation and Development Commission. Next slide please.

Hansen transports this dredged material by barge to its leased premises at Pier 92 where it is unloaded by conveyor to land. The material is rinsed with fresh water as it is unloaded and again as it is conveyed over a 3/8 inch screen that separates the sand, which is Hansen's product, from larger grain-sized material such as the gravel, sort of pebble sized and shell particle material that's shown in the image on the right of this slide.

During transportation and subsequent washing and sorting, salt, fine sediment and other adhered material is removed from the beach material. We have conducted testing that confirms that the beach material meets the physical characteristics required for the product, for the project and is free of contaminates. Next slide please.

We have negotiated a draft Memorandum of Understanding that is subject to your approval. Some of the key terms of that MOU are that Hansen will deliver up to 12,000 cubic yards of beach material to a designated storage site that is shown outlined in yellow and also in crosshatching in the black and white image on this slide. And we estimate that it will take approximately 10-12 months to generate the quantity of material that we need for the project.

And the commercial value of that material is estimated at \$417,000. Under the terms of the MOU, the Port may reject any material that does not meet our specifications. Once the material is unloaded at the storage site, the Port will own it and may use it for Heron's Head Park Shoreline project or other purpose.

Hansen will maintain insurance as required by its lease of the adjacent premises, but will not extend insurance to the Port-owned and Port-controlled storage site. Either party may terminate the agreement for convenience with 30 days' notice. Next slide please.

So subject to Port Commission approval, we will seek Board of Supervisors authorization to accept the gift in March or April. We will execute the Memorandum of Understanding with Hansen once we have secured that approval. The beach material will be accumulated as it is generated and we

expect that to take at least through Fall of 2021, maybe through all of calendar 2021. We will use the beach material in shoreline construction. It's now looking most likely that that will be in the August 2022 through January 2023 seasonal construction window.

And meanwhile, we'll keep fundraising. That concludes my presentation.

ACTION: Vice President Adams moved approval of Item 13A.
Commissioner Gilman seconded the motion.

No Public Comment on Item 13A.

Commissioners' Discussion on Item 13A:

Commissioner Burton - Yeah, what's in it for the company that's giving us this stuff?

Carol Bach - That's a great question.

Commissioner Burton - Thank you.

Carol Bach - Because Hansen doesn't sell this material. It's just not part of their business operation at Pier 92, they actually pay to have it transported to another entity located on the Peninsula. So it does save them money to not pay for that transportation.

Commissioner Burton - And they just do that out of the goodness of their heart, or it's going to save them this amount of money.

Carol Bach - I don't know the exact dollar amount that it will save them, but it will save them money because they won't be transporting to have the material removed from their site which is what they currently do with it. It's not a useful product to them, so they actually have to pay to have it hauled off from their facility at Pier 92.

Commissioner Burton - It's a useful product for us, and we would have to be paying somebody for it?

Carol Bach - Exactly. You've heard the expression, "One man's trash is another man's treasure." So this is a perfect example.

Commissioner Burton - I guess. Or you get nothing for nothing in this world. Okay, I get it. And Hansen's got -- they have existing contracts with the Port?

Carol Bach - They are a current tenant with the Port, so they have a lease with us.

Commissioner Burton - They're a tenant?

Carol Bach - Yes.

Commissioner Burton - And they pay for what?

Carol Bach - They pay to lease that entire Pier 92 sand yard. If we want to go back in the presentation to show the site layout diagram?

Commissioner Burton - Well, no, you don't have to do that. Just --

Carol Bach - Okay. Well, they lease -- I can't remember the exact square footage. But they have a large leased premises directly adjacent to where we're going to be storing the donated gravel where they conduct their sand washing and sorting and sales.

Commissioner Burton - So it doesn't reduce the amount of money that they owe us for rent.

Carol Bach - No, it does not.

Commissioner Burton - Well, don't look a gift horse in the mouth. Thank you very much.

Carol Bach - Thank you.

Commissioner Gilman - Those were great clarifying questions. Thank you. And I do want to say it's pretty ingenious of Port staff to realize how we could turn this into an opportunity to help us with this park which we've been trying and continue to be committed to and still has a long road ahead of it to a certain degree. So thank you so much to staff for thinking of it. And I guess thank you to this company, our tenant for donating it to us.

Carol Bach - Yeah, I would like to say a word of thanks to Hansen because the way this idea really got started was that I was presenting to our Southern Waterfront Advisory Committee and Hansen's Facility Manager is a member of our Southern Waterfront Advisory Committee. And as I was describing the material that we would need for the project, he was thinking, "Ooh, that sounds a lot like the material that we generate and have to have removed." And after the meeting, he approached me with the idea. Yeah, so.

Commissioner Gilman - It's nice when all that comes together, so we should thank them for sure.

Carol Bach - Yes.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Carol, great report. You and the staff, thank you. I've always been a big fan of yours and I'm glad to see Director Forbes moved you up in the lineup instead of at the end. And I am in full support of it and I'll be voting yes. Thank you Carol.

Carol Bach - Thank you.

President Brandon - Thank you. Carol, thank you so much for this report and this great idea for us to receive this gift from Hansen. We really appreciate it. So with that, we have a motion and a second. Carl, can we have a roll-call vote?

Roll Call Vote:

President Brandon – Yes

Vice President Adams – Yes

Commissioner Burton – Yes

Commissioner Gilman – Yes

Commissioner Woo Ho – Absent

President Brandon - The motion passes unanimously. Resolution 21-04 is adopted.

- B. Request authorization, subject to Board of Supervisors' approval, to accept a gift of over \$10,000 in volunteer hours and materials from the San Francisco Conservation Corps; and request amendment of no-cost non-exclusive License No.15210 with Golden Gate Audubon Society to extend the term until December 31, 2032 to enable the use of the donation for continued stewardship of open space adjacent to the Pier 94 Wetlands, in the eastern portion of Seawall Lot 352. (Resolution 21-05)

Carol Bach - Thank you, Carl. If I can have my first slide. Commissioners, by coincidence, I'm here to ask for your authorization to accept another gift. Actually, I'm requesting authorization to do two things. To accept the donation of plants and labor from the San Francisco Conservation Corps and to extend the term of a no-cost, non-exclusive license and to seek the Board of Supervisors' approval to accept the gift. Next slide please.

Just a little bit of history about the Pier 94 wetlands. In 2006, the Port completed a small wetlands enhancement project along the shoreline of Pier 94 . Again, by coincidence, Hansen Aggregates' facility is just inland of the shoreline there. You can see it in the aerial photo there.

That wetland enhancement project was funded by a grant from the California Coastal Conservancy, and ever since then, the Golden Gate Audubon Society has really brought significant resources to support our ongoing care for that site including volunteering to conduct the monitoring that was required by our permits for the Wetlands Enhancement project. And continuing to lead volunteer trash cleanup and weeding events, you know, many, many times a year for all these years, ever since then.

They also provide environmental education programs for public schools at Pier 94. And they do all this without significant support from the Port other than we pick up their large bags of trash and other debris. We have responded on occasion to security issues that have arisen, and we rent a port-a-potty for some of their larger events --

In 2013, the Port issued a license to Golden Gate Audubon Society sort of formalizing our authorization of the work that they were doing and also a new Upland Habitat Enhancement project that they were initiating within the upland area, just inland from the wetlands at Pier 94. And Port Commission No. 1293 authorized a no-rent license to Golden Gate Audubon Society in recognition of the environmental and other public benefits that their work there was providing.

Extension of their license for 10 years would enable Golden Gate Audubon Society to continue this valuable work and to enter into a partnership with the San Francisco Conservation Corps. Next slide please.

The San Francisco Conservation Corps is a non-profit organization with offices located just off Port property on 3rd Street and Islais Creek. Their mission is to provide low-income youth and young adults with the skills needed to succeed at work, apprenticeships or education. And 92% of the San Francisco Conservation Corps alumni who spend eight or more months enrolled in one of the Corps' programs moves on to employment, advanced training or post-high school education. Next slide please.

With the proposed extension of their license term, Golden Gate Audubon Society would work with the Conservation Corps to continue improving the coastal habitat along the Pier 94 wetlands, and that work would be funded by a grant to the San Francisco Conservation Corps from the State of California.

The Conservation Corps would provide plants and labor. Golden Gate Audubon Society would provide technical guidance regarding the selection and handling and planting and maintenance of the plants. And they would also advise regarding conducting the work in a way that would protect wildlife at the site.

Golden Gate Audubon Society would continue to work with their many volunteer programs to maintain the new plantings through the 10-year extension of their lease term. The Port would not be a party to the grant nor would receive any funds from this. Next slide please.

So the key terms of the proposed license amendment are that the license fee and security deposit would continue to be waived as they were initially in 2012. Audubon's use of the licensed area would continue to provide public benefit and improve Port property consistent with our public trust mission. Audubon would be solely responsible for maintaining plantings within the license area. And the proposed license term would be extended from its existing 10 years to 20 years which would take it out to December 31st, 2032. Next slide please.

So next steps, subject to your approval. We would take this to the Board of Supervisors for their authorization to accept the gift. We would execute the extension of the license term. San Francisco Conservation Corps would begin in July of this year and continue for two years through June 2023. And Golden Gate Audubon Society would maintain the plantings beginning in July 2021 with their work in concert with the Conservation Corps and then through 2032.

That concludes my presentation.

ACTION: Vice President Adams moved approval of Item 13B.
Commissioner Burton seconded the motion.

No Public Comment on Item 13B.

Commissioners' Discussion on Item 13B:

Commissioner Gilman - Thank you so much for the report. Again, another great way to be [a part of a] partnership. I'm supportive of the item.

Commissioner Burton - No questions.

Vice President Adams - Carol, great report. I'm supportive. Thank you.

President Brandon - Thank you. Carol, great report. I think we're extremely lucky to have this relationship with the Audubon Society and the San

Francisco Conservation Corps. And thank you for leading that relationship. This is another great gift. Okay. Carl, we have a motion and a second. Can we please have a roll-call vote?

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolution 21-05 is adopted.

14. ENGINEERING

- A. Hearing and request authorization to amend and restate the Port's Harbor Traffic Code including amending certain parking and curb restrictions on Port streets within Pier 70 Project Area. (Resolution 21-06)

Paul Chasan - Great. Commissioners, thank you so much for having me. My name is Paul Chasan. I'm a relatively new hire at the Port so this is my first time presenting at the Commission. I'm excited to be here today. I'd like to just, before I start, just want to thank everyone for welcoming me at the Port. [It's a weird] time to start a new job but everyone's been very gracious and it's been really great to be here.

So today, I'm going to be talking to you about, what we're asking to do is to approve amendments to the Port Harbor Traffic Code which are important to sort of move Pier 70 Stage One forward. So if we can have the next slide please.

So a brief summary of the presentation. And actually, the first two bullets are actually got, are out of sequence or transposed. So we're going to start with a brief summary of how we got here, some of the previous approvals that led us here today. And I'm going to talk about what's actually in the legislation. I'll follow up with some next steps for the project, sort of a brief update for Pier 70 and the Port Harbor Traffic Code.

And then I'll, I thought I would close with some, just to show you some of the great public landscapes that we're building at Pier 70. Next slide.

So just before we -- some context. You know, there's been a 10-year plus process from concept to implementation at Pier 70. The, what we're doing

today is sort of a technocratic exercise where we're kind of approving or establishing curbside uses at Pier 70. That's an important step in getting the streets open to the public. And I just want to make sure everyone understands that the ideas that are presented in the code today, that we're asking to approve, to amend the code and put into the code, are based on the strong foundation of a robust process which included a really, very thorough planning process which had many opportunities for the public to weigh in on all aspects of the project including transportation and circulation and also public, more kind of formal settings like this one at the Port Commission. You can see the first four items include Port Commission hearings. So next slide.

And kind of technically, what we're doing here today is we are amending the Port Harbor Traffic Code. The Port Harbor Traffic Code regulates parking and traffic throughout this 7.5 mile waterfront of Port-controlled streets. And today, we're sort of inputting the new streets that are being created [at] Pier 70 that are imminently going to open up to the public and we're establishing curbside uses there.

By curbside uses I mean the kind of activities that happen at the curb. That's car, parking for cars and motorcycles and bikes. Passenger and commercial loading, accessible parking and loading. And areas with no parking. And the no parking is actually really important because it helps us, it helps with pedestrian safety by daylighting intersections and also ensures emergency vehicles can access the site.

And I should also just clarify that you know, there is both City streets and Port streets in this first phase of Pier 70. And the legislation only today only applies to the streets under Port jurisdiction. Streets that fall under City jurisdiction will move forward in a parallel process at the MTA Board. Next slide.

Zooming in a little bit more, while it's actually in the legislation, we have, the majority of the spaces are long-term parking. And all of those parking spaces will be metered which means that they will generate revenue for the Port. The City's policy currently uses a variable pricing meter policy which basically means that the meter rates are adjusted periodically to kind of align them with demand for the block that they sit on.

So initially they'll be set at about \$2.25 an hour which is modelled on what's nearby in the Dogpatch neighborhood. And then every six weeks they're adjusted by plus or minus 25 cent increments depending on demand. Like I said there's about 100, just shy of 100 long-term spaces. We're also, this legislation includes accessible long-term parking spaces, some passenger loading. All the passenger loading is accessible, as well as loading for commercial vehicles and bicycle and motorcycle parking. Next slide.

And this is a map that shows the Pier 70 development just to kind of show you where I'm talking about. And what this map shows is both ownership of the streets, whose, which jurisdiction they fall in, Port or City rights of way and the phases that will be built. And so what we're asking you to approve today is everything in yellow. Those are the Port rights of way in Phase One. And the pink color are rights of way, City rights of way in Phase One. And the orange and blue kind of colors are rights of way that will be built out in future phases.

And just to orient everybody, 20th Street is at the top of the map, 22nd Street is at the bottom of the map. Illinois Street is on the left side of the map and the Bay obviously is at the right side. And so next, and so once again, you're just being asked to approve the yellow streets.

In terms of just next steps for Pier 70, the Western portion of 20th and 22nd are actually already open to the public. You can go and see them. And 20th especially has some really lovely pedestrian infrastructure. We anticipate we'll begin the approval process, the Notice of Completion which kind of is the beginning of the street approval process which is a process by which the streets are transferred from the developer to the City. So the City's got to accept the streets.

And that will take about six months. And we anticipate that'll be completed kind of in the middle of the year. In terms of the vertical project, Building 12 will be the first building completed. It's anticipating getting its temporary Certificate of Occupancy in Fall of this year. And tenants will hopefully occupy the space in early, or sometime in 2022. Next slide.

And the other thing that we discovered. When we were going through this exercise of updating the code, we realized that the Port Harbor Traffic Code is in need of a little TLC. It was created in the '70s and it's sort of been updated periodically since then. But it's just, kind of was in need of a bit of an overhaul. There're some parts of the Code that are dated or anachronistic like references Embarcadero Freeway and so on.

And so we didn't want to, we wanted to keep the Pier 70 improvements separate, because the Pier 70 improvements are needed to help move that project along its schedule and to get these streets open to the public. But we want to come back to you with a more robust amendments to the Port Harbor Traffic Code to just kind of modernize it and clean it up.

So this legislation in addition to the Pier 70 amendments, includes amendments that just help improve the legibility and clarity of the code, and really grammar and numbering the code and stuff like that. Nothing substantive. But we'll be coming back to you soon with some more

substantive amendments. And I'd be happy to talk about that in the Q&A if you have questions about it. Next slide.

And then, over here, we thought it would be nice to kind of close with some of, some images of the landscapes. Like I said, and you know, the whole purpose of doing this is to get these streets open to the public. We need to install parking meters and put the color curb striping and so on. And signage is part of the way, part of the process of, has to be completed for Brookfield, the developer, to transfer the streets to the City. And so this is kind of an important, a critical path item to get there.

But the whole purpose of this is to make, to open up these great public spaces. And here you can see Maryland Street. Maryland Street is the primary pedestrian street at Pier 70. It's kind of got these beautiful pavers in the middle of the road. There's Building 12 is on the left, that's the street, building that's going to open up to the public. You can see the new lights and trees that have been installed. And the next slide.

And then here is 20th Street. It's also got special paving. It's got historic cobblestones defining the parking lane and the crosswalks. It's also got concrete in the middle of the road but the concrete had got a, kind of a denser score pattern which helps add a pedestrian scale to the street. There's a lot of historic buildings on this road. And next slide.

And that concludes my presentation. I'm happy to open it up to Q&A and I just want to thank you for your time.

ACTION: Commissioner Gilman moved approval of Item 14A.
Commissioner Burton Seconded the motion.

No Public Comment on Item 14A.

Commissioners' Discussion on Item 14A:

Commissioner Burton - No comment.

Commissioner Gilman - I have no questions or comments and I support the item. It's exciting to get these streets open. Let's do it!

Vice President Adams - Huh? I'm good. Thank you.

Vice President Adams - I'm good President Brandon.

President Brandon: Okay, thank you.

President Brandon - Oh, sorry about that. Thank you again for your report. It's a great presentation and I love the photos and I love the work that's being done out there. This is just adding to the opening soon. So Carl, can we please have a roll-call vote.

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolution 21-06 is adopted. Carl, next item please.

15. REAL ESTATE & DEVELOPMENT

- A. Request authorization to issue a Request for Proposals (RFP) for the adaptive rehabilitation, reuse, lease and operation 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. (Resolution 21-07)

Rebecca Benassini - Good afternoon Commissioners. Rebecca Benassini, your new Deputy Director of Real Estate and Development. Thank you so much for your confidence in me earlier, by the way. I'm excited to introduce this item along with Jamie Hurley. The only introduction I wanted to make clear is if you take action on this item today, this will be our third RFP issued pursuant to the draft Waterfront Plan RFP process.

So just as a small reminder, the RFP processes that we went before, that we undertook on the previous two RFPs are mirrored here. So we do an informational with the Port Commission. We did that in October. Then we take the RFP presentation over to our Southern Advisory Committee. We did that presentation and we focused in there on community values and priorities for these particular sites to sort of drilldown from the Waterfront Plan level down into these particular buildings.

And then the third step is we come back for an action item and then we would issue the RFP. So you'll see throughout the presentation that Jamie provides sort of mirroring the processes that we undertook the 38 and 40 RFP and the 30/32 and Seawall Lot 30 RFP, just on a smaller scale for these buildings. Next slide please.

So during the presentation, Jamie will be going over sort of alignment with Strategic Plan, focusing in on the buildings. Outreach, we've been conducting since October when we provided the informational to you. Then, what are the key bones of the RFP? What are the minimal qualifications? What's the scoring criteria? Then what will the process be once that sort of very strict scoring [time carried it] over and how we come back into the public and out into the Port Commission in terms of that selection process.

We'll go over what economic benefits we're hoping to achieve through the RFP are to the Port and next steps. And I just want to recognize all the interdepartmental help on this. Crane Cove Park is really the Port's new baby park and there has been a lot of interest in making sure, from Engineering, from our Contract staff and from many other divisions that we get these buildings activated with the right tenants who are going to embrace their neighbor, which is the public park.

So I'd like to turn it over to Jamie Hurley now, who has been managing the process for us.

Jamie Hurley - Thank you, Rebecca. And good evening Commissioners. If I could have the next slide.

So this is a view looking West from the water and you see Building 49 on the left of the slide and the Kneass Building on the right with a portion of the new Crane Cove Park in the middle and sloping down towards the middle. Next slide.

This slide just sort of lays out the ways in which we believe that this RFP and the projects that we hope to come out of the RFP will align with our Strategic Plan. Next slide please.

Just a little bit about the two buildings. And what I really wanted to highlight here was one of the key difference between the two buildings being that Building 49, which is the smaller of the two buildings, will require much less in terms of capital investment and in terms of sort of entitlement process in order to deliver, you know, or to occupy that building. Kneass Building will require significant capital investment and a significant entitlement process. And, you know, it's in pretty poor condition.

Building 49, the Port is set to deliver a set of improvements by Fall of this year that will, you know, allow the building to essentially be occupied with fairly minimal tenant improvements as long as the use does not exceed the 100-person occupancy limit currently. Next slide please.

We will, we have reached out already through the Port's Contracts and Procurement Manager Stephanie Tang to the City's Contracts Monitoring

Division. Obviously, we're going to work with them to establish LBE goals for these projects and to maximize LBE participation. In addition, we will work with the Port's Race Equity Team led by Toni Autry and Tiffany Tatum to identify opportunities that are consistent with the Race Equity Action Plan. Next slide.

This RFP is really building on and expanding on community-driven processes that have already taken place in the area, notably the Pier 70 Master Plan, the Crane Cove Park planning efforts as well as the draft Waterfront Plan and its goals, policies and objectives for the Southern Waterfront subarea within which this lies. In addition, we, and per the Waterfront Plan, we have worked on conducting additional outreach as Rebecca mentioned, to understand potential community-serving opportunities to enhance the park experience and targeting on certain groups. Next slide please.

So here is a list of organizations that we have conducted outreach to over the past few months. Obviously the Port's Southern Advisory Committee. We have met with the Board President, District 10 Supervisor Shamann Walton. A number of great community-serving organizations to really try to understand, well, to build awareness for this opportunity and, you know, provide information in case there was any interest in potentially being part of a respondent team. Or if there was potential for them to be an end user of the project in terms of delivering their program. Next slide please.

So these are basically coming out of that outreach process, what we've heard -- and this is for Building 49 -- so confirming that we are looking for programs and uses that support human-powered recreational boating. So that's, we think of kayaks and stand-up paddle boards. We want to enhance the use and activation of Crane Cove Park. We want to provide other amenities for park visitors including park bathroom, or public bathroom facilities. And we want to preserve the historic character and Maritime function of the building. Next please.

And for the Kneass, what we heard is really wanting to deliver community-serving space that, offering programs and services to diverse community segments such as at-risk use, seniors, persons with disabilities and families. We see an opportunity through community-oriented programming to really foster community building, engagement and connections. Again, we want to enhance the use and activation of the park.

It's an opportunity to leverage nearby development in the facility and to provide additional neighborhood services and employment opportunities, both paid and volunteer or internship based. And then again, want to preserve the historic character of the building. Next please.

In terms of the minimum qualifications that will be built into the RFP, and again this is segmented out into each building. This is for Building 49 where reflective of the relatively low level of investment and entitlement effort that will be required, it's a fairly low bar. We are asking any respondent to have a minimum of three years in relative business management experience. Next please.

For the Kneass Building, in addition to having at least three years of management experience, the number of sort of financial capacity related requirements in terms of having committed funding, having experience in titling and constructing projects of at least \$1 million. Next please.

Just a quick overview of the RFP process. The RFP will be in accordance with the draft Waterfront Plan. In particular, it is a competitive process. And what's unique or actually not that unique -- I guess we've done it already at Piers 30/32 and Seawall Lot 30 -- but there is going to be optionality built into this where respondents can either propose for one of the buildings or the other, or both. And then again the goals of the solicitation, as I mentioned before, really having to do with park-serving uses and community-serving uses. Next slide please.

These are the scoring criteria that we have developed. There are six of them. And again, you can see, you know it's separated out by building, the Kneass and the 49 Building. If someone was to propose for one of those buildings only, there's a total of [100 points at stake]. If somebody was to propose to submit a combined proposal, they would be scored on the base of 200 points. Next slide please.

In terms of the Commission review process and our selection process, we will have a scoring panel that will conduct written review as well as conduct interviews of all respondents who have met the minimum qualifications and then deemed to have met the requirements of the RFP.

And then there will be, it'll be essentially a two-step process with the Commission with the first step being an informational presentation where Port staff will summarize the responses, provide the results of the scoring and provide an opportunity for the respondents to make a presentation to the Commission. Next slide please.

And then at the next Port Commission meeting, this would be an Action item and then, at which the Port will develop recommendations based on the scoring. So either the highest scoring combined proposal if we receive any, the highest scoring Kneass-only proposal, or the highest scoring Building 49 proposal. So a lot depends on what we get.

And then from there, we will be asking the Port Commission to decide whether to award the top-scoring combined proposal, award two to both the Kneass and the Building 49 for one or the other or to reject all four. So there's sort of four different things the Port Commission can decide upon at that Action Item. Next slide please.

In terms of the economic benefits, there are really three. We're looking at significant investment in Port assets. You know, our preliminary estimates are \$10-15 million combined capital investment required for the two buildings. Again, most of that probably will be with the Kneass Building.

And then obviously assuming the maintenance and operation responsibilities for these buildings and notably the provision of public restrooms as I mentioned in Building 49 serving the park. And then we do see an opportunity for rent payments to the Harbor Fund through participation in that revenue or upside revenues. Slide please.

Can I have the next slide? Thank you. So then next steps. With your authorization tonight, we would spend the next couple, few weeks finalizing the RFP. We would release the RFP in early or mid-March. And then we would provide approximately 10 weeks for respondents to develop their proposals. They would be due towards the end of May.

And a process would follow from there and we would be looking at essentially the end of this Fiscal Year where we would be back to the Commission seeking authorization -- well, we would be sort of, first, as I mentioned, coming to you with an informational presentation. And then, following that, seeking authorization to award. And next slide.

And that concludes my presentation. Thank you.

ACTION: Vice President Adams moved approval of item 15A.
Commissioner Gilman seconded the motion.

No Public Comment on Item 15A.

Commissioners' Discussion on Item 15A:

Commissioner Gilman - I just had a couple of questions. And it might just be that my memory is fading. Jamie, you said in your presentation that we have not determined yet the LBE goals for this contract. That we would be doing that, you know, while you're packaging it together. Is it common to come to Commission for authorization not having sort of, those goals flushed out? And it just could be, it might just be that I'm forgetting what our process is.

Jamie Hurley - And I might -- thank you Commissioner Gilman -- and I might ask Rebecca who was involved in the previous one to respond to that.

Rebecca Benassini - Yeah, thanks Jamie. I'd be happy to. Thanks, Commissioner Gilman. So we typically set the goals with CMD once we're able to provide them generally with the scope of work. So then they look at the disciplines that are going to be engaged through the work during, as part of the lease and the delivery of the improvements. And then they'll provide a goal to us.

We have on many previous projects sort of a ballpark estimate of what those goals may be. But in order for them to come up with something more, you know, unique to the building, we typically will give them a scope of work. So we'll get the RFP responses. As we select, as we come to you with the selection for an entity, we'll have a better of idea of what that scope of work will be.

Commissioner Gilman - Okay. And then my only other question was, and maybe it's because of the use of the properties or you know, the fact that we want, you know, as you said, one of them a water use. I'm just wondering why 10 weeks? I'm under the impression that a lot of the City departments, particularly right now, are either doing mega-RFPs or RFPs where they're only offering a couple of weeks for respondents.

And I'm not saying we should offer only a couple, but 10 just seems lengthy to me. So I'm wondering why we're not going with a more expedited timeline.

Jamie Hurley - Yeah.

Rebecca Benassini - We debated that quite a lot. Oh, sorry Jamie.

Jamie Hurley - It's all right. Go ahead Becca.

Rebecca Benassini - I was just going to say that we were, we started out with eight weeks and in talking to our contract folks they were noting that just because of COVID and the necessity for us to schedule pre-proposal meetings in different ways and schedule tours, we were --

Commissioner Gilman - Okay.

Rebecca Benassini - -- concerned that, we were just concerned about a constrained timeline.

Commissioner Gilman - Okay. Yeah, I just wanted to understand the rationale. Yeah, I'm supportive of the item and thanks for answering my questions.

Jamie Hurley - Yeah.

Commissioner Burton - Aye. No. I'm sorry, I have to recuse myself on this issue.

President Brandon - Vice President Adams?

Vice President Adams - I have no questions. Jamie, thank you. Commissioner Gilman answered some of my questions. And I'm fine, thank you Madam Chairman.

President Brandon - Great. Thank you, Jamie. Thank you again for the presentation. And we look forward to the results of the RFP. But thank you for all the work that you've put into this.

Jamie Hurley - Thanks so much.

President Brandon - We have a motion and a second. Carl, can we please have a roll-call vote.

Roll Call Vote:

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

President Brandon - Okay, so for clarification, is Commissioner Burton voting this or is he recusing himself?

Michele Sexton - He can vote on this -- this is Michele Sexton. And he can vote on this item. It's the next item that he has a recusal for.

President Brandon - Great. Okay. The motion passes unanimously. Resolution 21-07 is adopted. Carl, next item please.

- B. Request authorization to enter into Exclusive Negotiation Agreement with Strada TCC Partners, LLC for the lease and development of a mixed-use project including commercial, residential, retail, maritime and public access uses for Piers 30-32 and Seawall Lot 330. (Resolution 21-08)

Carl Nicita - All right. And, for the record, this is the one that Commissioner Burton has recused himself from.

David Beaupre - Good afternoon, Commissioners. David Beaupres with the Real Estate and Development Team requesting your authorization to enter into an Exclusive Negotiation Agreement for Piers 30-32 and Seawall Lot 330. I'll pause and let the sirens go by. With the Strada TCC team. I am joined this evening with Rebecca Benassini and Grace Park supporting the Port team and Jesse Blout from the Strada TCC team. And we're all available for any questions at the end of the presentation. Next slide please.

What we're hoping to cover this evening is a little bit about the process and the timeline to date, how this project aligns with the Port's Strategic Plan, background on how we got to the project, high-level overview of the Strada TCC Partners' proposal and an overview of some of the key ENA terms that we've been [negotiating]. And then next steps to advance the project. Next slide please.

So just wanted to set the overall process in context. This is a slide that we presented the last time we were in front of the Commission showing a typical development process timeline. The green highlight in the second box indicates where we're at today seeking your authorization to enter into an ENA. Should you approve the ENA, we'll jump right into negotiating the term sheet and conducting extensive community and stakeholder and regulatory partner outreach. And then ultimately get back to the Commission in a little over a year with approval of a term sheet.

I'll later in the presentation go through a more detailed schedule for the project, but just wanted to share with you kind of where we're at in the Port's typical process and reinforce that we're very early in the process. Next slide please.

So as this project advances, it'll hit on seven of the Port's Strategic Plan. I'm not going to touch base on all of them, but just on a couple of the highlights. One on Evolution, rehabilitation of the pier will activate this part of the waterfront with uses that attract a diverse group of people.

In regards to Resilience, reconstructing the pier will not only provide Sea Level Rise resilience and protect the harbor and the city, but it will also address strengthening the Seawall and enhancements to a naturally scouring deep water berth that could be used as a backup cruise terminal, ceremonial and emergency response berthing opportunities.

Under Engagement, we will continue to go through outreach again with the public, the stakeholders and our regulatory partners. And for Equity, throughout the project development, negotiations, construction and once it's

complete, provide opportunities for the maximum diversity of people and users in the waterfront. Next slide please.

So just wanted to provide again an overview of what the site offering was, both Piers 30-32 which is approximately 13 acres of deck surface which is actually not vacant any longer. I should've made the correction. It's being used for the COVID testing site as an emergency response location. And Seawall Lot 330 which is 2.3 acres also being used as a navigation center and parking area. Next slide please.

A little bit of background. This RFP and project is a direct result of the Waterfront Plan Update process, a three-year community planning process of bringing activity and development to the waterfront to a diverse group of users. It builds on and is related to the Port's Resilience Program and we've been seeking and will continue to seek the community's value to guide the project. Next slide please.

Just wanted to highlight where we've been since the Commission originally authorized the RFP back about a year ago. Submittals were due in the summer which was delayed a few times because of COVID. Between July and August the scoring panel was convened and scored the three qualified proposals we received.

On September 8th, we had the Port Commission hearing that presented the three qualified proposals and then later in September, we went through our Northern Advisory Committee meeting, our Maritime Commerce Advisory Committee presentation, return to the Port Commission in September to get authorization to initiate the ENA negotiations with Strada TCC. And today we're seeking your authorization to enter into that ENA. Next slide please.

So just at a high level wanted to present kind of an overview of the proposal. On the left is what the pier looks like today and on the right is the Strada TCC proposal for both the pier and the Seawall lot. The pier proposal, we're looking at reconstruction of the pier, complete reconstruction with 45% less Bay fill, retention of that deep-water berth that could be used for a variety of berthing needs, [3] acres of open space and public access, resilient piers and shoreline and commercial revenue uses providing funding for the improvements. Next slide please.

Here's an overall Site Plan, just looking at the project a little bit differently. And a plan view showing the pier retaining the historic form of Pier 30-32 with a reduced footprint and the residential mixed-use development on Seawall Lot 330. Next slide please.

So just wanted to give a high-level recap of the Strada TCC proposal. I already talked a little bit about the highlights for Piers 30-32. For Seawall Lot

330 they're looking at approximately 850 residential units with a mix of both market-rate, inclusionary and affordable housing, as well as a small amount of commercial retail and public open space. Next slide please.

So this highlights essentially the high level overview of the ENA terms and what the Port is responsible for and what the developer is responsible for. The Port's responsibility are primarily to actively participate in the negotiations and help guide the entitlement. The developer's responsibility is to work with us and community and partner engagement, conduct site due diligence, negotiate the lease terms and conditions and project's community benefits package.

The developer will reimburse the Port for negotiating fee and transaction costs, establish a performance schedule which we'll cover in a little bit, complete a Financing and Land Use Plan and complete the CEQA and all other [entitlements]. Next slide please.

Within the ENA, there were four primary issues that we negotiated including diversity, equity and inclusion, a term, an initial consultation period that we developed and a transfer provision. On the diversity, equity, inclusion, the Strada TCC are not subject to LBE during the ENA so we have identified a need to set goals for expenditures during the ENA period that maximizes diversity, equity, inclusion and will look to the Port's Race Equity Action Plan for guidance on how we set those goals.

The term set for this is about four and a half years which matches the performance benchmarks identified both Strada and TCC and that the Port agreed to. This term is appropriate based on the complexities including reaching regulatory alignment and getting through the community outreach process. We've identified a need for an initial consultation period that outlines a period of time to conduct more outreach with our regulatory partners to determine approaches to seek regulatory alignment.

This is a four-month period. At the end of the four-month period, Strada TCC could terminate the ENA without a penalty should they choose, but we are hopeful that doesn't occur. And the negotiating fee for the first six months is deferred for the ENA, however all of the transaction cost is still paid by Strada and TCC. And as we advance the ENA, the six-month negotiating fee would be reimbursed at Term Sheet.

And then lastly on transfer provision, one of the reasons we selected Strada was because of their experience and skills, however we recognize that they're likely to bring on other investors. The Port staff spent considerable time negotiating the transfer provisions to carefully tailor provisions to meet the developer's need to access capital while protecting the Port.

The Port Commission will need to improve investors that have greater than 50% holding of the investment unless it is an institutional investor which would require the Executive Director's approval, or the Executive Director may request the Commission to grant approval for that institutional investor.

Under all circumstances, the Strada TCC must maintain day-to-day operational control and decision-making no matter who the investors are. Next slide please.

So here's a high-level overview of the milestones of the project in advancing and how the four and a half years of the term, the ENA would be used starting off with the Port Commission approves this ENA, we'll immediately jump into community and agency outreach. We think the term sheet negotiations will occur over the next year and be completed in the first quarter of 2022.

Once the Board of Supervisors endorses the term sheet, we could begin the CEQA process, again in the second quarter of 2022, with key City approvals in the second quarter of 2024. And if we're successful in all of those steps, the project could begin construction as early as the first quarter of 2025. Next slide please.

So our next steps [upon] your approval is to again, do the stakeholder outreach, begin the conversations with our regulatory partners and coordinate with them on a strategy to get to alignment through that consultation period. At the same time be negotiating a term sheet. And of course, return to the Port Commission for regular updates and to seek guidance as we advance through the project. And with that, Rebecca, Grace or Jessie and I are all available for any questions. Thank you.

ACTION: Commissioner Gilman moved approval of Item 15B. Vice President Adams seconded the motion.

Public Comment on Item 15B:

Katy Liddell - Good afternoon Commissioners. My name is Katy Liddell and I was actually a member of the Port's panel to evaluate the three proposals for this project. I also live across from the Seawall Lot and have been in the neighborhood since 1995. I found the whole process to be scrupulously detailed. Stephanie Tang and Peter Albert were outstanding in their leadership and guidance, and my fellow panel members were so impressive with their wealth of knowledge. I learned a lot from them.

It was always very apparent to me that Strada had spent a lot more time and effort with their proposal than had the other bidders. Their familiarity with the piers and Seawall lot is so valuable. Jesse Blout of Strada had

worked with the Warriors when they were hoping to build on 30-32 so he has inside knowledge of what the neighbors want and don't want. He also knows how important it is to meet face to face with those of us who live here and to incorporate our input into the project.

I think my only worry with Strada's proposal is the density of housing proposed for the Seawall lot. I would prefer to see it scaled back a bit. Otherwise, I've been very excited about what Strada wants to do here. Their proposal was clearly the best and I do urge you to enter into the ENA with them. Thank you.

Rudy Gonzalez - Good evening members of the Commission. My name is Rudy Gonzalez and I am with the San Francisco Building and Construction Trades Council. We represent about 30,000 construction workers, union workers in San Francisco amongst about 31 unions. We're excited about this project. You know, Strada has a long partnership and track record with the Building and Construction Trades Council.

They've reached out to us and committed to a community workforce agreement or project labor agreement on the project which means that local workers, apprentices looking to advance their career and qualified journey workers will be on this build should it be approved. Look, there's a value assigned to overall construction and there's good high-paying union jobs associated with that. But it's also important I think to recognize the substantial upgrades to the piers and Seawall and infrastructure that will come along with a project of this scale. My understanding is it's upwards of \$350 million.

That's going to address Sea Level Rise, support our Maritime uses and as you know public access including a pretty amazing, if I don't say so myself, rendering there of a public [swimming] facility. As a native San Franciscan, I can't help but think of Sutro Baths when I see that.

So look, in addition to that, we obviously know there's a need for housing. We know that Strada has a track record to deliver this kind of project on time and on budget and they're committed to a comprehensive community engagement process. We've seen them work to this before. So we're interested in partnering with them. We're excited to see this project, albeit a few years out, on the horizon. And we would urge your support respectfully. Thank you.

Alice Rogers - Good evening Commissioners. This is Alice Rogers. I live in South Park, not far from the location. And I am calling in to urge you to support this going forward with this ENA. During the process of the negotiations around the Navigation Center, it was very clear broadly

throughout the community that the neighborhood is very interested in seeing these parcels go to their next best use.

And the RFP process that was, excuse me, that was used, like Katie said, exceptionally thorough. So, I think it's time to move forward. This process reflects much, if not all of what we were looking for in the Waterfront Plan Update. There will be controversy around the Seawall Lot, the density proposed has met with a lot of opposition, although not universal opposition.

So I think that the process, the negotiation process is going to be very important and we urge you, the Port, to stand firm on the community benefits that this project brings forward. But we also want to see a project go through to completion. So thank you very much.

Marina Secchitano - Hi, this is Marina Secchitano. Can you hear me okay? Okay. President Brandon and Commissioners, long time no speak. Hopefully we'll see you soon. But you know, as I'm listening, I just want to kind of reflect back on Prop H. And you know, I sat on the Waterfront Advisory Committee as Ginny Herman's pick. And that was quite a process. And so, that was, hard to believe, 26 years ago. Oh my God, time flies.

But you know, I think that the Strada proposal is a good proposal and you know, as far as historic piers on the waterfront, you know, our priority is to maintain the viability. You know, we've got a deep-water port here and we want to make sure that regardless of the development that is desperately needed to fund the pier replacement, that we keep in mind these historic piers need to be kept open for Maritime commerce.

So we are in favor of the Port entering into negotiations with Strada and we wish them luck in their endeavors. Thank you.

Ellen Johnck - Hello, thank you. Hi, good afternoon or good evening Commissioners. This is Ellen Johnck, and I'm Co-chair, along with Marina Secchitano-- and I'm glad to hear Marina speak just now -- of the Maritime Commerce Advisory Committee. And the Committee, as you know, we abide by our Maritime Industry Preservation Policy.

And just a couple of phrases to remind you, from the policy. We want to protect the Port's remaining natural deep water berths for Maritime uses. And we, of course, promote Port development historic rehabilitation projects. We've been following the RFPs for the historic piers with great enthusiasm and attention. We've been very pleased by the presentations that have been made thus far. Most recently by the Strada Group. And we were very pleased that they've heeded the criteria that we set out in the RFP to include Maritime function and features in submitting proposals.

And that any proposal should include, at a minimum, ensuring that a vessel can always dock at the pier, and including fixing aprons and creating more berthing space for smaller vessels, while at the same time addressing any potential safety conflicts with required public access.

So, we, I would just say that ancillary to priority Maritime use, we support activating the pier for public use in a manner that ensures investment in seismic and Sea Level Rise protection for the berth. So we encourage you to continue your negotiations with Strada and we're very eager to see a successful outcome. Thank you so much for the opportunity to speak today.

Commissioners' Discussion on Item 15B:

Commissioner Gilman - I want to thank the staff for the overview of how we got here, you know, reminding us. And you know, fully supportive of us entering into ENA negotiations with Strada Investment Group. You know, I guess my only reflection is we have a long road. You know, we know regulatorily particularly on the piers, we have a lot to get through to hopefully get to a place from a regulatory perspective where we can move the project forward.

And as has been mentioned by some folks in public comment, I'm sure that Strada will do all the due diligence with the neighbors to get them on board, and the Seawall Lot side of the equation, you know, the housing and the density, you know will drive, is interconnected with the rehabilitation of the piers which are so badly needed. So really want to see this project move forward with as much community benefits as possible. And look forward to seeing how the negotiations play out. I'm supportive of the item.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Yeah, this is a project of scale. And the ENA in front of us, I mean, to take this on during a time of COVID is very courageous. I like the fact that it's very, very diverse in commercial, residential, retail, maritime and public access. And anytime when you're doing something of this magnitude, there's going to be controversy. I think that this has been long awaited and I support moving forward with Resolution 21-08 Madam Chair. Thank you.

President Brandon - Thank you so much. David, thank you so much again for that presentation. You did a great job. You condensed a lot of information, so thank you.

I just have a couple of questions regarding the key terms differing from the ENA. And the first one is the race, equity and inclusion. And I commend

Strada for having a goal in this process. But, what is the goal, or when will find out what it is? And when will it start?

David Beaupre - So I'll start with that and maybe if Jessie wants to add, he could. Once we, if you approve the ENA, then we'll begin to get into further details on establishing a goal. So we haven't defined it as of yet. We have a commitment from the Strada TCC team to maximize the opportunity and we want to work to the extent feasible we can with CMD to understand where those opportunities exist during the entitlement work and term sheet negotiations.

And Jessie, are --

Jesse Blout - Yeah. I would just reiterate that we haven't waited for this moment to get started. We've already reached out proactively to Toni Autry and Tiffany Tatum on the DEI side at the Port. And one of my staffers had a phenomenal starting conversation with them. And I think we're, you know, we're already working on an Outreach Plan to, on the LBE side for the professional services stage of the project.

And also community outreach planned to make sure we bring in underrepresented group throughout the city into this discussion and integrate in not just to the contracting side, but into the very project elements a commitment to racial equity and inclusion. Everything from the way we think about the housing on the Seawall Lot to the way we create more inclusion and opportunity on the piers with the swimming facility and creating affordable access, you know, for both people throughout the city and the region.

So we're really interested in getting the very DNA of the project and making sure that we're addressing equity at all stages, but also to specifically focus on the LBE side during this first phase, this sort of professional services phase.

President Brandon - Great. And I really appreciate that. So, again, when do you think that may start? Or when will you come back to the Commission and let us know exactly what you're planning on doing?

Jesse Blout - Well, from our perspective, it starts on day one. I'll defer to staff on when the appropriate time to come back to Commission to do progress updates in terms of our process. For one key milestone, as David alluded to, and the staff report talks about is we do intend to have kind of a detailed term sheet that would be before the Commission and then the Board of Supervisors that outlines all aspects of the project from the business deal with the Port to the program to the DEI strategy. We envision it being front and center in that term sheet.

So I think, you know, certainly there'll be checkpoints along the way until we get to that point. But ultimately we intend to have this, you know, kind of embedded into the term sheet as a key component of the project.

David Beaupre - Commissioner Brandon, we've talked a little bit about the frequency of coming back to the Commission on this type of complex project, and we haven't identified a specific time. But I think on this issue in particular and what we've identified as an initial consultation period, that maybe four months from now, you know four to five months from now would be a good time to just check back on things like this and how our community outreach is going and how our regulatory alignment is occurring.

So I would propose, you know, sometime over the late summer. Obviously if there's a need to come back to you sooner to seek guidance, we would do that. But initially I think four to five months out would make sense, which I guess would be early summer, not late summer.

President Brandon - Great. That's perfect and it leads into my next question which is the initial consultation period termination option. Can you just explain that a little more and what that really means? And then also within that, I didn't see anything about fees or any type of payment within this, the key term.

David Beaupre - So, sure. Great question. And so with the initial consultation period, the idea is that we know with previous projects, primarily on Piers 30-32, there's been some difficulty getting regulatory alignment. A few projects have required state legislation. So the idea behind this is to work with our regulatory partners to see, to develop a strategy on how we can get to a regulatory alignment, or at least begin to develop a strategy to get to regulatory alignment.

Strada has committed to pay the Port during this time for our cost and our consultant's cost, so the transaction cost. What we have offered during this period is to delay the negotiating fee for this period. If they decide at the end of the four months they want to terminate the ENA, they would not be on the hook for the negotiating fee but they will have reimbursed us for our costs. If they decide to advance, which I'm optimistic and hopeful and Jessie's optimistic and hopeful that we do, then when we're at term sheet they'll pay us back for those first six months.

The initial consultation period is a four-month period, but we agreed to, to help soften the hit a little bit, to extend the negotiating fee deferral for six months. Does that make sense? Did that answer your question?

President Brandon - Okay, so you're saying that the initial consultation period is four months.

David Beaupre - Yes.

President Brandon - But if we decide to move forward after that four months, then we're waiving six months of the fee.

David Beaupre - No, we're not waiving any fee.

President Brandon - Okay.

David Beaupre - So the initial consultation period is four months. For that four months, and an additional two months in case that may take us a little bit longer than we think, we're going to defer the negotiating fee cost. If they step away from the project, they would not need to reimburse us for those six months. When we get to term, if they decide to stay with us, when we get to term sheet, then they'll reimburse us for those six months.

President Brandon - And so what --

David Beaupre - And they'll begin paying the negotiating fee at the seventh month of this ENA no matter what.

President Brandon - And what is the fee and how often is it paid?

David Beaupre - It's \$25,000 a quarter and I believe, and correct me Rebecca or Grace if I'm wrong, but I believe it's paid quarterly.

President Brandon - Okay. So [we're all going to keep] our fingers crossed that we get past that four-month period, right?

David Beaupre - Correct.

President Brandon - And then my last question is regarding the transfer. And you said as long as Strada has direct day-to-day management -- I mean, what's the difference between direct or indirect power for day-to-day management.

David Beaupre - Well -- and Grace, if you're on, maybe you can help me -- but essentially what we're trying to say is is that no matter what, Strada needs to have control of decision-making on the project. And that even if they bring in an investor that has 51% ownership, that investor does not have decision-making authority. That it's only Strada. Grace, if you're on and want to layer onto that?

Grace Park - You did a great job David.

President Brandon - Okay. Okay, so I think the only request that I would make here is like Pier 70 just did, if this were to happen, could you at least inform the Northern Advisory Committee and the Commission prior to it happening. Is that okay?

David Beaupre - Is that a yes, Jessie?

Jesse Blout - Yeah, that's fine. I mean, I just want to underscore, we're not talking about a situation where Strada and TCC are leaving the role of developer. This is really just to bring in what I would call sort of passive capital investors in the project which we intend to do at some point during the project. Right now, this is being funded entirely by Strada and TCC. Obviously, it's a \$1.2 billion project so at some point we will bring in additional institutional investors. But they will always be passive investors. We will retain the control, the day-to-day control of the project.

So, but certainly to the extent we bring in an investor, when we do, we would note it, we would want to let folks know about that whether it's the Commission or the NAC.

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolution 21-08 is adopted. Carl, next item please.

16. NEW BUSINESS

Director Forbes - I have recorded that we'll be providing a calendar of the finance items that are coming up to clarify the Capital Plan, the five-year Capital Improvement Plan and the Supplemental this year versus the Capital Budget next year. And also, we will add to the advance calendar a late summer return of the Piers 30-32 and Seawall Lot 330 project for an update. Is there any other New Business?

17. ADJOURNMENT

ACTION: Vice President Adams moved to adjourn the meeting. Commissioner Gilman seconded the motion. In a roll call vote, the motion passed unanimously.

President Brandon - The meeting is adjourned at 6:01 PM. Thank you everyone. Great meeting.