



SAN FRANCISCO PORT COMMISSION

**FEBRUARY 23, 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 23, 2021

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:45 p.m. The following Commissioners were present: Kimberly Brandon, Willie Adams, Gail Gilman and Doreen Woo Ho. Commissioner John Burton was absent.

2. APPROVAL OF MINUTES – February 9, 2021

ACTION: Vice President Adams moved approval of the minutes. Commissioner Woo Ho 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 Woo Ho seconded the motion. In a roll call vote, the motion passed unanimously.

At 1:48 p.m. the Commissioners withdrew to closed session.

- (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS. Discuss anticipated litigation matter pursuant to California Government Code Section 54956.9(d)(4) and San Francisco Administrative Code Section 67.10(d)(2) with City as plaintiff regarding the lease of a portion of the Pier 94 area to Bay Natives, as tenants.

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.
- 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 Commissioner Gilman moved to adjourn closed session without disclosing anything discussed. seconded the motion. In a roll call vote, the motion passed unanimously.

At 3:20 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

No Public Comment on Items Not Listed on the Agenda.

9. EXECUTIVE

- A. Executive Director's Report

Director Forbes - Good afternoon President Brandon, Vice President Adams, Commissioners, Port staff, members of the public. I am Elaine Forbes, the Port's Executive Director.

This week actually marks the one-year anniversary of the City's mass mobilization efforts to confront the virus and commit resources to protect public health. Just about a year ago, Port staff first served as DSWs to the Emergency Operations Center while others worked closely with federal, state, regional and industry partners to prepare for the arrival of the Grand Princess.

It seems like longer than a year ago to be honest with you. Now, a year later, the City is poised to administer 10,000 vaccines per day through high-volume sites at Moscone, City College and San Francisco Market and the Bayview as well as community-based sites in highly impacted neighborhoods and through partnerships with Safeway, CVS and Walgreens. Unfortunately, vaccine supplies are extremely limited. So while individuals may be eligible for vaccination, there may not be doses immediately available.

San Francisco is ready to distribute the vaccines when they become available and hopefully supply will strengthen soon. Given the limited supply, the state is prioritizing populations for vaccinations based on their risk of contracting and spreading the virus as well as their risk of serious illness, hospitalization and death. As we receive more vaccine and move forward through the phases, the City's goal is to distribute the vaccine as quickly, fairly and as equitably as possible.

As of February 16th, the City has received more than 263 doses and has administered 203 of those doses to San Franciscans and surrounding Bay Area residents, including 50% of San Franciscans who are over 65 years old. This is a vaccine usage rate of 78%. Starting tomorrow, San Francisco will move into Phase 1B, Tier 1. People who work in the education and childcare, emergency services and food and agriculture sectors as defined by California's population priority plan will then be eligible to receive the vaccine.

These sectors employ more than 1,115 people -- that's 115,000 people -- which is in addition to the approximately 210,000 healthcare workers and people over 65 who are currently eligible. We encourage everyone to get vaccinated when they are able to do so.

Now I will move on to my report. I will provide a report on economic recovery, an Equity update and give some key project updates as well. As you know Commissioners, due to COVID-19 Public Health Emergency, the Port of San Francisco is suffering an unprecedented drop in revenues. Economic activities from restaurants, tourist attractions, cruise ships and parking have significantly dropped or in some cases stopped entirely and is not expected to fully recover until 2025 in terms of tourism, and perhaps beyond.

As a result, total Port revenues have fallen to 50% of their pre-pandemic levels, and we're projecting a loss of 50 million in the current fiscal year. As you know, we've trimmed our operating costs, we've reduced our annual capital expenditures, we've drawn on fund balance to weather this storm, but more turbulence is ahead. Port staff is fine-tuning our revenue projects with the City's Controller's Office, but we currently forecast a revenue loss of 33 million in FY22 and 14 million in '23 for total losses of 47 million over the two-

year budget window, or a 21% reduction compared to our pre-COVID revenues.

The General Fund reduction for the same period is predicted to be 4%. Twenty-one percent is a lot for a small organization with a big mission. The Port is a lean organization with an operating budget of 112 million and a staff of 293 FTEs, 33% of whom are in the Maintenance Division and perform daily capital maintenance on the Port's facilities to ensure the ongoing operation of the Port. The Port's ability to weather this economic storm is really critical for the Waterfront and the City overall, because our economic recovery and viability impacts others.

Protecting Port assets and delivering on our mission is really critical. The Port is home to many of the City's premier tourist destinations including Fisherman's Wharf, Pier 39, Oracle Park and the Exploratorium. Before the pandemic, the Embarcadero received 24 million visitors per year which includes thousands of cruise ship passengers who visited the city each year.

Port tenants and operations also play a critical role in the regional Maritime infrastructure that supports billions of dollars in cargo that enter the Bay each year. This is why Port staff initiated an Economic Recovery Initiative aimed at developing and delivering both tried and true and innovative strategies to address the economic consequences of COVID-19. This approach will be so the organization weathers the storm and is really positioned for economic recovery.

Finance staff is currently working with each division to identify expenditure reductions and revenue enhancements for FY22 budget that are easy to implement. They are then looking to temporary -- and to help fund and resolve the temporary economic cliff that the pandemic caused. You will hear more about strategies to seek other sources of revenue under the Item 12A today, under the Legislative Priorities Item. We're going to need the Commission's help to be successful with these endeavors.

Following the budget with easy-to-implement concepts, Port staff will then pivot to 10 months of inquiry internally with Port staff, looking at our organization to find ways in which we can further make reductions that we can afford to make that are good for our organization, good for our people and good for the waterfront.

Commissioners, we are very eager to find and present strategies to stabilize the Port's financial position and will need your continued leadership, support and advocacy for a successful -- to successfully mitigate the revenue impacts of COVID-19 on the Port. And I'm very confident in our ability to tackle these extreme challenges working together. And I am excited to lead

this effort and I'm very excited to work with Katie Petrucione on this who is in fact the Economic Recovery Initiative Czar.

More to come for you March 23rd when you see our budget supplemental. You'll see strategies in that document and you'll also see the low-hanging or easy-to-implement budget reductions that staff is coming up with as we speak.

To Equity. The Port's Race Equity Team continues their work to assess and prioritize Racial Equity Action Plan Action Items to implement in the 2021 calendar year. While we work to complete this process, the Port Race Equity Team has focused on implementing actions from Section 6 of the plan, "Creating an Organizational Culture of Inclusion and Belonging."

I would also like to report that the Micro-LBE Emergency Hardship Loan Program has approved 10 loans to date with two more in underwriting now. Fifty percent of those loans have been deployed to black-owned businesses.

To celebrate Black History Month, the Race Equity Team developed new programming for staff that has been well received and inspired great conversations and team building. The team has formed a subcommittee to carry on the programming as we build a Diversity Calendar to capture milestones and celebrations across all backgrounds and cultures.

Planning for Women's History Month this March is underway. Staff will highlight women from all racial backgrounds who have made history and those who are making history bringing the past and present-day efforts of our fearless women leaders to the forefront.

We are continuing the Keeping It Reel Movie Club where staff has been invited to watch a featured film about Supreme Court Justice Ruth Bader Ginsburg, followed by a facilitated discussion. Lastly, staff have decided to repurpose our virtual coffee breaks for the month of March to engage one another on a personal level by sharing which women inspires them and why.

Now I'd like to give some project updates to the Heron's Head Park Shoreline Resiliency Project. The California Ocean Protection Council, or OPC -- that's a division of the State Natural Resources Agency -- voted just this last Tuesday to award the Port 1.667 million in a grant from their Coastal Resiliency Grant Program to the Port's Heron's Head Park Shoreline Resilience Project. Our project was one of 15 projects that was selected to receive funds.

The OPC Coastal Resilience Grant Program distributes funds generated by Proposition 68 Bond Initiative that was passed by voters in 2018. This was OPC's third round of funding focused on nature-based strategies for

adaptation to Sea Level Rise and they awarded just over 8 million to 15 projects. The \$1.667 million award to the Port is the largest amount awarded in this round and was one of two implementation projects.

The Heron's Head Park Shoreline Resilience Project consists of two integrated and complimentary elements: shoreline stabilization and wetlands restoration. The project calls for the construction of a living shoreline comprised of a coarse sand and gravel beach stabilized by rock and subtidal oyster reef and natural wood features. The shoreline stabilization element will protect Heron's Head Park from shoreline erosion which is causing substantial loss of wetland acreage each year and will enable some capacity for adapting to Sea Level Rise by 2050.

While we do not have all the funds yet for the project, receiving this award is a big step in the right direction to get to the \$3.1 million we need for the entire project. And I want to thank Carol Bock for her tireless work and congratulations on receiving the grant.

This week, you may have noticed, is Engineering Week. And I'd like to acknowledge our Engineering Division for their outstanding work. This team has been featured on Port social media channels and will be hosting an AMA, which means "Ask Me Anything", session to Port staff on Friday. The Engineering Division does a great job serving Port core tenants, the public interest and its role as protector of public safety in Port property. They provide project and construction management, engineering design, facility inspection, contracting, code compliance review and permitting services for all Port facilities -- and there are many types -- piers, structures, buildings, cranes, utilities, public and private areas, public developments, streets and walkways.

They did \$55 million of capital work last year including some big projects like Crane Cove Park and the Backlands Project and they are on track to complete \$34 million of capital work in 2021. I am very proud of this team, the work they do for Waterfront Resiliency Program as well, and the work they've done on the fire at Shed C. It's a great group of people. Congratulations to you and Happy Engineering Week.

And lastly I'd like to conclude my report. I'd like to announce that Ming Young was recently hired as the Planning and Environment Division's new Assistant Deputy Director. Ming will bring our Planning and Environment Division a wealth of experience and expertise in policy and work with regulators to help advance the Port's projects and programs. She's been with the Port since 2017, previously serving as a Waterfront Planner.

Prior to joining the Port, Ming was a Planner with the City Planning Department and a Coastal Planner with BCDC. Congratulations, Ming. That concludes my Director's Report. Thank you very much.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Woo Ho - Sorry, unmuting. I'm sorry. Thank you for the report Elaine and very informative. And I also just want to comment that I did read the minutes of the last meeting that I missed and I feel like I'm totally caught up. And so you've caught me up even further today. I have no further comment. Thank you.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - Thank you, Director Forbes, for the report. It was thorough as always. What I did want to say is I did really want to commend the Port on sort of the team-building sort of socialization from an Equity perspective around both Black History Month and now moving into International Women's Day in March. In this COVID environment, that's really hard to do and it seems like the Port has given it a lot of thought and our Equity Officer.

And so I want to commend you on the coffee chats and on the movies. It's great to see that's still happening in this virtual environment.

President Brandon - Thank you. Vice President Adams?

Vice President Adams: Director Forbes, great report. A couple of things really stood out to me. One of them, you said that we don't expect tourism in San Francisco to rebound fully until 2025. That catches my attention and also the loss to the Port. And I'm really curious to hear later today when we're going to talk about what we're going to do as far as a reset financially.

And then I think my last question to Director Forbes is she mentioned we're moving into 1B. And I want to thank the Mayor. But my question is, are there going to be any sites in the Port or even in the Cruise Terminal where members from the community can get vaccinations?

Director Forbes - I'll answer that now. At this point, there are no Port facilities that are providing vaccines. But the City has max vaccination sites, three in particular in town. And there are numerous locations where one can get vaccinated. And it's all on the City's Web site. You can sign up and be aware of where you can go for vaccinations. Thank you.

Vice President Adams - Thank you.

President Brandon - Director Forbes, thank you so much for your report. I think it's absolutely phenomenal all the COVID relief efforts that we've been able to participate in over this year. It's hard to believe it has actually been a year, but you and the staff has just done a phenomenal job. I also think it's absolutely wonderful that Carol is able to get the \$1.667 million for Heron's Head Park. She is just so wonderful and so dedicated to all the Port, but especially Heron's Head Park. And I think that's just -- in this time of our economic recovery and us needing all the funds we can find -- that is especially wonderful.

It was a very comprehensive report. As Commissioner Gilman said, the social media has just been -- everywhere I look, I see the Port. Whether it's Black History Month, whether it's Engineering Week, whether it's just the phenomenal work that's going on at the Port. So given all that we've been through over the past year, it's just remarkable all that we've been able to accomplish under your leadership, so thank you. Carl, next item please.

10. CONSENT

- A. Request approval of the Port's Ten-Year Capital Plan, Fiscal Years (FY) 2022-2031. (Resolution 21-09)

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

No Public Comment on the Consent Calendar.

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolution 21-09 is adopted. Carl, next item please.

11. REAL ESTATE & DEVELOPMENT

- A. Request authorization to enter into an Exclusive Negotiation Agreement with San Francisco Waterfront Partners III, LLC for the lease and development of a project including commercial, retail, maritime, and

public access uses for Piers 38-40 located along the Embarcadero.
(Resolution 21-10)

David Beaupre - Good afternoon Commissioners. Thank you Carl, President Brandon and Director Forbes. David Beaupre with the Port's Real Estate and Development Division. I'm here seeking your authorization to enter into an ENA for Piers 38 and 40 with San Francisco Waterfront Partners III. I'm joined today with Rebecca Benassini and Eileen Chauvet from the Port's team and also Simon Snellgrove and Wayne Perry from San Francisco Waterfront Partners team. All of us are available to respond to any questions at the end. Next slide please.

So this is a brief outline of the presentation. I will note a typo on number four. You can see where I've drawn from for my slide deck. We'll actually be providing an update of the Pacific Waterfront Partners, San Francisco Waterfront Partners III proposal, not the Strada proposal. Apologies for the typo. We'll also be talking about the key ENA terms we negotiated and then next steps. Next slide please, Carl.

So I just wanted to share with the Commission and the public where we are in this long journey and process and how development projects make its way through approvals/entitlements typically along the waterfront. This is just kind of a general scenario that shows where we're at highlighted in green, seeking your approval of the ENA.

Then we'd move into negotiations on a Term Sheet, the project description. During that time we engage with the community regarding the project proposal and begin key regulatory outreach. And that typically takes anywhere from seven to 12 months. Later in the presentation I'll provide a more detailed schedule for the Piers 38 and 40 project.

At the Term Sheet, we'll come back to the Port Commission to approve it. And get the Board of Supervisors to approve the Fiscal Feasibility. And then we'd begin to negotiate transaction documents such as the LDDA and the lease. Begin environmental review, other regulatory partners review with ongoing engagement to the community. And that takes usually 18-24 months. We'll come back to the Commission for approval of the transaction documents and then go to the Board of Supervisors for their approval.

So again, we're very early in the process. We have a lot of outreach to do with our partners including the community and our regulatory partners. But just wanted to give that overview of where we're at in the timeline. Next slide please.

Again, just wanted to share an overview of what the development offering is. It's Piers 38 and Pier 40, including 35,000 square feet of retail and office at

Pier 38 and a 95,000 square foot Shed. And then on Pier 40, it's the 46,000 square foot Shed with 20,000 square feet of parking. And the water areas North of 40 and North of 38 and extending East of the Pier facilities. Next slide please.

I wanted to show that this project aligns with five of the Port's Strategic Plan goals including Productivity, Stability, Resilience, Engagement and Equity. And I'll say that one of the reasons that Pacific Waterfront Partners scored so high with our scoring panel was their concept on how to achieve not only the goals of the Waterfront Plan and the values of the community, but how to bring Equity to the project which was an important part of their consideration. Next slide please.

So again, just wanted to talk a little bit about the background and how we arrived where we're at today. We've been working off the Port's Strategic Plan following the work of both the Waterfront Plan Update and the Request for Interest for the historic piers. The Piers 38 and 40 are part of the Embarcadero Historic Piers Rehabilitation Program that will also include other piers coming down the pike for an RFP. And we're hoping that through these projects, we can help build the resilience of the waterfront and support the Resilience Program. Next slide please.

So this is a brief timeline on the process that we've been underway for about the last years starting with the issuing of the RFP January 10th, receiving proposals about a year ago on March 4th, going through the technical review and panel review and presenting the two concepts to the Commission in August. Receiving your authorization to begin the ENA negotiations with San Francisco Waterfront Partners and now today, seeking your approval of the ENA. Next slide please.

Wanted to give you a brief overview of the proposed program for Piers 38 and 40. In front of us is the Site Plan and Land Use Program. In green shows all of the Public Access areas, both on the pier aprons, in the facilities and on some of the new docks being proposed.

The orange and pink areas are for commercial retail areas, both restaurants and pop-up spaces, accommodating a range of offerings. The grey is the office, the primary revenue-generating source for the project. The teal in Pier 40 are the existing Pier 40 leaseholds that support the South Beach Harbor facilities. And then the blue is a shared space for Pier 40 tenants, existing tenants and Workforce Development training space. Next slide please.

So this is just a numbers overview and some illustrations of the concept of San Francisco Waterfront Partners with a total program of around 247,000 square feet with a mix of office, retail and restaurant, some exterior pop-up retail and this doesn't include any of the Maritime facilities. Next slide please.

So throughout the negotiating period and included in the Exclusive Negotiating Agreement, there are several responsibilities of both the Port and the developer. I won't read through all of these. Our primary role is to actively negotiate and help facilitate the regulatory and community outreach, while the developer is responsible for doing all of the things listed including site due diligence, negotiating terms, reimbursing the Port for the negotiating fee and transaction cost, establishing and performing at the schedule identified and completing the financing and land use plans and CEQA. Next slide.

During the negotiations for the last approximately 10 months, we've been negotiating three specific terms that were differed from the form in the RFP including addressing Diversity, Equity, Inclusion, extending or having a term of about two years which meets what we think will take the entitlement to the project and the transfer.

Specifically as it relates to Diversity, Equity and Inclusion, during the ENA there are no LBE requirements. In recognizing this, we wanted to establish some level of measures to address Diversity, Equity, Inclusion and will be working with San Francisco Waterfront Partners and the Port's Diversity, Equity and Inclusion team to establish metrics to reach towards within the ENA period.

The term, again, is two years with three six-month extensions which matches the performance benchmarks. And then lastly, the transfer provision. One of the reasons we chose San Francisco Waterfront Partners was because of their experience and skills, however it's recognized they're likely to bring other investors in. 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.

With that in mind, the Port Commission will need to improve investors that have a greater than 50% interest in the investment, unless it's an institutional investor which would require the Executive Director's approval or the Executive Director may request the Commission to grant approval.

Under all of these circumstances, San Francisco Waterfront Partners must maintain day-to-day operational control and decision making. And consistent with what we heard from the Commission at the last meeting on Piers 30/32, if a Request for Approval is made to the Executive Director for an investor of greater than 50% by an institutional investor, and the ED plans to approve the request, the Executive Director will notify the Port Commission and if approved, also provide a notice to our Northern Advisory Committee. Next slide please.

So moving back to this project-specific schedule, we're looking at hopefully

awarding the ENA and approving it today, beginning the Term Sheet negotiations and completing them by the Fall of 2021 which then allows us to begin the CEQA process later this year with a goal of securing all necessary approvals by mid-2023. And if successful, begin construction in the Fall of 2023. Next steps please, next slide.

So our next steps are should you approve the ENA, continue in the stakeholder outreach, begin the regulatory partner coordination, continue on with Term Sheet negotiations and come back to the Port Commission and provide updates and seek guidance as required. And with that, again, the Port team and San Francisco Waterfront Partners are available for any questions. Thank you.

ACTION: Vice President Adams moved approval of Item 11A. Commissioner Gilman seconded the motion.

Public Comment on Item 11A:

Alec Bash - Hi. This is Alec Bash and thank you for reopening the public comment. Since I worked at the Port over 20 years ago, I have since moved to the Gateway and I walk along the Embarcadero quite a bit these days as you might imagine. It's something we can do, move during COVID times.

And I want to say that the project at Pier 38/40 would be an ideal addition to the waterfront. Amongst other things, by adding a lot of activity as we walk on, it could be sort of a counterpart to what the world-class Ferry Building offers at the foot of Market Street. On a much smaller scale, what the Hi Dive Bar and Red's Java House offer next to the City COVID testing site.

And then if you continue on, there's a long gap until you get into the [sparkling] community pop-up site within Mission Bay which has many food trucks at [] bring people together in convivial, albeit safe, atmosphere during COVID. Having the open pop-up covered marketplace for entertainment, food trucks, the market stalls, whatever else might happen there would be another thing to help activate the waterfront in a way that would help bring more diversity to the people within San Francisco, more diversity of opportunities. Because these would be relatively low-cost attractions along the lines of the Rex Java House and Hi Dive Bar.

So, just want to say that, you know, I have stayed active in the Northern Waterfront serving on your advisory committees for almost 20 years now. And I think this would be a wonderful addition to the waterfront by a development team that has really proven itself in the outstanding job they did at Piers 1 1/2, 3 and 5. Which, did we put an RFP for right before I left the Port and I think one of the best things that we ever did at the Port was to select such an outstanding developer both there and for the San Francisco Ferry Building.

So thank you for the opportunity to make these comments. And thank you all on the Commission for your service.

President Brandon - Thank you Alec for your comments. And it's hard to believe it's been 20 years. So thank you so much for your comments. Jenica, next caller please.

Byron Rhett - Okay, great. This is Byron Rhett, recently retired from the Port. Thanks for the opportunity to speak on this project. I, in the years that I was with the Port, had the chance to work with Simon. I won't speak to the depth of 1 1/2, 3 and 5 because it was just mentioned, but I think that that's a project which is comparable in terms of what's being proposed at 38/40. But I want to speak to the years after that projected that was completed that Simon and Pacific Waterfront Partners and his team continued to manage it and partner with the Port to get good tenants in there and to make improvements, including on the water side which is a key part of the proposal for 38/40.

But more importantly, I wanted to speak to the opportunities, the Equity opportunities that this proposal presents. There are a number of businesses in the Bayview that are food-oriented businesses where the operators are trying to grow those businesses, maybe don't have access to brick-and-mortar facilities. And in particular, the Pier 40 plaza market is an opportunity to partner with those folks.

Looking forward, if you all approve this, to Pacific Waterfront Partners and the team working closely with the Bayview community, getting that kind of participation at the Pier 40 development as well as training in the other restaurants and employment in the other restaurants and retail activities that will happen within the project. So I encourage you all to approve this ENA and move forward with the development. Thanks for letting me speak.

President Brandon - Thank you. Good to hear from you, Byron.

Commissioners' Discussion on Item 11A:

Commissioner Gilman - Great. So then that just adds to my other two just reflective comments is one -- two years is quick. And I love that. So hoping maybe we can align everything else moving forward to make it as quick and fast as possible. Not to exclude CEQA and public comment, but just the fact that the developer feels they can start constructions by 2023 I think is admirable and exciting. So I did want to say that. With a due diligence on environmental review and public input.

And I hope also moving forward that we can explore how to include the DEI work that we talked about in this stage of the process. I'm impressed that

you're going to be bringing that back to the Commission. The applicant had a strong partnership and proposal when he came in on the RFP for these piers with Diversity, Equity, and Inclusion and I think that is something we should be incorporating during the ENA process.

So, I just wanted to make those comments. I fully support the item.

Commissioner Woo Ho - Yeah, I fully support this. I think we've had this presented before when it first came up and I think Commissioner Gilman has already a few questions. I really don't have anything more to add at this time. Thank you.

President Brandon - Great. Thank you. Vice President Adams?

Vice President Adams - I'm good, Madam Chair. Thank you.

President Brandon - Wow. Maybe we should've put this on Consent Calendar. David, thank you so much for this presentation. And as you can tell, everybody is very excited to move this forward. Just wondering, as Commissioner Gilman mentioned, the DEI piece of it that is going to be included in this portion of it. So when will you come back with those metrics?

David Beaupre - Maybe to be consistent with what we shared with you on Piers 30/32, in approximately six months. We might be able to do it even sooner on this because we have a few more things we want to touch on. But I'm beginning to have conversations with Stephanie Tang and Tiffany and Toni to figure out how we can do it and do it right. I know Simon and Wayne are excited to begin to discuss it in more detail. So I would think between four and six months if Director Forbes is okay with that timing.

President Brandon - Okay. So the ENA period is one year?

David Beaupre - It's two years with three six-month extension options.

President Brandon - Okay. Got it. Okay, that's fair.

David Beaupre - I think, if there are no more questions, I know that Simon wanted to say a few words too, if that's okay.

President Brandon - I was just going to ask if Simon or Wayne wanted to say a few words. So please, Simon.

Simon Snellgrove - Thank you, Madam President. Thank you, Commissioners. We're delighted. I've been getting tweeted by everybody, Alec Bash who has people who wanted to speak but couldn't get through the line. So mainly, today, Director Forbes and Commissioners and the entire

staff. [Phone quacking]. Sorry, that's Alec Bash still trying to get in.

It's such a pleasure to work with the team. The Port is firing on 16 cylinders right now and everybody from Elaine's team and Mike Martin and of course, we're going to call this street -- is it David Beaupre? Or did that get taken? That's taken. But seriously, it's great.

We're very excited and particularly excited to introduce, you all know Wayne Perry, but I don't want to take up too much time. I just want to ask Wayne if he would come on and say, "Hello." And you're probably sick of hearing me talk. So I'm going to go quiet now and ask Wayne to say, "Hello." And thanks for the [help].

Wayne Perry - Thank you, Simon. And Commissioners, I just wanted to let you know that Simon and I have known each other a long time and we're both very excited. I think that this development, and what it will do for San Francisco will be really, really exciting. And I'm really happy that Cornerstone will be a part of this. And I'm going to use all of the resources and talent and expertise I have personally and in my business to make sure that we do an exceptional job for San Francisco.

And I'm just really thankful for the opportunity that you've presented to our team.

President Brandon - I just want to thank David for the presentation, thank Wayne and Simon for their input and for their teamwork of bringing this project together. If it comes out anywhere near what you and your team have done with 1 1/2, 3 and 5, we'll another state of the art facility along the waterfront.

And hopefully it will have much Equity and Diversity and a wonderful addition to the waterfront. So with that, Carl, can we please have a roll-call vote.

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolution 21-10 is adopted. Carl, next item please.

- B. Informational presentation regarding real estate and maritime portfolio management strategies and policies to address current and projected market conditions and support economic recovery.

Mike Martin - Good afternoon President Brandon, Vice President Adams, and Commissioners, this is Mike Martin, the Assistant Port Director. I wanted to make a brief introduction for context on this item because it really represents sort of a next step in our ongoing dialog with you on our strategy to hopefully set the Port up for a strong economic recovery coming out of the pandemic and the associated economic downturn.

As you know, over the last, let's say six to eight months of 2020, we had an intensive set of dialogs with you really focused on tenant relieve and retention. We, I think, worked with you on general ideas, refined those with you and then eventually received your approval and have moved on towards implementing those relief programs.

But we naturally see a need to sort of broaden our strategies to look beyond just retaining our current tenants, but the things we need to do to more efficiently administer the portfolio as we see it now, to find new opportunities to fill vacancies and to otherwise sort of improve Port revenues over time and hopefully reduce our operating cost so that our budget can stabilize and come back to where it needs to be for us to do all the things that are important to our mission.

And so this hearing today, I think, represents a bit of a pivot point. I think we're going to report to you on our work to implement the relief programs and the repayment programs which are very much still ongoing with a lot of staff attention. I know I was in a couple calls already today about sort of these implementation questions that come up over time.

But really, I think it's to, sort of be transparent with you about the strategic thoughts we're having based on opportunities we're seeing, get some initial feedback and then as we'll describe, come back to you later with more detail incorporating your feedback and hopefully seeking approvals that are needed to move ahead on these strategies.

So again, I think this is the first of a series of items where we'll be in front of you. And definitely interested in your strategic feedback as it was so helpful in crafting our relief policies back at the end of last year. So with that, I'd like to hand it off to your new Deputy Director of Real Estate and Development, Rebecca Benassini. But before I did that, we both wanted to thank the significant work that was put in on this item from a number of Port staff who are here today to help with any questions.

Andre Coleman, our Director of the Maritime Division, Jay Edwards, our Director of Strategic Leasing within the Real Estate Division, Crezia Tano-Lee, our Business Strategy Guru who has been so instrumental in our relief programs and now will be instrumental moving forward on these strategies, Deputy City Attorney Rona Sandler and the rest of our City Attorney team who's been super helpful in helping us spot opportunities and challenges on the legal front.

We'll also have our consultants, Debbie Kern from Keyser Marston and Santino DeRose and Dominic Morbidelli from Maven Properties available to answer any questions as we get to the items more [apropos] to their work. So with that, I'll hand it off to Rebecca to take it from here.

Rebecca Benassini: Thank you so much, Mike. And good afternoon, President Brandon, Vice President Adams and Commissioners. As Mike kindly introduced me, Rebecca Benassini, your Deputy Director of Real Estate. Can I have the next slide, please, to get into the meat.

So as I go through, I have about 15 slides to go through with you. I want to give you a bit of background, give you a scale of the work ahead. Mike was starting to allude to in terms of our portfolio in management. We have a bit of market data that we want to share with you that our consultants help provide. And then look at some of the steps we can take to work through the issues that we have in order to come out of the other end of this recession on stronger footing.

And this is the beginning of this conversation. Obviously, more to come as Director Forbes alluded to. We have an Economic Recovery Group. So we're going to start the conversation and this will be going on, I anticipate, over the coming meetings. Next slide please.

We're focused on Strategic Plan alignment elements related to productivity. Clearly we need to attract and retain tenants in order to retain that, or get back to the economic viability we had become a bit accustomed to. And we need to maintain our financial strength. It's a really important part of the Strategic Plan and these elements that we're going to talk about will support those strategies. Next slide please.

As Mike was alluding to, middle of 2020, many of the meetings were focused on maintaining tenant occupancies, maintaining them in their leaseholds and preventing what we called "unnecessary vacancies". So you'll see in the Staff Report as well as in the slides here, these yellow bullets have to do with all of the elements we were doing to reach out to tenants, to keep them in their tenancies to help them through this really difficult economic circumstances.

The blue elements were less rent relief and more working through things like the broad-based rent deferral, getting people to December and giving them those deferrals. The Shared Spaces Program, of course. We had that LBE Loan Program, which was allowed, targeted tenants as well as Port's contractors. And just working on any marketing we can collaborate with our tenants on in terms of the public know when they are going to be open. We are very aware of those that have been able to function on outdoor dining and those that closed down when they needed to for shelter in place and different health orders.

So that's sort of the background. It's a whole cornucopia of items that we've been working on in terms of rent relief and then just also broadly tenant management. Next slide.

So a bit of an update on how we've been doing since we passed the number of programs toward the end of 2020. With regard to rent relief, we have had 72 tenants apply to date. We anticipate, or we will be closing down the online application come Sunday. Those tenants represent about 103 agreements. We've been reaching out for many months trying to make sure that tenants are very aware of this program.

And we know of tenants who have started the application and have not completed it, so we're expecting that number to go up. But we still have many tenants who have not applied through those programs who we believe are eligible. We're a little bit more than 50% of our percentage rent tenants who've applied so far. About 50% of our Maritime tenants. A larger proportion of our LBE tenants. And our civic impact tenants, we believe, many who we thought would be eligible, have applied. So we'll continue to update you on how those applications come in.

We also had a Repayment Program. You might recall, tenants were able to repay all of their back rent through the end of 2020 at a 5% discount. We did have a number of tenants apply for that option and we collected more than \$700,000 in back rent owed through that. So we are happy with that result.

I also wanted to note that the LBE Loan Program that Director Forbes alluded to earlier, I believe -- Stephanie just updated me -- we're at about \$412,000 in terms of loans provided. So we're tracking that program closely and are happy with the response we've received there. Next slide please.

This represents everything we've been able to do to date in terms of reaching out to tenants. Tenants who for one reason or another either haven't reached back to us or are unable to enter any of the programs that we've talked about so far, we're trying to get our arms around how much work, what the workload is in terms of getting tenants back into lease compliance.

So as an update, one of the tools we're able to use is mutual terminations where it is to the benefit of the Port to either terminate a lease or to shrink a lease. We've done about 20 of those representing about 40,000 square feet during 2020. We have, as you've started to see, an accounts receivable, \$20 million in amounts owed. That doesn't yet reflect all of the rent forgiveness lease amendments that we will be processing as we close down the application in the next week. So that \$20 million of amounts owed will come way down, but it's still a very large AR ledger, much larger than I think many of you have been accustomed to seeing.

And we know now that we have about 161 tenants that represent about \$7.7 million in rent per year that either don't qualify for rent relief and -- I'm sorry. They don't qualify and they have not resumed rental payments starting in January when all of our deferment programs ended. So that's sort of the number of tenants we believe are going to either come to us for a different type of arrangement or we're going to have to get them into lease compliance in some way, shape or form. Next slide please.

So the Staff Report, it's actually not as long. It's not too long, but it has a lot in it. And if you're, as you're thinking about what your comments might be and what you want to opine on, this table kind of summarizes what we're talking about today in terms of seeking your feedback. So the items that are grayed out are all of the policies that are underway that you have approved in some way and we're implementing. So those are items that are underway, don't -- you know, we're just in administration mode.

The second grouping of items which is called "Existing staff authority", we just want to be transparent and make our tenants and the public aware or, these are the tools at our disposal in terms of implementing and dealing with leases that tenants are not in compliance with. So we'll talk about the process of collections. We'll talk about our delegated authority for settlements which allows us to do settlements at the staff level or settlements at the Commission level where the Commission will on a one-off basis look at a particular tenant situation and may decide to go forward with a settlement agreement. Those are sort of existing authorities.

The next three are potential changes. This is an informational item. We want to talk with you about these potential changes. And then once we're ready, we can come forward with an action item depending on the Port Commission's direction. So these potential changes are delegated authority relative to mutual lease terminations, which I'll talk about as we go through the presentation. Delegated authority relative to uncollectable balances -- these are balances that the tenant is not going to pay and has left and we do not believe they are collectable. And then the last one is strategic leasing tactics. So this would be as we get more spaces and we have more vacancies, what are potential tactics we would like your thinking and authority delegated to us

to do to implement in order to get those spaces filled.

So this table is just a nice -- if you have it in the Staff Report -- it's a nice little summary of everything that's to come on the next slides. With that, we'll move on to the next slide.

So the existing authority, I started to lay out. As we think of this 161 tenant grouping that we're going to have to start getting into lease compliance. We'll have a contact strategy. We've been trying to contact them. There are some tenants who don't reach back to us. Some who don't attend to their leasehold very frequently. They might be subject to a potential abandonment assessment. And we'll be looking into our various databases to make sure that if there are tenants that don't come forward, we need to start pursuing a collections strategy.

There are some tenants that will respond to us and they may have disputes about the amounts that we've been charging them. There may be an opportunity for us to enter settlement agreements. You're already starting to see some of those on your Closed Session calendar. So to the extent there are settlements that are mutually beneficial to the Port and to the tenant and can allow the tenant to remain in the leasehold. The ED, the Executive Director has the authority to settle the claims up to 25,000 and everything else, we would go to the Port Commission and potentially even the Board if there are claims that reach a certain threshold.

So those are the types of authorities that we anticipate. We have had, and we have used them in the past, but they're a tool that we could apply to this 161 tenants. Next slide please.

Now, thinking about the expanded authority. In the Staff Report we noted that the Mutual Termination Authority has been used a couple of times in the last year. It was adopted, the policy was adopted in 2009. It allows staff the authority to enter mutual terminations for tenants with rents up to \$10,000. We are suggesting that we increase that amount. Between 2009 and 2021, our parameter rent schedule has increased quite a lot, so we aren't capturing as large of a grouping of tenants as we did in 2009.

The officer parameter rent have gone up quite a bit more than even that 50% differential. The industrial land haven't gone up as much. But we're suggesting about a \$15,000 breakpoint where staff would have the authority to enter mutual terminations would ease that administration rather than taking those up to the Port Commission.

On the uncollectable balances, we don't have a specific policy yet. What we have today is working with the Controller's Office and the City Attorney and doing an analysis of the tenant's assets. This is when a tenant exits their

premises and abandons the property and is not available to enter a settlement agreement with us. In that case, we need to determine whether or not we're going to pursue them through legal means in order to get that money back.

There are some cases where we've looked at the tenant's assets, looked at the possibility of receiving that money, and with the Controller and City Attorney, either go to court and try to get it or determine that it's uncollectable, that we're not going to get that back.

So we're working now with our Finance staff to look at how the Controller looks at these procedures and we may be returning with a policy for you to look at if we think that that would kind of ease that administrative burden. Or, when we return, we'll state that we're going to continue the same procedure we've been using which is just look at each tenant, case-by-case basis, and bring it to the Port Commission, reports relative to these uncollectable balance write offs.

So that one we don't have a proposal as of yet, but we want to keep it on the table as we're looking at this very large accounts receivable ledger.

The third one I'm going to talk about in a lot more detail. This is about leasing tactics. This is, to the extent the terminations or uncollectable balances write off policy end up leading to many separations and we going to have to start filling those vacancies. And we want to get ready to enter into leases in as expeditious of a manner as we can while still being really fair and transparent to the new tenants who come along and the existing tenants that we have.

So next slide, we'll start to talk about the leasing tactics. Next slide please.

So we worked with Maven and KMA on a very fast turnaround. Thank you consultants for your very quick help with this. They provided a market overview in order to shed some light on our 2019 parameter rents. The Port Commission will remember, I think, that we didn't do parameter rent reset in 2020. We've been identifying whether or not we want to do it this year.

So we had them look at kind of current market trends and not only where the market is today, but what are the dynamics? Which direction do we think it's going to go in the coming year? And we also asked them to review other commercial landlords in San Francisco who are leasing, or trying to lease, today to identify what sorts of tools and tactics they are offering to tenants in order to get them to, to sign leases.

And I'll talk a little bit about increased revenue concepts. But we're definitely -- that is an ongoing effort for not only our division but Finance Division and others to figure out if there are other ways we can be filling in these big gaps

in our budget. So next slide.

And we'll go into a little bit more detail. So on the market overview, office and industrial are highlighted on this slide. The key thing is the drop in average rental rates actually isn't quite as large as some might've expected. But as you flip through the market report and look at the vacancies and absorption of these spaces, you'll see that even though there's only been a 7-8% drop in the average rental rate, office in particular, the anticipation from the brokers and our real estate economist is that's going to get worse. We haven't seen the full brunt of the pandemic as of yet.

Industrial is interesting. It's actually holding okay. There seem to be spaces that are filling. There's a little bit more demand for industrial. Of course, with the online retail economy, and also there are some office tenants that are moving into the industrial market as they're just trying to reduce the amount that they put forward for rent. So there is a little bit more demand for industrial space. Next slide please.

Maritime, retail, restaurants and parking. These aren't tracked as closely on a broker basis so you don't get those nice charts. These are more kind of assessments of the community. So just a couple of notes on the Maritime review which is still ongoing. Interestingly, Port of Oakland's profit loss has been relatively small, a 6% profit loss.

And other note, of course we've been hit very hard on the cruise side and Oakland doesn't have that sort of a market. So we had a very large loss in cruise, but generally are expecting some movement on the Maritime side. But we think that some of the leasing tools that we're going to talk about in a moment can be really targeted to keeping those Maritime tenants.

On the retail side, very difficult retail times. You'll see throughout San Francisco, many of our retail markets, Union Square and elsewhere are seeing very, very high vacancies. There is interest on national retail tenants for very desirable sort of neighborhood types of retail. Hayes Valley and Fillmore are noted in the rental report as seeing, still seeing some strength but very difficult retail market today.

On the restaurant side, same thing. We have seen restaurants seeing unprecedentedly difficult times throughout the City. Interestingly, Maven Properties has been successful in continuing to lease. Very, very strong restaurant locations are still seeing quite a lot of demand and they've been involved in a number of transactions throughout the city. So that's one bright spot in the report.

And on the parking side, exactly what you would imagine. Very difficult. Major decrease in parking. And just an absolute flip from daily parking revenue

being a very large part of parking operator's revenue to now monthly parking is their primary revenue stream and that's just a much smaller percentage of, or a much smaller dollar value than the daily parking. Next slide please.

So on the leasing tactics, typically in our parameter rent schedule that's adopted by the Port Commission each year, or typically each year, we not only set the rental rates, but we set sort of the terms under which staff can lease to any new tenant. So there are a number of tactics that Maven and KMA's research kind of brought forward as potential tactics we could adopt that would allow leasing, would allow staff and the Port to offer some incentives to new tenants as we are seeing more, as we are seeing a vacancy rate that we haven't seen in a number of years.

So one is relatively simple. It would be extend buildout time to the extent the tenant needs time to do a tenant buildout, we would allow a longer -- an appropriate amount of time given how long permitting and planning and construction tend to take these days. Just recognize that and make that a little bit longer.

A second one would be to offer more potential free months of rent to the extent the tenant is signing on to a multiple year lease. Right now we, I think we allow one month per year of lease. So we would increase that to something larger which we can come back with.

We're also discussing tiered rents. And this is, I think, very common in leases that are being signed today. You would start at potentially a lower level, below the current parameter, and then go up over time. So year one might be 10% below parameter. Year two might be at parameter. Year three might be 10% above parameter.

And then the fourth bullet kind of allows this to be applied to our existing tenants. So to the extent we're doing lease renewals, we would allow what we call a -- or what the brokerage community calls a "blend and extend" approach where we would have a limited rent abatement and then extend the lease out so that we get them up to parameter by the end of lease.

And the last item we wanted to mention is with regard to some of our Maritime tenants who are now looking at potential lease renewals, we want to come back with a potential reduction for what we call, what we've affectionately called our "triple threat" tenants. These are tenants who have a leasehold that includes berthing space, shed or apron space, and office space. To the extent they have all three of those and are a Maritime tenant, then we would offer them a reduction potentially in the office portion of that space.

We're still talking about who that might affect and how that might work, so we don't have a specific proposal there, but it's something we've been talking

about with the Maritime group and then bringing a consultant in as well to look at similarly situation ports about the Bay Area to see whether or not there's this recognition that full office freight is difficult for Maritime tenants to pay and it's harder for them to be competitive for that office space as compared with a commercial tenant. Next slide please.

Just for your information, we're continuing to work with the consultants on five-year forecasts. We're also just asking them to do a market overview for different San Francisco based businesses that we can target as we get more vacancies. We're having them look at a couple of our spaces in detail to identify whether or not there are particular spaces right now we should be highlighting in our marketing.

We're also looking at our typical restaurant RFPs that we've done in the past to get us ready in case we need to do an RFP in the coming year or month as to whether or not we can restructure that RFP to make it more successful. And they're also developing a marketing template for us which would be sort of a nice leasing flyer. Typically we just kind of put up an address and a size and we can do more in terms of marketing our space in this more competitive environment for tenants. Next slide please.

And the last item I wanted to mention that we're looking that we're able to do, at the staff level is examining whether or not we can provide more of an incentive to tenants who may be shrinking their footprint and their lease allows them to sublease space. To sublease that space, currently we get every dollar that they sublease for that's above their rental rate. We're looking at potentially allowing a split to incentivize that type of behavior or to incentivize if a tenant doesn't need their full footprint, to allow a sublease and then we would share the excess revenues in some way up to 50/50. We would look at other splits as well.

I think that's -- the next slide I think is the next steps. So I'd love to get your comments today. I'm sure you have so many. This is a lot of information and a lot of guidance that we're going to need. And then we'll be coming back to the extent that there are items that you're supportive of that we could seek approval for. We'd do that in the next meeting or two.

And then we'd be coming back, you know, clearly in the spring and the summer just to provide updates on how these tools, how the market is responding to these tools, how our tenants are responding to our programs. And we'll be doing that very frequently I imagine. I wrote, "spring and summer" but potentially starting next month even.

So that's the presentation. So I'd love to hear your comments. And I appreciate everyone who's on the line to help me answer. I'll emcee the Q&A and call on folks as I think they might have good input to give. Thank you,

Commissioners.

Public Comment on Item 11B:

Randall Scott - Hi President Brandon, esteemed Commissioners, Director Forbes, this is Randall Scott, Fisherman's Wharf Community Benefit District. I just want to thank the Port for all their ongoing efforts to, you know, be as kind and supportive of the Port tenants and, you know, driving as much economic activity as they can toward them so that they can, you know, stay afloat and keep the -- at least in the Fisherman's Wharf area -- going should those tenants take advantage of those opportunities.

So thank you very much for that investment because, you know, we do see it as an investment in the tenants and the Wharf itself. The Community Benefit District as a whole, although we did, the Portside did not renew, we have significant interest and we'll be rolling out our affiliate program to help support those businesses that want to continue to go forward with our services to include, we'll be investing heavily in marketing to the Wharf area. And using the iconic Wharf brand to pull more business, more pedestrians hopefully before 2025, and reinvigorate the Wharf with traffic.

So again, thank you very much to the Port. And also, we look forward to working with Port staff in moving the Wharf faster and better than it was before. So thank you.

President Brandon - Thank you for your comments. Jenica, are there any other callers?

Jenica Liu - Yes, we have one more caller on the line.

President Brandon - Please open the line.

Jenica Liu - Okay. Thank you. The line is open now.

Pete Sittnick - Good afternoon, President Brandon, Vice President Adams, Commissioners, this is Pete Sittnick, the Managing Partner at Waterbar and EPIC Steak, two restaurants on the Embarcadero on the waterfront. And I want to also express my gratitude and thanks to the Port and the Port staff for their concern over the economic recovery for tenants on the waterfront. I do want to point out a couple of different programs that I think really need to be taken a look at. One would be the percentage rent program. I would like to ask that that be considered to be extended over the course of this next year, 2021. I know it ends in April of this year.

But we're going to face a really tough uphill battle in bringing economic recovery to San Francisco and to the waterfront. As has really just been

proven out in the last few weeks where for restaurants, just the ability to do outdoor dining in the middle of February has proved definitely challenging.

The second would be the payback schedule on deferred rent I believe really needs to have an extended payback period because you're looking at just sometimes right now where cash is so scarce, that to be able to have to payback a deferred obligation is going to be challenging. And then just to stay current on rent obligations is going to be a challenge as well.

The third one would be the Shared Spaces Program. And again, very thankful for the lead that the Port has taken, you know, along with partnering with BCDC to get additional space available for restaurant seating. I think this is absolutely critical as a program that needs to stay in place. If we're going to really, truly be partners rather than landlords and tenants, these are the types of programs that, in order to drive revenue, are [absolutely essential]. And it's going to take a concerted effort on all parties in order to get us back to a position of sustainability and economic recovery.

So I appreciate your concern. Thank you for letting me speak.

Commissioners' Discussion on Item 11B:

Commissioner Woo Ho - Yes, thank you Rebecca for that very detailed presentation. And [I think there was lots of] thought. Oh, somebody's phone. Okay. So I want to -- a couple things. One at a very high level, and it was mentioned by the previous caller -- is, I think the world going forward is not going to be the same world as we've had before so it's not just a question of getting back to normalcy. I think we have to reimagine how the Port's going to be used by tenants in the future. And that could be a different type of tenants, composition of tenants or whatever, in the future.

So there should be some of that kind of thinking going on with the City in terms of just how is the City going to rebound its economy. As you know, when we were in the last recession, the City then turned to become a center of technology. You know, it had its plusses and minuses. Mostly plus, but there were minuses in sort of that strategy at a very high level. But that did create economic vibrancy by Mayor Ed Lee and et cetera.

So now we have a different challenge as a result of the pandemic and also just our social issues with homelessness et cetera in the City which were even pre-pandemic. So I think there's got to be some way of thinking along with the other at City Hall and the business community and others of how we imagine what the City, how it's going to get back on its feet. And how will space like ours be used in that recovery?

So I think you have designed a very good toolkit and that's exactly it. It's a

toolkit. It's tactics. But it needs something to work with, to connect to, to make it work. And I think we're still missing that piece. We can't do it by ourselves. And we need to figure out how to connect to that bigger picture of how it's going to be used.

I also just wanted to mention, something occurred to me with the previous caller, is yes, it's possibly, you know, our programs may not extend as long as they need to because it's been very unpredictable, what's happened with the whole pandemic. You know, we've had a number of, I guess, ups and downs and waves that have delayed things. So we may have to rethink some of those parameters.

And we don't know, except there's a little bit more hope this time that as we obviously get through this period of vaccines and people being sort of -- and we're pretty good in the Bay Area in terms of observing all the safety protocols -- that maybe we do have light at the end of the tunnel. That this thing will be, by the end of this year hopefully, in a much better place. And it's already showing up in terms of the infection rate and the number of vaccines versus infections, et cetera.

Any statistics that you look at. And I guess if you, but the national statistics even, you know, we were at 200,000 or something and now we're down to less than 50,000 a day. So we're making progress in that regard.

But I do think that as our tenants, if they can only see right now the first couple of quarters ahead of them. It's very tough. It's still very tough. 2021 is going to be a very difficult year. But hopefully in 2022 and beyond, things could get back on a track. So I would like to suggest in all your toolkits and tactics, and this refers to a lot of deferred, deferred part of the program. That we have designs and triggers so that if things get better for them, better than they expect, that we can then step up a little bit of what they can do to help us.

Because we do have so many needs at the Port. As you know, I mean, you know, you look at the capital planning budget, I mean, it's still a huge challenge for us to be able to do what we have to do to just keep this Port sustainable, fiscally responsible and even, you know, with all our longer-term issues with the Seawall and Sea Level Rise, et cetera.

So I'm hoping in your tactics that if we could look further out, not 2021, '22, '23. And if tenants all of a sudden begin to also experience prosperity again -- which we hope we do -- recovery again, that we can sort of figure out if there's a way to design triggers that helps us to maybe accelerate the deferment. Figure out, you know, because if we just forgive everything at the very beginning in the direst period, which is what we're in, then, you know, we will never be able to recover as a Port. And that's what my major concern is

that we have to figure out how to recover as a Port as well, with all of our needs.

And so we need to just figure out a longer-term design as well as help people get through this very short-term period of pain. And the usual way of doing this is not going to work. It's going to take a lot of reimagination of how the space is used, could be used differently than it has been in the past. And so we have some exciting RFPs and people are going to do different things in some of the bigger spaces. But just on the usual tenants, I think we have to rethink that.

And so I'm just asking to connect the dots more with the overall strategic [outlook]. The Port should be thinking about it. The rest of the City is probably thinking about it. If we can't get the City back -- and right now the projections aren't very positive. You know, we have people leaving the City. Work from home is going to be more maybe a way of life so the number of residents here is going to be different, the number of companies here.

So we have to think about, "What is going to help build this economic recovery?" And I don't have the answers. I'm just asking the questions. But I think we have to think through all this and then get down to how it actually gets translated through the execution of policies, procedures, tools and tactics. So that's more or less my reaction.

I appreciate all the hard work that went into this. And some of the comments that we also made when we were in Closed Session of the approach that we're using, that we are trying to work in parallel with our tenants. But we are not the equity partner that can just also just take the loss and write it off forever.

So I hope we can find a way to do something more, do something creative in the long-term. I will yield at this point.

Rebecca Benassini - Thank you.

President Brandon - Thank you, Commissioner Woo Ho. Commissioner Gilman?

Commissioner Gilman - Thank you, Rebecca, for the report. And I echo many of Commissioner Woo Ho's statements. She was right on point on so many things. I just had one question and this is just more idle curiosity. When you spoke of the 161 tenants that owed us \$7.7 million in back rent -- and I don't know if there's a way to go to that slide.

Rebecca Benassini - And it's not, sorry, it wasn't back rent. It was that they represent about \$7.7 million per year.

Commissioner Gilman - Oh, per year.

Rebecca Benassini - Yeah. The back rent is bigger.

Commissioner Gilman - Okay. I guess what my question was, is -- I mean, I'm sure it's not proportional -- but that's about \$47,000 per year per tenant if you were just, you know, to divide it in. So are these mostly really small leases? It just seemed like a low dollar amount to me. Or is there some really small and then larger that gets to that number. It just struck me. It was a large group of people to represent such a small --

Rebecca Benassini - Yes. It is a lot --

Commissioner Gilman - -- such a small receivable.

Rebecca Benassini - You've got it right. It's a lot of small tenants. And just to remember, this excludes the tenants who've applied for forgiveness. So these are only the tenants who we are concerned that we haven't really heard from them. They've neither paid rent, nor come forward and said, "Please forgive my rent," you know, going back to March. Just to be clear about that. It is, you're right, it's a relatively small number.

Commissioner Gilman - Okay. So then I guess my comment in some ways is connected to that. In that vein, and I don't know if we're doing this now and I would hope there's no reason why we couldn't do this from a legal or procedure perspective. I do think it's important as we move forward to collect certain, sort of, data points on our tenants that I think also should feed into our decision making as a Commissioner. So that's one.

If they're a small business, and I'd want to use whatever the most limited category there is, definitions. You know, the federal government just said it's 20 employees are considered small businesses for the new PPP loans that are coming out. They're giving them first crack at applying. I don't know if the City has a more narrow definition, but I'm trying to identify our really small tenants. Our sort of mom and pop businesses. So I'm hoping we can collect data, you know, on that.

On it's a sole proprietor. It's sort of, you know, gone to previous to conversations the Commissioner has. If they're a majority minority-owned or POC-led business or organization. I think these demographic information is important when we're looking at the overall portfolio. Because I want to do everything for all of our businesses and our tenants to make them, in partnership with us, as prosperous as possible.

But I hope, I wouldn't want to see us end up in 2024 when the economy is

coming back, or we're in more full recovery, seeing that the tenants that were able to weather this downturn in the economy in the pandemic were only our larger tenants, our tenants who had more equity partners. Or our tenants that did not represent the fabric of San Francisco from an Equity perspective.

So I think these things are important when we're looking at these policies to make sure they're fair and equitable. Because there are individuals who run businesses who might be brilliant at running their businesses or doing whatever they're doing to be a tenant of the Port. And in an office it could be, you know, a defined business who may not have the sophistication, even with as generous as I think we've been with our application processes, with our outreach. It is still sometimes, for some folks, tricky, burdensome, hard to contract with a City or governmental entity.

So, for me moving forward, I would, whether we're in negotiations on shrinking space, reducing lease payments, if we're coming up with more deferral programs, I'd like to understand more about who is taking advantage of those programs so that we really have a good snapshot of who those folks are. There's a difference between me and my coffee stand on a pier, and with all due respect, Boudin's. Right? So from a -- and maybe Boudin's started as making bread on the waterfront and now became Boudin's and I might someday have coffee shops as big, as prosperous as that. But how I interface with our programs is probably different from a sophistication perspective.

So I'm just hoping we can collect that data moving forward. I think you've given so much thought to this. We're a leader. You know, the airport took our lead on our, sort of, deferral program. And so I really appreciate everything the Port staff is doing for this to help us and our tenants weather the storm. But I really think these data points are important.

Rebecca Benassini - Thank you, Commissioner Gilman. If I could just note that I think we've been thinking about how to collect data. And we have sort of our typical annual process that we go through to verify contact, and we're looking at adding information to that. But as tenants come forward for shrinking or mutual termination, that sort of thing, we'll start to ask. We're working with the City Attorney to figure out how we can ask the question the right way to get the information that we need.

But that's, I've noted down all the items you spoke about. So I appreciate that.

Commissioner Gilman - Yeah. No, thank you so much. And then, particularly on the small business front, because so much more is becoming available to businesses with under 20 employees, under sort of net profit and gross receipts. So I just think we could also then help facilitate them seeking in the right direction what they need to be successful. So thank you so much for all of your work on this.

Rebecca Benassini - You're welcome.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Right now, I have no questions. Rebecca gave such a comprehensive report. I wrote a lot of stuff down. And I'm going to be following back up with her and ask a lot of questions. I mean, that was deep. That was just so thorough. I never heard a report like that. Thank you.

Rebecca Benassini - Please do. I welcome any, you know -- we're all getting so much information. And I want you guys to have what you need. So please feel free to follow up with Executive Director Forbes and I'd be happy to help fill in any more blanks.

President Brandon - Thank you, Rebecca and the entire team that put this report together and did all the research and has come up with all these various ways for us to continue to help our tenants. I think Commissioner Woo Ho and Commissioner Gilman asked some great questions, made some great comments. And I think that, you know, I agree that going forward we really have to understand not only what's available but what's best for each of our segments and what the needs are.

But also, I do want to say that with the delegated authority that has been given to the staff, it also comes with reporting and transparency. And at this point we're having an issue with reporting and transparency of what our delegated authority is actually doing.

So I would hope that we have systems in place to be able to help the Commission follow exactly what authority we have given within these guidelines. Because at this point, we don't know, you know, which tenants have work out, which tenants are, you know, over 90 days overdue or which tenants, you know, what was done within the parameter leasing requirements.

So we just have no information. So, if you want more authority, I think we really have to have systems in place to be able to report what's actually going on. But I do want to thank you and the entire team for coming up with these great solutions so far and I know that there's going to be more.

And when we're thinking, as the previous caller said, we're partners. So if we're participating, if we have to participate now, then we should also participate when things get better. So looking at how, you know, we're going to do leasing going forward. There's so many different options. And like Commissioner Woo Ho said, I don't have the solutions. But looking forward to our brilliant staff coming back with more recommendations.

Rebecca Benassini - I'll keep the report short. I'll still keep it short.

President Brandon - No, it was great. No, you did a great job. A lot of great information. And I know there's a lot more to come because we're still in uncertain times. And at least through this year, we're going to have to continue to help tenants as much as we can, maybe into next year. But thank you so much Rebecca, for this report. And the entire team that participated in creating it.

Rebecca Benassini - You are so welcome. Thank you Commissioners and President Brandon for your comments.

12. EXTERNAL AFFAIRS

- A. Informational presentation to review the Port's Proposed 2021 Federal and State Legislative priorities.

Boris Delepine - Good afternoon, Commissioners. I'm Boris Delepine with the External Affairs Team. The item before you is an informational presentation to review the Port's Federal and State Legislative priorities for 2021. Next slide please.

The COVID-19 global pandemic is an unprecedented public health emergency that impacts the lives of every local resident and is causing incalculable economic and human cost. Though I know you're all aware of this, I do want to begin by emphasizing that whenever we speak with Federal and State Legislators or their staff, make it a point to illustrate that our first step as an agency was to respond to our City's need.

Port staff and our facilities were dedicated to the City's COVID response. We built the City's first high volume testing site at Piers 30/32. We transformed construction laydown site for trailer housing to shelter homeless individuals at Seawall Lot 344. We provided PPE storage and distribution. And most importantly, we contributed thousands of hours of Port staff time in [crafts], logistics, project management and communications.

We also focused our policies and programs to move the Port and tenants towards a shared prosperity model by providing rent relief and LBE grants. The Port stepped up and we met the moment. Against this backdrop, our agency is also suffering unprecedented economic drop in revenues as Director Forbes mentioned earlier. From cruise, restaurants, tourist attractions and parking, they also significantly dropped or stopped entirely. Because of the virus, total Port revenues have fallen 45% of their pre-pandemic levels for a loss of \$50 million. We face profound economic consequences without Federal and State support. Next slide please.

Legislative actions and responses to the COVID-19 pandemic are changing on a weekly basis. This presentation and the accompanying report are working documents that provide an overview of the Port's Federal and State Legislative priorities in a very dynamic and changing context.

The key Legislative goals we're focusing on are advocating for a federal stimulus package that supports ports and boosts regional tourism, positioning seaports for access to Federal and State COVID relief packages, ensuring that the Maritime sector is included in emergency relief funding. To date, airports and other transportation sectors, even Muni have received emergency funding but ports have been excluded.

Along with the Ports of San Diego and Seattle, we've been advocating for cruise industry relief and protocols to ensure a safe return of cruise vessels. We're pushing for spending on climate change adaptation around Sea Level Rise. We're doing our best to influence the approval of the Army Corps of Engineers three-by-three-by-three waiver to extend the term and increase funding for the Waterfront Flood Resiliency Study.

Our message to Legislators is clear. The Port's ability to perform is critical to the City and State's economic recovery and viability. Federal and State relief, support and funding is necessary to address the unique and unexpected challenges posed by the COVID-19 pandemic. Next slide please.

Thankfully, it's a new day in Washington and San Francisco as a City is extremely well positioned politically to influence decisions at the Federal level. The Biden administration have identified four priority focus areas. They are COVID Response, Economic Recovery, Racial Equity and Climate Change. All of these align directly with the Port's strategic objectives.

This slide highlights some of the specific Federal initiatives we're targeting to meet the goals identified on the previous slide. The most promising relief effort to address the financial impacts of COVID-19 right now is the American Rescue Plan. That is President Biden's \$1.9 trillion COVID relief package. I'm going to set that one aside and discuss it in detail on the next slide.

Other opportunities include the forthcoming Biden Infrastructure Plan. This is a big-ticket item. There's been promise of a mammoth infrastructure bill since President Biden was elected in November. Currently, there are a few details about the proposal. There's no dollar amount that's been discussed, only broad talking points have been offered. But those talking points include a promise to boost the economy, increase hiring and fight climate change. The President did mention building the nation's ferry infrastructure in his initial speech about the plan among other projects.

We are hearing that Congressional democrats are expected to take

advantage of the democratically controlled Congress and focus on this plan as soon as mid-March and pass a bill by Memorial Day. Our lobbyists advise us that the Administration wants to see how the American Rescue Plan develops before they release the Infrastructure Plan. More information is anticipated to come out during the State of the Union Address which is expected to be scheduled soon.

In January, the Biden administration proposed up to \$10 billion through the Federal Emergency Management Agency, FEMA, for climate adaptation funding. This plan will repurpose a portion of FEMA's disaster spending towards projects designed to protect against damage from climate disasters including Sea Level Rise, through the construction of Seawalls, elevating and relocating flood-prone communities.

Again, few details are available beyond a press release and some New York Times articles. This is a proposal that we're tracking closely with our Federal lobbyists given how nicely this plan aligns with our Waterfront Resiliency Program.

Since March, the cruise industry has been on pause at the direction of the CDC. Direct impacts to the Port equate \$7.3 million as Rebecca highlighted in her previous presentation. Indirect economic benefits to San Francisco's local economy are projected at a half a million dollars per ship. In 2020, we lost 117 ship calls totaling approximately 380,000 passengers. We've been in close contact with the Ports of San Diego and Seattle and the American Association of Port Authorities to monitor the situation and to advocate for a safe return to cruise.

The climate's Smart Port Act introduced by Senator Jeff Merkley of Oregon and co-sponsored by Senator Diane Feinstein would create the first Federal program dedicated to greening the nation's ports. If passed, the bill would create a billion dollars per year on zero emission Port infrastructure that would potentially allow us to build additional shoreside power facilities along our waterfront.

Under rules approved by Congress, the Army Corps is required to complete feasibility studies for flood risk management projects within three years with a budget not to exceed \$3 million and through three levels of review. We're currently pursuing with Brad Benson and his team a waiver that will increase the timeline of the study for seven and a half years with the total cost of \$20.3 million.

The Resiliency Team and Assistant Director Martin had a positive meeting and tour with Brigadier General Owen from the Army Corps last week. We're currently circulating a Letter of Support that's been well received by our Federal and State delegation and we'll be reaching out to you

Commissioners, especially Commission officers to schedule virtual meetings with key Corps staff in mid-March to advocate for approval of the three-by-three waiver. Next slide please.

I want to focus on the American Rescue Plan. Democrats in the Senate opened debates two weeks ago on a budget resolution that will allow them to pass a stimulus package without support from Republicans through a process known as reconciliation. This was Vice President Harris' first tie-breaking vote as President of the Senate. The reconciliation process allows Congressional budget committees to package various Legislative efforts into an omnibus budget reconciliation bill that returns to the House and Senate floor for a vote.

Committees are drafting various pieces of the bill now. They're expected to pass a bill that includes vaccine distribution, stimulus payments, a potential minimum wage increase, and most important to us, \$350 billion in financial assistance to State and Local governments.

On a call with Speaker Pelosi's Chief of Staff two weeks ago, we explained that the Port is facing a 50% reduction in revenue, that Ports have been excluded in all CARES Act funding and other Congressional relief packages for that matter. On our behalf, Speaker Pelosi's team inserted language during deliberations in the Committee Oversight and Reform that allows Ports to access that \$350 billion pot of State and Local recovery funding.

Now that the language is in the bill, we're working to make sure that it stays in. And for all intents and purposes, that seems to be the case. Both Senators Feinstein and Padilla's staff are aware and supportive of this passthrough language. We met with AAPA, the American Association of Port Authorities and their government relations team and they're currently reaching out to Congressional representatives asking them to note in their floor statements and in press releases that ports are now eligible recipients for State and Local recovery dollars.

Unlike other states, California has a \$15 billion economic surplus. The windfall for California from the American Rescue Plan is estimated to be in the neighborhood of \$26 billion. Now that the door has been opened, creating flexibility for ports to access these relief funds to cover our revenue losses, it's important that we let our State representatives know that ports are entitled to these funds. Commissioners, we'll need your help in advocating for Port relief with the Governor's Office and our State Legislators beginning in mid to late March. Next slide please.

Now, turning to the State Legislature. The 2021 State Legislative session was delayed due to a surge in COVID cases in early January. In response to the pandemic, Legislators have been instructed to submit half their usual Legislative package this year. So we're going from 24 to 12 bills. The

Legislature, through President Pro Tem and Assembly Speaker have identified COVID relief, housing, racial equity, emergency preparedness and addressing climate change as the focus of the current Legislative session.

Last Friday was the deadline to introduce new bills. While still early in the Legislative session, with bills evolving, to date there have been nine bills introduced to address Sea Level Rise. Next slide please.

These are some of the bills and initiatives we're tracking. Again, this is a very dynamic list and is constantly evolving. Senate Bill 45 would place a \$5.5 billion bond on the November 2022 ballot to combat wildfires, droughts, floods and Sea Level Rise. Yesterday we also learned that Assembly member Kevin Mullin from San Mateo County and Assembly member Eduardo Garcia from Southeast L.A. introduced an Assembly version of a similar bond and their price tag is \$6.7 billion.

Last year, the Resiliency Bond was bumped from the ballot in favor of the School Bond. We'll continue to monitor both of these initiatives as they develop. Senate Bill 1 introduced by Senate Pro Tem Toni Atkins would provide \$100 million annually for local governments to update Land Use Plans and to take into account Sea Level Rise.

The Governor's proposed 2021 budget includes \$1.5 billion earmarked to achieve the State's zero emission vehicle goals. In September, the Governor signed an order banning sales of new internal combustion vehicles by 2035. If adopted, the Port will pursue grant funds available through this program to invest in grid expansion to increase EV charging infrastructure along the waterfront. Next slide please.

We're facing the most challenging moment in our Port's history. However, we're optimistic given the new administration in Washington. In conclusion, we're fortunate that we have options for injection of direct aid from our State and Federal partners. The Port of San Francisco is a backstop that can help stabilize our local and regional economy and deliver essential public benefits.

Commissioners, we'll need your support in advocacy in the coming months around especially the three-by-three-by-three waiver and in requesting relief from our State Legislators. We'll continue to collaborate with the Mayor's Office and I'll provide updates on the initiatives discussed today. I think you for your time and I'm available to answer any questions you have. Thank you.

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Gilman - Boris, thank you so much for your presentations.

They're always so informative and just sort of your style and pitch of how you present them, I could just sit here all day and listen to them. So thank you so much. It's like you're like a radio announcer.

I have no questions. The one thing I wanted to flag for you which I think we should track at the State level is a couple things. One, it looks like SB-5 is moving through. That's going to be a statewide housing bond. They're looking at sizing it between \$8-10 million, \$8-10 billion, excuse me. So I just think, you know, since we -- the Seawall, sort of, Resiliency got kicked in the last cycle due to the School Bond, I think that's something we should just be tracking and talking to the Bay Area Delegation about.

I believe Senator Wiener is in conversations with the Pro Tem on the size of that bond. So I just wanted to call that to your attention. And then just say whatever ways us on the Commission, you know, at the State level or others can be of assistance, please feel free to reach out. Many of us in a variety of other roles are in contact with them. I think you're tracking the right things and hopefully the relief package in D.C. will move forward and will be in alignment with President Biden's goals, particularly around climate change and Sea Level Rise to get some needed funds to us.

And whatever we can keep doing also to remind the public that unlike the airport and the MTA, we have not received CARE or stimulus dollars. I think it's important. I think we get wrapped up with those other enterprise departments and the public doesn't understand why we're not doing why we're not doing better financially. But excellent report, thank you.

Boris Delepine - Thank you. We'll track SB-5.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Sorry. I was just going on and on. Thank you, Boris, for this excellent report. Very thorough and complete. And as we had started to ask for this report periodically I guess over the years and with Commissioner Brandon and Vice President Adams actually also making trips to Washington, I know that this has taken a higher sort of priority and we have gotten more visibility.

I think I echo Commissioner Gilman's comments in terms of your delivery of the report was also excellent. I think all the reports today have been amazingly great from the staff. I really appreciate that. I think the fact that you all stepped in and made Speaker Pelosi aware that we were not getting our share in the CARES Act is excellent because actually we are less resourceful -- maybe the MTA doesn't have as many resources as we do -- but certainly the airport probably is more self-sustaining than we are. And so it's great that we stepped in to make sure that we also are part of the infrastructure.

And it's such an important part of the infrastructure of, not just for the City, but for the West Coast, for the country, that the Port should be considered in any of these bills that are allocating important strategic funds. So I compliment and hats off to all of you to keep fighting the battle.

This is probably one of the more encouraging reports today in terms of what you're doing and the fact that, you know, we have some hope here to be able to sort of look for some funding that enable us, as well as hopefully to keep the, to sustain the Port and as much as possible also to help our partners and tenants as well. So I'm very encouraged by the progress and the thoroughness of what we're doing. And I think that you have -- I guess this was handed off to you -- I think Brad used to do a lot of this, and you've actually stepped into some big shoes and done it well, Boris. Thank you.

Boris Delepine - Thank you.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Yeah. Boris, great report. We've got to go to work and I appreciate you doing what you've got to do. We've got to take advantage of this opportunity. A few thoughts. It's good to know that we have an adult in the White House now. And we have a President that's 78 years old. He knows he's maybe got four years and he's probably going to be one term. So he's got to get stuff done.

So we have got to push our agenda. We've got to be engaged. We need to be on fire. I'll just give you an example. Look what happened down in Texas. He didn't play any games. He went down there and gave them some money so they can help the people down in Texas. He's an adult, so -- and they didn't even support him. So that just shows you, we've got a President that cares.

I'm really concerned about the cruise industry because it's hitting us very hard even just with my union, plus in the Port. Whether Seattle, Alaska, San Diego. And a lot of the Senators don't want to give money to the cruise ships because they don't pay any taxes and most of them are registered -- and Doreen and Kim know, they've taken a lot of cruises -- in the Bahamas or other places. And so, I've had several, had some cruise ships call me and say, "Hey, can we get some support?" But they don't pay, so I don't know how we do that. But we definitely need our cruise industry, especially when we're talking about a recovery here in San Francisco for 2025.

You know, we've asked some of our tenants that we've given some relief on to go out and apply for some of this money. This is long overdue that we haven't went out and try to get some of this money.

We're not like Oakland or even Portland or Seattle where they have the airport and the port. All we have is the Port. So we need as many resources as we can. We've got to get this CARES Act. And really, we've only got two years. Because normally, when you have a President, normally the power changes hands in the midterms and you lose control of maybe the House and the Senate. It's going to make it harder for the President to get his agenda done.

And so now, we all know when President Obama was President, his only signature was his health care. So I think now, with President Biden in there, we need to get as much as we can. Get the money, push our agenda and do what we can, and even help our tenants in any way.

This looks really good and I can just say this as a working-class guy and a union guy. This is the most pro-labor president that I've seen in my lifetime is Joe Biden. You know, he came to us and he's basically said he was going to do what he said he was going to do. He's kind of stuck on his \$15 an hour because he doesn't quite have the votes. But I think we're doing that here in San Francisco.

So I think we need ride this wave and get what we can. And you can count me in to do any lobbying and make some calls. I have a good relationship with the Pro Tem Atkins, Speaker Rendon and of course, of course Speaker Pelosi, Vice President Harris. We know them. That's family. I know I knew Senator Padilla very well. Let's use this political power that we have and contacts and push our agenda forward. Thank you.

Boris Delepine - Thank you, Commissioner.

President Brandon - Sorry. Thank you, Boris. Thank you so much for a wonderful, detailed, positive report. Something for us to actually look forward to. And it's so wonderful that you're bringing to light all of these various Federal and State bills that are in formation. And as my fellow Commissioners have said, we are here. We are here on the Local, State or Federal level, however you need us. We are here to help bring money to the Port and to our tenants. So thank you so much for this presentation.

Boris Delepine - Thank you.

Vice President Adams - President Brandon, may I say one thing to Boris? I think probably the most politically savvy person's not here today. Commissioner Burton who was Chair of the California Party at one time. Was in Congress. Ran for the Speaker. Everybody knows John Burton. So let's get Commissioner Burton, maybe President Brandon will put us both to work. But let's use John Burton for all the contacts and all the respect that he has to open up some doors and make some calls that maybe the rest of us can't

make. Thank you.

Boris Delepine - Absolutely. Thank you.

President Brandon - Thank you. Thank you, Boris.

Boris Delepine - Thank you. Thank you, Commissioners.

13. NEW BUSINESS

Director Forbes - I have recorded, "Coming back in no less than six months on Piers 38 and 40 to review the Diversity, Equity and Inclusion program." Is there any New Business?

President Brandon - Any other New Business? If not, Commissioner Gilman, can I have a motion to adjourn?

14. ADJOURNMENT

Commissioner Gilman - Yes, President Brandon, but before I make the motion to adjourn, I hope that we can adjourn our meeting today in memory of Lawrence Ferlinghetti, the first Poet Laureate of San Francisco who came here in 1951 and in 1953 opened, with two other owners, City Lights bookstore. Lawrence Ferlinghetti has been an icon of San Francisco, and at the ripe old age of 101, he passed Monday evening. He's a loss to all of San Francisco, particularly to the neighborhood that I love and call home on the Northeast side of the waterfront, North Beach.

And folks are gathering, socially distant, wearing masks, leaving flowers and other memorabilia at City Lights bookstore. So I was hoping we could close our Port meeting in his memory. He's survived by two children, his daughter, Julia, and his son, Lorenzo. So I'm hoping we can do that.

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

President Brandon - The meeting is adjourned at 5:24 PM.