



# **SAN FRANCISCO PORT COMMISSION**

**MARCH 9, 2021  
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION**

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

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

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING March 9, 2021

### 1. CALL TO ORDER / ROLL CALL

This meeting was held by teleconference pursuant to the Governor's Executive Order N-29-20 and the Fifth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency.

Port Commission President Kimberly Brandon called the meeting to order at 2:00 p.m. The following Commissioners were present: Kimberly Brandon, Willie Adams, John Burton and Doreen Woo Ho. Commissioner Gail Gilman joined the meeting at 2:03 p.m.

### 2. APPROVAL OF MINUTES – February 23, 2021

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

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

### 4. EXECUTIVE SESSION

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

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

At 2:06 p.m. the Commissioners withdrew to closed session.

#### (1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS

- (a) Discussion of anticipated litigation matter pursuant to California Government Code Section 54956.9(d)(2) and (d)(4) and San Francisco Administrative Code Section 67.10(d)(2) regarding

disputed title to a portion of Custer Avenue in the vicinity of 1650 -1680 Davidson Avenue.

Anticipated litigation:  X  As defendant  X  As plaintiff

- (b) Discussion and possible action on anticipated litigation matter pursuant to Section 54956.9(d)(4) of the California Government Code and Section 67.10(d)(2) of the San Francisco Administrative Code with City regarding One Ferry Plaza, a portion of Ferry Plaza at Embarcadero and Market Streets, and Ferry Plaza Limited Partnership as tenants.

Anticipated litigation:   As defendant  X  As plaintiff

- (2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. \*This session is closed to any non-City/Port representative: (Discussion Item)

- (a) Property: Pier 31 (Lease L-16274)  
Person Negotiation: Port: Rebecca Benassini, Deputy Director of Real Estate and Development  
Negotiating Parties: J Mark Jenkins, CFO, Golden Gate National Parks Conservancy (Conservancy)

Under Negotiations:   Price   Terms of Payment  X  Both

The Port and Conservancy are negotiating a potential amendment to the subject lease to address rent obligations of the Conservancy. In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including price structure and other factors affecting the form, manner and timing of payment of the consideration for the potential amendment. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and People of the State of California.

## 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.

No Report.

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

At 3:15 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**

Murray Cole - Yes, I'm speaking to A on the agenda. My name Murray Cole. I'm 86 years old and I'm the owner of the Davidson Street property referred to in your agenda as A. My wife Doris and I were born and raised in San Francisco. I have been in business since 1955. I purchased the property in 1968 and received what purported to be a clean and clear title. Verification of clean and clear title also came with my purchase of two additional parcels. I had no reason to believe there was a cloud on these properties.

While in business, I was an active member of the Bayview Merchants Association and was Vice President for 15 years. But in 2020, after 50 years in business, I desired to retire and sell the property. My wife and I are in our 80s and it was time to finally retire. , aft

A prospective buyer became aware of the property and made me an offer to purchase the property. We came to an agreement in August, 2020 and the buyer removed all contingencies and was prepared to close the day in December, 2020. In order to avoid the taxes of Proposition I, the Port made a claim on owning a paper street under my land.

This seemed impossible because a building known as The Fish Cannery or No. 2 Rankin Street was in the same path that the Port is making a claim to be on my property. This has delayed and potentially killed the sale of the property. At a minimum, I am now negatively affected by higher transfer taxes due to Proposition I that went into effect in January, 2021.

This entire claim by the Port put me and my family under extreme stress under this already stressful year of COVID-19. I have been paying property taxes since 1968. But I am now, time to, this paper street that was abandoned in -- I'm going to repeat that.

This paper street was abandoned in 1917 [and as] land swap gave value to the Port that the Port is claiming ownership to part of my property. I am in possession of a clear and clean title to all my property and I'm hopeful the Board will understand my situation and come to a satisfactory conclusion. I'm open for questions. I just want to get it done. Thank you.

President Brandon - Thank you, Mr. Cole. We really appreciate your call. Jenica, are there any other callers?

## **9. EXECUTIVE**

- A. Executive Director's Report
  - Economic Recovery
  - Equity
  - Key Project Updates
    - Hyde Street Harbor

Director Forbes - Good afternoon President Brandon, Vice President Adams, Commissioners, staff members and members of the public. I am Elaine Forbes, the Port's Executive Director. My report today will provide an update on Economic Recovery, Equity and the investigation to an ongoing petroleum seep at Hyde Street Harbor.

To Economic Recovery, I am delighted to report that the city and county of San Francisco has moved into the state's red tier. Last week, Mayor Breed announced the good news at a press conference at Pier 39 with Dr. Grant Colfax from the Department of Public Health and Laurie Thomas, Executive Director of the Golden Gate Restaurant Association.

Moving into the red tier allows indoor dining to resume with limited capacity as well as opening of other attractions such as museums and aquariums. Pier 49, Fisherman's Wharf and tenants up and down the Waterfront are excited about the news and working quickly to ramp up operations. Alcatraz will also begin welcoming guests back next week.

Gradual reopening is possible because of San Franciscans continued determination to contain the virus, take actions to keep us all safe: masking, practicing social distancing, avoiding gatherings and washing hands frequently. Bolstering our effort is our work to inoculate as many eligible residents and workers as the City can. To date, 26% of San Franciscans over the age of 16 have received their first dose, and 12% have received the second. keep

Vaccines remain in limited supply and the City is hoping with the introduction of a third, approved vaccine, we'll be able to administer more doses more quickly. I am hopeful we continue to sustain economic reopening and that the light at the end of the tunnel continues to expand for all of us. It's been a long period of time.

At the last Port Commission meeting, Vice President Adams asked about vaccinations on Port property. I'm very happy to report that last month at Seawall Lot 337, Sigma Pi Phi, an African American fraternal organization administered COVID-19 vaccines to approximately 100 members who met current state vaccine distribution guidelines. Recipients remained in their vehicles and drove up to a health outlook site and received their first dose of vaccinations. The second doses will take place a month later. The Port was able to support this effort by providing a fee waiver for the use of our space. Now, turning to Equity.

The Port's Race Equity Team has completed its review of short-term actions and prioritized them for implementation in the current year. Staff is working to build a strong foundation for our department-wide Equity initiatives and this includes Infrastructure for Transparency, Accountability, Clear Roles and Responsibilities and a Feedback Loop for Continuous Improvement as we chart our path toward advancing Racial Equity at the Port.

I'm also happy to report that the Port's Micro-LBE Emergency Loan program has reopened for applications. Additional applications will be accepted on a rolling basis until the funds are deployed. The program has approved 12 loans to micro-LBEs who are Port tenants, contractors and subcontractors to date. \$476,000 of the \$1 million of this program has been approved. Seven of the loans have gone to MBEs including five black-owned businesses and two loans were awarded to women-owned businesses.

We're also very excited to announce our Fourth Annual Contract Opportunities Open House which will be held Thursday, March 18th at 8:30 this year to virtually connect with local businesses and trades on upcoming contract opportunities with the Port. The Port prioritizes giving opportunities to small local businesses.

They are the backbone of our economy and help to create a diverse and inclusive city for all of us. As of today, we have received 110 RSVPs. Our event maxes out at 200 and we still have over a week until the day of the event. So this to say that the event is always highly anticipated and continues to be a great opportunity for large and small businesses to network. Congratulations to Port staff for successfully accomplishing three other annual open houses and for the one coming up this year. Now to a key project update. This is about Hyde Street Harbor.

I actually have some good news to share about the situation regarding the ongoing petroleum seep in Hyde Street Harbor which has been a difficult problem that Port staff has been diligently tackling. As I previously reported, a petroleum product from an unknown source has been intermittently seeping into the shore and Bay floor into Hyde Street Harbor.

Since July, 2020, the Port has worked diligently to respond to the seep, including: deploying and maintaining boom at the site, removing accumulated product within the boom using absorbent pads and an oil skimmer, performing seep monitoring activities, developing a waste management strategy, hiring contractors and consultants for operational and technical professional services support and developing and leading an investigation into the source of that seep.

And I have an update on the source. On February 18th, the Port contractor encountered an apparent red dyed diesel fuel in two investigative bore holes at the site. Red dyed diesel is used by a Port tenant, Maxum Petroleum at the Hyde Street Harbor fuel dock facility for vessel fueling. The Port promptly notified our partner and regulatory agencies of this discovery and the EPA in turn issued a Notice of Federal Interest to Maxum for the release of petroleum fuel on February 23rd.

Congratulations to Port staff and to our regulatory partners for identifying the source. Last week, on March 1st, the EPA issued a formal clean up order to Maxum Petroleum requiring Maxum to address the red dyed diesel fuel leak. Maxum Petroleum is required to submit a Site Work Plan to the EPA for review and approval and this plan went in yesterday.

Their Work Plan will likely include locating the suspected pipe leak and removing fuel from the underground surface where the Port encountered the product. The Port will have an opportunity to review and provide feedback to Maxum's proposed Work Plan.

After the immediate threat of the water quality in the Bay is mitigated, the EPA has indicated that Maxum Petroleum will be required to design and implement a comprehensive Site Remediation Plan to remove petroleum

contaminated soils and underground water. The Port will remain engaged throughout this process as a trustee and steward of the land.

I'd like to take this time to acknowledge the efforts of Port Maintenance, Maritime, the Planning and Environment Division for their very hard work capturing and removing the on-water fuel release and successfully identifying the source of this pollution. It helps us very much move forward with our clean-up plans and having identified the responsible party.

During the past eight months, our Maintenance crew has been onsite six days a week performing boom maintenance and oil recover in the harbor and has collected and removed more than 2,500 gallons of oily water associated with the seep. We're extremely proud of this work.

I'd like to now turn it over to Randy Quezada to give a presentation on the Port's COVID-19 response which will be responsive to Commissioner Gilman's request for this information. Over to Randy please.

#### No Public Comment on the Executive Director's Report.

#### Commissioners' Discussion on the Executive Director's Report:

Commissioner Woo Ho - Sorry, I was on mute. I have no comments specific, or questions for Elaine. Just to say, "It was a very good report." Thank you for all the updates. And pleased to see we're on a positive track. Thank you.

President Brandon - Thank you. Commissioner Burton? You're on mute  
Commissioner Burton.

President Brandon - Okay, thank you. Commissioner Gilman?

Commissioner Gilman - I have no question for the Port, I mean, I have no questions on the report, sorry. Thank you, Elaine. And it's impressive 110 folks have already RSVP'd. I hope we reach our maximum of 200 on the workshop on bidding and working with the Port. Thank you so much.

President Brandon - Thank you. Vice President Adams.

Vice President Adams - Thank you Director Forbes for a superb report. And clearly you've been listening to the Commissioners and clearly to President Brandon. So thank you so much. And please, thank you and your team for all their diligence and hard work. I have no questions. Thank you.

President Brandon - Thank you. Director Forbes, thank you so much for your detailed report on all wonderful work that you and the staff are continuing to do at the Port. I was very happy to be able to attend the Pier 39 press



conference with you where we went from the purple to the red tier which is great for reopening our businesses. I'm looking forward to the Contract Opportunity Open House next week and as Commissioner Gilman said, I hope we get to 200 plus.

So I'm really looking forward to that opportunity and to continue all the wonderful work, again, that we are doing. So thank you. Carl, next item please.

B. Informational presentation on the Port's support for the City's ongoing efforts against COVID-19.

Randy Quezada - Good afternoon President Brandon, Vice President Adams, Director Forbes. I'm Randy Quezada, Communications Director for the Port of San Francisco and today I will provide a brief overview of the Port's efforts to support the City's ongoing response to the COVID-19 pandemic. Next slide please.

A little over a year ago, the City declared a local health emergency and activated the Emergency Operations Center to prepare for and respond to an uncertain future. At the time we didn't know how long, we didn't know what was going to happen. But we knew we had to get ready. And I am very proud to say that from those very early days to the present, the Port has stepped up to meet the moment and contributed generously to the City's efforts to stay one step ahead of the virus and keep our community safe.

We've been able to support all aspects of the effort ranging from providing for health and wellness needs, to emergency support services and economic support for our local businesses. Port staff and Port property have been, without exaggeration, at the center of the City's response providing space for testing, emergency shelter, emergency food distribution and critical PPE distribution. Next slide please.

I want to begin with talking a little bit about our staff. To date, 75 staff members have been deployed to serve as disaster service workers, some with multiple deployments. Myself included. I did not have a multiple tour, but I did serve as did our Executive Director, Elaine Forbes, as did so many of our key staff who have been deployed to work out of the COVID Command Center at Moscone. Prior to that, at 1011 Turk at the Emergency Operations Center and throughout the city. Some working at the shelter-in-place hotels. Some delivery goods, food, PPE throughout the city.

Currently, we have 16 staff deployed and it is to our great credit and to our staff's great credit that the EOC staff, the COVID Command Center staff has on occasion remarked how great Port staff has been. We've committed thousands of hours in time. It is something that we are proud to have done.

Earlier in the pandemic response, we produced a video. And here are a couple of clips from that video talking about some of that work featuring key Port staff. Pictured here we have Wendy Proctor at the shelter-in-place trailer site. We have Shannon at the testing site at Seawall Lot, excuse me at Piers 30/32 and we have Kim Beal at Seawall Lot 337. Next slide please.

Moving on, I want to talk about testing. The first CityTestSF COVID-19 testing site opened on Port property on April 6th, 2020. Site services have grown from testing City front line and healthcare workers to now providing broad access to testing for San Franciscans, regardless of symptoms or exposure. As a drive-through and walk-through site, the site can now accommodate as many as 1,000 per day. Tens of thousands of tests have been administered at this site.

Testing, of course, has been invaluable to the City's overall strategy to slowing the spread of the virus. Very early on, we realized that the only way we would be able to get ahead of the virus was to have good surveillance data and testing is critical through that. We needed to know the prevalence. We needed to know who was getting infected and where people were.

And this site contributed greatly to the City's knowledge base and Port staff were at the forefront of making sure that the site was able to get up and running and since then, providing ongoing management and support services to the site. This is something that we are extremely proud of. Next slide please.

Now I want to move over to emergency shelter. In addition to providing the space for testing, Port property at Seawall Lot 344 has been used to provide shelter and support services to vulnerable people experiencing homelessness in District 10. District 10, as we all know, is in the City's Southeast sector and has been especially hard hit by the virus. Providing a safe space for unhoused people in the community at the trailer site helps to keep everyone in the community, housed and unhoused, safer.

The site opened last May and has offered shelter to over 150 vulnerable individuals. The trailer site is now part of the City's The Alternative Shelter program. Prior to opening the trailer site at Seawall Lot 344, the Port also approved an amendment to the Port's existing MOU with the Department of Homelessness and Supportive Housing to modify operations at the Embarcadero SAFE Navigation Center to allow for adherence with new social distancing guidelines.

Right now, the Embarcadero SAFE Navigation Center is used as a COVID-unknown, COVID-negative site with a capacity of 88 individuals. To further bolster the City's capacity to deal with the ongoing homelessness crisis

during the COVID-19 public health emergency, the Port also approved the five-year extension for operations of the Central Waterfront Navigation Center which is near Warm Water Cove. Next slide please.

Now I want to shift our attention to emergency food distribution. In addition to providing space for testing and shelter, as I mentioned, the Port has also worked to provide space for emergency food distribution in that Seawall Lot 337. As the pandemic wreaked havoc on the local economy and many lost jobs, it also laid bare significant food and security issues in our community.

Last May, the Giants teamed up with the San Francisco-Marín Food Bank to open an emergency food distribution site in close coordination with the Command Center. We all recognize that this was a very significant need in our community and wanted to make sure that we were able to help meet that need. Providing help for people who can drive up and people that were able to walk up was essential. And the site is both a drive-through and walk-through site.

On average, we see about 790 families visit the site each week where over 41,000 pounds of food on average are distributed each week. Next slide please.

And lastly, I wanted to talk about PPE distribution. This is another essential piece of the City's strategy to contain the virus. At the last August, the Port began to offer space to the Office of Economic and Workforce Development for this critical PPE distribution for our non-profit partners. The non-profits distribute the life-saving equipment to local businesses within neighborhoods and communities that have been disproportionately impacted by the virus ensuring that essential workers are able to stay safe and stay on the job.

Access to PPE has been and will continue to be a critical part of the City's ongoing efforts to reign in the virus moving forward. We are very happy to hear about the light at the end of the tunnel with the vaccines that are available, but we continue to hear that the need for PPE will continue and we are happy to help support this effort.

OEWD ordered approximately 1.5 million face masks, 600,000 face shields and 21,000 gallons of hand sanitizer from Cal OES, the California Office of Emergency Services. That's 600 pounds worth of materials and has already distributed more than two-thirds. Next slide please.

And now I wanted to turn over to tenant support. Supporting our tenants is something that is critical. It's something that we do as part of our bread and butter around here, but it's also been essential to the City's ongoing economic response to the economic catastrophe that COVID has laid bare.

The generous tenant rent relief measures that have been provided have added to the City's response effort.

The Port has offered extensive rent relief, as we know, to waterfront businesses including Rent Deferral, Repayment Programs and Rent Forgiveness. The Port's Rent Deferral program offered tenants an opportunity to defer rents from March, 2020 through December, 2020. The Repayment Program is designed to meet tenants where they are and allow them to pay down their balance due on a schedule that works for their businesses.

Similarly, the Rent Forgiveness Program is tailored to meet the needs of specific Port tenants including percentage rent tenants like our restaurants and retail operators, our Maritime tenants, qualifying local businesses and civic impact tenants, our non-profits and artists, for example. Port estimates that we will forgive up to \$13.65 million in rent. This is not an insignificant sum for the Port. But it is essential to making sure that these businesses have the best opportunity to stay in business, keep their employees on the job and continue to propel the economy forward which is going to be critical to the City's long-term recovery.

That concludes my report today. We are proud to serve and continue serving in the days and months ahead as we all work to bring an end to the pandemic. Thank you.

#### No Public Comment on Item 9B.

#### Commissioners' Discussion on Item 9B:

Commissioner Gilman - Apologies. What I said was, "As the Commissioner who asked for this informational item," Randy, I wanted to thank you for your thorough report and all the work that Port staff has done from food distribution to shelter to a vaccine site. I think we definitely has pulled our weight or even punched above our weight to contribute to the City's efforts around COVID-19.

I have just a couple of observations and I know the bulk of my operations might sit with coordination between the Port staff and Command Center and the Health Department. But as it just broke in the paper earlier today, we're moving towards the orange tier which is predicted to be at the end of March, beginning of April from the press release that just was issued. I really hope we can work with the Health Department to beef up our signage particularly along our Waterfront which is such a tourist destination.

I recently was in Monterey, California and while their Fisherman's Wharf is literally like two blocks and adorable compared to ours which is robust and I

would say in some ways superior with no offense to Monterey. Every two feet was signage about, "Mask up or --" you know, "-- don't come to our property." And the signage was just much more robust that I've seen at least against the Northeast side of the Waterfront from about you know the arrow to Hyde Street Pier.

So I just am hoping as we slowly open up more, as more and more tourists come back, the Waterfront has seen more activity in recent, since we've been through the red tier, that we can beef up our signage. I'd hate to see all the efforts that we've done as San Franciscans at a 1% positivity rate right now, go backwards because our frontline workers, our hospitality workers are interacting with tourists from other regions, other parts of the country, internationally, who just are not understanding our precautions.

So I hope the Port staff will take that into consideration as we move forward. And I commend you on your fabulous work.

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

Commissioner Woo Ho - Thank you, Randy, for this terrific report. I mean, it's great to see that we participated in every phase of what needed to be in this emergency and very thorough. I just had some questions and observations along the lines of what Commissioner Gilman said. But I guess as we move, hopefully, even into an orange tier and more activity, a couple of things looking forward. But I have a couple questions about what the trendlines are at the moment just to sort of hopefully support everything that we're hearing and seeing in the media.

In the testing site, are we still seeing, you know, lines waiting? Or is it a very, sort of, smooth process now? That people don't have to wait forever to get through a testing. Is that the case at the moment? If you could just give me a quick update since we do have tremendous capacity, but is it, is demand at least stabilizing or down?

Director Forbes - Randy, did you want me to answer that question?

Randy Quezada - Yes, by all means.

Director Forbes - Okay, certainly. So the testing facility is a first-come, first-served testing site. So it has experienced long waits and even three-day out to book when we have more COVID and more concern for COVID in San Francisco. And that's been a really consistent pattern that when there is more virus and more health orders, there's longer waits at Piers 30/32, right?

And there's some times you can get a same-day appointment, and that's been a consistent pattern as well. Right now we're in the same-day appointment to the following-day appointment situation which is indicative of the situation we have with virus in the community.

Now, the Public Health Department has several other sites as does the private -- private health insurance obviously has sites as well to go. And the City's Web site has information about all the various locations that you can book an appointment and how to do so through your public, through your private healthcare provider. Thank you.

Commissioner Woo Ho - Okay, thank you. So my second question kind of relates to, I think, you know this great, sort of emergency shelter solution that we came up with, the trailers. And I'm just wondering if this trailer opportunity is teaching us anything else in terms of solutions that go beyond COVID. Because obviously we have a lot of homeless situations.

And I don't know if the 120 trailers have been used consistently by the same people or there's in and out of the trailers and what are the lessons learned, or takeaways to apply to any future longer-term solutions with the homelessness on trailers?

Randy Quezada - The trailers have primarily been used, all of them, since the inception once the homeless department and its partners started to move people in. And one of the key lessons and sort of key assumptions moving in was that having a stable environment where you had the same group able to isolate safely would be helpful. And that has been very encouraging.

There have been some transfers out. There's been a handful of guests who have been able to move on to permanent housing which is the best outcome for people that are experiencing homelessness. But as far as operating the facility, being able to keep a low-barrier, safe-to-access space where people could isolate safely by themselves and be part of a community was essential.

The homeless department, the Department of Homelessness and Supportive Housing has worked very well with the Department of Public Health, the Human Services Agency and their onsite provider to make sure that they did have a good sense of community and were keeping track of people's needs and were able to connect people to their needs.

One of the other things that was hypothesized would go very well there is the colocation of other services, similar to what happens at other navigation centers. Having other healthcare providers, having the nurses there at the site. Being able to come on to the site to care for people's other health needs was essential. Oftentimes people that are experiencing homelessness haven't seen a doctor for a long time, haven't seen any healthcare

professional and being at this site, they were able to do that. And that's been also one of the things that was borne out and was proven once again that is an important ingredient in providing a shelter community that works.

But ultimately, the key is to be able to ensure that people are on a pathway to permanent housing. A shelter is a fantastic option for people that are on the street, but it is an interim solution. The goal is to get people onto that next step, into permanent housing, whatever that might look like for an individual. Each individual's journey out of homelessness will be different and will depend on their individual situation. But the journey out of homelessness is essential.

Commissioner Woo Ho - I agree with that in terms of it's an interim situation and obviously maybe not the long term, permanent. But I guess, is there any sense of feedback for the people that have been in these trailers? You know, [would they] like it? You know, I mean, I guess it's not really our Port's concern, but I think it's just such an issue for the City, for us to understand and since everybody wants to see a solution.

And right now, as the homeless situation has increased so much, whether if this is an interim situation. And Navigation Centers which are also an interim situation but are much more difficult and complicated and et cetera to build. This seems to be a faster way to, at least to get one step, to move people off the street into something safer. like

Now, I know we did it for health reasons. But I'm just wondering if there's thought and discussion about how to move this as another way besides what we're using with Navigation Centers as an interim step to a more permanent situation. So I'm just suggesting that hopefully there's discussion and thought going on in terms of learning from this example.

And of course, since we have a lot of the open or empty space in the city, we are probably a key partner if there is such a thought going on in the City. So it's not for you to answer definitely, Randy, because it's not our call totally. But it would seem to me that this is a very good case study that should be applied, not just for the COVID situation but has wider ramifications, I guess is my answer.

And then, on the emergency food distribution, is that also still, demand is still very strong? Or are we beginning to see that that's tapering down a little bit? Just to get a sense of, you know, are people's needs changing? And now stimulus checks are coming back into the fray, et cetera. Is there a trendline there as well that you can tell us about?

Randy Quezada - Demand varies week to week, and certainly the last week, it did trend a little bit down. But the average is still over 700. That 790

average per week was current as of about two weeks ago. Now I'd probably peg it down a little bit lower given the most recent data. But certainly, you know, we see news of some jobs coming back. Other jobs not coming back as quickly. We still see a continuing need. And this is something that will vary. Hopefully we'll continue to trend down over time, but it has fluctuated.

Commissioner Woo Ho - Okay. And then lastly, on the tenant support. My comment is really more related to something that Commissioner Gilman also said about Monterey, but I think that part of our Economic Recovery Plan from COVID is to really hopefully see as the vaccinations are increasing in this city and in neighboring counties elsewhere in the country, is hopefully San Francisco as a destination for tourism is going to come back.

And I'm just wondering if there is some discussion between the Port and I guess San Francisco Travel and whatever other organizations both at City Hall as well as in the private sector, are talking more actively about a tourism strategy to bring people back. And I'm not talking about next week. I'm talking about something obviously when there's maybe a higher sort of, the comfort with vaccinations.

But you know, the trend that we're on right now, I mean, in another six to eight weeks, we should be in very good shape in this country and so there should be more travel occurring and people would feel safer about going out. So I'm just wondering if we're partnering with other organizations in the City to encourage tourism and a return to a vibrant Waterfront.

Director Forbes - Randy, would you like me to respond to that one?

Randy Quezada - Yes, that would be great. Thank you.

Director Forbes - You're welcome. So to Commissioner Woo Ho, we have been partnering, but not as proactively as you're describing. We've been partnering mostly to understand when tourism returns so we can understand our revenue projections and understand our budgetary situation. But we have been listening very actively and been participating and at the table with organizations like SFTravel, the Chamber of Commerce, et cetera, to understand tourism strategies and how we may fit.

And it is exactly our point in time when it is time for us to think about our Economic Recovery very full throated and to consider how we can contribute to and participate in the return to tourism both locally, regionally and internationally. Because San Francisco's Waterfront brings 24 million people a year to its, as a very, very key destination.

So I thank you for your question, and we will be more proactively leaning into those conversations going forward.



Commissioner Woo Ho - Okay, thank you. And that's all of my comments. Thank you.

President Brandon - Thank you. Vice President Adams.

Vice President Adams - Randy, great job. I want to follow up on a couple things. Something that Commissioner Woo Ho said and Director Forbes came back on it. But we have to be honest. The recovery for tourism, I think at the last meeting, we're talking about 2024. This is just what's happening.

And right now, we're only giving, throughout the country, about 9% of the people are getting their vaccination shots. It's just, it's not going as fast as everybody thought it would go. And even in the cruise ship industry because ships going from say San Francisco up to Alaska or Canada, they can't go up there. I mean, there's a lot of stuff going on that's going to have to be worked out.

And I mean, we've just got to, we're going to have to be patient. I mean, I know it [ain't] something we want to talk about, you know, but we have to. It's not going to go as fast. And I hear you Commissioner Woo Ho, but just putting shots in peoples' arms aren't going to get it because now they're talking about vaccinations may become mandatory. And just to travel, to go somewhere, to another country, go anywhere, they're going to have to say, "Do you have your vaccination?" And it has to, might be on your driver's license or in your passport.

So there's a lot of stuff. Like, after 9/11, the world changed. After this, this changes how we do everything. This is a whole different ball game. I'm just giving you Willie's, how I kind of see what's going on. Carl, not Carl. I wanted to say, Randy, that with the emergency food distribution, a lot of people are hurting. And they're going to continue to hurt because those COVID-19 stimulus checks haven't gone out yet.

And people are hurting. There's still a lot of unemployment. We know a lot of small business -- you look at the city around here. It's kind of dirty. And you see a lot of places just boarded up. And a lot of these small businesses, they're not coming back. And I don't know how we're going to do that. And I would ask Randy. Randy, what is it that the Commissioners could do?

Because I would like to see at some point that President Brandon and Director Forbes do a video, put it on TV. Talk about the Port. "Welcome back!" Just interact with the community. I think, to me, that's important that's visual. And is, this COVID-19 stimulus bill, is it going to provide any relief for the Port, San Francisco, for the homeless problem we've got?

I know right now, you can go online to get, [myturn.california.gov](http://myturn.california.gov) Web site to sign up for COVID-19 vaccinations. The Center over there, the Moscone Center over here is doing vaccinations but they're going pretty quick. So what is your overall view of how you see things?

But I think, we've got a long way to go. And are we going to get any of that COVID-19 stimulus money to help?

Randy Quezada - You know, I really appreciate your thoughts. You covered on a lot of topics, a broad range. I will say that I am optimistic about the future. I think that you are absolutely right. It is going to take time. It is going to take a lot of creative thinking. It's going to take a lot of patience on our behalf. But I am optimistic. I do feel good about the vaccine rate, especially.

You know, before, we were looking at a scenario where a million doses nationally per day was a stretch. That was unexpected. Now, I think we're doing better than that. I think we're, the most recent news I heard, we were doing about two million vaccines per day. So I think we're doing well. We have a third vaccine in the system now. I understand that they're ramping up and stabilizing the distribution of their vaccination. That's going to help.

Now, that will not be the end of COVID. That may end the public health emergency to some degree, but we will continue to suffer the economic consequences moving forward. And that's where it's going to take creative, visionary leadership. And I appreciate your offer, this Commission's offer to partner with staff, with the City to help pursue the economic strategies that we're going to need to be able to keep the Port and keep the economy going.

Certainly, Executive Director Forbes is leading the charge within the Port to figure out how to turn the corner and get to a better place. Under Boris' great work, we are working to monitor the stimulus bill and see how we can plug into it. I know that this is something that is of great interest nationally, but certainly here. I saw in the paper recently how the General Fund departments are going to benefit significantly. There wasn't a whole lot of discussion of how Enterprise departments like ours would be impacted.

However, I do believe that there will be opportunity within this stimulus package, within this current stimulus package, for us to explore. There are no guarantees. We need to figure out our angle and get in there, but I do think that long term, we're going to be okay. The next couple years? They're going to be difficult. And they're going to require, as I said, creativity. They're going to require patience. They're going to require sacrifice.

But fundamentally, I believe we're going to be okay. I think that San Francisco, the Waterfront, is an internationally beloved destination. The tourists will come back when they can. I go out to the Wharf all the time. I

love the energy. I love seeing the people. I love getting in the food. And every time I go there, I start to see people back. The other day, someone asked me where I was from. And I was like, "I'm from here, man." And they were like, "Oh, that's great."

But I just saw a family here that had come up from L.A. you know, and that was encouraging to me. So it's glimmers of hope. You know? And I'm excited about it. But I'm being, I think, really transparent the way you were, I think it is important to recognize we have a long road ahead. You know, this is not going to happen overnight. It certainly seems like the pandemic hit overnight, but it's going to be a while until we're out of this.

I remember, it was about a year ago that the Emergency Operations Center got going. And before that happened, you know, things had started to move around. We were monitoring the reports coming from other parts of the world, but we weren't as directly impacted. So we weren't on a war footing, essentially, the way we have been and have been able to get through this part of the pandemic.

But, there is more work to be done. But I am optimistic and I apologize for going on so long. But I do appreciate your thoughts.

Vice President Adams - One other question. Commissioner Woo Ho talked about it. When we talk about tourism, when we have conventions here, that brings a lot of tourists and a lot of business here. How long is it going to be before we have a reset that they will start having conventions here again in San Francisco? Because that brings a lot of tourists, brings a lot of dollars. And a lot of those tourists go down to our Waterfront restaurants. They hang out down at Fisherman's Wharf and so what do you foresee?

Director Forbes - I can answer that question if you like, Randy.

Randy Quezada - Please.

Director Forbes - Okay, on conventions, I'm just looking toward the information the Controller's Office is giving to us and they've met with a lot of industry experts including the Hotel Council and others that are really, really involved in hospitality. And conventions is the tail of the Economic Recovery per the Controller's projections talking with all in the industry. And that's very unfortunate.

But to the extent, you know, we don't know exactly when tourism recovers. What we do suspect is that conventions will be on the tail end of that recovery. So if we're looking at 2023-2024, that would be the tail, 2025, the tail of that recovery. And I think all agree, you know, that it's in that range of years. But where exactly will depend a lot on what happens with this

vaccination, future health orders, and how safe, frankly, people feel to travel again. I'm sure everyone wants to get back to it, but it's a matter of risk.

So everyone will be weighing those realities. And the very positive thing is San Francisco has been an extremely safe city and our Waterfront and our tenants are really attuned to the health orders. And so we will be considered, I hope, a very, very safe place to be and to visit.

Vice President Adams - Thank you. Director Forbes, and Randy, Madam President, I'm done. Thank you. I appreciate it. [Good timing].

President Brandon - Thank you. Randy, thank you so much for this report. I think it's just amazing the amount that we, as an organization, have been able to contribute and do over this last year. And in recording timing. I mean, with staff deployments, with setting up a testing site in less than a month, you know? The emergency shelter in less than two months. And just how we have responded to the time and the [practice].

I just think it's amazing. And I think it's absolutely wonderful that you decided to come to the Port just in time to help us through this crisis and all that we had to accomplish. And I think my fellow Commissioners have made so many great points on, you know, everything going on. But I think that we also have to understand that eventually, we have to focus on recovery. And although we've done so many wonderful things, all of these various sites have specific uses that will be vital in our recovery.

Like Seawall Lot 337, 30/32, the Backlands site, all these sites will be needed for our recovery. And in the Backlands, we have to start refocusing our efforts on bringing more Maritime in because that is what that land is out there for.

So I know that the City has a serious issue regarding the homelessness, regarding the trailers, but there are so many trailers and RVs already in this city that hopefully the City can learn from our site and build similar sites to take care of these existing trailers and homeless people that need City services.

So we have done an amazing job under Director Forbes' leadership, with Randy, with the entire team in dealing with this crisis. And I just think all of our staff needs to be commended because this is absolutely wonderful what we've done. But we do have to start focusing on recovery and making sure that the Port can survive in the recovery.

So, Randy, again, thank you for this report.

C. Informational presentation on an update to the Port's Five-Year Strategic Plan.

Director Forbes - Good afternoon Commissioners. Today, I'm before you to present an update to the Port's February 2019 Five-Year Strategic Plan. It's updated for this year, 2021-2025. And President Brandon gave me a perfect intro, really, when she talked about the Port's ability to survive these unprecedented times. And that's really what the Strategic Plan is aiming toward.

Since 2016 with our first plan adoption, this plan has set work priorities and actions to advance the Port Commission's mission and vision for our Waterfront. This plan does reflect the unprecedented times we are in. It outlines a clear path to develop and implement strategies to stabilize the Port's financial position from the impacts of COVID which are notable. It sets a plan to empower black, indigenous and other people of color in Port operations and opportunities through equitable policies and practices, and it outlines a plan to reduce seismic and climate change risk to protect our Waterfront for the long term.

The plan includes near-term actions that are very much required for our wellbeing as an organization while planting long-term seeds for an equitable and resilient future. Next slide please.

For members of the public, what is the Strategic Plan? The Strategic Plan sets forth projects, programs, partnerships and stewardship work for the next five years and serves as the Port's Work Program. All actions [of the] Port Commission reflect back to this Strategic Plan and the specific goals and objectives that each action advances.

The Port's work program outlined in the Strategic Plan aligns with our 10-year Capital Plan which provides an assessment of capital needs and available resources, the Waterfront Plan which provides goals and policies for long-term use and improvement of Port policies, I'm sorry, Port property, City policies, the Burton Act and the Port's current and unprecedented financial outlook is very much considered and in the forefront of the plan. Next slide please.

Thank you. The plan includes seven goals that I'll walk you through today. Together, these goals work to advance the Port Commission's mission and vision for our Waterfront. We've had seven goals since 2016, the year we first adopted the first Strategic Plan. For this update, Economic Recovery has a new focus and emphasis as does Equity and Resilience given the importance of these goals to our objectives to achieve our mission.

That said, the goals of Productivity, Sustainability, Evolution and Engagement are key and critical and work with Economic Recovery, Equity and Resilience to stabilize the Port's future and for the Port to thrive into the future. Next slide please.

To Economic Recovery. In the last plan, this was called Stability. Unfortunately, we can't call it Stability any longer. This goal is tailored to bring the Port's organization out of the current financial system and on to stable footing. Specifically, the plan includes a goal to develop and implement strategies to stabilize the Port's financial position from the COVID pandemic which has just been a shock to our organization as well as to many of our tenants.

The goal includes specific objectives for revenue enhancements and cost reductions that are sustainable, and strategies to address the anticipated steep reduction to Port revenues involving and including our workforce and the Port Commission along the way so we carve the best path forward. Further, the plan really relies on three building blocks of economic, of recovery: Tenant Recovery, Revenue Generation and Economic Recovery or the Economic Recovery Initiative and Plan that the Port staff will develop and implement.

These three building blocks are critical so that we develop the best Economic Recovery strategy to protect our organization and to be a positive influence on the Economic Recovery of the City including the return of tourism, and a positive influence on the region. A successful Port brings over 24 million people annually generating significant activities, creating jobs and sustaining our community and we need to get back to that.

The concept of Tenant Recovery has to date involved intensive engagement with tenants and with Port Commission on forgiveness policies and leasing practices. Our shared prosperity model is sound and so too is our understanding that Port facilities and lands need to be brought back to economic use and vitality as soon as is possible. Our policies will recognize the reality to be successful.

This brings me to the next objective, generate revenues. The plan here includes the objective to return real estate revenues to pre-COVID levels by 2025. This requires strong and consistent leasing practices including work outs, reposition and seeking and achieving new leasing opportunities as well as supporting our tenants on a shared prosperity model as they recover and get back into productive business. Diversity in the tenant base and ability to capture new post-COVID markets will be critical to our success as well maintaining vacancy rates at least as low as our private sector counterparts.

On Economic Recovery, the third pillar, we need to comprehensively consider expenditure reductions in our organization, revenue enhancements and operational efficiencies to recover successfully. We are in a serious economic decline as an organization. We must do this work with engagement with our staff and Commission to come up and advance our very best solutions.

I would also like to point out and to reiterate what Vice President Adams has asked about today. It is very important to seek external funding sources at this time. This is an important effort given that the federal government is planning another stimulus package and that that current bill recognizes the importance of ports to recovery. And that fact is due in large part to the great work of our staff.

Further infrastructure funding is critically important given the seismic and Sea Level Rise risk that we face, and the underfunding of capital investments that we're doing at this time to recognize the extreme revenue declines we're experiencing. This plan includes specific objectives to secure external support.

Moving to Productivity, next slide please. The Strategic Plan Productivity goal is integrally connected to Tenant Recovery and Revenue Generation and includes Maritime business development. At Pier 80 and 96, as one example, with specific cargo volume benchmarks. The plan includes supporting cruise return through safety improvements at Pier 27 and 35. Our objective is to return cruise to 85 calls per year by 2023.

The plan includes important investments in commercial fishing at Fisherman's Wharf and Hyde Street Harbor, which is needed following the devastating fire at 45, COVID's impact on the industry, and prior very difficult conditions that delayed fishing season. It's been a long haul for the fishing community.

Finally, the plan includes continued emphasis on the productive use of the shipyard at Pier 70. Specifically, the identification of longer-term Maritime tenants by 2022 and tenants for the historic landside buildings, also by 2022. Turning to longer-term strategies, this plan includes the Historic Pier Restoration program that already has historic piers 38 and 40 under ENA, the Northern Pier RFP, the Northern Piers RFP coming up later this year will put the Port on a path to achieve the rehabilitation of at least six finger piers by 2026, a goal in the plan.

Advancing the 70 acres under development at Mission Rock and Pier 70 is included in detail to see through the promise of new diverse and Sea Level Rise prepared neighborhoods and to earn the Port some rent including tax

for Sea Level Rise work on portions, on other parts of public property, not at Pier 70 and Mission Rock.

Finally, this goal includes the delivery of 27.5 million of Capital Projects. And while we wish this number could be doubled, we truly do, the bidding climate does provide an opportunity to make these precious capital dollars go further. And it's important to get this investment into our properties at this time. Next slide please.

Now, to Equity. Here we see substantial improvements in the plan as it relates to Equity. And looking back, it's important to note that the Port has been adversely impacted by San Francisco's long history of creating and/or enforcing laws, policies and institutions that have perpetuated racial inequity in our city.

To address these conditions, the City passed legislation in 2019 which mandated the creation of the Office of Racial Equity and required City departments to develop a Racial Equity Action Plan, or REAP, in alignment with the Racial Equity Framework, a document outlining the City's visions, goals and overarching strategies to address structural racism and racial disparities.

The Port's REAP is a tool to drive institutional and structural changes and to advance a long-standing commitment to Equity which has been expressed repeatedly and in a leadership role by this Port Commission and was included in our first Strategic Plan in 2016. While we have achieved some success as an organization due in large part to this Commission, we can and we will do more to be an equitable organization where success is shared with black, indigenous and other people of color internally and externally.

The Equity goals of this Strategic Plan rely on the actions in the areas of organizational culture, an inclusion of belonging, diversity and equitable leadership, hiring and recruitment, retention and promotion, leasing and contracting. Tasks outlined in the plan will lead to more equitable policies, programs and outcomes through the goals and objectives that are listed on this slide.

The REAP includes a total of 125 actions, all of which will be completed by 2024. We're anxious as a Port team to engage our subcommittee, President Brandon and Commissioner Gail Gilman, as early as this week in their oversight and look at our implementation of these goals and objectives. Next slide please.

I did want to point out in the area of Economic Recovery and Equity that we are in a shifting context, or we are in a context without a clear playbook. And that really requires a feedback loop that is more intensive than feedback



loops we have used in the past. And the foundation to the success in these areas will be our willingness to evaluate, refine and try again. And in this context, transparency and accountability are ever more critical methods to amplify the success of these efforts.

This chart just explains the ever-moving wheel of implementation, evaluation, refinement and operationalizing actions. I believe, and I know that Port staff is poised to use these methods. And I think our tenant relief efforts to date really is one of many examples I could use to demonstrate that the Port has what I would call "pivot and refine acumen". So I'm anxious to continue to engage in this kind of work which government is learning more and more is important for our success. Next slide please.

Now to Resilience. Building on prior success in our Waterfront Resilience Program to establish the Waterfront Resilience Framework to address immediate hazards, to complete the Multi-Hazard Risk Assessment to understand impacts and partner with the Army Corps of Engineers on the San Francisco Waterfront Flood Resiliency Study. Through these efforts, the Port has connected with thousands of people to learn public priorities and preferences. Building on this work and amplifying engagement with the Port Commission, this plan aims to put the Port in a leadership role in the region in Resilience planning and in project implementation.

The plan includes objectives that will protect people during earthquakes and prepare the City for rising sea levels. Seismic risk analysis will be evaluated on Southern Waterfront sites and other key Port facilities, and flood analysis will be performed Port wide. The Adaptation Plan will be prepared to guide, will prepare to guide long-range plans and the Port will identify and delivery Proposition A funded projects.

Resiliency efforts require coordination and effort from federal, state and private partners. The Port will continue to coordinate projects and look to identify funding sources for these efforts. As you know Commissioners, and to the public, we are deeply underfunded in this effort, though we have sufficient funds to do the important planning and analysis work and to get started with key projects. The goal and objectives below represent key steppingstones that together will bring this future into more focus. Next slide please.

On to Sustainability. On the other side of responding to human-made disaster of Sea Level Rise is the Resilience goal of Sustainability and it's really our requirement to advance environmental stewardship to limit climate change and protect the Bay. Here leading with our values and by example is so important, regardless of our particular impact to the overall problem. Like any other need for big, collective action, our individual contribution absolutely matters.

Included here is the goal to create a Sustainability Framework to update the Port's Climate Action Plan and this goal will be to achieve zero net greenhouse emissions for Port Operations by 2050. To achieve this very bold objective requires intervention at all the operations of the Port from using electrical power over natural gas as a requirement in our building code, to reducing waste, converting fleets, changing our internal practices and working through public/private partnerships.

The health of the Bay is also included here in the plan. From natural shoreline stabilization to purchasing equipment and training staff to move away from woodpiles to other sustainable products by 2022. Next slide please.

The Evolution goal recognizes the Port is an evolving Waterfront that needs to continue to change to respond to the public's and Port's needs. Here in this goal, we have the adoption of the Waterfront Plan which is something the Commission and the public worked on for some time, two and a half years to be specific, and getting that plan adopted is critical for our long-term vision in use of Port property. We have transportation coordination which we've seen in the past and will continue to work through with our City agencies to provide a safer and more vibrant Waterfront for all forms of travel.

And Open Space improvements to really be responsive to the public's need. To create Open Spaces and parks for real enjoyment along our very, very beautiful Waterfront. Next slide please.

The Engagement goal is terribly critical to our values which is to listen, gain perspective and improve our approaches through active engagement and listening. This includes public awareness to strengthen our constituents understanding and support of us and our knowledge and understanding of our constituents, diverse community involvement to really increase race and age diversity in our constituent meetings, agency coordination to partner with other agencies and internal collaboration to make sure that we're not siloed and we work together as a team to continually improve our Waterfront. Next slide please.

I hope that the plan update today and the report and all the specifics in the plan really give you a feeling of where we're headed in 2021 as well as how we'll approach the year given all the uncertainty. The next steps will be designing the document and public distribution. And I really want to take an opportunity to thank staff who put this together, Dan Hodapp and Kirsten Southy. They did a great job integrating with all the leadership of the Port and the divisions to update this Strategic Plan and I thank them for their [very good] time and for working with me.

And that's it. One more slide and I wanted to say, "Thank you!" And I am here to answer any questions you have as is senior staff and others who contributed to this plan. Thank you.

No Public Comment on Item 9C.

Commissioners' Discussion on Item 9C:

Commissioner Woo Ho - Thank you. Thank you Elaine for this Strategic Plan Update. I think it's a great exercise and your staff has, I can see, put a lot of time and effort into updating it. And I cannot -- I agree with all of the categories that you put together and agree that Economic Recovery in terms of your reframing that from Stability is a very important objective.

I would say that probably from my perspective you didn't mention some of the specifics that you want to put in each of these, but these are all major, major categories and I would suggest that somehow, maybe at the quarterly, we go a dive down into each one under these sections, not on everything because it's just too much to cover at once.

But I think today, what I take away from it are the headlines in terms of where you're focused. And within each categories where your major focus is. And I don't think I would disagree with any of those, but I think it gets down to the tactics within those major strategies that we probably need to get a better sense.

And obviously, we are already working with you in some specifics in terms of some of the transactions that we've already done on tenant recovery, et cetera. So I think just more of a, I guess, a drilling down. For instance, under Economic Recovery, what else are we doing? To get a sense of some of the things that you're thinking about, because I don't disagree with the objectives. I mean, it's very hard to disagree with the objectives.

The only one that I would say that, and I think we're going to go into it in more detail, so I'm going to reserve my comments on Resilience until we get to that section. Because I think we have a whole discussion on Resilience today, so I'm not going to make a comment on that as well. And I think even on the, all of these, Equity, et cetera. And I like your virtuous circle, so to speak.

And I think, as I said, I think it's going to be helpful for us to be able to be productive and constructive to you as not to talk about whether you've put the right things here, because I think you have, but to understand what's behind them. Which, you went through in a very quick fashion, which I

understand. Only so much time. And that's where we can maybe [be more] productive, not to say we disagree with what you've put together.

Because I think this Strategic Plan, which I know we've worked on for many years. I remember going back and, you reminded me today, 2016. It's been a long time since we started on this effort and I think it's been really good.

I think on the Sustainability, I think, I would say it's a little broader than what you say. But I'm going to wait until we get to the Resilience part to go forward to make any specific comments on that one.

And then on the Evolution, I think, I would say, I think we need to tie in with what the City's plan is on the Evolution of where the City is headed. And I suggest that maybe there is something we tie in. Because I think there is both an Economic Recovery Plan for the City and an Evolution to where this City is headed. It's not going to go backward to where it was pre-COVID.

So I think we should be sort of tying in to the bigger framework. And that would be helpful in the future to know how that's being worked into the larger framework for the City. I wouldn't even go, I wouldn't go to the region, I think we can stick with the city. I think, I like the focus on Resilience, Economic Recovery, and Equity. I think those are the right priorities. Within all these categories, they're all important, but those are the ones that you want to highlight for now and in the near term.

So I would agree with that. So I'm going to stop at that and say, "I think this is tremendous work." I think it's very helpful. I think it's a, kind of a roadmap to help us understand where you're going to put most of your focus and attention going forward in addition to obviously, just the operational day-to-day stuff that we have to have. Thank you.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - Thank you Elaine and senior staff. I agree with so many of the comments. Commissioner Woo Ho beat me to the punch on several of them, so I don't want to reiterate them. But I guess I'll just add one thing which I thought was evident in this reframing, which I think is appropriate A, in the time of COVID but also in a time where Equity and Inclusion is taking a front, center of everything we do. And it should, to me, it flows through Resiliency, Evolution, Engagement, Sustainability. And Resiliency, that Equity should always have some through line or threading a needle through all of those for us to be an inclusive City.

So, I love the idea of, because these are weighty subjects and weighty goals of once a quarter, maybe choosing one or two and doing a deep dive. And I would want to see how that through line of Equity and Inclusion is playing

out. And also Engagement. I think that's the other category that has a through line to all of the other goals. So I just wanted to add that.

Food for thought. And one place where I think I might just have a different perspective because I do regional work. I do think on the Evolution, I think Commissioner Woo Ho's comment was spot on. We need to tie it to how the City's envisioning itself coming out of this next chapter.

But I would actually say where it's appropriate, I think also looking at it from a regional perspective. Whether it's water transportation which is a regional entity with WETA and what it is doing. You know, just announced new ferry service, new schedules, lowering the fares this summer. So that affects the region in who can access now, possibly, the Waterfront in ways they couldn't access it before.

So I would just hope we'd also look at how the region is moving towards a more equitable framework for the whole entire region, and how the region is tackling many of the same Sustainability and Resiliency issues that we as a Port are. So I do think it's important to look regionally.

And this is very comprehensive and I thank you and the senior staff for everything that you did to put this together to get it to really elevate the Economic Recovery and our Equity framework. So thank you so much.

President Brandon - Thank you Commissioner Gilman. Commissioner Burton?

Commissioner Burton - Well, first of all, thank you very much for the report. And I want to go back to a comment prior to you, but I think that the slide show that was given that would be the Commissioners, is something that going along with what Commissioner Adams said, that goes along with being edited. But then by the Chair and the Director, provide that to the Supervisor, provide that as some PR slides that can be shown for congressional members to our state delegation to give them a taste of exactly what the Port is doing and what it's contributing to the economy of this City, and actually of the whole Bay area.

Because I think most of the people, including the elected officials, which would put me in it a few years ago, have no concept of the things that the Port is doing. And I was specifically encouraged that in my judgment the Port is showing more imagination in dealing with the homeless population that the homeless department of the City which has long been a disappointment to me.

And in the Director's Report itself, I agree with my fellow Commissioners that it is a great broad brush with things going on. And I think as it gets kind of

down to some of the -- I was going to say something cutting -- but when we kind of finalize it and move, but I think it's a very broad-brush report that it shows a lot of thought and a lot of direction that it is going to send us, I think, into a fairly successful future. And just hopefully a near future, and not too far away. So thank you very much.

President Brandon - Thank you, Commissioner Burton. Vice President Adams?

Vice President Adams - Madam President, my remarks are very short. Director Forbes gave an excellent presentation. My fellow Commissioners have all said what needs to be said. Nothing needs to be said for me. Thank you very much President Brandon.

President Brandon - Thank you. Director Forbes, thank you so much for this very detailed report. And thank Dan and Kirsten for their help in preparing this report for you. I think my fellow Commissioners have made a lot of great comments. And I think that, I think it's great that we are updating this Strategic Plan because so much has changed over the last couple of years. I think Economic Recovery, Equity and Resilience are some of our top priorities for the next few years.

I also think that within this Strategic Plan, I'm happy that we added an Equity portion, but as Commissioner Gilman said, it needs to run throughout the Strategic Plan. There needs to be a DEI component to each and every goal that we have. For instance, under Sustainability, climate justice and racial justice are inseparable. So while it's wonderful to do all that we can for climate justice and make sure that we're protecting it, we also have to look at protecting the communities that are being, that have historically been impacted by hazardous environmental activities.

So it would be great if we could maybe prepare guidelines for environmental hazards uses and [detail] their communities where systemic environmental injustices have historically occurred. Under Evolution, we're looking at transportation formation, and we don't mention the Southern Waterfront where we're creating two new communities that are going to be hugely impacted by transportation.

So I agree with Commissioner Woo Ho that what the specifics of the categories are the meat of the plan. So I don't know how we want to move forward, but I do think that we need to think a little bit more about what exactly we're trying to accomplish within our plan within the next two to five years.

Director Forbes - Thank you, President Brandon. I think it would be, I think it was a great suggestion to come back every quarter to discuss one or two of

the goals to really dig in. Because it is hard to, it's a big plan so it's hard to cover it in one presentation. So I think that would be excellent.

And I will say that we struggled, I struggled with Equity and whether it should be its own section or something that flowed through the Strategic Plan like water in the words of Toni Autry, "Flows through the organization like water." And I think Resiliency can be like that, and definitely Engagement is like that. And so there are values that need to flow through.

And I'm very pleased, President Brandon, that you pointed out two areas in our goals that need a DEI, a Diversity lens put toward them. So that we can do.

And this is a Work Program so it can be updated at any time. So next month, if we come back on Equity for example, and we find new suggestions and advice, we can update our Work Program. It's an internal-facing document. We do publish it but we are always updating our goals and objectives in that framework of continuing review and iteration and improvement.

So I love the suggestion of coming back on sections at least every quarter and possibly more. But I think that's a good way to handle this going forward.

President Brandon - Thank you. Commissioners, are there any other comments or questions regarding this item?

Commissioner Gilman - Yeah, I guess I just wanted to say one thing of encouragement, because you know, you all have such incredible opinions. I do really want to comment you and the staff, and it goes back to something that Commissioner Burton did. And not to [belittle] any other City department, but we have during this crisis, from food distribution to medical testing to continuing our commitment -- because we already have two other Navigation Centers on our property -- our commitment to solving the homeless crisis. We've really stepped up.

And I hope we can provide a leadership role for some other departments within the City who seem to be struggling more on a day-to-day basis to execute on their goals, and I think we're executing really well. So I did want to just thank the staff again for everything you do. This is a great framework. It's just refinement.

President Brandon - Thank you. You're absolutely right, Commissioner Gilman because this is incredible work. And I know that a lot of time and effort has gone into creating this document. And we really appreciate the presentation and look forward to you coming back in the future. Thank you. Carl, next item please.

## 10. REAL ESTATE & DEVELOPMENT

- A. Informational presentation on a second incremental Mission Rock Community Facilities District bond financing to fund Phase I horizontal improvements at Seawall Lot 337.

Phil Williamson - Thank you, Carl. Good afternoon President Brandon, Vice President Adams, Commissioners. My name is Phil Williamson, the Port's Project Manager for the Mission Rock Project. Next slide please.

Today I will provide a general project overview and a quick update. I'll then introduce Raven Anderson from Port staff to continue the detailed financial presentation and describe our planned bond issuance proposal for you. Following the presentation, other members of our Port team, including Rebecca Benassini, Nate Cruz and Annette Mathai-Jackson will be available to answer any questions you may have. Next slide please.

As a bit of a refresher, if needed, this slide kind of summarizes the overall Mission Rock Project. And at full buildout, we will see up to 2.8 million square feet of new development on Port property including 1200 housing units, 40% of which will be affordable at a wide range of area median incomes from 45-150% AMI. Up to 1.4 million gross square feet of office space, 240,000 square feet of retail and production space primarily on the ground floor of the buildings to activate the site and to create a sense of neighborhood and the rehabilitation of Pier 48 at a future phase. Next slide please.

And to quickly zero in and zoom in on Phase 1. This phase has four buildings in it, two residential buildings in Parcels A and F and two commercial office buildings in Parcels B and G. And also, ground floor retail in these buildings of approximately 65,000 square feet and the expanded and rebuilt China Basin Park on the North side of this phase fronting China Basin at about 5.5 acres.

Horizontal work, the infrastructure, the sidewalks, the utilities are now being installed for Phase 1 and are about 25% complete so we're well on our way there. And Phase 1 buildings A and G are now under construction. If you've been by the site, you've seen the pile driving activity current underway which will soon be replaced and supplanted by the foundations going in and then you'll start to see the buildings rise vertically in the next few months. Next slide please.

An important component of the project is a strong Workforce Plan. The Mission Rock team is committed to achieving its goal in this area and provides regular, detailed reports to the Port. The project has goals for Local



Business Enterprises of 10% in the preconstruction era of the project which we have now passed and 20% in the construction phase of the project which we are now in.

To date, the project is achieving a 19% participation rate for these firms and we are firmly committed to meeting and exceeding the 20% goal and believe that going forward as the project matures and more trades and skills become needed to build out the project that we will achieve these goals and hopefully surpass them. Next slide please.

I would now like to introduce Raven Anderson from Port staff. And Raven will review project funding, the Phase 1 budget, and the project's public financing actions. Raven?

Raven Anderson - Thank you, Phil. Good afternoon, Commissioners. My name is Raven Anderson and I'm a Project Manager with the Port's Development team. There are three sources the project uses to fund eligible product costs which are primarily the cost of infrastructure at the site including roads, sidewalks, sewer and other utilities. You can see these three sources at the bottom of the graphic on the screen.

The first source is developer equity which is upfront capital the developer pays to the project. This is subject to an 18% return when they're reimbursed for that contribution. The second source is the land value of the parcels themselves as reflected in prepaid leases. And the last source, which is what we're focusing on today consists of two special tax mechanisms: CFD or Community Facility District taxes and IFD, Infrastructure Financing District taxes, and of course the ability to bond against those revenue streams.

The Port's strategy is to limit the compounding the accrual of that 18% return and to maximize our land value in later phases, are to use public financing and CFD/IFD sources whenever possible and as early as possible in the project. Next slide please.

The Phase 1 budget which you approved in September of 2019 consists of costs and then the sources used to cover them. The costs in Phase 1 include the hard cost which is the cost of the actual infrastructure on site, soft costs like management, planning, legal and other fees and of course that 18% developer return on equity.

The revenues or sources that we use to cover these costs consist of the prepaid lease value of the four Phase 1 parcels, public financing source, those CFD bond proceeds as well as pay-go taxes which are just CFD and IFD taxes that are not capitalized into a bond issuance. Next slide please.

This is a high-level overview of the Phase 1 budget as it stood when it was approved by the Port Commission in September of 2019. The total cost for the phase is \$265.5 million. Of that, \$145.4 million is in reimbursable developer costs. And the rest of that cost is in entitlements and that 18% developer return.

I'll note that these are the figures from September, 2019 when it was approved and since there have been some delays on permitting and construction, that developer return figure may have increased. Staff and our development partners are monitoring these costs and will bring a full, detailed update to the Port Commission in coming months there. On the sources side, we have the land value, the development right proceeds and public financing sources. Next slide please.

So the project team has taken a number of financing steps to get us to this point. The first was in February, 2018 when the Port formed Infrastructure Financing District Project Area I which covers Mission Rock. The Port has an IFD district along the entire Waterfront which allows us to capture the growth in property tax increment to fund infrastructure needed for our development projects. And Project Area I is the project area specific to Mission Rock.

The second action was in September, 2019 when the Port made amendments to the City's Special Tax Law in order to pay for seismic improvements and Waterfront Resilience Projects using special taxes. In May, 2020, we formed the Community Facilities District, CFD, which is an additional special tax assessment to fund improvement on site and which we'll be bonding against here. And then finally, in December of 2020, the Board of Supervisors approved the first issuance of CFD special tax bonds in an amount not to exceed \$43.3 million following the Port Commission's recommended approval of the same item in September, 2020.

Since then, Port staff, the City's Office of Public Finance and the Controller's Office, our Underwriter Bond Council and our development partners have been finalizing the documents and agreements necessarily to close and deliver those funds. We expect to price close and deliver that first round of bond funding in April of 2021, so next month. Next slide please.

This bond issuance, like the previously approved issuance, uses the CFD as its primary source, specifically the Development Special Tax. There are four types of CFD special taxes at Mission Rock. The Development Tax which is what we're talking about for this issuance funds infrastructure and parks. The Office Tax, which as its name implies is a special tax levied on the office parcels, also funds infrastructure and parks but is slightly more flexible than the Development Tax. In general, office tenants on site pay more in special taxes than the residential parcels.

Finally we have Shoreline Tax for shoreline protection and and Sea Level Rise mitigation. And the Services Tax which is to fund ongoing operations and maintenance at the site. Next slide please.

The amount of bonds that can be sold is limited by two factors. The first factor is the ongoing special tax revenues paid by the building owners. And the second limiting factor is the appraised value of the CFD itself because the CFD land is the security for the bonds.

So for the first approved bond sale, which the Port Commission approved in September, 2020, the Development Special Tax capacity for those first four parcels will far exceed the debt service coverage needed to cover the initial bond issuance. The expected max Development Special Tax sums to \$14 million a year, while the debt service to support that \$43.3 million issuance is \$1.8 million for the year.

So there is capacity in Development Special Taxes. Which means the limiting factor is really the appraised value of the CFD itself. The CFD is the security for the bonds and the City has a policy of only issuing CFD debt with at least a three-to-one value-to-lien ratio. So the value of the CFD, which is established via an appraisal, must be three times the outstanding amount of bonds and any other type of special tax debt. Next slide please.

So the value of the CFD as established by an appraisal is why we are back in front of you today recommending an issuance of a second round of special tax bonds for Mission Rock. The draft appraisal that established the first issuances, not-to-exceed amount, the amount that was approved last year which was \$43.3 million, that appraisal had a date of value of October, 2020. And the appraised value at that time was \$130 million. A hundred and thirty million divided by three with that three-to-one value-to-lien ration gets us to the \$43.3 million amount of that issuance.

Since October, a number of exciting things have happened with the project. The project team and the developer closed on the remaining three Phase 1 parcel leases. The developer received their horizontal and vertical permits and the Notice to Proceed and they began construction on site making significant investments on both the horizontal and vertical improvements. This includes paying some pretty significant impact fees for the two vertical parcels that are under construction.

So based largely on this investment on the developer's part, the latest draft appraisal of the CFD we sold estimates the value at \$334 million which is obviously a very significant increase from that prior \$130 million value. Three hundred and thirty-four million divided by three gives us a maximum amount of \$111.3 million in Phase 1 bonding capacity. So at this point, we are recommending a second issuance of up to \$68 million to get to that \$11.3

million. Sixty-eight plus \$43.3 million gets us to that \$111.3 million in total Phase 1 unimproved land bonds.

I should note that we're proposing that high amount now, but the \$68 million value could come down if we get feedback from the City's Office of Public Finance or our underwriter on marketability and risk associated with that amount.

So this \$68 million would obviously have significant benefits to the project. It would help us get that 18% developer return replaced with relatively low interest rate public financing, preserving the Port's land value and ability to benefit in later phases. So that is very good news for the project.

It is partially offset by a couple of issues we've had since the Phase 1 budget was approved. The project has faced some delays. The key horizontal permit, which is the street improvement permit, was issued in October, 2020 which is a full year after Phase 1 budget approval, rather than three months as was anticipated in the budget. And the first issuance of CFD bonds, which I've mentioned, is now scheduled for April, 2021, that is occurring 12 months later than was anticipated in our model of record.

So while we're thrilled that the project is moving forward, that our residential building with over 100 affordable units and an office building which is the future site of the Visa headquarters are under construction, there are also some delays and increased cost that we've run into. Phase 1 horizontal is about 25% complete and the project team and the developer are focusing closely on these cost and scope management issues and we will be providing the Port Commission with an update in the coming months. Next slide please.

Just like the first approved bond issuance, we're working with the Controller's Office of Public Finance on this sale. These bonds will be sold without a rating. This is because the transaction is for a new real estate development and it would likely not receive an investment grade rating. The bonds are limited obligations of the City so they're secured and payable solely by the pledge of the special taxes in the Mission Rock CFD. The General Fund and Harbor Fund are not liable to pay the principal or interest on these bonds.

But of course, there is reputational risk because the issuer name still says City and County of San Francisco and the Office of Public Finance is understandably concerned with managing that risk. So we'll be following their advice and the advice of their underwriter about the size of these bonds and the market for them. This will be a large issuance for undeveloped land, but we will be following that relatively conservative value-to-lien policy.

Finally, the ultimate security of these bonds is the land itself. And since this is a leased property, the City and Port have covenanted in the CFD documents that as a final recourse, the City can foreclose on the property in the unlikely event that the tenant stops paying their special taxes needed to cover the debt service on these bonds. Next slide please.

For next steps, we'll be coming back to the Commission shortly with an action item to request approval of this second issuance. In the meantime, the project staff, staff from the Office of Public Finance, our underwriter and consultants and Bond Council as well as the developers will be working to finalize all the documents and agreements including this appraisal needed to price close and deliver and the \$43.3 million in the first issuance of Mission Rock Special Tax Bonds. And that same group will also be refining the size and use of proceeds as well as those documents for this second proposed issuance of Mission Rock Special Tax Bonds.

You can see in the calendar on the slide that we're hoping to work through these legislative approvals throughout the spring so that we're able to close on the second issuance this summer.

That concludes the presentation. The project team is happy to answer any questions. In addition to myself and Phil, we have Nate Cruz, the Port's Finance Director, Rebecca Benassini, the Deputy Director for Real Estate and Development and Annette Mathai-Jackson, our City Attorney on this project.

And of course, I also want to thank Mission Rock Partners who I believe are on the line who have made really exciting progress on the project and have been instrumental in getting us to this state in the public financing progress as well. Thank you.

#### No Public Comment on the Item 10A.

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

Commissioner Gilman - Thank you so much for this report. And I don't have any substantive financial questions. It seems like you've mitigated your risk in case for some reason debt service can't be paid or there's issues with the bond.

And I guess, I always want to take every opportunity to [amend] Mission Rock for setting my opinion somewhat of a precedent and historically using IFD financing which is public to set a goal of 30% affordable housing on their parcel and on their land. They were the first ones that came up with that. So I do want to just thank them for that.

I think we [sometimes] forget that IFD is a source of public financing and it's important that there's public benefit. So thank you so much. I conclude, I have no more questions.

President Brandon - Thank you. I think this project has 40% affordable.

Rebecca Benassini - Thank you, President Brandon.

Commissioner Gilman - [Crosstalk] you're right. Sorry, that's -- I apologize. And you know what it is? It's been a long day. So it's even better and should be the precedent, I would argue, for anyone else using IFD funding in the City and County of San Francisco.

Rebecca Benassini - And President Brandon, may I make one small correction?

President Brandon - Yes.

Rebecca Benassini - Thank you for noting the 40%. And Commissioner Gilman, you have a great memory. Pier 70 is using the IRFD to fund their affordable housing. Mission Rock is using their impact fees from office and [that's their] primary subsidiary. So you have all the constellation of financing sources in your brain. But in this case, we're using -- we're not using the IFD and [crosstalk] on Pier 70.

Commissioner Gilman - No, I -- thank you so much. And I apologize to the public if I caused any confusion.

Rebecca Benassini - Thanks for the comment.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Yeah. Thank you Phil and [Raven]. This report's very, very straight forward. I did have a couple of technical questions. Just, so I understand the revenue sources from the taxes have all sorts of different tenures. Some of them are much longer, some are shorter. So when this bond goes to market, what's the term of the bond? What's the term of the bond? If you can answer that question.

Rebecca Benassini - Yes. It's 30 years, Commissioner.

Commissioner Woo Ho - Thirty years, okay. So then my other question, I looked at the time table and I just want to understand the impact, okay? Because we are now sitting in a potentially rising rate environment. I think if you follow some of the capital markets, you know that a lot of attention is being paid to the fact that the long end of the yield curve is up and 10-year

treasury is up and everybody's a little concerned. That's had a lot of gyrations in the stock market in the last few days. And so we're not going to be actually, I guess, selling and closing this until the summer of 2021.

So assuming that there is some right rate gyrations between now and the summer of 2021, what is the impact? And what were the assumptions going in in terms of the pricing of the bonds? And what would that impact, your models in terms of -- I don't know. I don't see any financial impact here. Can you just talk to that so that we understand what if rates continue to increase on the long end and people are concerned about inflation at this point. And there is a long time between now and then before this long issue is closed. So let us understand the full ramifications here.

Rebecca Benassini - Thank you Commissioner Woo Ho. It's Rebecca Benassini, I'll start. And I'll be happy if Phil, Raven or Nate are able to respond as well. I hope you guys can hear me okay. Just hearing a little bit of an echo.

Okay, so the bond underwriters have started the process of pricing the first bond issuance and they haven't provided input yet on the second bond issuance, but your assessment is spot on. They're stating that what we get on the first one, we would anticipate something potentially a little bit less favorable in terms of the pricing on the second bond issuance.

So on the first issuance, they've given us a high mark of 4%. Hopefully we can get something better than that. There are also projections that it could be in the high 3% rate for that first bond issuance.

As we move throughout the summer, they haven't tried yet to assess but they can -- each month that we move on, they add 10 basis points or so to, sort of, the assessment of what they think we'll get when we go to market. And we will be paying the bond back or the CFD services tax, or CFD facilities tax will pay it back. And they have a variable pricing in terms of how, in terms of the debt service payments that will be made each year.

And if anyone has any other technical items to add, or hopefully that answers the question Commissioner.

Nate Cruz - I might just add that --

Commissioner Woo Ho - Yeah, so I'm not concerned, I mean it's -- go ahead.

Nate Cruz - Oh, sorry, Commissioner.

Commissioner Woo Ho - Go ahead first.

Nate Cruz - I mean, ultimately the, any rate fluctuations between now and the summertime would likely be dwarfed by the 18% that we're trying to replace, you know, the amount of investment by the developer earns an interest rate of 18%. So we're replacing that with a debt interest rate of hopefully 4%, maybe 5%, but all of it is to the net positive to the Port. The economic ramifications of the long end of the yield curve going up still indicate we should be issuing debt as often as possible.

Commissioner Woo Ho - Yeah, okay. I have no -- absolutely agree with you and you're right to point that out, which is right Nate, the 18% versus whether it's 4% or 5%. But I'm just wondering, and of course, you know, nobody can project, but it seems to me you all should have a sensitivity analysis of where rates would be on the, today and versus whether it would be 100 basis points or 200 basis points rise between now and when this bond issue closes. And what does that mean?

It does, will change your model if you have to pay more. I mean, I agree that you still want to do the bond. No question in my mind, versus the 18%. But there will be some ramifications I guess. I mean, there's no free lunch here. So at the end of the day, there is some other ramifications on the economics for the Port as a result of having to pay a higher interest rate.

So I just think we just need to know what that is. And that's something you can report back to us. Obviously the lower the rate the better. There will be a ramification and I guess we just have to watch the market accordingly and be aware of it. I just want to be sure that -- I know that the debt service coverage is not an issue. You've already mentioned that in terms of the, it's not a question of the ability to repay, but there is a cost. And we're going to bear that cost one way or the other. That's all I wanted to say.

Rebecca Benassini - Thank you, Commissioner.

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

Commissioner Burton - Well, I have no questions. My only comment made is I'm very happy about two things. One is that the Giants included units for aged-out foster kids at below market and then also, I was in the room when Jane Kim pushed very hard and got the percentage of below-market units more than originally the Giants, or even some of the advocates were pushing for. I was in the room when Jane came in late and everybody was kind of mad because they thought they'd cut a deal and she pushed and got a better deal. So I was there at the inception, as they say.

President Brandon - Well, thank you very much for your very vital input on this. Vice President Adams?



Vice President Adams - I'm good Madam Chairman. All my questions have been answered by my fellow Commissioners. Thank you.

President Brandon - Thank you. Again Phil and Raven and Rebecca for jumping in, thank you so much for this presentation. This project is so exciting. We are just so happy that the shovel is in the ground and the project is moving forward. My only question was going to be besides the instances that have been mentioned, has 2020 affected the project? Other than, you know, the two issues mentioned and the increase in the appraisal, is there anything that we should be aware of?

Rebecca Benassini - Really excellent question. The one -- and I hope I'm not speaking out of turn for the folks from Mission Rock who are on the line -- but I would interject that I'm presuming they anticipated they would have more leasing in the second office building at this point. And that might have -- two buildings are under construction. The other two are starting construction later this year. And that might be -- the primary effect would be they might've been able to start construction a little bit earlier had they had, like Building G, more pre-leasing.

And I hope, I hope Mission Rock folks, I didn't -- that's my impression of the timeline. And if there are other items that are of note, but I would think that's the primary impact of 2020 on the development thus far.

President Brandon - Thank you. I think most of my questions have been answered regarding interest rates. And it's phenomenal that this project has 40% affordable. And who is the underwriter on this project?

Rebecca Benassini - Nate -- Stifel is the primary underwriter who works with the Office of Public Financing on their issuances -- Nate, I don't recall whether or not there is a sub. If you happen to know, please chime in. Otherwise, we'll definitely include that in the next staff report, when we come back for the action item.

Nate Cruz - It's Sifel. They're the underwriter, you're right.

President Brandon - And there are no other subs?

Nate Cruz - We can find out.

Rebecca Benassini: We'll report back, yes.

President Brandon - Okay. Thank you. I really appreciate, we all really appreciate the report. Thank you so much.

Phil Williamson - Thank you.

Rebecca Benassini - Thank you, Commissioners.

## **11. WATERFRONT RESILIENCE PROGRAM**

- A. Informational presentation regarding the Waterfront Resilience Program Alternatives Development Strategy and Resilience Planning Framework.

Brad Benson - Good afternoon President Brandon, Vice President Adams, Commissioners, Director Forbes and members of the public. My name is Brad Benson. I'm the Port's Waterfront Resilience Director, pleased to be here on behalf of the team to talk about our Waterfront Resilience Program Development Strategy and Planning Framework. Next slide please.

So, I just want to go over our presentation today. This is a follow-on presentation to a presentation that we made in fall of last year. We'll give a brief overview of the Waterfront Resilience Program and the activities going on in it. I'm really [talk] today about the Adapt Plan including Adapt Plan Alternatives to reduce seismic and flood risk that the team is in the process of developing right now.

The intention of today is really to receive feedback from the Port Commission on key elements of our planning framework. We have a draft vision statement and principles, evaluation criteria, Proposition A funding guidelines and adaptation design guidelines that will be part of the Adapt Plan.

President Brandon, I'll note that the way this presentation is structured is that there are questions along the way. I know it's the Commission's preference to take public comment first before engaging in back and forth with staff but we're flexible if the Commission wants to respond to questions as we go, that's an option. Or we can save them, those answers until the end.

President Brandon - What do you think will work best for you?

Brad Benson - I think it might flow better to get initial feedback from the Commission as we pose the questions, so during the presentation while the material is fresh on the slide. So we'll go that way. Thank you. Next slide please.

I want to start the presentation today with just a brief update about some of the incredible Engagement work that is going on in the program. We have just such a talented Communications team. We want to play today a new video produced by BAYCAT with the help of San Francisco Low Income Youth and Young People of Color. And this is part of a broader youth engagement effort that includes outreach to 15 youth-serving organizations

across the city. We've got Bonner Communications leading the youth engagement effort.

So Carl, or Tedman, can I ask that we play the short video now?

[Video plays]

Brad Benson - So thank you for playing that. It's just such clear communication about what we're doing in the program and I can't thank the Comms team enough. Just -- next slide please.

So this is a brief overview of the work that is ongoing in the Waterfront Resilience Program. There are some efforts that are Waterfront wide, like the Adapt Plan that we'll be discussing today, as well as the Army Corps of Engineers Flood Resiliency Study across the seven and a half miles. Other efforts are geographically focused like our work on the Embarcadero Seawall between Fisherman's Wharf and Mission Creek.

In the Southern Waterfront, Port Engineering is leading on the Southern Waterfront Seismic Vulnerability Assessment so we can advance our understanding of seismic risk exposure in that part of the Waterfront. We're also working with the Planning Department, San Francisco Municipal Transportation Agency and other City departments on the Islais Creek Adaptation Strategy. That work will give us a jumpstart in terms of the flood study work that will be ongoing after the strategy is complete.

Other Port divisions are also incorporating Resilience in their work, notably the Historic Piers Rehabilitation program. Next slide please.

So a lot of the presentation today is on these key elements that will guide program development particularly over the next year. We'll dive into a program vision statement and principles. These are really intended to capture Port and public values to guide program development. We're in the process of developing seismic and flood alternatives and will present today an overview of the evaluation criteria that we're using to compare these alternatives, to improve these alternatives so that we address what's important to the Commission and the public. And these evaluation criteria are tied to the vision statement and principles.

Later this year, we'll be coming back to the Port Commission to seek endorsement of one or more preferred geographically-scaled seismic and flood alternatives, recognizing that we have very distinct geographies along the Port and that different solutions will be needed to address the different conditions in each area of the Waterfront.

And then we'll go over again the Proposition A funding guidelines. This is really to help staff sort through the large range of potential projects that we could initially invest in, recognizing what Director Forbes emphasized earlier is we have a down payment. We have \$425 million in hand to tackle the most important Life, Safety and Disaster Response Projects. Next slide please.

So this gives you a sense of where we are in terms of developing the program. We've completed multiple years of risk assessment work. We've done a lot of work over the last eight to 10 months on developing seismic measures and flood measures and other study efforts to support the work that's going on right now which is developing these seismic and flood risk reduction alternatives. Leading to program and project recommendations that the Commission can endorse in the latter part of the year.

All of this will be documented in the Adapt Plan and then we'll then be able to move into conceptual design, CEQA permitting and construction. Next slide please.

So today I want to provide that, just a high-level overview about the Adapt Plan. We think of this as the Port's roadmap to Resilience. Next slide please.

So again, this is Waterfront wide, Fisherman's Wharf to Heron's Head Park. We hope to have a draft of the plan by the end of this next year. Recognizing what I mentioned earlier which is that we have a down payment to focus on high priority projects. The Adapt Plan is really the tool through which we'll communicate to policymakers, the public, that we have a strategy going forward. You know, over the next several decades. And this plan will guide actions as new funding becomes available, as new actors are ready to invest in the Waterfront.

It really will give people the confidence that even if we were unable to fund a certain project at a certain location, there's a strategy moving forward that will carry out of this planning effort. Next slide please.

The Adapt Plan is consistent with other Port planning efforts. Today was a good day to be at the Commission to show the linkages with the Waterfront Plan which has a Resilience section, the Strategic Plan which you heard about earlier. For the Adapt Plan, the planning horizon is the next century, but we expect that the science is always changing. We'll need to revisit the Adapt Plan every five years or so and update it if necessary with a focus on Resilience and adaptation for the Port, City and community over time. Next slide please.

The plan will include important context for the work that we're doing, including the regulatory context, environmental considerations because it's

so important that we build that into this Resilience work that we're doing, historic resource considerations reflecting the need to protect the two national registered historic districts that we're trying to preserve on Port property. Next slide please.

So now I want to dive into the part of the presentation where we're seeking the Commission's feedback. And I'll pause where we're specific guidance to open it to Commissioner comment. Next slide please.

So for more than the past year, we've been working on this draft vision statements, we've included it in our public presentations, prior Port Commission presentations. The vision statement is, "The Port's Waterfront Resilience Program will take actions to reduce seismic and climate change risks that support a safe, equitable, sustainable and vibrant waterfront."

The guidance that we're requesting from the Commission today is, "Does this vision statement reflect Port Commission values?" Are there changes that the Commission would like staff to incorporate? So I will pause there.

President Brandon - Okay, first question. Commissioner Woo Ho.

Commissioner Woo Ho - Yeah. I actually don't have an issue with the way you've presented it Brad, in terms of the context of the Waterfront Resilience Program. But tying it back to our overall discussion on the Strategic Plan, and I think Elaine you articulated earlier your struggle in terms of Equity, Resilience, et cetera, and some other things flow through.

And so my reaction was, when I look at the original wording in the Strategic Plan which was a broader statement about Resilience and not specifically to just reduce seismic and climate change risk, is I agree that the priority on Resilience at the moment as a value for part of the Strategic Plan is to reduce seismic and climate change risk. But then, we've just been through a pandemic and being able to sort of be sure that we have Resilience in terms of everything that we do, to be prepared for contingencies as [they] hit us, is important.

So, I'm would, not suggesting changes to what Brad's trying to do with Adapt and everything else, but I do think in the Strategic Plan, there should be still a broader statement on how Resilience needs to flow through all of the areas of what we do, and not just seismic and climate change risk.

That is probably one of the most strategic things that we're working on today, but it seemed to me when I saw the change in the wording from what was before was, I guess it was, "natural and human-made" something, changes or risks or whatever. Something to that extent. That I don't disagree that

there is still broader Resilience that is still part of the overall Port Strategic Plan.

So it's really a comment more back to Elaine and not that level, than just specifically telling Brad that you're, what you're doing specifically on the Resilience and the Waterfront side as far as seismic and climate change risk, I don't have an issue with that. Does that make sense? It's a struggle to kind of understand how we're tying it to the general versus the specific. And again, how some of these things flow through the Strategic Plan overall versus a very specific program.

Director, I guess I'm sort of addressing it, not just strictly to Brad, but to you as well.

Director Forbes - Yes. Understood. Thank you, Commissioner. And I think that the Strategic Plan is broader.

Commissioner Woo Ho - So will that be something --

Director Forbes - Yes, I'll come back on that. The Strategic Plan right now, that goal and objectives does really look at the Waterfront Resiliency Program, but in coming back, there is a broader understanding of Resilience and what it means for the organization.

So when I come back on Strategic Plan, I will cover that concept more broadly in terms of actionable moves that will make us an organization to be more resilient, internally, externally and of course to address Sea Level Rise and seismic risks along our Waterfront is one important, important effort in that quest.

President Brandon - Commissioner Burton?

Commissioner Burton - Me? No -- very interesting -- no further comment.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - I like it and concur with some of Commissioner Woo Ho's comments. I have nothing to add.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Thanks, Brad, for the presentation. More to come. I refer to you, President Brandon. Thank you. I enjoyed your presentation and looking forward to more to come on this draft vision statement. Thanks.

President Brandon - Right. Brad, thank you. I like the vision statement and I think you guys did a great job and put a lot of thought into it. I agree with Commissioner Woo Ho that there needs, it needs to flow together and there's more work to do. But overall, I think so far so good. Thank you.

Brad Benson - Excellent. Excellent. Thank you. Next slide please. So these are the program draft principles that underly that vision statement. Again, we've been out to the public, engaged, received feedback on these principles and affirmed the public support behind them. Obviously, we want to prioritize Life, Safety and Emergency Response.

We will advance Equity throughout the Waterfront Resilience Program in all aspects of our work, enhance and sustain economic and ecological opportunities, inspire an adaptable Waterfront that improves Bay health, ensures public access, protects historic and Maritime resources, provides opportunities for diverse families, businesses and neighborhoods to thrive.

And throughout our effort, our goal is to lead a transparent and adaptive program. So I will pause there and invite any feedback from the Commission. Are there any further principles the Commission would add to guide our Resilience work?

President Brandon - Commissioner Gilman?

Commissioner Gilman - I am contemplating for a minute, but I think the fact that nothing is jumping out at me says, Brad, that you guys have been so incredibly thoughtful. I know how much community process you've had in this.

I would maybe, I mean, maybe reordering them. I think the Inspire is such a beautiful concept of everyone visualizing and seeing what can really, what the Waterfront can really be. But this is beautiful, thank you. I have no comments.

President Brandon - Thank you. Commissioner Woo Ho.

Commissioner Woo Ho - Yeah. Actually, I actually like the prioritize Life, Safety and Emergency Response as the first one because I think that is part of what we're, kind of, do with Resiliency. It's not that I don't agree with the Inspire.

The only other minor change I would make, and you will all sort of all think that I'm very predictable here, is under the Enhanced. Because there is a difference between economic and financial, I would actually add, "Enhance and sustain economic, financial and ecological opportunities."

Some of the way we transact, we understand the economics of the deal but there are financial considerations in terms of timing of when these things actually happen that actually flow through our financial statements or cash or whatever. So I would actually make a distinction that there should be also financial opportunities. So it's just, there is a distinction between economic and financial and I would just add the word "financial". Does that make sense?

Brad Benson - Yes. Thank you very much, Commissioner. We can make that change.

President Brandon - Commissioner Burton?

Commissioner Burton - It's fine.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Thanks again, Brad. I reaffirm with Commissioner Woo Ho said about the Resilience, the draft principles. Other than that, I am good. And thanks Brad. Let's keep pushing man, thank you.

President Brandon - Thank you, Brad. I think those were some great points that were made. I think I would go, under "Inspire an adaptable waterfront," that I would include, "Improve the health of neighboring communities." Because I'm stuck on that climate/racial justice thing. And both are extremely important. And we have a Waterfront that is the heart of our city next to very vital communities. So I think we have to take that into consideration when we're making these decisions. So thank you.

Brad Benson - Thank you. We can make those changes. Appreciate the feedback. Next slide please.

Now we want to dive into Adapt Plan Alternatives. And this is really the work through which we will build this bigger program for your consideration and consideration by the public over the course of this year. Next slide please.

What is an Adapt Plan Alternative? This is a series of actions that can be implemented over time to improve Resilience, seismic safety, flood safety along the Waterfront, consisting of construction projects, physical improvements like seismic upgrades, building coastal flood protection, policies, seismic performance standards for buildings which already exist in the building code and for infrastructure, a city flood protection standing, looking at our preferred Sea Level Rise curve for planning and additional freeboard or safety margin, relocation of critical assets out of the future flood plain.per



And we're very confident that the planning work that we're involved in now will point to additional planning work and stakeholder engagement to further build the program over time. So all of these different types of actions can be included in an Adapt Plan Alternative. Next slide please.

We presented in the fall some of the work that we have been doing, both in the flood study and through our seismic measures development to develop measures and approaches to reduce these risks. Through the alternatives process that we're engaged in right now, we are looking to find all of the opportunities to develop alternatives that reduce both risks so that we can then bring that learning back into the Army Corps Flood Study.

The Army Corps' primary mission is flood risk reduction. It's really our team that's bringing that understanding of how to reduce seismic risks to the work. Next slide please.

In terms of our work to develop alternatives, and we will be back to the Commission. This is an area of work that we'll do with the Commission, the public, the City departments. We'll do outreach to our regulatory partners to gain feedback. At this time, do you have any questions or concerns related to the Adapt Plan Alternatives development process?

President Brandon - Thank you. Commissioner Burton?

Commissioner Burton - It's fine.

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - I think, Brad, I have no questions. I think this is great what you've done so far. I agree with it.

President Brandon - Commissioner Gilman?

Commissioner Gilman - Brad, you guys have done a tremendous job. I have no questions at this time, and I want to commend you for so much thought you put into this. Thank you.

President Brandon - Vice President Adams?

Vice President Adams - I have no questions Madam Chairman, thank you.

President Brandon - Thank you so much. Great, I think you guys did a great job on this [portion] and we look forward to the development process. Thank you.

Brad Benson - Thank you very much. Next slide please. Evaluation criteria. These are the next level down from the vision statement and the principles. Next slide please.

Evaluation criteria really help with the program development process to make sure that we're tied to the vision and principles and objectives developed with stakeholders. It's really a way that the public can have direct input into the technical process of program development, make sure that we're being transparent and accountable. It can also help us identify tradeoffs or additional benefits.

So we are using these criteria to compare all alternatives in the different geographies of the Waterfront, and ultimately to recommend preferred alternatives. These are the four categories for evaluation criteria. Next slide please.

These are some examples of criteria. And there's more detail in Exhibit A to the staff report about these evaluation criteria. I'll just pick out a few criteria. Is an alternative feasible? Will it meet our performance standards? What are the capital costs and life cycle considerations for an alternative? The number of jobs and diversity of jobs that a construction work will create.

Under Society and Equity, are we achieving Social Cohesion and Community Resilience? To President Brandon's remark earlier are about healthy communities. Have we properly considered environmental risks and environmental opportunities?

So it's through the application of these evaluation criteria to draft alternatives that we can actually be thinking, "Have we been complete in our approach?" So next slide please.

Our question today is, "Would the Commission suggest any additions or amendments to the evaluation criteria in Exhibit B?" And our second question to the Commission, and this is very important. We're not proposing to develop total scores using these criteria to score the alternatives. Rather, we'll provide an evaluation of the application of the evaluation criteria to the Commission so that you can understand the different lenses that we talked about earlier.

But we think that not coming up with a total score gives the Commission more flexibility to bring its policy perspective to the alternatives process and selection later this year. So I'll pause there and ask if the Commission has any feedback on the evaluation criteria.

President Brandon - Commissioner Woo Ho.

Commissioner Woo Ho - Yeah. So I'm going to tie this into my earlier comment, Brad. I think these criteria is [great]. But I would say under the economic, I might put "financial" because I would add two categories. One, you have capital costs in there, but I would put increased operating costs and I would also have loss of revenue. Because there may be some things that we do that are going to either increase our operating costs, not just our capital costs, but also a loss of revenue. I can't give you an example of that, but you know, it's possible that something you have to do here to reduce seismic risk and climate change may require us to reduce our revenue for something.

So I would be explicit about that. So I would just say, "economic/" -- and I wouldn't put another criteria up. I'd just say, "economic/financial". Does that make sense?

Brad Benson - Yes it does. Excellent suggestion.

Commissioner Woo Ho - Okay, thank you.

Brad Benson - Thank you.

President Brandon - Thank you Commissioner Woo Ho. Do you have any comment of, any thought on the scoring. [preparing not] scoring?

Commissioner Woo Ho - Okay. Are you asking me specifically?

President Brandon - Yes.

Commissioner Woo Ho - I guess I don't, I'm not sure I understand how the scoring would work anyway. So I'm not sure I have comment on it at this time.

President Brandon - And maybe Brad, you want to expand on that a little bit?

Brad Benson - Sure. When we come back with an alternative, say, for a specific geography. I'll choose Fisherman's Wharf. And we've applied, we've looked at that alternative to reduce seismic and flood risk exposure through the lens of these evaluation criteria. We would provide you a written analysis. You would understand the economic/financial ramifications of the alternative, environmental, Social Cohesion and Equity. So it would be a written analysis, not a numeric score.

And we think it gives you as policymakers overseeing the Port through all the different lenses that you look at the Port a little bit more flexibility in terms of choosing alternatives that you think further the Port's mission.

President Brandon - Thank you. Commissioner Woo Ho, did you want to [comment]?

Commissioner Woo Ho - So I would say based on that explanation I would agree that I don't think we want to get into a strictly scoring mechanism. I think we should do a qualitative and then if we learn over time that there's a way to do something that is more metric driven, then fine. But I think qualitative discussion to begin with is probably more important.

President Brandon - Thank you. Commissioner Burton?

Commissioner Burton - [Unintelligible].

President Brandon - Commissioner Gilman?

Commissioner Gilman - Sorry. I'll come off mute. I want to say this is very expansive. I guess the only question I had, I'm looking at what is, was in the staff report. I just want to make sure I'm understanding this correctly. I understand there'll be no numerical scoring which I actually think gives us all greater latitude to, within these categories, decide that, as a Commission, as Port staff, that maybe, you know, feasibility for some instance illustratively is more valuable than utilities.

But using Social Equity, using that -- you can't [see me] really -- but using that bucket as an example, are you saying that the staff would go through and score on all two, four, six -- there's seven criteria under Society and Equity. Would you be looking at all of them? Or is this a menu that you would pick from when you're reviewing these alternatives?

Brad Benson - We would look at all of them, but we would report on those that are applicable.

Commissioner Gilman - Okay. So this is more of a menu. Some of these -- not all of this will always be applicable to every project.

Brad Benson - I think, yes, that's a fair assessment.

Commissioner Gilman - Okay. No, I mean, because it's very expansive. So I just wanted to dive a little deeper. I think it's great. And I actually do think it's good that we're not numerically scoring them because within Social Equity, you know, Life, Safety and Emergency Response you'd probably generically might, for some people it would be more important than Historic Resources. But as a department that's committed to Equity and Diversity, you've argued the inverse.

So I like the flexibility in it. And I think you've done a really incredible job laying it out here. So thank you.

Brad Benson - Thank you.

President Brandon - Thank you. Vice President Adams.

Vice President Adams: Brad, I just want to say I really appreciate your patience and your due diligence. You went through this thing with a lot of patience, a lot of due diligence, answering all the Commissioners' concerns, thoughts, what we may be thinking in the future.

Please continue to do what you're doing because this will continue to be a work in process. It's a long process. And I just want to say, "Thank you." I appreciate taking your time and really going through this. So not pushing us or rushing us through. Sometimes it's, things happen, but that we all can get our head around it. So thank you. Appreciate it. Thanks Madam Chairman.

Brad Benson - Thank you so much.

President Brandon - Thank you Brad. I would, the only thing I would add is under Economy, under Economic Opportunities, Small Business, Small Business Opportunities, I would include LBE Opportunities.

Brad Benson - Okay.

President Brandon - And then under Environment again, I would include environmental impact on underserved communities.

Brad Benson - Okay.

President Brandon - And as far as the scoring, I agree that scoring is probably, it'll probably be better not to score, to give us more opportunity to figure out what works best for us now versus long term.

But again, I want to reiterate what Vice President Adams just said in that you've guys have done a lot of work and have come a long way and have very patient with us. Because we're not in this every day and we're not as technical as the team. So just walking us along and making sure that we really understand what's going on and what decisions we're making, we truly appreciate.

Brad Benson - That's -- we will make those changes. And very kind words, President Brandon. And I do want to give a shout out to Mike Martin, the Assistant Port Director who is playing a more direct role in the work that we're doing. And he's really helping us try and figure out how to be clear

about what we're asking of the Commission, as well as, of course, Director Forbes. Next slide please.

Draft Proposition A funding guidelines. So this is beyond the alternatives work. This is when we're getting down to a range of projects that might be at a different set of locations along the Waterfront and how to choose what to fund first. So this will help staff with our recommendation to the Commission. And we hope will help the Commission with its decision-making process. Next slide please.

So we come back to Life, Safety and Disaster Response are the priorities that we communicated to voters. But we think that the highest, most beneficial Life, Safety and Disaster Response Project should float to the top. Then we have a question, "Do we have sufficient funding for those projects?" Maybe they're beyond the budget that we have for Proposition A. Or more analysis or more planning work is needed to undertake the work.

Partnership opportunities. Is a fellow City department undertaking work in an area that we could piggyback on or collaborate on? Equity. Do we have an equitable distribution of funding in the first phase and subsequent phases of the program? And area we protecting those community assets such as affordable housing that really reflect the Commission's commitment to Equity?

Proposition A Schedule and Program. Does the work that we're looking at and proposing fit within the program and the schedule that we've broadcast to voters? And then finally, in a specific location, do we already have a development partner who is planning rehabilitation efforts? Or an existing tenant that's seeking a lease extension who may want to make a significant investment? And is there, therefore another source? Can they undertake the work that we're proposing to do in that area and still meet that all important financial feasibility test for development?

So these are the funding guidelines that we're proposing as a draft to the Commission. We can of course revise these as we move along, but this is our first stab at this. And our guidance that we're requesting from the Commission today, are there factors that we've missed that the Port Commission wants us to incorporate in these draft funding guidelines?

President Brandon - Well, I can answer the first question. No, we do not have enough funding. Okay, Commissioner Gilman?

Commissioner Gilman - I just have a question and it might be obvious. It might just be me because I'm hitting some sort of information wall right now. Is geographic distribution baked into this somewhere and I'm missing it?

Because I know you've mentioned it and spoken about it. So I apologize if I'm not, it's not jumping out at me.

Brad Benson - When I mentioned Equity, I mentioned the concept of equitable distribution. So that may, it can certainly be a consideration for the Commission in its evaluation of projects.

Commissioner Gilman - Yeah, I think, maybe because Equity can also mean -- especially as we have an Equity framework for the Port and we're trying to thread it through everything we're doing -- I actually might want to call out geography as an eighth sort of guideline. Just to avoid, you know, none of us knew we'd be in a worldwide pandemic. We don't want to look back 20 years from now and have someone say, "Oh, I can't believe the Port was so foolish. They only paid attention to a certain section of the Waterfront."

I don't think we would ever have that intention and I don't think this Commission would steer us in that direction. But I don't, if other Commissioners feel it's fine with Equity. I just feel like that's, Equity can also mean other factors. To me geographic distribution doesn't jump out as being that obvious to me. That's my only comment.

Brad Benson - Thank you.

President Brandon - Commissioner Woo Ho?

Commissioner Woo Ho - I don't really have much to add. I'm okay with, you know, I think that this is a subtext Equity, that's fine. I think, you know, I think we're going to have to be balanced about the distribution because we're going to think about Economic Recovery and, "Where do most of the people come to the Waterfront?" versus, "Where we want to be equitable in terms of the constituents of San Francisco that we serve?"

So there's going to be a balance somewhere. I mean, if you were talking about the tourism, then you'd be talking about the Northern Waterfront. If you're talking about the equitable, and the health of our neighborhoods, you're talking about the Southern Waterfront.

But we're going to have balance. It's not going to be one or the other. So I think that's going to be something that we're going to be weighing as we go forward. I mean, I'm just using that as an example. It may not be the best example, but one that popped into my head.

So I think Equity can be interpreted many different ways. And I think it's not going to be strictly geographic but maybe it's subtext in there. But I don't know whether I'd spell it out to be geographic only is what I guess is what I'm trying to say. You know, we need some flexibility and latitude to be able to

interpret how we apply this. And I think the others as you had mentioned are good examples and I don't have any further, more creative ways to tell you in terms of your funding guidelines at this point. But I do agree with the first one.

Brad Benson - Thank you very much.

Commissioner Woo Ho - And it's great work that you're doing. Again, we appreciate it very much.

President Brandon - Thank you Commissioner Woo Ho. Brad, just let me confirm that the Prop A funding is specifically for the Seawall.

Brad Benson - That's correct. That's correct. So it's for Fisherman's Wharf to Mission Creek. But we are working closely with Boris Delepine to pursue those other sources as you know.

President Brandon - Thank you. Vice President Adams?

Vice President Adams - Yes, President Brandon. I don't have anything. I just want to thank you President Brandon and Commissioner Woo Ho. When I look at this, I used to always think and feel about certain things but you've taught me it's all about process. And I want to thank you and Commissioner Woo Ho, President Brandon, I get it now about thinking how the process go. And process is how it should go. So thank you. Bye bye. Thank you.

President Brandon - Thank you. So Brad, the guideline, how would these seven guidelines be used in making a decision? Can you just give me an example?

Brad Benson - Sure. So let's say we have a range of potential projects across, you know, the different geographies in the Northern Waterfront. And then you might look at this as just sort of a set of sorting questions to try and narrow the list of projects. So which of those projects have the greatest Life, Safety benefit? Which improve potential City, regional, Port disaster response? So you prioritize those. Then you've got that prioritized list. You're looking at the top of the list. Can we afford those projects? Do we have enough money now to address these?

Maybe we don't. Maybe we need to wait until alter phases of the program. Or maybe we need more analysis or planning work and they're not ready to fund now. Then we would look through that City partnership lens. You know, is there an opportunity to partner with another department that needs to make improvements? We would examine Equity, just through the pure Equity lens. And we can either look at geographic distribution under this lens or we can create a new one as Commissioner Gilman was recommending earlier.



We would ask ourselves the question, "Do these projects that are then sorting up to the top projects fit within the program schedule? Can we deliver in the timeframe that we have promised?" And lastly, we'd, through six and seven, be asking, "Is there another funding source? Is there another actor who can delivery these improvements?" And we can deploy Proposition A to another location.

So it's just trying to be an organized sorting of priorities.

President Brandon - Great. Thank you so much for that clarification. This is great. Thank you.

Brad Benson - Thank you. All right. Next slide please. We'll close with Adaptation Design Guidelines. The Commission has been very, very patient tonight and we appreciate getting feedback on so man items. Next slide please.

Adaptation Design Guidelines are really thinking about the fact that we're dealing with Sea Level Rise in this program. And we may have opportunities for major investment that's very long term in the near term. We saw that at Mission Rock. We saw that at Pier 70, where our development partners were literally raising the grade of those sites.

So these Adaptation Design Guidelines will help us understand how much we need to raise the shoreline to provide future coastal flood protection, how we accomplish that change in grade when we've got enough money to invest in that kind of move.

We are looking at other examples. Boston has done a lot of good work around this. Port of New York, New Jersey. I want to say that the focus of this is really elevation. It's not urban design. We have a lot of existing design guidelines up and down the Waterfront and we want to honor and respect all of that good work as the foundation for what we're doing here. Here, we're really looking at elevations and design approaches for Resilience actions that multiple actors can take. The Port can take delivering Proposition A projects. Our development partners might be able to take.

This is a framework for adapting the water over time. There will be initial moves but also subsequent Adaptation moves as sea levels continue to rise. And we want to set one set of standards and guidelines for all Port property regarding adaptation.

So the guidance requested here, and we'll have opportunity to dig into this a lot more later in the program. We'll come back to the Commission with these

Adaptation Design Guidelines, but today, do you have any questions or direction for our team as we advance this important work stream?

President Brandon - Thank you. Commissioner Woo Ho?

Commissioner Woo Ho - Okay, I'm trying to get off mute. You know, I think Brad, you've given us a lot of information so I'm on informational overload a little bit. I would say, I don't have anything to say. I think once we go through it and see how you proceed through these Adapt Plan guidelines and how you apply them, we probably will comment more. But at this point in the, I guess in the theorizing and strategy of this, at this point I'm probably in the information overload that I can't really give you any more suggestions at this point. I'm being honest.

Brad Benson - Yeah.

President Brandon - Thank you. Commissioner Gilman?

Commissioner Gilman - I'm definitely at a saturation point. But I do just want to commend you and the staff. I mean, this is a tremendous body of work that you've put together and the thoughtfulness, it's striking. So I just want to thank you. I might have comments later but very, very impressed with your due diligence and your thoughtfulness, you and the team.

Brad Benson - Thank you.

President Brandon - Vice President Adams?

Vice President Adams - Brad. I think it's very thorough. Like my fellow Commissioners, I'm going to have some questions on the follow up. Very thorough. And I know it's been some tough times for you. You lost your father and everything like that. And thank you, you and your team, for all your work. And I can't wait until you come back in front of us, and I'll have more questions I'm sure. All the Commissioners. But this was very thorough. Very thought out. And this is one of these projects that's not flamboyant. It's very "one inch at a time" [when] we get in there.

And I'm really excited once we get to the finish line. So thanks, you and your team, for all your work. Appreciate it.

President Brandon - Thank you. Brad, now you understand it's not just me. It's a lot of information, but it just goes to show how hard you and the team have worked over the last couple of years to bring this document before us. And we can just see the incredible amount of work that has gone into it.

And I'm sure that we're all going to have lots of questions throughout the process. But I would reiterate that as much as you can get in front of us, you should. To keep us updated and moving forward with you because it's a lot of information. And hopefully we've been helpful.

But now, we will open it up for public comment. We will see if there is anyone on the phone that would like to make public comment on Item 11A from members of the public. Jenica will be our Operator and will provide instructions now for anyone on the phone who would like to provide public comment.

No Public Comment on Item 11A.

## **12. NEW BUSINESS**

Director Forbes - Good evening. I've recorded coming back to the Port Commission quarterly on goals and objectives in the Strategic Plan. Is there any other New Business?

Vice President Adams - Director Forbes, I have one question. You know the new homeless shelter that's right across on the Embarcadero. We haven't gotten an update on that lately. I live down in that neighborhood and I haven't heard anything so things must be going well. Right over by Delancey Street. Do you have any updates on that and how it's going?

Director Forbes - I think it is going well. I don't know if Randy is still on. He does, he staffs our outreach as well as someone from the Planning division. I believe it is going well. The occupancy is down because of COVID. It's a COVID-unknown or COVID-negative facility with a smaller footprint than pre-COVID due to the virus. I do think the neighbors have had more or less positive feedback since the operation is going, up and running.

But I'd like to include this in my next Director's Report just so I can do a little more due diligence and fully answer your question. That's my best understanding this evening, but I'll do a little digging and get you a more complete report next Port Commission hearing.

Vice President Adams - Thank you. Appreciate it.

President Brandon - Is there any other New Business? If not, can I have a motion to adjourn.

## **13. ADJOURNMENT**

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

unanimously.

President Brandon - The meeting is adjourned at 6:09 PM.