



SAN FRANCISCO PORT COMMISSION

**SEPTEMBER 14, 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 September 14, 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 and Doreen Woo Ho. Commissioner John Burton joined the meeting at 2:03 p.m. Commissioner Gilman joined the meeting during closed session at 2:10 p.m.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgement.

2. APPROVAL OF MINUTES – August 10, 2021

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

3. PUBLIC COMMENT ON EXECUTIVE SESSION

President Brandon - Thank you. I would like to announce that today's Port Commission agenda has been amended and reposted to make clear that the closed-session items are solely for real estate negotiations.

We will now open the phone lines to public comment on executive session from members of the public who are joining us on the phone.

Anonymous – Thank you very much. This is anonymous. I informed the commission last night that your agenda, as timely noticed, had an unlawful closed session for conference with legal counsel. As you may know, you cannot conduct a conference with legal counsel unless you properly notice it.

It exists for the purpose of conferring regarding pending or anticipated litigation. Your agenda notice for these closed sessions did not include that information. Earlier this morning, I received a response from the Port

Commission that you had now changed the agenda [unintelligible] a different purpose only for a conference with your real estate negotiation, which is fine.

However, you posted that agenda within the 72-hour requirement that you have. So you should not conduct this closed session. I have filed SOTF complaints against the commission and will also file Ethics Commission complaints if you go ahead with a closed session instead of delaying it until you can properly notice it at least 72 hours ahead of time and then conduct the properly noticed closed session. Thank you.

President Brandon – Thank you. Seeing no more callers on the phone, public comment is closed. And before we go in -- I request a motion for closed session, can we please hear from our city attorney?

Rona Sandler – Hi, commissioners. This is Rona Sandler, acting general counsel. Can you all hear me?

President Brandon – Yes.

Director Forbes – Yes, we can.

Rona Sandler – Okay. Did you have a specific question, President Brandon?

President Brandon – I just wanted a response to the caller that just said that we could not go into closed session based on his thoughts.

Rona Sandler – So I believe that the revised calendar does cure the questions that the caller raised. And it would be up to the commission to go into closed session or postpone the closed session.

Director Forbes – If I could provide some clarifying remarks, the notice was similar to prior notices we have given, a closed session under real estate negotiations. It clearly stated that the underlying basis of our right to go into closed session and have discussions was -- is the real estate negotiations.

The language that has been changed in the amended agenda clarifies by striking the city attorney language. So I would recommend that the commission proceed with closed session unless Rona, our acting city attorney, would advise otherwise. Thank you.

President Brandon – So our acting city attorney has not advised otherwise. So I will ask for a motion to go into closed session for real estate negotiations.

4. EXECUTIVE SESSION

ACTION: Vice President Adams moved to meet in closed session for real

estate negotiations. Commissioner Woo Ho seconded the motion. In a roll call vote, the motion passed unanimously.

At 2:07 p.m. the Commissioners withdrew to closed session.

(1) CONFERENCE WITH 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: Alioto’s Restaurant, 2829 Taylor Street
Person Negotiating: Port: Michael Martin, Assistant Port Director
Negotiating Parties: Mario Alioto, Alioto Fish Company Ltd.
Under Negotiations: ___ Price ___ Terms of Payment _X_ Both

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 a potential amendment to the subject lease. 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.

Present: President Kimberly Brandon
Vice President Willie Adams
Commissioner John Burton
Commissioner Gail Gilman (joined at 2:10 p.m.)
Commissioner Doreen Woo Ho

Also present: Elaine Forbes, Executive Director
Carl Nicita, Commission Affairs Manager
Michael Martin, Assistant Port Director
Rona Sandler, Deputy City Attorney
Grace Park, Deputy City Attorney

(b) Property: Seawall Lot 337 (Lease L-16417) and Pier 48 (Lease L-16410)
Person Negotiating: Port: Rebecca Benassini, Deputy Director of Real Estate and Development
Negotiating Parties: Jack Bair, General Counsel San Francisco Giants and Carl Shannon, Senior Managing Partner, Tishman Speyer
Under Negotiation: ___ Price ___ Terms of Payment _X_ Both

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 a potential amendment to the subject lease. 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.

Present: President Kimberly Brandon
 Vice President Willie Adams
 Commissioner John Burton
 Commissioner Gail Gilman
 Commissioner Doreen Woo Ho

Also present: Elaine Forbes, Executive Director
 Carl Nicita, Commission Affairs Manager
 Rebecca Benassini, Deputy Director of Real Estate &
 Development
 Kimberley Roberts, Assistant Deputy Real Estate &
 Development
 Josh Keene, Assistant Deputy Real Estate &
 Development
 Phil Williamson, Senior Project Manager
 Rona Sandler, Deputy City Attorney
 Grace Park, Deputy City Attorney

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.

At 3:25 p.m., the Commission reconvened in open session.

ACTION: Commissioner Gilman moved to not disclose anything discussed in closed session. Commissioner Woo Ho seconded the motion. In a roll call vote, the motion passed unanimously.

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

Melissa Rushefski - Hi. Thank you. My name is Melissa Rushefski. And I would like to make a public comment in support of Building 49. I am the executive director of Kids Enjoy Exercise Now, San Francisco. And I represent our amazing community of youth and young adults with disabilities and their families.

KEEN is a nonprofit that provides free recreational activities led by volunteer coaches. This summer, I reached out to Adam Zolot at Dogpatch Paddle to inquire about hosting a KEEN paddles program with him at Dogpatch Paddle Club at Crane Cove Park.

And on Saturday, August 28th, the magic happened. I would like to applaud Dogpatch Paddle Club for their involvement in this amazing program. They provided this really, really impactful and significant service to our athletes at no cost to KEEN, I might add.

And I just want to tell you about the incredible impact that they had on our KEEN athletes. First, we were lucky enough to have perfect weather at Crane Cove Park that morning. And Adam and his team already had the safety equipment and the paddleboards out for us.

They were all ready for us as we arrived. And they made us feel very safe and welcome the entire time. Our KEEN athletes got there after our coaches did. First, we had an hour of preparation with Adam, as he gave us a private tutorial on safety in the water.

And then, when our athletes arrived, everyone came together and matched up one athlete per one coach. And we got out onto the water on our paddleboards. Everyone was in a safety life vest. And we had an amazing time.

It really was incredible. I was not sure at first how the KEEN athletes would respond to this recreational activity. But they loved it. They absolutely loved it. There were so many smiles, laughter, high fives. It was so much joy.

And this is what really empowers our team. Our youth with disabilities thrived with Dogpatch Paddle Club. They really hosted us so well. And I believe that the Building 49 is, in fact, an amazing proposal and should be undertaken.

And I am in full support of Dogpatch Paddle Club and their intentions with the park and with the building. I, myself, will frequent it. And I hope that we can bring our team there, our KEEN team, to join for more recreational activities on the water and also in partnership with the YMCA of San Francisco.

And we can also enjoy some bagels. [laughs] So thank you so much for allowing me to speak. I am in full support of Building 49. And Adam and his team at Dogpatch Paddle Club are really wonderful stewards of the land and amazing, generous people that really helped our community of persons with disabilities get out there and experience something new. And it was very -- Thank you, sir. Okay. All right.

9. EXECUTIVE

A. Executive Director's Report

Director Forbes – Good afternoon, President Brandon, Vice President Adams, commissioners, Port staff and members of the public. I am Elaine Forbes, executive director of the Port. September is National Preparedness and Essential Workers Month.

The region and the state are managing serious emergencies like COVID-19, extreme heat and wildfires. More than ever, we're very attune to the impacts of emergencies. September is our annual reminder to review our emergency plans for home, work and for community.

Please visit www.sf72.org for emergency tips. I want to take this time again to recognize our Port essential workers who have been at work to ensure the Port continued to be safe and operational. Our essential workers also responded to the call of duty, serving as disaster service workers through every phase of this pandemic.

Our organization deployed over 90 percent of our employees to this important work. Maintenance staff in particular really stepped up. It is because of our

essential workers following Mayor Breed and her leadership team that the city has had such a stellar response to this pandemic.

Thank you for your outstanding work to support our community, our waterfront, city during this unprecedented, scary and uncertain time. Thank you to our Port essential workers. We appreciate you.

Now, to the vaccination requirement -- although Port and city employees have made remarkable progress in getting vaccinated, we still have work to do to protect our vulnerable populations. For those eligible for vaccination in San Francisco, nearly 80 percent are fully vaccinated, which is a huge victory.

But the 20 percent unvaccinated pose a risk to themselves and to others. So there is much left to do. To date, nearly 90 percent of city workforce has been vaccinated. Last month, the Food and Drug Administration granted final approval for the Pfizer vaccine.

The city then updated its vaccination and return-to-office policies. All city employees are now required to be fully vaccinated by November 1, 2021. November 1 is also the date for telecommuting employees to return to the workplace in alignment with vaccination deadlines.

Port employees who are not vaccinated by November 1 are at risk of separation from the city. We are doing in-reach to support all Port employees to ensure everyone has the resources and support they need to get vaccinated.

The Port's COVID response team has and will continue to prepare trainings and educational briefings for all Port staff. In coordination with the Department of Public Health and Human Resources, the Port is hosting a city-employee vaccination pop-up clinic on Thursday, September 23rd at the South Beach Harbor community room.

A second-dose vaccination clinic will be scheduled. These events are for city employees only. Members of the public who are interested in being vaccinated, call the city's vaccine call center at 628-652-2700 to book an appointment. [Thank] all of our Port employees for doing all they can to keep each other safe and healthy during this time.

Now, turning to equity, this month we launched an all-staff racial-equity training for our first cohort of staff. This cohort includes employees responsible for tracking and reporting assigned REAP actions in their divisions and employees that sit on the racial-equity advisory council.

L'shanah tovah. Happy Rosh Hashanah to all who celebrate the Jewish new year, which began September 6th this year. It's an opportunity for deep introspection and renewed gratitude.

Tomorrow is September 15th. Latinx history month begins. We look forward to celebrating the Latinx community's rich history, culture and invaluable contributions to the Port, the city and beyond.

And now, to an equity victory that is crucial to our economic recovery objective, on Friday, September 10, the Port, with our nonprofit partner MEDA, Mission Economic Development Agency, held the first of several informational workshops to make sidewalk vendors and those interested in becoming sidewalk vendors aware of the Port's new program and to help with the application process.

I am proud to report that 50 people attended this meeting. Representatives from the Office of Small Business, the fire department and public health also attended the meeting to give insights and information about their permitting requirements.

The Port launched a website yesterday. The next workshop is scheduled on Friday, September 24 at Pier 1. MEDA began leading one-on-one technical assistance today at Hyde Street Harbor. Port staff is working hard to achieve the Port Commission's vision of a successful permitted street-vendor program and the end of unpermitted vendor activities on our waterfront.

I will also point out this is Supervisor Peskin and the Board of Supervisors' vision as well. [Key projects] -- turning to them now, today you will hear from Carol Bach, our planning and environment assistant deputy director regarding the Heron's Head Park restoration project and the award of the third grant for this important work.

I want to commend the planning and environment team for seeking and winning available grant funds to update Heron's Head Park and keep it a beautiful place for everyone. As you know, the Port is focused on resiliency and sustainability.

Over the decade, our Port Commissioners have prioritized resilience in every waterfront project. Heron's Head Park is highlighting what we can do with nature to combat climate change and see that environmental justice is incorporated into all Port projects.

This project will protect this highly accessible and valuable wetland habitat for future generations. On National Preparedness Month and every month of the year, the Port will continue to ensure resilience is prioritized for the people's waterfront.

Finally, I'd like to congratulate the Port for winning the 2021 American Society of Civil Engineers San Francisco section award for Crane Cove Park. This award comes in the airports and port category.

As you know, Crane Cove Park is a fantastic new addition to our waterfront and to the Dogpatch neighborhood. Congratulations to staff for this outstanding achievement. And that [includes] my report. Thank you very much.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Woo Ho – Hi. Thank you, Director Forbes, for another very good report. And everything is trending in the right direction both in the Port and in the city. So thank you very much for the update. No other questions or comments.

President Brandon – Thank you. Commissioner Gilman?

Commissioner Gilman – Thank you, Director Forbes, for your report. Thank you for the continued efforts and support of all city employees but particularly Port employees to ensure that everyone has equal and equitable access to vaccination.

I just really wanted to [point to that] and, as a commissioner, to really plead all of the public and our employees to please get vaccinated so that we can continue on our pathway to recovery. And also, congratulations on the award for Heron Head Park.

That is wonderful. I know it's an agenda item today. But we keep incrementally moving forward to complete this promise to the southeast waterfront. So thank you so much for your report.

President Brandon – Thank you. Commissioner Burton?

Commissioner Burton – No comments. Great report as usual.

President Brandon – Vice President Adams?

Vice President Adams – Director Forbes, stellar report. Want to thank you and your staff. It's been a long year and a half. And I know that dealing with this commission. Us commissioners, we're hard on staff. [laughs] And you're still smiling, and you're still hanging in there.

So thank you. And congratulations for the award that was won and the due diligence. I know you've lost a lot of your senior staff. But you've kept running, and you're running hard. Please continue to keep doing the good work.

I got a call today from Andre. And it sounds like the cruise industry, sooner or later, is going to be picking up. And you're doing some other things. I'm very optimistic that things are going to get better even though it's going to take time. So thank you, and appreciate it.

President Brandon – Thank you. Director Forbes, thank you so much for your report. You had a lot of great information in the report. And Heron's Head Park and Crane Cove Park and the awards that they are getting is just astounding.

The fact that your staff has just done such a phenomenal job over the last 19 months -- I'm sure we are on the road to recovery and going to do well. And I want to echo in the fact that vaccines are extremely important.

And anything we can do to encourage our staff to get fully vaccinated, we should continue to do. And I am here to support you in that effort however I can. So thank you. Carl, next item, please.

10. CONSENT

- A. Request for retroactive authorization to modify Construction Contract No. 2813, 19th and Georgia St Roadway Improvements, to extend the substantial completion date. (Resolution 21-35)
- B. Request approval of Consent to Sublease between Blue and Gold Fleet, L.P. and VP San Francisco, LLC., for a month-to-month term to operate a retail shop located at Pier 41 on the Embarcadero near the foot of Powell Street. (Resolution 21-36)
- C. Request approval of Memorandum of Understanding No. M-16811 (“MOU”) with the City’s Recreation and Park Department for rent-free use of Port property consisting of submerged lands beneath a dock located at 502 and 504 Jefferson Street at the foot of Tonquin Street in Aquatic Park. (Resolution 21-37)

ACTION: Commissioner Gilman moved approval of the consent calendar. Vice President Adams seconded the motion.

No Public Comment on the Consent Calendar.

Roll Call Vote:

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

President Brandon - The motion passes unanimously. Resolutions 21-35, 21-36 and 21-37 are adopted.

11. PLANNING & ENVIRONMENT

- A. Request authorization to accept and expend \$1,493,000 in grant funds from the California Department of Fish & Wildlife for the Heron's Head Park Shoreline Resilience Project and approve the grant agreement, subject to Board of Supervisors' approval. (Resolution 21-38)

Carol Bach – Great. Thank you. I'm Carol Bach. Good afternoon, commissioners. I'm your environmental affairs manager. And I'm here this afternoon to request your authorization to accept and expend grant funds in the amount of \$1.493 million from the California Department of Fish and Wildlife. Next slide, please.

As you've heard at several presentations over the past year, subsidence and erosion have resulted in a loss of over an acre of the tidal wetland habitat at Heron's Head Park. Port staff have been working with consultants and regulatory agency staff to develop a nature-based solution to the erosion that's occurring there. Next slide, please.

The Heron's Head Park shoreline resilience project is a living-shoreline approach to shoreline stabilization, as illustrated here. It consists of a coarse sand-and-gravel beach that will be placed along the eroding edge of the marsh and enhanced wetland behind the stabilized shoreline. And the project has been designed to have some capacity to adapt to sea-level rise over the next 30 years. Next slide, please.

The wetland-habitat-restoration element of the project is funded by Measure AA, the San Francisco Bay clean water, pollution prevention and habitat restoration measure of 2016. The grant comes from the San Francisco Bay Restoration Authority.

And the Port is using it to fund the nonprofit organization, Literacy for Environmental Justice, which is located in the Bayview-Hunters Point area, to hire and train local youth to grow, plant and maintain native plants that create the ecologically functional habitat at Heron's Head Park. And that work is funded for the next five years. Next slide, please.

The Restoration-Authority-funded youth employment and wetland-habitat-restoration component is currently underway. The shoreline-stabilization element of the project, which is funded by the -- which we hope will be funded by the grant that I am requesting your authorization to accept today - - that element of the project must occur between August and January of any year due to timing restrictions to protect fish and wildlife.

With the two grants, one from the Ocean Protection Council and this second from the California Department of Fish and Wildlife, we hope to be able to construct the shoreline improvements during the August 2022 through January 2023 window of opportunity. Together, those grants provide 88 percent of the total estimated cost to construct the shoreline. Next slide, please.

The California Department of Fish and Wildlife grant includes terms and conditions similar to those of other state grants that the Port and the city have approved. The Port's obligations include an obligation to maintain and operate the park for its intended purposes of habitat protection and public access.

The Port is required to indemnify the state and carry certain insurance. The city risk manager has reviewed and administratively approved the indemnification and insurance requirements. And we are required to acknowledge the funding from the California Department of Fish and Wildlife in all forms of communication about the project. Next slide, please.

So pending your approval, we will proceed to request authorization to accept and expend the funds from the Board of Supervisors hopefully in October. We will then execute the grant agreement with the Department of Fish and Wildlife upon Board of Supervisors approval and continue to secure additional funding needed to construct the shoreline component of the project.

And hopefully, we will be back to request your authorization to advertise construction-bid opportunity pending availability of funds. Next slide, please.

I wanted to mention that one of our other funders, the Ocean Protection Council, who is granting \$1.667 million of Prop 68 funds to the project -- OPC is producing a miniseries of short videos about the shoreline -- about the climate-resilience projects that they're funding with Prop 68.

So if you're interested in seeing the recently issued episode about the Heron's Head Park shoreline resilience project, you can find links on the Port's social media. That concludes my presentation.

President Brandon: Thank you, Carol. Commissioners, can I have a motion?

ACTION: Vice President Adams moved approval of the resolution. Commissioner Gilman seconded the motion.

No Public Comment Item 11A.

Commissioners' Discussion on Item 11A.

Commissioner Woo Ho – Thank you, Carol, again for always a very optimistic and, I think, uplifting report from you. We love to hear about all the things that you're doing to improve the environment. So it's a pleasure and joy to hear that.

And it's great that you're always able to find funding for these great programs. So I have no questions. I also support this and will love to see how this pans out in the future. So thank you very much. No further questions.

President Brandon – Thank you. Commissioner Burton?

Commissioner Burton – No questions.

President Brandon – Thank you. Vice President Adams?

Vice President Adams – Carol, you know you're one of my favorites. And I am finally glad that President Brandon and Director Forbes listened to me. We put you upfront finally instead of at the end of this agenda. So thank you so much, Carol. And I support it. [laughs]

Carol Bach – Thank you. That's funny.

President Brandon – Carol, thank you so much for a wonderful presentation. And congratulations on securing this funding. You're doing an amazing job. And we really appreciate all your efforts. And with that, we have a motion and a second. Carl, can we please have a roll-call vote?

Roll Call Vote:

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

President Brandon – The motion passes unanimously. Resolution 21-38 is

adopted.

12. REAL ESTATE & DEVELOPMENT

- A. Informational presentation on the responses received and scoring panel results of the Request for Proposals (RFP), for the adaptive reuse, rehabilitation, lease and operations of the Kneass Building and Building 49, both located in the Pier 70 Area adjacent to Crane Cove Park generally along Illinois Street between 18th and 19th Streets.

Rebecca Benassini – Good afternoon, commissioners. Rebecca Benassini, your deputy director of real estate and development. I'll have my staff member, Jamie Hurley, go over the meat of this presentation. But I just wanted to provide one note of introduction, as RFPs are such particular processes.

So you're hearing today an informational presentation. You may remember the RFP processes that we've adopted in the draft waterfront plans -- they're not quite adopted yet, still in draft form -- but the processes.

We bring you the scoring results from the panelists who scored the proposals for this RFP in an informational setting. We'll hear from you. We'll hear from the public. Then, we'll bring the very similar type of presentation to the applicable advisory group so, in this case, the SAC, the Southern Advisory Committee.

And then, we'll be coming back to you for a proposed action item so just to orient you on what we're going to be asking from you today. You'll hear the presentation. You'll hear the results of the scores that the panelists put together. And then, you will have the opportunity to comment.

Then, we'll bring it to the advisory group and then back to you, just to orient you on the process. And now, I'd like to introduce Jamie Hurley, our development project manager, who's followed this process closely. Jamie?

Jamie Hurley – Thank you, Rebecca. Jamie Hurley, development project manager with real estate and development. Good afternoon, commissioners. And with Rebecca's introduction, I will move forward. Next slide, please.

This is just the outline for the presentation. I'll start by talking about the strategic plan. I'll review some information about each of the two buildings that were subject of this RFP, provide just a general overview of the RFP process, then get into the scoring-panel composition, who was on the panel and what that process entailed.

I'll go over briefly the proposals that we did receive, their development concepts and, of course, the scores. And then, as Becca mentioned, we'll talk about future Port Commission actions coming out of this process that we have just concluded.

And we will have a guest presented when I get through my portion of the presentation who I will invite to speak. And that is the YMCA. Next slide, please.

So you've seen this photo before. And I included it again just, again, to orient us all and because I love this photo, as it shows both buildings, Building 49 on the left of the photo, the Kneass Building on the right and the portion of the Crane Cove Park that slopes down to the beach area in between the two buildings. And you see Illinois Street there in the background. Next slide, please.

We, of course, always have our strategic plan in mind when we pursue development opportunities such as this. So I won't read these. This is another slide that you've seen before. But these are the four goals that we believe that rehabilitation and reuse of these two buildings would be in furtherance of. Next slide, please.

Just a reminder about, you know, what these buildings are -- Building 49 on the left of this page -- it includes about 8,000 square feet on one level. The Port does have a project that is ongoing currently or underway currently at Building 49 to deliver some core-and-shell improvements including some public restrooms within that building.

Just a note that, on the occupancy limit, the current occupancy limit of the building is 100 persons. The uses for Building 49 that were envisioned as part of the RFP include human-powered boating or water recreation, food and beverage and just general park-serving including the bathrooms that I mentioned.

The Kneass Building is the larger of the two buildings. It's approximately 13,500 square feet over two levels. It's in poor-and-deteriorated condition. And the uses envisioned there are community-serving facilities, potential food and beverage there as well, event space and general office. Next slide, please.

This is an overview of the process. Rebecca just sort of talked about the fact that this RFP was issued in accordance with the draft waterfront plan process for RFPs -- very important to us all, I think, that it's a competitive process and a fair process.

And then, this one had an interesting feature, which was some optionality. So respondents could propose for one of the buildings or the other or both, although we did not receive any proposals for both buildings.

The goals of the RFP really fall into three categories: to provide park-serving uses, so the restrooms as well as the personal watercraft, human-powered boating, storage and sales, food and beverage; and then community-serving uses broadly speaking; and then a third category -- you know, we hoped to see some economic benefits to the Port, in particular obviously, investment in these Port assets, these two buildings, which would be significant, and then for the operator to assume the maintenance and repair and operations of the building and then hopefully at least some amount of rent. Next slide, please.

So the scoring panel -- we had five members of the panel. I want to give them recognition. So I'll read their names. We had Ben Botkin, Jennifer Gee, Patricia Fonseca, Karen Pierce and Marc Slutskin. Their professional affiliations are listed there. I won't read them but just to say that they brought a diversity of life experiences and professional experiences and expertise.

They were very professional, very conscientious. And they all care deeply about the San Francisco waterfront and the Port and really did a great job. And I really want to thank them for their service.

On the right side of this slide talks about the process starting with when we received the responses, which was back on June 9th, and then going through reviewing the proposals, scoring the written submittals and then finally interviews with the respondents, which took place on August 9th and 10th so about a two-month process to go from receiving the proposals to completing the interviews and the scoring process. Next slide, please.

So for Building 49, we received two proposals, both of which met the minimum qualifications per the RFP. One was from the YMCA of San Francisco, which has partnered with Dogpatch Paddle as well as Daily Driver.

The other was from Ted Choi, who is the owner/operator of City Kayak, which is an existing Port tenant located at Pier 40. The photos on this slide - - you have two sort of views of Building 49. The upper one, I think, is more recent. You can see some of the new openings there that are part of the work that's ongoing currently, the Port work.

So that's a view looking to the north. You see sort of the north side of Crane Cove Park there. And then, the lower image shows the north side of the building so looking south from the beach area. Next slide, please.

So the YMCA of San Francisco -- their vision is a community hub focused on human-powered watercraft, local food concessions, diverse-and-inclusive programming, targeted retail and educational programs.

The public or park-serving uses included in their proposal was: the aquatic center, which will be operated by Dogpatch Paddle; the public restrooms, which I mentioned; and then the food provided by Daily Driver, which as you may know has an outpost in the Ferry Building as well as -- I think their flagship is on Third Street near the Park, Third and 20th, I believe.

They also have a wellness center in their proposal operated by the YMCA. And they envision approximately a \$6 million in the building on top of the Port's investment in the building, which is, I believe, in the \$2 million range. Next slide, please.

The other proposal -- the one by Ted Choi doing business as City Kayak -- he envisions to rename the building the Paul Nixon Building in honor of the late Paul Nixon, who is well known to many of us at the Port as being a champion of human-powered boating on the San Francisco Bay.

So he also envisions: an aquatic center, basically an expansion of his City Kayak business; the restrooms; and some community events and programming within the building and perhaps some other revenue-generating uses to be determined.

And his approach was a much lighter touch in terms of the investment with an initial investment of \$80,000, which is within the realm of viable given the Port work that is ongoing. Next slide, please.

And here, you have the scores -- the results of the scoring. The table shows the City Kayak score on the left and the YMCA scores on the second column. The written proposals in aggregate were worth 500 points.

So they were 100 points each for each of the five panelists. The oral interviews were worth 30 points per panelist or 150 points total. So all together, 650 points were available. And you see City Kayak score of 347 out of the 650, YMCA of 462 so a pretty large difference of 115 points separating the two.

And so for next steps -- again, Rebecca mentioned that we will be going to the Southern Advisory Committee. We're still trying to firm up a date. But we expect that to be in early October. And then, we expect to be back to the commission seeking your approval to begin negotiations with the YMCA probably the October 22nd meeting. But again, we haven't finalized that quite yet, that date. Next slide, please.

For the Kneass Building, we also had two responses, also both meeting the minimum qualifications. One was from a community nonprofit known as the Friends of Dogpatch Hub and the other, a commercial construction-and-development firm called Premier Structures. Next slide, please.

The Friends of Dogpatch Hub envisions a publicly accessible neighborhood facility called the Dogpatch Hub that will offer access for all to an array of community services and programs that will be offered daily free or below cost.

So you see a list of the various types of programming that they envision there. They also included some revenue-generating uses to support their community programming so about 4,000 square feet of commercial office and about 1,500-square-foot restaurant or café. They estimate project costs at just over \$10 million. Next slide, please.

The Premier Structures proposal is essentially a commercial project consisting primarily of class-A office space with some community-gathering space and also casual dining restaurant/café. And you see some of their ideas for community serving uses within the facility.

But primarily, they're looking at revenue-generating uses to support the investment and the ongoing cost of operating the building so approximately 11,500 square feet of commercial office and 1,700 square feet restaurant/café and their projected cost of approximately \$16 million. Next slide, please.

And here, you have the scores for the Kneass Building, Friends of Dogpatch Hub on the left, Premier Structures on the right. This one was extremely close, in fact one point separating the two proposals, which was interesting given the very different approaches that they took in highlighting sort of the - - they each had various strengths and weaknesses.

But in aggregate, they came out very close. And again, we will be discussing the Kneass Building and the proposals received with the Southern Advisory Committee in that upcoming early-October meeting. Next slide, please.

Just wanted to provide a reminder about this RFP -- a couple of reminders about the RFP process. One is just that the way it's set up is that it requires the Port to either select the highest-scoring respondent or to essentially reject all or cancel the RFP for each building.

We also, as part of the RFP process that Becca mentioned, we like to invite the proposers to the Port Commission informational meeting. So that's

today's meeting. We did invite the respondents to Building 49 since we anticipate a recommendation for that building.

And the YMCA, which is the group that we are prepared to move forward with a recommendation, they will be presenting today. Ted Choi declined our invitation. Next slide, please.

So with that, I will invite the president of the YMCA of San Francisco, Jamie Bruning-Miles, and his team to take over from here. And then, I will wrap up at the end. Thank you. Jamie?

Jamie Bruning-Miles – Thank you, Jamie. Good afternoon, President Brandon and fellow commissioners. I want to start by recognizing the Port of San Francisco's staff and commission for this thoughtful design process and provide an opportunity to present our vision for Building 49. So on behalf of the entire team, thank you. Next slide, please.

My name is Jamie Bruning-Miles, president and CEO of the YMCA San Francisco. With me today is: Takija Gardner, YMCA San Francisco VP of social impact and government relations; also Rachel Del Monte, YMCA San Francisco VP of membership experience.

With us is Adam Zolot, Dogpatch Paddle Club owner, instrumental to the current activation at Crane Cove Park and a local Dogpatch resident. Not present but essential to the community engagement of this project is Daily Driver, Tamara Hicks, a female-led business providing community-oriented food and beverage destination. Next slide.

Takija Gardner – In response to the Port of San Francisco's request for proposal, the YMCA of San Francisco developed a unique service partnership with Dogpatch Paddle to provide a community-focused approach that will allow us to offer a life-changing, accessible activation of Building 49.

Our goal is to convert this facility into a community hub focused on human-powered watercraft, integrated fitness and wellness programming teaching environmental stewardship with target retail to enhance the community experience [diverse] and inclusive by design with an additional ecological stewardship component in the building design, leveraging the unique access to the Bay. Next slide, please.

Our vision will enhance the YMCA of San Francisco's mission to build strong kids, strong families and strong communities in collaboration with Daily Driver and Dogpatch Paddle. Our goal is to bridge communities in San Francisco using this powerful location to expand access to all and intentionally serve underserved populations. Next slide, please.

The powerful partnership we are bringing to Crane Cove Park will leverage each organization's expertise to focus on conservation and uplifting this fantastic new community resource, Crane Cove Park.

An example of this is really using the over 120 years of the Y's experience around water safety and combining with a community-based human-powered watercraft organization to ensure all now have the skills to enjoy Crane Cove Park.

By combining expertise, we will work together to ensure Crane Cove Park reaches its most significant potential on behalf of all that we live in the Bay Area and beyond. Next slide, please.

Adam Zolot – At the heart of our proposal is a vision borne directly from the community. To coincide with the opening of Crane Cove, I started a club with no other intention than to help people enjoy the recreational use of the waterfront in a safe manner.

A long-standing resident of Dogpatch and a former adventure operator, I paddled these waters extensively for years and know both the dangers and pure joy of exploring our Bay wilderness. Dogpatch Paddle Club now represents nearly 1,000 community voices.

This spring, in response to compelling calls from our members, we began offering commercial services including rentals, lessons, storage and youth programs. Our youth camp swiftly sold out with over 300 children attending spring break and summer camps based in Crane Cove this year.

Our weekend lessons are regularly booked up. And we train hundreds of our neighbors to enjoy the water safely. There was so much positive support and with a lack of nearby retail, we opened a temporary storefront on 18th Street.

The Dogpatch Paddle Shop, which is across the street from the park, bustles with patrons picking up provisions and purchasing equipment. For our proposal, we surveyed the community on their desires for Building 49 and received around 600 responses.

Our plan represents their interests. And I'm merely a vessel for the will of the community and am overwhelmed by their support. The partnership between YMCA of San Francisco and Dogpatch Paddle is a game changer for Building 49.

By offering combined memberships, we can provide a holistic approach to fitness and wellness with an aquatic slant. But most importantly, we believe

the YMCA's mission will enable us to create programming to bring underserved communities to the waterfront and ensure that the use of Crane Cove Park will be diverse, equitable and inclusive.

On day one, Dogpatch Paddle will move all of our existing operations across the street and will scale it for the larger facility. Together, with the history and mission of the YMCA, we are ready to hit the ground running. Next slide, please.

Rachel Del Monte – YMCA believes that wellness is for everyone. And our membership model aligns with that vision. Over 25 percent of our members receive subsidy for their gym memberships. The YMCA also sells day pass for gym use. And YMCA membership is reciprocal across the country.

Partnerships with UCSF, Department of Public Health, the Department of Aging and Adult Services as well as philanthropic partnership with groups like Google, [MEDA fund] and Associate Capital allow the Y to say with confidence that no one is turned away for an inability to pay.

Both Dogpatch Paddle and the YMCA are dedicated to serving young people and creating opportunities for healthy living. Our proposal keeps access to the waterfront central to our plan. We believe all young people growing up in San Francisco should be able to swim safely and recreate on the waterfront.

Programs like the Y's safety around water week provide free swimming lessons to hundreds of kids each year while Dogpatch Paddle summer camps provide skill building and fun while learning about environmental stewardship.

This collaboration between the Y and Dogpatch Paddle will provide the opportunity for children of all ages to explore the waterfront. We see the activation of Building 49 as a central hub for the neighborhood, a gathering space for local organizations and a wellness space for all.

Wellness programs like our Empowered program for paraplegic athletes and Live Strong Live Well for those recovering from cancer will be led out of Building 49. Teens, families and seniors will be invited to Crane Cove Live for free wellness and outdoor engagement programming. Next slide, please.

The YMCA of San Francisco is committed to becoming an antiracist organization aligned with the Port of San Francisco's equity goals. YMCA of San Francisco has significant experience providing culturally relevant community programs to diverse communities and neighborhoods of San Francisco and throughout the Bay Area.

Through culturally, linguistically and gender-responsive practices, we ensure that people who have been historically impacted by structural inequality will have access and a voice in this project. The YMCA of San Francisco's holistic approach to service is guided by the principle that any door is the right door. Next slide, please.

On behalf of the YMCA, Dogpatch Paddle and Daily Driver, we want to thank the Port Commission and staff team. We believe our proposal will support the long-term health and wellness of the Dogpatch neighborhood and the greater Bay Area. We look forward to providing programming to meet the emerging needs of this unique neighborhood. Thank you.

Jamie Hurley – Thank you, Rachel and team. If I could get the next slide, please, which I believe is the last slide of this presentation -- so I wanted to just come back to what the next steps would be and the future actions for the commission.

So for Because 49, we want to thank both of our two respondents. We believe they were both viable responses. Obviously, we have a pretty clear winner here with the YMCA San Francisco. So next steps for Building 49, obviously we're here today to hear your feedback and to hear from the public.

Again, we will be going to the Southern Advisory Committee with these scoring results. And then, we expect to return to the commission with a recommendation probably at that second October meeting.

For the Kneass Building, as I mentioned, two very different approaches. We also very much appreciate the two proposals that we received. The scoring was incredibly close, could not have been closer.

And for this building, in addition to hearing your feedback and hearing from the public today and hearing more from the Southern Advisory Committee, we're going to need to take some time to consider our options here, as we don't have a clear recommendation coming out of this scoring process. And that concludes my presentation, look forward to your comments and questions. Thank you.

Public Comment on Item 12A:

Charles Collins – Hello. My name is Charles Collins. And I, along with Roselyne Swig, are the conveners of the Bayview Alliance. We're a group of concerned organizations and individuals that have been meeting regularly for over a decade.

We focus on supporting the positive development and evolution of the Bayview, Dogpatch and that area of San Francisco that we call the southeast part with strong values that recognize the history and legacies of the Bayview-Hunters Point community.

We foster actions that ensure healthy and vibrant futures to all residents. Our areas of focus include education and youth development, health and wellness, human services, employment, economic and business development, arts and culture, climate action, environmental justice, development, housing and infrastructure.

Building 49 in Crane Cove Park has a unique opportunity to activate all of the above areas of core involvement of the Bayview Alliance. Equity and opportunity underlie all of our values and the areas of our work.

In particular, we support and value the Port of San Francisco's vision of a shared waterfront where all are welcome, and all barriers of access are addressed and eliminated. As we are vitally committed to equitable access, please call on us to bring the members of the Bayview Alliance into the process of ensuring that all parts of the community feel welcome and engaged at Crane Cove Park, especially in light of our areas of focus.

We want to commend your process and comment the YMCA, Daily Driver and Dogpatch Paddle for the excellent proposal that they have brought forward in service of our community. Thank you very much.

[Sarah King] – Thank you for the opportunity to speak in support of the Y's proposal for Building 49. My name is Sarah King. And I'm a 27-year resident of San Francisco and a 17-year resident of Potrero Hill.

The opening of Crane Cove Park has been transformative for this side of the city in large part because of the grassroots work that Adam Zolot and Dogpatch Paddle have been doing to activate the space.

I personally always had an interest in getting out on the water but not the experience or connection. It was a tad overwhelming, to be honest. My gateway to the Bay was Dogpatch Paddle's group paddle lesson.

Since that first lesson about eight months ago, I've taken advantage of all of the offerings that Dogpatch Paddle has made available. My daughter and her friends, who are all SFUSD middle schoolers, participated in the summer camp, which was a lifesaver for me.

Stand-up paddleboarding has become my daughter's favorite way to be active. And I plan to sign her up for the after-school program Dogpatch Paddle is offering. I, myself, have gotten groups of neighborhood friends out

on the water together more easily because we were able to rent boards right there.

My husband even purchased a kayak from Adam. And it was great to be able to shop locally. Previously, we had to go to Oakland for our kayaking needs. Finally, my parents were in town recently. And being able to rent the tandem allowed us to get three generations out on the Bay together.

If you think about the strength of the community that Adam and his team have built to date with his own time and energy and chutzpah, just think what he, in partnership with the Y, could do with Building 49 to extend their reach and impact. Thank you so much.

Paul Osmundson – Good afternoon, commissioners, President Brandon, Vice President Adams, commissioners. This is Paul Osmundson with Premier Structures. We're one of the submitters for the Kneass Building. We just wanted to take the opportunity to thank you for the chance to submit a proposal.

We're very eager to work with the Port staff and the Southern Waterfront Advisory Group to come up with a proposal that meets all of the Port's objectives. We look forward to continuing to work with you in the future. Thank you.

Terry Heffernan – Okay. Thank you. My name is Terry Heffernan. And I am the owner of Dogpatch Studios, an event space and production facility in the Dogpatch for the last 21 years. And I'm calling to support the Crane Cove Park [Kenasis] project that is being put together by Premier Structures.

I've seen their work. I know their level of taste and quality and ability to get things done. And I believe that they'll take the roots that exist in that beautiful industrial building and create a multi-use structure that will be a positive for the community and certainly for business in that area and, eventually, for the coffers of the city.

So they get things done. And they do it with incredible taste. So I definitely support this project and appreciate the opportunity to give you my opinion. Thank you very much.

J.R. Eppler – Good afternoon, commissioners. My name is J.R. Eppler. I am president of the Potrero Boosters Neighborhood Association and a member of the Board of Friends at the Dogpatch Hub. I will speak briefly on the Dogpatch Hub aspect of this.

We greatly respect the Port's process in this. And we look forward to the Port being able to create an opportunity at the Kneass Building that meets

all of the Port's needs and not just those that were reflected by the two offerings that were put forth in this RFP process.

I want to speak though on the main issue at hand today. And that is in support of the YMCA's proposal at Building 49. I think what you see there is a proposal that meets the needs, as decided by the Port, and provides a great amount of amenity to the community, a community that is in very, very dire need of additional community facilities and places for its growing community to congregate.

So I look forward to seeing that proposal work forward and offer them our fullest support. Thank you.

Geoffrey Johnson – Okay. Thank you. Good afternoon, Port commissioners. My name is Geoffrey Johnson. And I am a community relations manager with Luster National. And I look forward to partnering with Premier Structures on this great Kneass Building project.

We have the experience of working in diverse communities and understand equity is central in bringing the unheard and unrepresented voices to the table for project success. Luster National's founder, Robert Luster -- his mother and father, Orville and Joy Luster, were at the forefront of civil rights movement in San Francisco back in the '60s.

So you know, they are very -- we are very into equity and bringing everybody to the table. We understand that some of the most important tools in the community-engagement toolbox are humility and listening.

By listening to the community stakeholders, we can learn and understand the Dogpatch community story and history. This understanding will better equip our team to partner with community stakeholders to create a space that will become a community benefit for generations to come. Thank you.

[Ryan Lee] – Hello. My name is Ryan Lee. I am a San Francisco native and current city resident. I'm also a member of the Premier Structures design team proposal for the adaptive reuse, rehabilitation, lease and operations of the Kneass Building.

In keeping with the Port's objectives to attract a diversity of uses and people, to enhance park activities, to deliver rehabilitated and resilient Port structures and lastly to provide a strong financing plan, the design proposal put forth prioritizes these goals while also seamlessly integrating into the design of the newly renovated and highly successful Crane Cove Park.

It's really exciting to see the amount of development occurring along San Francisco's eastern waterfront, which is opening up access to [edges of the]

city that, throughout my lifetime, have been previously cut off to the public. And this site is no exception.

With that in mind, the public-facing amenities, as part of this project proposal, are a great value-add to the Kneass Building at this location. Being able to take in unobstructed views of the [unintelligible] waterfront from an elevated vantage point while also being provided a glimpse into the history of the site's past enriches Crane Cove Park's potential as a public-serving outdoor amenity.

San Francisco needs more types of these opportunities and well-designed, public-engaging projects that provide the Port financial flexibility to replicate these [instances] is the path forward. Thank you and appreciate you all for your time.

[Jeff Carter] – Yes. Good afternoon. Thank you for the opportunity to speak. My name is Jeff Carter. I am a former employee of Bethlehem Shipyard and the BAE Shipyard, worked there forever, now working for the Port at the shipyard.

I just very much appreciate all the efforts that the Port has made with the Crane Cove Park area and for this project at Building 49. Forty-nine used to be a garage where they repaired Bethlehem vehicles, etcetera.

And the ways were quite interesting where they built barges. I was involved with building barges and seeing all that. And the area has come a very long way since Bethlehem and the shipyard has left. The value to the community, I think, is great.

Crane Cove Park -- I really enjoy seeing it be used by kayakers and children. I think it's very beneficial. I like to see the history be preserved and like the signs and stuff so very much appreciate everything that the Port is doing here. And the YMCA Building 49 proposal looks very good. Thank you.

Commissioners' Discussion on Item 12A:

Commissioner Woo Ho – Yes. Thank you, President Brandon. Thank you, Jamie, for this excellent report on these proposals. I think that the Building 49 -- it's pretty clear in terms of where we're headed with that with the YMCA and very supportive and appreciate the presentation from the YMCA in conjunction with their local partner, Dogpatch Paddle.

I think it makes a lot of sense. It's very much in line with all of our thoughts about the community equity and activating the waterfront. I guess mainly

what you're probably looking for is direction on how to settle the very close scoring on the Kneass Building.

I think that some impressions that I have which were not necessarily in the staff report as well in order to make a better determination of what proposal to accept going forward -- obviously, one is a little bit more commercially oriented and has more commercial space. The other has more community space and benefits.

I think that -- and a difference in investment. And also, what's not in the proposal yet is for us to understand, I guess, the economic value. I guess there were some numbers in the staff report that there is some rent paid, I guess, by Premier Structures.

But the other, I think, is -- because it's a nonprofit organization -- is basically looking to use the facility mostly for community purposes. I think we need to have some sort of economic evaluation of the two proposals to help us understand how to line them up against each other.

They are very different. I guess I obviously would probably have a little bit of a bias in terms of hoping that the Port can generate some return though we do want to achieve some of the community benefits that was envisioned when we put this out to bid to begin with.

So my sense is that I think we need more information on the Kneass Building. And what we have right now -- difficult to understand the economics going forward for the Port. And I think that it's a question of, are you going to vote for more community benefits in the space?

And the only question I have -- I'm not against community benefits. I think they're terrific -- is the demand for all of the building for community benefits versus the other where there is some community benefits provided. But there would be also other uses that could be easier to predict in terms of their usage going forward.

So those would be my basic comments in terms of direction going forward because I think what you need now is direction of what to do with the Kneass Building.

Rebecca Benassini – President Brandon, may I make a clarification?

President Brandon – Yes.

Rebecca Benassini – Thank you. Thank you so much, Commissioner Woo Ho. We wanted to maybe make your direction a little bit easier. The way the

RFP process is set up is we can only select the top scorer from each of the panelists' recommendations.

So the choice -- not now but in the future -- will be select the top scorer, which was Premier Structures or, because of the closeness of the scores -- and they were really on opposite ends of the spectrum, as you were noting.

One scored very highly on financial feasibility and capacity to deliver the project. The other scored very high on community benefits and delivery of community activation and programming. At that point, we could choose not to select the higher score, which was winning by one point, and potentially reissue an RFP or do something else.

So luckily, we won't have to make that sort of a direction that you're pointing at. I also wanted to note that some of the dollars are shown on table two of the staff report. So just to summarize, Friends of the Dogpatch wasn't able to provide a base rent.

The Premier Structures response did provide a \$60,000-per-year base rent. And the investments were very different. Dogpatch was about \$10 million in the building. It's a very expensive building. Premier Structures was about \$15.8 million. Those are the little bits of financial information we do have at this point.

Commissioner Woo Ho – Yes. I saw that.

Rebecca Benassini – I think Director Forbes might want to weigh in as well.

Commissioner Woo Ho – Let me ask you, Rebecca -- I mean, it does mention somewhere in the staff report that Premier Structures, obviously being a commercial entity, sort of knows where their funding and their equity partners would be.

And Friends of Dogpatch -- do you know whether they have the funding in place for \$10 million now? Or would they have to go and fundraise?

Rebecca Benassini – Jamie, correct me if I'm wrong. But I'm looking at the table. And it looks as though they have in hand about \$4.2 million of the \$10 million. And they have other potential sources at \$5.9 million, which I think are other potential commitments or other fundraising they would do whereas the Premier Structures has an equity partner on the other side.

Jamie Hurley – Correct.

Director Forbes – President Brandon, may I add a comment?

President Brandon – Please.

Director Forbes – Thank you. And to Commissioner Woo Ho in terms of responding to some of your questions, staff is presenting results, and you've said very clearly for 49 where there is a clear winner. And for Kneass, we're in an unusual circumstance.

We had two proposers, one who is very strong in one aspect of the scoring and the qualifications or criteria we used to meet our values for this development. And one was really strong in exactly the opposite direction.

Neither were very high scoring. And they were a point apart. So we're looking for direction of how to -- what to do in this situation. And it's a great dialogue about how this response went. They were both, you know, very well-thought-through proposals. But neither of them presented the whole picture for what we were seeking in that RFP.

Commissioner Woo Ho – Okay. Well, what you're telling me is a little bit different from what I heard. I mean, you're saying that there are gaps in even -- in terms of -- that's why they didn't score as high. So are you suggesting that we would be better off to reissue the RFPs and get more complete information?

Director Forbes – We may, in fact, land on that recommendation. Our idea today is really to hear from the public and to hear your input and advice to us on next steps. So we would consider all of that coming out of today and then make a staff recommendation.

Commissioner Woo Ho – Okay. I don't know how much the financial viability was in the whole scoring process or whatever and what was asked of the respondents. But you would know, coming from my vantage point and usually my point of view, I would think that that would be something that we need to know more about.

And we need to know because somebody could score very well on the benefits. But if they can't execute, that's a problem. As much as we like the benefits, if they can't execute or make the project viable and -- or not return anything to the Port, then I think that's something we have to understand.

But it seems like that's a gap of information right now. So I don't want to jump to any conclusions whereas the other one is a little bit more -- you can imagine because there's more square footage for commercial usage. You can imagine and project that there's probably some revenue coming in that you would somehow sort out, as we normally do, in some of other development agreements.

Director Forbes – Yes. And just to comment for the team, I think what would be useful for us when we come back with a staff recommendation is to point out some of the analysis. It's embedded in the scoring. And staff understand it very well.

The ultimate one-point winner had a much stronger financial package and scored much higher on the financial aspects and, as you've already noted, some of those dynamics whereas the not-for-profit respondent scored much better in the public-benefit section of the proposal.

And staff has that analysis as well as the analysis specifically of the financials, which we can show you when we provide our recommendation next time.

Commissioner Woo Ho – Okay. And the other --

Director Forbes – Or the time after it if it takes us that amount of time.

Commissioner Woo Ho – Right. I think -- and I just mentioned one other thing, which is not only, I mean, in terms of the difference of content and financial sort of resources, I think ability to execute and their ability to handle a project of this size -- I don't know what the scale of their current operations are.

But I think we need to understand, do they have the ability to execute, not only get the funding but the ability to actually put it together in total? And there is a lot of -- I saw some great ideas in terms of what they want to do on the community-benefit side.

There's also a question of, will all of the community benefits be exactly what -- will there be usage? I mean, nobody is going to argue that daycare, afterschool daycare -- all these things are all good things that the community needs.

But if it all ends up being so much in that bucket and there just isn't enough usage or they can't really execute very well -- and I'm not -- I mean, I don't know the organization. So if anybody from that organization is listening in, I just do not understand.

And that has not been presented as part of the profile here to give us confidence. But at this point, I don't know. It's not an organization that we have a lot of knowledge about. But the ability to execute is as important as far as what you want to do as well as the financial resources to pull it off.

Director Forbes – Thank you, Commissioner Woo Ho. A couple more items to clarify for your and others' benefit, this process that we went through --

the only option for the Port Commission is to award to Premier Structures because they were the highest-scoring respondent.

So when we come back with our recommendation coming out of today's meeting about whether we would recommend an award or recommend a cancellation of the RFP and to start again, we will go out again.

So either entity may be potentially submitting on a future proposal. So we will provide you the information we got from our responses with the thought and help and guidance from our city attorney that we may have a future competition between these respondents with a new RFP.

So we just have to do some due diligence. And we have the expertise in house and the creativity to figure out how to answer the questions as completely as we can while providing a fair and competitive opportunity the next time around should that be the route we take.

Commissioner Woo Ho – Okay. I'll yield the baton.

President Brandon – Thank you. Commissioner Burton?

Commissioner Burton – First of all, I'm confused. I think we're talking about basically one project, two different selections. One clearly has community benefit, everything right. That's it. Then, we have the other one that's in a photo finish whether money counts or community counts.

I'm probably the only one here that spent time in Dogpatch when it was a derisional term for a rundown neighborhood. Now, it's fashionable Dogpatch. I have seen the Hunters Point community in the name of profit drive poor people out without a thought.

This, in my mind -- and I'm looking at the second thing that's got some dispute, not the first. It's a photo finish. This is public land. This is the people's land. And I think that it should go more on where it goes.

And I saw that probably one of the few people except the chair and others who even know who the hell Orville Luster was. I knew Orville Luster and worked with him with -- I can't remember the name [now so] -- the project for youth.

And the headquarters used to be on 15th and Kissling Street. So I know the community. And I know that, in the way this was presented to us, there was one parcel that there's no dispute as to how it should go.

And we spent a lot of time on that running back and forth. We have one project that was almost a photo finish. And we still don't know about whether

their economics are accurate. We're not sure whether the community [one] can fit it. And it was very confusing to me as a Port commissioner.

We should have dealt with the first one up and down, then the second one if there's a problem. And there seem to be great problems because I've seen the community go for for-profit. And this is rich. And this is just -- and where the people get screwed, and the community gets screwed. And somebody walks away with money.

And I have one question for the YMCA people. Where is the summer camp? Is it Camp Jones Gulch? Camp McCoy? Where is your summer camp now? I'm an old Y boy. I even know the YMCA hymn. So we're talking about -- and I went through it when it was in the Tenderloin. But where are these camps that the kids from the community will go to?

Jamie Bruning-Miles – Well, there's camps all over the city. So thank you for that, commissioner. You're asking resident camp. It's Camp Jones Gulch and also Point Bonita, which is another place that we actually rent from the federal p -- GGNRA. [crosstalk]

Commissioner Burton – Camp Jones Gulch was a [unintelligible] [Waziyatah] girl. I can sing that one too. I'm a ragger from Camp Jones Gulch.

Jamie Bruning-Miles – I know raggery. Thank you, sir.

Commissioner Gilman – Thank you for this report. I want to echo my fellow commissioners. And congratulations to the YMCA and [paddleboard] for Building 49. On the Kneass Building, I actually want to echo Commissioner Burton's thoughts.

I understand that there's flaws in both applications, that the commercial use, the for-profit use scored one point higher. The way I looked at it in the staff report, it was based on their balance sheet and their financial capabilities.

But I would like to see community-serving benefits at both these sites is sort of my point of view on this. I know that we're not making the decision today, that we'll see staff recommendations. And we have a right, as a commission, to reject it and reissue the RFP.

But I would like to see, you know, a merging of concept. Dogpatch and the southeast waterfront for a long time has been neglected, as Commissioner Burton referenced. And I think it's important for both these sites, you know, on this park to have uses that a community embraces.

And while I think there are questions on execution and financial feasibility, the fact that the Dogpatch Hub has been able to raise the amount of funds they have, I think hopefully we can figure out a way where these uses can either come together or can merge.

Or we can look at a new proposal that has more community benefits attached to it. It's striking how different the proposals are. And I understand the predicament it puts staff in. So those are my comments. Congratulations again on Building 49. It's going to be an incredible use. I look forward to seeing it in operation.

Vice President Adams – Yeah. On Building 49, that's a good thing. I've always been a big fan of the YMCA. My favorite actor, Denzel Washington, is the spokesperson for the YMCA. And it helped him as a young man back in his young days to get -- and become a fantastic actor going to the YMCA and just build his character.

You know, my fellow commissioners all have said different things that I agree with starting with Commissioner Woo Ho. And then, of course, Senator Burton brought it on home because he goes back. He has the historical knowledge and can remember.

And he was right about Dogpatch back in the day. And then, of course, I know President Brandon lives back Hunters Point. So I kind of am at a crossroads in my thinking on this project. I'm not all the way there yet.

If we had to start all over, I would like to see a balance. But right now, I'll just be honest. I'm just not there. I would like to see something that would benefit both. But maybe the way this process was done -- I'm just still not sure. So that's my comments, Madam Chairman.

President Brandon – Thank you. Again, Jamie and Rebecca, thank you so much for the presentation. Thank you for all the work that went into both of these groups and recommendations or the recommendation on one. I really want to thank the Y for entering a proposal for this site.

I had the pleasure of meeting Jamie a couple months ago at the Giants groundbreaking. So I know he's out there engaged in the community and raising money. And I had the pleasure of working with Takija when I served on the board of Bayview Y.

So I know, with her involvement in this effort, that we will really bring a lot of diverse access to the community. And I just love the sound of Crane Cove Y. And it's also great to hear that Charles Collins, the former president and CEO, is still engaged in the community and making it a better place.

And you guys have a wonderful team. And I'm so happy with the presentation and what you're proposing and what assets you will bring to Crane Cove Park. Now, regarding --

Jamie Bruning-Miles – Thank you, President Brandon.

President Brandon – No problem. Now, for the Kneass Building, you know, it's like, if we merged the two, it would be the perfect response because whatever happens there, as with the Y, it has to have a community aspect. It has to be community serving.

So yes, we do want some kind of financial return. Yes, we do want an investment. But yet, we do need the community component. So the perfect response would have been a little bit of both. So I'm not sure how it's going to look moving forward or how you're going to come back.

But when you come back, if you come back with a recommendation one over the other when they do their presentations, maybe you will understand that recommendation. But it seems like the way it looks now neither one is really giving us what we're looking for.

So it'll be very interesting to hear what the Southern Advisory Committee's thoughts are. And we look forward to you guys coming back. But we're really excited about Building 49. So thank you so much for the presentation. So when are you guys going to come back with that for approval?

Jamie Hurley – So I think, as I mentioned in the presentation, we're still trying to nail down the Southern Advisory Committee meeting. It's going to have to be a special meeting because they're pretty booked up in their upcoming regular meetings.

But I think we're looking at the first two weeks of October, which I think pushes us out until that second October meeting of the Port Commission. I think we want to make sure that we've got, you know, meaningful time and space to hear from the committee and to sort of collect our thoughts as well, digest your comments today, which we very much appreciate.

And then, we'll look to come back to you hopefully at that second October meeting. If I may, I just want to take an opportunity. I was remiss in not mentioning Stephanie Tang. She is the Port's contracts and procurement manager.

And she's the person who ran the RFP process in terms of, you know, the scoring panel and all that. And I just think she did a wonderful job. She ran a very clean process. She was very conscientious.

I think all of the panelists really appreciated her work. And I certainly did. And I think the respondents did as well. So I wanted to mention her as well as our deputy city attorney, Rona Sandler, serving tonight, I believe, as general counsel to this meeting.

She's been extremely helpful working through these somewhat thorny issues, I would say, and then the whole team, Rebecca, now [Josh Keen] who is with us now. So I think we've got a good team, and we look forward to coming back with some good ideas, I hope.

President Brandon – Thank you to the entire team. So the second meeting in October, if you're able to have the SAC meeting in early October, you will come back with a recommendation for both? Is that the --

Rebecca Benassini – If it all possible -- we are happy we have the time to think through the comments you've provided and the options on the Kneass Building.

President Brandon – Great. Okay. Thank you so much. We really appreciate the presentation.

Jamie Hurley – Thanks a lot.

President Brandon – Thank you to the Y and to Dogpatch Paddle and Daily Driver -- great team. Thank you.

13. MARITIME

- A. Informational presentation on a proposal for a 2-year lease with rent credits between the Port of San Francisco and Silverado Contractors, Inc. for a vacant area of the Port's Pier 70 Shipyard.

Brendan O'Meara – Good evening, commissioners. Looks like it just hit 5:00, so we're into evening, past afternoon. Good evening. Brendan O'Meara from the maritime division here for an informational presentation on a proposal to lease a vacant area of the shipyard, which includes tenant improvements and rent credits as well as activating the space for maritime industrial operations. Next slide, please.

As a quick piece of background on the Pier 70 shipyard, staff took over management of the facility in May of 2019. We have some interim leases to generate revenue with a couple examples shown here, one being an auto dealership using it for storage.

We try to have consistent vessel labor [there] and other maritime industrial short-term activities. The commission was given an update on the shipyard

earlier this year by maritime director, Andre Coleman, as well as touched on during his maritime portfolio update.

In that presentation, it included the near and long-term objectives for the shipyard, which are to have a maritime-focused leasing strategy and explore opportunities with maritime stakeholders with the hope to find potential uses that would reactivate the shipyard for maritime industrial operations.

One of the many stakeholders Port staff engaged with was Silverado Contractors who brought to staff a proposal to lease and activate a currently unused and vacant area of the shipyard. Next slide, please.

For some background on Silverado Contractors, they are a marine construction and demolition company that operates throughout the Bay Area and some parts of L.A. Long Beach. Silverado is a current Port tenant in good standing.

And they have worked on several Port projects including the Pier 45 fire cleanup, which is pictured here, as well as the Pier 52 trestle removal. Silverado's proposal includes activating a boat ramp at the shipyard for small watercraft removal and disposal operations. Next slide, please.

Now, let's take a look at the area we are discussing for the proposal. This is a great aerial shot of the west side of the shipyard, picture from the north looking to the south. And just to get our bearings, obviously the last presentation got us very familiar with Crane Cove Park.

And you can see the not complete yet in this photo but almost complete Crane Cove Park on the right side of the photo. The shipyard is a big place. The approximate area Silverado is proposing to use is the area in the green square, which we will take a closer look at in a couple slides after we get into some of the deal terms, which are on the next slide, please.

So the base proposal would be -- we have been calling this Silverado shipyard pilot program because it is very much a pilot program. And Silverado is hoping to use this lease to explore new maritime business operation at the shipyard of small watercraft removal and disposal.

Silverado is proposing to lease an approximate 51,000-square-foot vacant area of the shipyard that has five different parcel types including paved land, unpaved land, submerged land and a non-exclusive use of a boat ramp.

It would be for a two-year term and would include tenant improvements that were estimated to be approximately \$400,000 in value mainly consisting of the removal and disposal of large pieces of debris including large pieces of

concrete, rotted wood from a former pier apron area and disposal of an abandoned derelict barge left behind from shipyard operations.

The estimated values of this work came from Port engineering and a third-party contractor. Silverado would receive up to \$309,000 in rent credits for the improvements. The rent credits were calculated using parameter rents and are based on performance of these improvements. Next slide, please.

Now, looking at the deal structure a little closer, the top graph here shows the five different parcels and their parameter rates. The rates for the area and the deal structure was something staff took some time to work through as the area is not currently in leasable condition without the proposed improvements by Silverado.

And the boat ramp is not and has not been in operational use in its current state for a long time. We used parameter rates for each of the parcels assuming they were in leasable condition. The bottom graph gives you what monthly parameter would be if we leased it as well as annual rent for the entire area, which would be \$161,000.

The total parameter rent for a two-year term if it was leasable space would be \$323,000. The last three columns at the bottom show the \$400,000 estimated value of improvements and the total available rent credits of \$309,000.

The rent due to the Port for the two-year term not eligible for rent credits -- so guaranteed rent would be \$13,680 for the two-year term. When structuring this proposal, staff understood that this is an area that is not currently bringing in any revenue or rent nor would it really be in a position to do so in the near future without these improvements to remove all the debris.

So with respect to the amount of work needing to be done and Silverado's plans of using the space to see the potential of a new maritime business, staff still worked to get some revenue coming in along with the value of the improvements.

That's the \$13,680, which represents the total rent due even with all the eligible rent credits. The boat-ramp area does not have a parameter rate. And it is going to be on a non-exclusive use in this lease once improved.

Staff will use this time of the two-year term to examine the use and potential ways for charging for boat-ramp use in the future. One example of a potential rate structure would be similar to boat landings that have a one-time rate for each time of use across Port water.

The Port only has one currently operational boat ramp on its property at Pier 52, which was grant funded and can be used by the public free of charge. Next slide, please.

Now, we're taking a closer look at the area and the five parcels, which are color coded. And I'll try to match the colors on top of the areas to be more specific in just a second. As you can see, although it is not currently the crown jewel of Port property, this area still is an important part of the Port's shipbuilding history.

The bottom middle of the picture is the boat-ramp area, which is not currently operational, as I've mentioned. But in a former time, it was used to launch brand-new built ships into the Bay. You can see the rotting wood sitting on the former apron blocks and other pieces of debris in the landside area, all of which would be removed in this proposal. Next slide, please.

And just to match parcels with some colors to get a better perspective, this is the area in question. And we can go to next slide, please.

As mentioned earlier in the proposal, [you saw] the area in interest in this proposal by Silverado is to activate the boat ramp and use it as small watercraft removal and disposal operations. They will also use the berth space that would be available once the rotted wood and abandoned barge are removed to moor their own barges and small watercraft to support their other maritime operations.

As it has been called a pilot program, the goal is to see if this use will be a viable business. And if it is, Port and Silverado can renegotiate a lease for continued use after the two years. Next slide, please.

It is important to discuss the rationale for this type of use and why there's interest by Silverado and Port staff for this opportunity. Usually, we like to put happy maritime pictures of boats way above water looking beautiful on our waterfront.

But unfortunately, these are some sad boat pictures. And the reality is derelict and abandoned boats have been increasing in San Francisco and Bay waters. This poses an environmental and financial risk to the Bay and specifically whoever's waters the boats are left behind in.

At times, abandoned boats turn into sunken boats causing environmental damage as well as increased financial damage for cleanup and eventual removal and disposal of the vessel for whoever's property it was in.

Having a location on Port property would put the Port in a much better position to mitigate these risks and help grant-funded dollars for the safe

removal of abandoned boats go much further in keeping SF Bay waters clean.

It is an unfortunate reality of our seven-and-a-half miles of waterfront but a reality we do encounter at the Port of San Francisco. Next slide, please.

In closing, the Silverado shipyard pilot program -- which I do have to give that catchy-name credit to our very own former planning director, Diane Oshima, coined the Silverado shipyard pilot program, which is very fitting -- but when Port staff began discussions on this proposal with Silverado, we thought it was a great opportunity to be creative and take a step forward in bringing new maritime operations to the shipyard.

It is important to note that both Port staff and Silverado go into this with the idea it is a pilot program but at the same time could be a real win-win either way. The Port will get much needed improvements to an area of the shipyard. And Silverado will have two years to see if there's strong enough business case to negotiate a new deal and continue these operations.

If there's not a business case, the Port will get the parcels back in an improved and ready-to-lease condition with the potential of leasing to other maritime industrial operators. And Silverado will have a better understanding of that line of business. Next slide.

And with that, I conclude my presentation pending your comments and guidance, commissioners. Staff will plan to bring this back in the very near future for potential approval. And I have Andre Coleman, director of maritime, and operations manager, Dominic Moreno of maritime, here to assist with any questions.

Public Comment on Item 13A.

Ellen Johnck – Hi. Good afternoon, commissioners. This is Ellen Johnck, co-chair of the Maritime Commerce Advisory Committee, MCAC. We are having a meeting on Thursday of this week. But we wanted to let you know ahead of time -- and particularly, you were discussing this proposal today -- that our initial reaction to this proposal is very favorable.

In fact, this pilot program is so creative and one of the most exciting ideas in furtherance of the Port's maritime mission to come across our bow in some time. You know, the loss of the dry dock at Pier 70 was a significant loss of maritime revenue and an essential maritime business, yet we're so pleased to see the Port opening up its eyes to the possibility of how this now vacant area can regain maritime use and revenue.

The pilot program, we think, provides a wonderful opportunity to jumpstart needed reactivation and improvement of the property and foster a promising future. Silverado is a long-term tenant and a company you can rely on to do the best job possible. We support your commission moving this program forward towards its adoption. Thank you.

Scott Klopf – Good afternoon. My name is Scott Klopf. I'm with Silverado Contractors. And I'm the manager of the marine division at Silverado. I'd like to thank the commission for the possibility of this proposal.

And I would also like to thank the staff for working with us and presenting this to the Port for their review and consideration. Silverado, as formerly Zaccor Company, has been a member and a partner of the Port for several years.

And we've accepted and completed some challenging projects for the Port. We started with J10. And we did that project several years ago, and it was very challenging. We've also worked with the dry dock. And we removed their dry dock 2. We did that at Crane Cove for the Port. That was a very challenging project.

And we've also just recently completed the Pier 45 fire, which was a very challenging project. We have the Port -- excuse me for a second. We have the Port's vision of the environment to protect and our neighbors.

And we also have the commerce that we have worked with in the past. And we know the sensitivity. And we work for the Port to protect all the Port's experience -- with our experience -- protect the Port's -- excuse me. I'm having a little difficulty there. But anyway, we would like to acknowledge the commission for review of this and appreciate it. Thank you.

Commissioners' Discussion on Item 13A:

Commissioner Gilman – Thank you so much, Brendan, for the report. I support this item and have no questions.

President Brandon – Thank you. Commissioner Burton?

Commissioner Burton – No questions or comments.

Commissioner Woo Ho – I'm sorry. I was on mute. I just realized I was on mute. Can I go first? Sorry. Thank you, Brendan. It's a very thorough and comprehensive report. I'm glad to see that we are making some headway with this space. And I am very supportive of the item, don't have any further questions.

Vice President Adams – It's good to see we're past our mourning phase, and we're moving on. And what I mean was for [BEA] being there for a long time. And that thing has just been sitting there idle. And we're finally moving on to the future. And I'm very supportive of this. I think this is a good start in moving forward. So I'm supportive. Thanks.

Brendan O'Meara – Thank you.

President Brandon – Thank you. Brendan, thank you so much for the report. And thank you so much for this item. I think it's a great public-private partnership. And I think it's a great use of the space. So I know that it's a win-win for us and for Silverado. So I look forward to this item coming back, so we can approve it and move forward. Thank you.

14. FINANCE & ADMINISTRATION

- A. Informational presentation on a proposed Competitive Selection Process Communications Policy to support the integrity of the competitive selection process for Port contracts.

Stephanie Tang – Hi, commissioners. My name is Stephanie Tang. And I'm here to present you this item about the competitive solicitation process. Can I have the next slide, please? Great. Thanks.

I'm delighted to be joined from colleagues from the controller's office and the city's public integrity review process. [audio skip] This policy is really a cross-divisional initiative. So we've had many colleagues who worked on this.

So I want to thank Carl Nicita, Katie Petrucione, Becca Benassini, Boris Delepine, Michelle Sexton and Annette Mathai-Jackson. Next slide, please.

So this item supports and expands the Port's policies to ensure integrity and competitive solicitations. Of course, this is a policy to ensure fair, impartial and a transparent process and ensure that our communications do not confer a competitive advantage during the selection process.

For this briefing, Mark and Tiffany from the city services auditor will provide background on the context for this policy and how this fits into our overall citywide approach. And then, I'll walk you through the specifics of our policy. Next slide, please.

There are really two areas of our strategic plan that this policy touches. One is productivity and ensuring that our tenants and our contracts -- that we've -- a waterfront which has consistent, transparent and fair processes and then, of course, engagement.

We always want to maintain the public trust and promote trust and ensure the highest levels of integrity. Next slide, please. I want to turn it over to Mark and Tiffany to step us through the context and background for this policy.

Mark de la Rosa – Great. Thank you so much, Stephanie. Good evening, commissioners. Mark de la Rosa, audit director for the controller's office. I'm here today joined by our audit manager, Tiffany Wong. Thank you for the opportunity, first of all, to briefly present to you our -- some highlights on one of our reports that we've issued in the last year and a half.

Really, the report that we issued in January of 2021 really does provide some context on this prohibition on the communication by commissioners and staff with potential bidders during contracting process.

Just as some background before we proceed, as you may already know, about a year and a half ago when the Mohammed Nuru investigation became public, we at the controller's office set out to conduct a series of assessments really to shed light on the internal-control weaknesses against the claims against Mr. Nuru.

The overarching goal is really to provide a set of recommendations that would address the internal-control weaknesses and ultimately improve transparency, reduce the risk of fraud and safeguard public funds. Next slide, please.

This representation is basically -- it provides you with the five reports that we have issued so far. So these are -- starting in June of 2020, we issued our very first one on contracting and procurement at the Department of Public Works, a second on gifts to departments from city -- non-city organizations or friends of organizations, a third one on the debarment process for the city.

The fourth one that is highlighted is really the one that provides context to the policy that is for your consideration today, which is on the city commissions' and boards' ethical standards related to contracting or procurement process.

And then, the fifth one that we issued in April was the one on Recology, which is our city's refuse rate-setting process. We have also issued in August of this year a 12-month report basically providing an update on all of the recommendations that we have led so far based on these five public-integrity assessments. Next slide, please.

So these are just some of the highlights of the findings that are contained in the fourth deliverable that I just mentioned which is on the city's commission and boards' ethical standards. The one that I've highlighted here is really the one that provides additional context for the policy at hand.

And really, what -- just wanted to emphasize here, based on what we've reported on our assessment, the FBI affidavit that alleged Mr. Nuru and Mr. Nick Bovis tried to bribe Airport Commissioner Linda Crayton in exchange for assistance in obtaining a city lease at the San Francisco International Airport for a company that was owned by Mr. Bovis.

During one of those conversations, as we've emphasized in the report itself, Ms. Crayton indicated her willingness to do favors for Mr. Nuru, given their relationship. Really, the internal-control weakness that we've identified here is that Ms. Crayton allegedly agreed to meet with and help a potential bidder by leveraging her position and authority and did not report the improper request for preferential assistance.

According to the complaints, Ms. Crayton met with the proposer during the quiet period, which really violated the RFP instructions that the airport had. Another key element of this finding itself is that we conducted a survey of the various departments with commissions.

So that included the Port, Rec and Park, MTA, PUC, the Transbay Joint Power Authority. And what we found was that all of the departmental SIA, or the statement of incompatible activities, had prohibition on selective assistance, that only the airport and MTA had written policy prohibiting communication with bidders and, most importantly, is that none of the departmental SIAs had any of the prohibition for officials or employees for communicating with potential bidders. Next slide, please.

Given that finding, we then provided a recommendation for city departments to include in their competitive solicitation documents the restrictions on communication by and with potential bidders and enforce the restrictions by requiring commissions and board members to affirm compliance in writing at least annually.

As we've noted here, this is basically a snapshot from our 12-month report. We reported it as implemented, given that the focus of the assessment was at the airport. However, as we've noted in the report itself, it does have citywide implications especially for those departments that are overseen by commissions and boards, which include the Port Commission.

And that really concludes my presentation. The next two slides are just background providing links to the reports that we've issued so far. And I'm happy to answer any questions that you have. And I'll turn it over to Stephanie.

Stephanie Tang – Great. Thank you. Can I have the next slide, please? And then, the next slide and then the next slide. Great. Thanks. So let's get into

how we're going to implement the controller's recommendation. The next few slides outline the details of the policy.

So the policy is to ensure that we have no selective assistance to any individual proposer and that the contract and the lease maintains the highest level of integrity. So how does this work?

From the time the RFP, the RFQ, the bid is advertised -- what Mark referred to as the quiet period -- through Port Commission taking action or cancellation of the solicitation, no selective assistance can be given by a commissioner, a Port employee to any respondent, sub or anyone in the bidding process.

Likewise, a respondent cannot seek a competitive advantage from staff or a commissioner. And this is grounds for disqualification from the selection process. Next slide, please.

This slide really outlines the how we are going to make this policy work and ensure that we each know all of our responsibilities to implement this. So after passage at a future commission meeting after an action item, we will make sure that Port Commission agendas all include an appendix similar to the one in the staff report, which will include a list of all the active competitive solicitations including the staff person, the subject-matter expert at the Port, who is the one who is communicating with the potential bidder.

All RFQs, RFPs, bids will include language that specifically address this policy and the Port's requirements. We will also make sure that all of our selection panel who also are part of this process -- that we're going to expand the conflict-of-interest form to include language about this policy.

And then, for Port staff, we're going to formalize our existing process. And compliance will be expanded to include a communications plan to ensure notice of the policy and that they will also have access to the same report that the commissioners are receiving.

And then, of course, for enforcement, we will use the whistle-blower program through the Office of the Controller, one of Mark's previous slides, to ensure that, if there are approaches that are made, that there is compliance done. Next slide, please.

I do want to mention some exemptions from the policy which are that communications not related to the opportunity still have to occur, so we can do normal business. Also, there's a lot of communications necessary during the quiet period.

Advertising, pre-bids, questions, referrals for technical assistance -- all of those, of course, must continue. There are also different types of contracts, pre-qualified pools once there is a pool is exempt. And of course, public comment is exempt.

It's a really important opportunity of how the public is able to speak to the commissioners in this public forum. And of course, that will continue to happen. And moreover, the overall goal is to ensure that there's no competitive advantage.

And information in the public domain itself like through staff reports or a press release are not proprietary. And those do not convey a competitive advantage. Next slide, please.

So this is the info item. In the future, we will take your feedback, answer your questions. And then, we'll come back to the Port Commission with an action item on this policy. So that concludes my presentation. And I welcome your questions.

Public Comment on Item 14A:

[Francisco De Costa] – My name is Francisco De Costa. And I hope that what the presenter was saying has been vetted. I hope that you all know that there is a lot of corruption of the highest order when it comes to the bidding and that we cannot just mention the name of the controller's office because the controller's office has not been doing a good job.

In order for you all to understand what I'm saying, you have to note the corruption at the San Francisco Public Utilities Commission, which the Port Authority has fostered by having [central] meetings. And now, the facilitator is stating that everything will be transparent.

Transparent to whom? We have no transparency. Some of us have gone to the Sunshine Task Force, the Ethics Commission, the controller with no success. I know you guys. I've been attending your meetings for a long, long time.

There is a lot of corruption going on at the San Francisco Port Authority. There's a lot of corruption going on at the San Francisco Public Utilities Commission. The Federal Bureau of Investigation had to step in.

So this competitive-selection-process-communication presentation is a lot of hot air. You may not believe it. But I don't mind sitting down with the presenter and explaining to her what I really mean. It is time that we have real transparency and not [reprocity], diatribe and hot air. Again, my name is Francisco De Costa. Thank you very much.

Commissioners' Discussion on Item 14A:

Commissioner Woo Ho – Thank you, Stephanie and the presenters from the controller's office. I think this is a good policy. And I think we keep wanting to make improvements and making sure that we are going in the right direction. So thank you, Mark and Tiffany.

So I have no further comments. I think it's very clear in terms of what we need to continue to do and to make sure that we are trying to achieve our ethics objectives and fairness. And as far as the caller's complaints and as far as that, that's something that we would need to learn more about. As far as I'm concerned, I think we feel comfortable that we are doing a fair bidding process at the Port. Thank you.

Commissioner Gilman – Thank you, Stephanie and staff from the controller's office for the report. I want to echo Commissioner Woo Ho's statements. Public integrity and integrity in our contracting and ethics for commissioners and all city employees is of the utmost importance.

And I think, as the Port Commission, we take this very seriously. And we have put together a competitive bid process that has integrity and upholds ethics and values. So I appreciate this update on communication. I think it's a great and sound policy. And I know we'll move forward working with integrity and ethics. Thank you.

Vice President Adams – Is he there, President Brandon? [crosstalk] Okay. Yeah. It was a great presentation. One thing I like about being on this commission [call] is the public have a right to hear their views. And as I say, integrity is everything that we have.

And the process has to be above board. So I agree with Commissioner Woo Ho and Commissioner Gilman. And thank you for your work. And like I say, we live in a place where people can speak their rights. So I would like to stand on what we do at the Port. And I say that with pride. Thank you.

President Brandon – Thank you. Again, Mark and Stephanie, thank you so much for the presentation. And I think that I have the privilege of serving with very high integrity commissioners. And I think that we have informally adopted this quiet period. We've been doing it for years.

So we're just putting it in writing now and looking forward to working with the staff, with the commission to keep that integrity and the ethics front and center. So thank you again for your presentation. And we look forward to you coming back with an action item. Thank you. Next item, please.

15. NEW BUSINESS

No New Business.

16. ADJOURNMENT

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

President Brandon - The meeting is adjourned at 5:37 p.m.