



# **SAN FRANCISCO PORT COMMISSION**

**OCTOBER 26, 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 October 26, 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, Willi Adams and Gail Gilman. Commissioner Burton joined the meeting at 2:30 p.m. and Commissioner Doreen Woo Ho joined during closed session at 2:05 p.m.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgement.

### 2. APPROVAL OF MINUTES – October 12, 2021

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

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment.

### 4. EXECUTIVE SESSION

A. Vote on whether to hold a closed session.

The Commission Affairs Manager announced that closed session item (1)(a) was removed from the agenda.

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

- (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: Pier 94, Pier 92, and Seawall Lot 352  
Person Negotiating: Port: Andre Coleman Deputy Director, Maritime;  
Ricky Tijani, Manager, Planning and Development  
Negotiating Parties: Michael S. Carroll representing Lehigh-Hanson

Under Negotiations: \_\_\_Price \_\_\_ Terms of Payment XBoth

Port staff has been approached with a proposal from Lehigh-Hanson for a new lease of Port property at Pier 94, Pier 92, and Seawall Lot 352. Port staff are evaluating the proposed terms including the proposed price and terms of payment for such new lease and the executive session discussion will be an opportunity for the Port Commission to provide negotiation direction regarding price and terms of payment, improvements, rental rate resets, and other factors affecting the form, manner and payment of consideration for a possible new lease, which in turn will enhance the capacity of the Port Commission during its 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 the People of the State of California.

The above item was removed from the agenda. The Port Commission did not meet in closed session on this item.

- (b) Property: Pier 9  
Person Negotiating: Port: Andre Coleman Deputy Director, Maritime;  
Don Kavanagh, Property Manager, Real Estate  
Negotiating Parties: Cpt. Anne McIntyre, San Francisco Bar Pilots  
Benevolent and Protective Association

Under Negotiations: \_\_\_Price \_\_\_ Terms of Payment XBoth

Port staff has been approached by the San Francisco Bar Pilots Benevolent and Protective Association with a request for lease modification to Lease No L-14282 at Pier 9. Port staff are evaluating the proposed terms including the proposed price and terms of payment for such lease modification and the executive session discussion will be an opportunity for the Port Commission to provide negotiation direction regarding price and terms of payment, improvements, rental rate resets, and other factors affecting the form, manner and payment of consideration for a possible lease modification, which in turn will enhance the capacity of the Port Commission during its 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 the People of the State of California.

Present: President Kimberly Brandon

Vice President Willie Adams  
Commissioner John Burton  
Commissioner Gail Gilman  
Commissioner Doreen Woo Ho (joined at 2:05 p.m.)

Also present: Elaine Forbes, Executive Director  
Carl Nicita, Commission Affairs Manager  
Rebecca Benassini, Deputy Director of Real Estate &  
Development  
Andre Coleman, Deputy Director of Maritime  
Michelle Sexton, Port General Counsel

The closed session adjourned at 3:15 p.m.

## **5. RECONVENE IN OPEN SESSION**

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

No Report.

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

**ACTION:** Commissioner Gilman moved reconvene in open session. Vice President Adams seconded the motion. In a roll call vote, the motion passed unanimously.

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

**ACTION:** Vice President Adams moved to not disclose anything discussed in closed session. Commissioner Gilman 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**

Benjamin Lockey: Yes. I was calling to speak on getting some support from you guys. I work for San Francisco Bay Railway. We want to join the union. We have tried to join with Local 350. That didn't work out. We have tried to join with Local 3. That didn't work out.

They got back to us and told us basically why they weren't able to unionize us. And they got us in contact with Mr. [Faerie] from the Brotherhood of Maintenance of Way department. And the whole yard wants to go union. And management is basically fighting us on it.

They're holding captive-audience meetings trying to deter us from going union, saying that they won't be able to work with us directly. It'll all have to go through the union now. They won't be able to talk to us no more.

The lawyers they have are trying to drag this out for years, if possible. We just would like your guys' support in anything you guys can do to help us get this moving quickly and faster, so we can unionize and become a union at the Port, which everybody else is but us. That's all I have.

Benjamin Lockey: Benjamin Lockey.

Doug Bloch: Thank you. Good afternoon, commissioners. My name is Doug Bloch. And I am with Teamsters Joint Council 7, calling in on behalf of 100,000 teamsters in Northern California and the Central Valley.

You just heard from one of these brave workers who is trying to organize with our union. His employer is Republic Services, which is one of our largest employers in the waste-and-recycling industry in the United States.

We have a lot of friends on this commission, a lot of friends on the Board of Supervisors. And we always thank you for your support. And we're going to need your support [unintelligible] asking for Republic to give us card-check recognition so that we can get this out of the way.

The workers can organize and bargain for better wages and working conditions. There's nine workers. All nine of them signed cards to be members of the Teamsters union. And we would really appreciate whatever support you can give us. Thank you.

[Gary Dahl]: Good afternoon, commissioners. My name is Gary Dahl. I'm the organizing director for the union that's organizing the workers -- [brother] Ben Lockey from whom you've heard and his eight coworkers at the San Francisco Bay Railway.

Just so you're all clear, this is the small railyard off of Third Street at 100 Cargo roughly nestled over there by Pier 96. And we have been successful in getting the support of all nine workers at the railroad.

As you've heard, they are very clear that they want a union. They tried with two other unions, as Ben pointed out. And the complication there was the unions tried to organize them under the National Labor Relations Act when, because they're a railroad, they're covered by another piece of legislation called the Railway Labor Act.

So the union for which I organize, the Brotherhood of Maintenance of Way, is specific to the Railway Labor Act. We have great expertise in that field. We are the railroad division of the International Brotherhood of Teamsters and have members in all 48 states in the lower states across the continent.

So you know, in recent years -- about a couple years ago, Republic Services purchased San Francisco Bay Railway, which, you know, had been basically a mom-and-pop shop, had embraced the union standard in the railroad industry and had very content workers working for them.

That changed with Republic Services. I won't go into all of the details. But the workers are anxious, as you can tell, for union representation. And they're anxious to get it done quickly. This being San Francisco, you know, our expectation is that this employer is going to be a union-friendly and cooperative employer.

But so far, they have been looking to delay the process by going through a railroad-specific federal agency called the National Mediation Board, which for a variety of reasons that I can get into if you'd like, is not going to be ready to take action, I'm being told, until next year to run an election for this group.

So what we think is a better process is to protect the workers', you know, right to exercise their voice with freedom and fairness by doing what we call a card-check-neutrality process whereby we get a neutral figure that both sides can agree upon to take a look at the stack of cards that the worker is assigned and then take a look at the list of workers that the employer provides and make a determination as to whether or not the Brotherhood of Maintenance of Way, in fact, has a majority status amongst the workforce.

If the neutral were to make that designation, then we would move into negotiations and look to have a cooperative process to achieve justice for these workers. So we are very grateful that you're hearing us out today. And we all are looking for your support in terms of making sure that the will of these workers is respected as we move forward.

So I'm open to answering any questions that you all might have. But again, thank you very much for your time this afternoon.

## **9. EXECUTIVE**

### **A. Executive Director's Report**

Director Forbes: Good afternoon, President Brandon, Vice President Adams, members of the commission and members of the public. I am Elaine Forbes, the executive director of the Port of San Francisco. First, I'd really like to recognize all the Port staff who worked this weekend during this very big atmospheric river storm.

This past week, we experienced more than four inches of rainfall in the city and more throughout the region resulting in downed trees, power lines, light poles and flooding. Dozens of city workers including our Port maintenance, maritime and emergency-preparedness staff really stepped up, as they have time and time again during the past 20 months to make sure that our waterfront is prepared and able to withstand a storm.

And literally, we withstood a storm this last weekend. Our staff was out in force providing sandbags, clearing drains and responding to incidents up and down the waterfront. I couldn't be prouder of their work and all our essential workers who have braved the elements to keep us safe.

In my report today, I will provide an update on economic recovery and equity and provide key project updates. So first with economic recovery, last Friday in partnership with our city departments, we cut the ribbon on phase two of the Jefferson Streetscape improvement project in the Fisherman's Wharf area.

The project includes widened sidewalks, pedestrian street lights, public seating, bike parking, landscaping and the addition of trees. The Jefferson Street improvements make Fisherman's Wharf more inviting and accessible for residents and visitors and will ensure that this uniquely San Francisco destination is around for generations more to enjoy.

As the mayor proclaimed at the ribbon-cutting, the wharf is open. And what better way to welcome residents and visitors back than this great transformation to Jefferson Street. Fisherman's Wharf is a special community that is home to many small and family-owned businesses that have been around for generations.

We expect the resumption of cruises will bolster these businesses and help the economic recovery with the return of thousands of visitors. The Majestic Princess is in port now departing tonight. And we will have 17 more vessels coming this year to be followed by a record 127 calls next year. Shout out to our maritime division.

This weekend, on Halloween, we are proud to welcome the Ruby Princess for her first home-port call at the San Francisco Port. She will be sailing to various sought-after destinations including Mexico, Hawaii, the California coast, Alaska, the Panama Canal on five to 15-day cruises available for booking through 2023.

Coincidentally, last week, the Port hosted our mayor and city department heads for the mayor's monthly staff meeting at Pier 27 at the James R. Herman cruise terminal. It was a really excellent opportunity to show off the cruise terminal but also to highlight all the fantastic work staff is doing to help the Port and its tenants recover from the impacts of COVID-19.

Now, I want to highlight some equity work we are doing. Last Friday, we launched our mobile vendor pilot program that offers new economic opportunities to small entrepreneurs. This program establishes regulations that will allow for all residents and visitors to safely enjoy the natural and recreational benefits of an inclusive waterfront.

To date, we've already received 30 applications. And we've issued permits to 22 vendors. Up to three vendors may vend from 17 approved locations up and down the waterfront. Mobile vendors, like the street performers, will enrich the waterfront experience, adding color, life and vibrancy.

At the request of Commissioner Gilman, staff will be providing the commission an update on the program's implementation in your December meeting. Next week, the Office of Economic and Workforce Development is hosting its first-ever hospitality industry hiring event at the Ferry Building.

The event will be on November 3rd from 10:00 a.m. to 2:00 p.m. There will be on-the-spot interviews and hiring. OEWD is working closely with the Ferry Building and their tenants to ensure that they are lining up qualified job seekers for available jobs at Ferry Building merchants and beyond.

Now, I'm going to turn to key projects. I have two today. First, earlier this year, the Port Commission authorized Port staff to issue a request for proposals for the rehabilitation of two existing buildings located at Crane Cove Park, Building 49 and the Kneass Building.

After conducting its formal RFP process for each building, Port staff reported the scoring results of the RFP through an informational item to the Port Commission



on September 14th and then to the Port's Southern Advisory Committee on October 6th.

Based on the results of the RFP along with comments and feedback from the public and Port Commission, you'll note that today's agenda includes a recommendation from staff to award lease-negotiation rights at Building 49 to the YMCA of San Francisco.

For the Kneass Building, I have authorized staff to terminate the RFP process because neither proposal adequately met the stated objectives of the solicitation. We look forward to returning to the commission and to the community at the appropriate time in the future to determine next steps for this because, which will likely include reissuing of an RFP with a refined set of objectives and scoring criteria.

Secondly, I'm proud to report that we are welcoming the last of our telecommuting employees back to our offices safely on a hybrid schedule November 1st. I want to thank all Port staff and especially thank the COVID return-to-work team for all their work preparing a safe return to our offices at Pier 1. And that concludes my director's report. Thank you very much.

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

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

Commissioner Woo Ho: I'm having [unintelligible] difficulty today. I just want to compliment Elaine on her comments and just mention that I'm supportive of everything she said. So I'm not going to stay long because my technical issues are still with me. But anyway, thank you, Elaine.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Thank you, Director Forbes, for the great report. I'm really excited to see that cruising is coming back to the bay. And I walked Jefferson Street today. And the improvements are wonderful and will help promote economic vitality back to the Port. So congratulations to you and the staff on all your hard work.

Commissioner Burton: [All --] thank you. Everything good.

Vice President Adams: Director Forbes, again a stellar report. Thanks for all your work. I really appreciate your temperament. You're very patient. And your staff -- you've shown yourself to be a good leader. I know the commissioners -- we're a handful. But you get through it.

We all have the passion, like your staff, because we want the best Port in the world. And we believe that. So that's why we strive hard. So thank you for all your work.

President Brandon: Thank you. Director Forbes, thank you so much for your report. And I want to thank all the staff that stepped up this weekend because that was a major storm. So I really appreciate everybody that came out to help our tenants and all of our guests at the waterfront.

It's exciting about the cruise ships returning to the Port of San Francisco. And I was at Fisherman's Wharf not last weekend but the weekend before. And I saw all the upgrades to the street and to the triangle parking-lot setting so really, really nice job to welcome all of our visitors back to Fisherman's Wharf. So thank you so much for your report and all the great work that's going on at the Port. Thank you. Carl, next item, please.

## **10. CONSENT**

- A. Request authorization to advertise with competitive bids for a two-year Maintenance Dredging Program, Construction Contract No. 2842. (Resolution 21-44)

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. Resolution 21-44 is adopted.

## **11. REAL ESTATE & DEVELOPMENT**

- A. Request determination of the Department of Homelessness and Supportive Housing's ("HSH") compliance with Option Exercise Conditions, and affirmation of the HSH's exercise of the Option to Extend for Memorandum of Understanding No. M-16518 between Port and HSH for temporary use of a portion of Seawall Lot 330 for the Embarcadero SAFE Navigation Center for an additional 24 months. (Resolution 21-45)

Kimberley Beal: Good afternoon, President Brandon, Vice President Adams, commissioners, Executive Director Forbes. My name is Kim Beal. I'm the senior property manager for real estate and development. And I'm joined today by Randy Quezada, director of communications, and Emily Cohen, with HSH.

We will be discussing HSH's compliance of the exercise-of-option conditions required for HSH to extend operations of the Embarcadero Safe Navigation Center for an additional 24 months.

So I will be providing a brief overview of the key MOU terms and the exercise-of-option conditions, followed by Emily, who will be providing a summary of what HSH has done to meet those conditions, after which Randy will be discussing the advisory committee's assessment of HSH's actions. And then, we will be concluding with staff's recommendations. Next slide, please.

So in June of 2019, Port and HSH entered into an MOU for approximately a little less than 47,000 square feet of paved land at Seawall Lot 330. This was for the construction and operation of a 200-bed Navigation Center for temporary housing.

At the time that we were negotiating the MOU, staff was planning to issue an RFP for the entire site. So possession was therefore limited to 56 months. And this 56 months covered construction, the 24 months initial operating, the 24 months if the option were exercised as well as time for demobilization.

So if the option is exercised, the space will need to be vacated by the end of first quarter of 2024. And the current schedule for the Strada-TCC proposal does not have them beginning construction before that time. So if the option is exercised, it will not impact construction activities or the RFP.

The base rent we entered into initially was \$36,860 per month. That is increased annually by 3 percent. And HSH was also given rent credits not to exceed \$364,000. This was to cover infrastructure improvements that would remain beyond the term of the MOU but were beneficial to the development.

So these are things like bringing domestic water and installation of sewer as well as electrical improvements to the site. Next slide, please.

So the option-of-exercise conditions that needed to be met were showing a reduction of the number of unhoused in the outreach zone. And the outreach zone is defined as the area bordered by Market, Fourth and Bay Streets.

There also needed to be an increase in public safety and cleaning resources within the safety zone. And the safety zone is characterized as the areas between Folsom, Second Street and the Embarcadero to the Ferry Building.

They were to provide regular reports on crime statistics and other community-impact measures in the safety zone. And then, finally, HSH and their operator, Five Keys, needed to be in compliance with the good-neighbor policy. Next slide, please.

And this slide gives you a visual, again, of what we are calling -- or what was defined as the safety zone and the outreach zones. Next slide, please. And with that, I'm going to turn it over to Emily.

Emily Cohen: Good afternoon, commissioners, President Brandon, Vice President Adams. Thank you very much for having me. My name is Emily Cohen. I'm the deputy director with the Department of Homelessness and Supportive Housing.

I'm going to talk a little bit more today about the program that we've operated at the Embarcadero, the Safe Navigation Center, and to discuss the ways in which HSH has met the conditions to extend the MOU.

These conditions were developed in partnership between the Port and HSH with lots of input from the community during pre-COVID times. And as things shifted so dramatically during COVID, especially for our homeless response system, I'm just incredibly grateful for the community staying at the table with us.

We moved it to a virtual table. But they have stayed at the table with us throughout the pandemic to discuss the impact and operations of the Navigation Center. Really want to appreciate Five Keys and the partners both onsite and in the community who have helped make this project so successful.

We're really proud of the work that we've done in partnership with the community to meet the conditions outlined in the MOU. And we know, of course, that there is room for improvement. And we always appreciate the continued input from members of the Embarcadero community advisory group and the community members who come to our regular meetings to tell us about their experiences with the program. Next slide.

I do want to highlight some key successes of the program. As you know, it opened in late December just before the pandemic hit. And it is operated by Five Keys. When the pandemic struck, we had to really quickly pivot the operations of the program to prevent the spread of COVID-19 and implement mitigation strategies not just at the shelter but across our homeless response system.

But even with all of those changes, we continue to provide really critical services at Embarcadero. In April 2020, the city worked to transition COVID-vulnerable guests out of the Embarcadero Navigation Center to shelter-in-place hotels.

So we identified 29 guests early on at Embarcadero who are either older adults or had complicating medical factors that made them especially vulnerable to COVID. And we were able to remove them from the congregate setting and get them into hotels.

We also implemented social distancing and adopted a whole COVID-informed bed capacity as well as safety protocols. We did move at this time from an outreach-based referral process to a centralized referral. But even with that, we were really able to keep the focus on the safety and outreach zones for people living unsheltered.

Since the program opened, it's served approximately 400 guests and, you know, really had an incredible impact on their lives. It's been a very, very stabilizing force in people's lives.

And one of the other big changes I forgot to mention is that we really, in an effort to keep the community safe during COVID, we really tried to hold the community steady. So we didn't have a lot of coming and going early on in the pandemic in terms of new guests being integrated.

We really wanted to hold that community as sort of your bubble, if you will, for folks experiencing homelessness so really trying to keep the community as safe as possible. And we were very successful at that. Next slide, please.

In terms of outcomes, the system as a whole has been really moving forward to place people into housing. Over 1,300 households have been housed in supportive housing between March of 2019 and June 2021. And 36 guests from the Embarcadero were housed either directly from the program or moved into our shelter-in-place hotels and then removed into permanent housing.

One of the other big successes coming out of this project is the impact it's had on the community. We have seen a 90 percent decrease in unsheltered homelessness within the outreach zone from the time before when we first started tracking this before the project opened until our most recent count in August.

As I mentioned before, the Navigation Center currently has -- sorry -- the Navigation Center -- 48 percent of the people who have exited the Navigation Center have enrolled in other programs, whether that's shelter or housing within the homeless response system.

And we're really happy about the 36 folks that we have been able to get housed either -- like I said before, either directly from the program or after they went to a hotel and then into housing. Next slide.

Kimberley talked about the conditions outlined in the MOU that HSH needed to meet in order to be eligible for this option to extend. And we are pleased to report that we have met these conditions.

The first one, condition A -- next slide -- is to demonstrate a decrease in unsheltered homelessness within the outreach zone over the two-year period. And as you can see from this table, there's been a pretty dramatic reduction in unsheltered homelessness in the area both in the outreach zone and in the safety zone. Next slide.

Condition B was the dedication of beat officers and enhanced cleaning services in the area. SFPD has assigned four officers to the safety zone seven days a week from 11:00 a.m. to 9:00 p.m. SFPD, as part of the working group, reports crime statistics monthly. And these stats demonstrate that distinct incidents within the safety zone have decreased by 32 percent between March 2019 when we started tracking this to August 2021.

HSH has also worked with Five Keys, the nonprofit operator of the Navigation Center, to provide dedicated cleaning services in the area. Five Keys has dedicated staff that provide cleaning services along the perimeter of the program. And those are conducted one to two times each shift or three to five times a day.

Five Keys is also coordinating with the East Cut CBD to make sure we're providing complementary services. Based on -- we did get some feedback in this area from the advisory group. And in response to that feedback, Five Keys has updated guidance on how and when to use the Five Keys public text number in case there is needed cleaning services along the perimeter of the facility.

In September, we -- and we looked at the data of the calls that had come in in the previous time. In September 2021, Five Keys received and responded to seven text messages from the community about needing cleaning services. Next slide.

Condition C was that the department provide quarterly reports that include information on crime stats and other impact measures within the safety zone around program utilization and outcomes. And HSH, in partnership with SFPD, have submitted these reports since August 2019, all of which are publicly posted on the Port's website and are shared and discussed during the regular meetings of the advisory group.

These monthly reports specifically include crime-stat dashboards, monthly utilization and outcome measures for the program as well as verbal reports from HSH and Five Keys. We have added new written reports on dedicated cleaning efforts by Five Keys into that monthly reporting template based on requests from the community.

And these reports have evolved. If you go to the website and look at them, you'll see they've gotten better and better each month because we take the feedback of the community very seriously and try to integrate that into our regular presentations. Next slide.

Condition D -- I won't read the good-neighbor policy to you. But this is what is included in our contract with Five Keys. We feel confident that Five Keys has been in compliance with all nine components of the policy.

HSH and our providers are really proud of the work that we've done to comply with these conditions and are always working with the community to do better. So we appreciate ongoing feedback from the advisory group and any areas where we might need to improve.

I think the recent request for better response to the text-message line is one area that's a good example of how we've responded to community need and pivoted and improved our service to meet that request.

So I will stop there. Those were the four conditions that were outlined in the MOU. I'm happy to answer any questions from commissioners about how we've done that in partnership with the community and, you know, look forward to continuing our partnership with the Port for the next two years. Thank you very much.

Randy Quezada: Next slide, please. Thank you. This is Randy Quezada, communications director for the Port. I wanted to briefly jump in to talk about the Navigation Center's advisory group. The group, as Emily mentioned, has been meeting virtually throughout the pandemic.

Members include representatives of nearby residential developments and neighborhood stakeholders like the South Beach/Rincon/Mission Bay Neighborhood Association and the East Cut CBD.

City partners at the table include, of course, Supervisor Haney's office, HSH, the San Francisco Police Department and, of course, the Port staff. There has been broad consensus that the option-exercise conditions have been met.

As Emily alluded, this group has been very much a problem-solving table from the very beginning where ideas, issues have been presented, discussed, and

quick action has been taken. I think her examples of the improvements to the regular reports is a good one.

As conversations happened about the extension, the neighborhood group quickly acknowledged that -- two things, one, the center as operated was different from what was initially envisioned pre-pandemic but, nevertheless, that the option-exercise conditions have been met broadly.

Yes, there is room for improvement. And that's discussed regularly. And happily, you know, those changes are met. And they're met -- they're made with open hearts and good intentions. That has really been a hallmark of this group.

You know, we've had some good conversations, some difficult conversations. And I expect that those will continue. But the spirit of the group and its problem-solving approach has been really remarkable.

The group is, you know, understandably concerned about the progress and sort of how it will evolve in a sort of non-pandemic game or sort of framework after health conditions continue to improve with COVID.

And you know, they would like to see [for] a gradual ramp-up, as was initially envisioned with the Navigation Center at the beginning. But COVID rules being what they are, capacity was limited to 91 guests.

That said, there has been broad consensus that all exercise-option conditions have been met from the advisory group. And with that, I will turn it back over to Kim Beal.

Kimberley Beal: Thank you, Randy. Next slide, please. So with that, Port staff is recommending that the Port Commission affirm that HSH has met the metrics required as a condition of its exercise of option to extend, therefore allowing it to extend operations for an additional 24 months. Next slide, please. So that concludes our presentation. We thank you and welcome any questions.

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

Public Comment on Item 11A:

Meg O'Neill: Hello. This is Meg O'Neill. I'm director of housing services for Five Keys Schools and Programs. Since opening our doors in late 2019, Embarcadero Navigation Center has been a vibrant and welcoming community for hundreds of guests, staff and neighbors.

Embarcadero provides a range of essential services for unhoused folks in San Francisco including safe, warm beds, protecting people from the rain and



elements -- which we saw this past weekend is very important -- hot meals several times a day, connection to medical services, mental health care, long-term housing, workforce development and more.

Embarcadero provides much needed services to unhoused folks, many of whom have not had access to those services in years or decades. But Embarcadero is more than just that. It's also a community. From bingo nights to women's empowerment groups to holiday parties, which we warmly extend an invitation to all of you too -- we have a great Halloween party coming up -- Embarcadero is a family and home to many.

We greatly appreciate the support of neighbors and friends in the greater Embarcadero family who have offered donations, time, kind words and support throughout these years. And we look forward to more in the years to come. Thank you so much for your support for the work we do every day.

#### Commissioners' Discussion on Item 11A:

Commissioner Gilman: I just want to thank staff for the report. As I previously said when this was an informational item, I fully support the extension. The provider, Five Keys, and Port staff and HSH staff have met all the requirements of the good-neighbor agreement.

And I hope that the success of how this Navigation Center was run on the Embarcadero with community and neighborhood involvement is a template for all communities in San Francisco to embrace interim housing.

As we saw the storms that took place over the last week, we still have thousands of individuals who are unsheltered here in San Francisco. And we should be making every effort to provide them with interim housing.

And that should be spread out equally across all of our neighborhoods and our districts here in San Francisco. So I support the item.

President Brandon: Thank you. Commissioner Woo Ho?

Commissioner Woo Ho: Thank you for the report. I'm also supportive of the extension and am satisfied that all the requirements for the option extension have been carried out very well. And I'm glad that the neighbors which we felt very positively about when we actually did this to begin with and said that the Port would follow through, and everybody -- and all our partners would follow through.

And it would make it safe for the neighborhood. And it seems that's what has -- it's turned out to be that way. I just have a couple questions which are not really questions related only specifically to this Navigation Center.

But since this Navigation Center, as Commissioner Gilman mentioned, is a success, I also would just like to know that, during this period of time from 2019 to 2021, does the Department of Homeless have a more accurate now of how many homeless we have in San Francisco?

The public generally seems to feel that the number has gone up. And it's more visible. And while this neighborhood has got it under control as far as who's on the street, I'm not sure whether the rest of the city does.

So if you could answer whether that number -- whether you know from a formal count or informally whether the number of homeless has increased since 2019 with the pandemic, etcetera, so that we have a sense? And what can be done about introducing more Navigation Centers to help other neighborhoods feel safer?

Emily Cohen: Thank you, Commissioner, for that question. So our last census or count of people experiencing homelessness was conducted in January 2019. It was due to be conducted again in January 2021. But due to the pandemic, we postponed for a year.

So we are gearing up for another count this coming January. All that is to say that our data is a little outdated. You know, the 2019 count found about 8,000 people experiencing homelessness in our community with a large portion of those folks living unsheltered.

We anecdotally expect -- we feel like there has been an increase. We've seen an increase in demand for some of our programs. And I think some of our street tent counts, which is a crude proxy for people experiencing unsheltered homelessness, has gone up a bit during the pandemic.

So we'll have more data next January. But that's to say the economic impact of the pandemic is likely to continue to cause more need. Hopefully, our increased investments in homelessness prevention will really help prevent many families from loss -- households from losing their housing as eviction moratoriums are lifted. But that is exactly where our attention is right now.

In terms of providing additional Navigation Centers, we are very much interested in continuing to expand shelter options for people. We are particularly interested in expanding non-congregate shelter options, as we know that the challenges related to COVID are not going away as quickly as we would all like.

We are in the process of opening a small cabin community, a pilot, to test sleeping cabins at 33 Gough Street near like McCoppin Hub area. So that's one opportunity to expand shelter. But we also lost a lot of shelter capacity during

the pandemic because we had to reduce density. So we gradually starting to build that back up as well.

Commissioner Woo Ho: I was going to ask the question of how much sheltered housing that you can place people from the Navigation Center in. And you just said that the inventory of that actually has gone down but is increasing.

But at what point would you be happy to say that there would be enough housing on the market available for people once they went through a process of being, I guess, qualified, etcetera, and that you're helping them to get to that stage? Are we at that point where there will be enough? Or we definitely have a huge deficit at this point in the city?

Emily Cohen: I think we continue to have a deficit of affordable housing for our lowest-income households who are at risk of homelessness and literally homeless in our community. We have tremendous investments, unprecedented. Right.

Everyone -- keep saying it's unprecedented investments in new housing for people experiencing homelessness. We're at an incredible point of opportunity. I do not necessarily believe that, even as all of these new investments -- you know, we have a goal of opening 1,500 new permanent supportive housing units in the next year and a half.

And I still have concerns that we will not meet all of the demand that we see in our community. And that's why investing in prevention remains to be -- you know, is so critical.

Commissioner Woo Ho: Okay. My last question relates to just understanding -- how much does it cost to actually operate a Navigation Center now on an annual basis? Let's just use the Embarcadero one because I know they're different sizes.

So what is the annual budget for that center now now that you've had the experience of operating it? Obviously, there was a projection before. But now, you actually have the numbers of having experienced -- even though the guest count was lower than you anticipated because of social distancing and everything else.

Emily Cohen: Yes, definitely. The cost across our Navigation Centers do vary based on the size and the time at which we entered into Navigation Center contracts. But approximately \$100 per night per bed is the rate to operate the Navigation Center.

Commissioner Woo Ho: Okay. That would include then lodging, meals, etcetera, everything else, ancillary services.

Emily Cohen: Correct.

Commissioner Woo Ho: Okay. And is that a number you think, over time, is going to -- are you going to keep improving on it? Or is that a number that you think is already pretty good?

Emily Cohen: I think the costs continue to rise. So I do have concern that, as labor costs and the needs of the community continue to grow, that it may or may not go down. I don't know. We get economies of scale and efficiencies when we go much -- when we go pretty large with the shelter.

But we know, from COVID, that is not necessarily the healthiest or the most supportive direction that we can go with shelter. We can get the cost down. But the quality of the service will suffer.

Commissioner Woo Ho: Okay. So last question, in terms of just trend lines, I mean we just talked about cost efficiencies, etcetera. Where would you else expect improvements since we're all trying to understand homelessness? And we're part of it with our one Navigation Center. But just to understand the bigger picture, where would you expect the improvements to come next?

And you talked about the increase in supportive housing. Where are you counting on the next improvements to come from to make this something that we can manage? Because I think many people in the city still feel that it's still uncontrolled. I mean, it's still a problem.

Emily Cohen: It is absolutely still a crisis. So we have significant investments right now. And I think, you know, the way to ensure that the crisis of homelessness in our community is decreasing is to prevent at-risk folks from becoming homeless and to increase the rate at which we're housing people out. Right.

We want to make sure that people, while they are experiencing that crisis, have an opportunity to come inside and stabilize, which is what the Navigation Center does. But it's really about ensuring that people are flowing -- moving out of the crisis as efficiently as possible.

So really being able to bring on that supportive housing, many, many more units in the pipeline, more resource from the Our City, Our Home Prop C as well as from the state and federal government are making this more possible now.

But also looking at a significant new investment in homelessness prevention is going to be critical. And then, the third area of this work is our street response and ensuring that we have diversity of response for people in different types of

situations and crises on the street, making sure that we have -- and it's not just our department.

This is a multi-agency effort -- but that we have trained clinicians able to respond to people in behavioral health crisis so that police don't have to be our first response to the street. And I think that that's a big area of work in our community.

I know we all walk down the street in San Francisco. And you see someone, and you know something isn't right and that you need to call for help. And the question comes up often. Who do we call for that help?

And really empowering our 911 dispatchers to deploy a diverse pool of teams when people do call is another big area of work on how we're going to address this crisis.

Commissioner Woo Ho: Okay. I'm going to just make one last question/comment because I hear it a lot saying, we do a lot for homelessness in San Francisco. And so there's a balance. Because we have programs and people come because they know that there is a better program here than any other place in the Bay Area or other cities so that we actually incent people to come. And we increase our homeless population versus -- and then, we're trying to manage it obviously.

We're really working very hard. And you're working very hard. I really applaud your efforts. So how do you keep this in balance so that we don't keep increasing the population not -- because we are trying to do something about it, and we're good at it.

But yet, the tide just keeps coming in. How do you get that balance? What do you do to make sure that it goes -- doesn't get out of balance for the rest of the city?

Emily Cohen: I think that's a really important issue that you brought up. Obviously, the prevention investments that I mentioned before can help with this. But our neighbors, right -- this is a Bay Area crisis -- California crisis. It's a national crisis. And we really need all of our neighboring cities and jurisdictions -- everyone working in the same direction and offering the same high quality programs.

And I think we're starting to see more of that through a lot of regional collaboration and discussion because, if people can get their needs met where they are, you know, that is going to help stabilize them in their home community.

Commissioner Woo Ho: Okay. But you don't have any statistics right now to say that that's actually where we are. We're not at equilibrium at this point.

Emily Cohen: I'm not sure quite what equilibrium on this looks like. But just as a stat or figure around the question of like inflow from other communities, San Francisco has a very similar rate to other large cities.

About 70 percent of people experiencing homelessness in our community were housed in San Francisco before they became homeless. So that means 30 percent of folks have come from somewhere else. You know, a lot of big cities, this ranges between -- around that number as well. So it's fairly consistent.

Commissioner Woo Ho: Okay. Thank you, Emily. Thank you very much for answering all my questions and -- just try to get the bigger picture along with what we're trying to do and very supportive of what you're doing with the Navigation Center on Port properties. Thank you.

Emily Cohen: Thank you, Commissioner.

President Brandon: Thank you. Commissioner Burton?

Commissioner Burton: No comments. Does good work.

President Brandon: Thank you.

Commissioner Burton: You ought to do them all over the city if they could run them that well now that they got rid of whoever that guy was -- the guy that used to run the homeless actually wasn't too good. But the new people are doing something.

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

Vice President Adams: I just want to say I'm in support. But I also wanted to thank Mayor Breed. I want to thank this commission, Director Forbes and the Port staff. I chaired that meeting. President Brandon was gone. And it was a six-hour meeting.

And I want to thank Commissioner Woo Ho, Gilman, Ex-commissioner Victor Makras. President Brandon had left her support. Director Forbes made sure we were safe. I had never been to a meeting in my life where we had the police department and the sheriff's department in the room.

I think all the commissioners -- and I just wanted to say to the commissioners that were there I appreciate your calmness, your kindness to the community, the respect that you gave the community. It was very heated for and against.

You all let everybody talk. I appreciate that. It was one of the proudest days for me being a commissioner. Yeah. And I know we did the right thing. We supported Mayor Breed. And I lived in that neighborhood.

And we heard every excuse why it wouldn't work. And we all went out on a limb, and we gave it a chance. So for me, it's one of the proudest days of my life serving with you all. And we did the right thing.

I know we're in the business of making money. But we showed our social conscience. And as commissioners, I just want to say that I'll never forget that day. It was an honor to serve with you on that day because it means so much that we're able to help the homeless.

And even with the naysayers, everybody was saying why it wouldn't work. And we found a reason to work. And we all put our reputations out on the line so just want to thank you all. President Brandon, thank you for your leadership. Director Forbes and even to the Port staff, you were very kind to the community. You showed them a lot of love. And you have my support. Thank you.

President Brandon: Thank you. Again, Kimberley, Emily and Randy, thank you so much for the report. I think, following up on what Vice President Adams said, we have come a long way from where we started to where we are today.

And not one person called to complain about this Navigation Center on the Embarcadero. So I want to thank Emily and HSH and all the other city departments including police who are doing a phenomenal job in running this facility and really helping this community with this issue.

And like I said at the last meeting, I think it should be a model for all Navigations in the city because it is so successful in decreasing the homelessness, in the cleanliness, in everything that they're doing out there. So I think that's great.

I just have a couple questions for Emily. I know that this particular facility has never been at capacity. So do you see it ramping up anytime soon? Or --

Emily Cohen: Thank you for the question, President Brandon. The original capacity for the site was 200. It's currently operating at 91 beds. And given the distancing recommendations from DPH around how far apart to keep beds, I don't see us getting to 200.

That said, I hope that we can get above the 91 that we're currently at with reconfiguring and all the safety protocols in place. But it will be gradual, as we can add 20 beds, you know, over time. But I would be surprised if we'd get the health go ahead to go all the way up to 200 --

President Brandon: Okay. Is that --

Emily Cohen:-- certainly not all at once. [crosstalk]

President Brandon: So is that during the pandemic? Or is that throughout the next two years?

Emily Cohen:That is during the pandemic. But that said, I think we are going to continue to be quite conservative with the density within shelters and continue to be quite [unintelligible]. So even after the "emergency order" is lifted, we need to be tracking COVID cases very, very carefully related to this population.

So I do hope we get to 150, maybe 175 at some point again. But given that this has two more years of operation and where we are -- I can't predict it. But I would be surprised.

President Brandon: Okay. Thank you. Then, I wanted to know, referring to Commissioner Woo Ho's question regarding the count -- and you talked about the tent count. So are the RV dwellers included in the tent count? Or is that separate?

Emily Cohen:We do a separate -- we do it at the same time. But we do have an RV -- an occupied vehicle count. So it's RVs and vehicles that are inhabited.

President Brandon: And that's included in the tent count that you just discussed?

Emily Cohen:We do that quarterly. Yeah.

President Brandon: Okay. But all unhoused types are included in the tent count that you just discussed.

Emily Cohen:Sorry. Let me be super clear. So every other January, we do a census that is everyone in shelters, everyone living on the street just themselves, anyone in a tent, anyone in a vehicle. That is a huge operation.

You know, we use hundreds of volunteers to do it. So then, on a quarterly basis, staff from the Healthy Streets Operation Center, SFPD, the homeless outreach team go out and do a visual count of tents and occupied vehicles.

So we do that quarterly. And it's posted online on the city's website the results of that count. I believe the most recent one was done in August 2021. So we should have another one here very shortly.



President Brandon: Thank you. Again, I really want to thank you for the presentation. And thank you for all the great work that you're doing in this area. And I do hope that it is a model and that, when we open up Navigation Centers, [vehicle] triage centers, any type of centers, that we have the same community respect and input. So thank you again for all the wonderful work you're doing.

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 21-45 is adopted. Next item, please.

- B. Request authorization for Port staff to enter into lease negotiations with YMCA of San Francisco, the highest scoring respondent for the Building 49 Request for Proposals. (Resolution 21-46)

Jamie Hurley: Good afternoon, President Brandon, Vice President Adams, commissioner sand Director Forbes. My name is Jamie Hurley. And I'm here on behalf of the real estate and development team seeking your authorization to enter into lease negotiations with the YMCA of San Francisco for Building 49 located at Crane Cove Park. Next slide, please.

Just an outline of what I'm going to be covering today -- I have a fairly brief presentation. I'm going to sort of summarize the RFP process, which we spoke more about with you all at the September 14th commission meeting, talk a little bit about Building 49, the responses that we received and the results of the scoring for Building 49, talk a little bit about the YMCA's proposal.

I will review the feedback that we received from the Southern Advisory Committee when we spoke with them recently early this month and then next steps. Next slide, please.

So this is just an illustration of the RFP process. This was a competitive solicitation that began approximately a year ago with public outreach and advertising the RFP. Submittals came in in the spring.

And then, basically, in the summer, we went through the scoring. And then, here we are in the fall -- that last box on this chart -- seeking your approval to enter into negotiations. Next slide, please.

This is some of that same information just in a different format showing some specific dates that we did various key milestones throughout the process, again starting about a year ago. And then, just most recently, as Director Forbes mentioned in her executive director's report, we had an informational item presented to you on September 14th.

And then, subsequent to that, we went and did a presentation and facilitated discussion with the Port's Southern Advisory Committee on October 6th. Next slide, please.

So again, just to remind you all about Building 49, which can be seen in the bottom of this image, it's about an 8,000-square-foot single-story building. The Port is doing a project right now to deliver some core and shell improvements that should be done approximately by the end of this year or early in January.

There's a 100-person occupancy limit currently for the structure. And then, the uses that we were seeking in the RFP included recreational boating -- water-recreation-oriented use, aquatic center, if you will, food and beverage and just general park and visitor-serving uses. Next slide, please.

So for Building 49, we did receive two responses, both of them meeting the minimum qualifications to advance to the scoring. And those were from the YMCA of San Francisco with two key partners, Dogpatch Paddle and Daily Driver. And the other was Ted Choi, the operator of an existing Port tenant known as City Kayak.

And I've highlighted here the sort of winner of the competition, if you will. The YMCA of San Francisco scored highest coming out of the RFP process. Next slide, please.

So just at a very high level, the YMCA's vision is: to bridge the southern San Francisco neighborhoods in an outdoor-focused setting; to introduce new ways of interacting with the waterfront by conserving and uplifting Crane Cove Park; and to reclaim the scale and light-filled openness of Building 49. Next slide, please.

And these few slides that I'm covering right now were taken from the presentation that the YMCA did as part of the September 14th informational item. But I just thought it would be good to highlight a few of these again.

So again, there are three partners on the team, the YMCA, the Dogpatch Paddle, which as it notes here was really born out of the opening of Crane Cove Park, and Daily Driver, also a very local business -- a local woman-owned business with their main business on Third Street and then an outpost at the Ferry Building as well.

So this will be their third location, I believe, or at least third very near to the Port -- and again, more about the vision, which includes fostering community through holistic wellness, watersports and educational experiences, commitment to introducing new and underserved communities to the bay and then membership opportunities for combined services of the Y and Dogpatch Paddle. Next slide, please.

This shows their proposed floor plan. So they've got, in different colors here, shaded the three different partners. The YMCA is proposing to occupy approximately 4,000 square feet of the building roughly in the center of the building with Dogpatch Paddle occupying the sort of water side of the building, about 2,500 square feet.

And then Daily Driver will have just about 500 square feet in the corner of the building on the west side nearest to Illinois Street and nearest to those picnic tables on the south side of the building. Next slide, please.

As I mentioned, we did go to the Southern Advisory Committee subsequent to the last Port Commission hearing. And we really heard a strong level of support amongst the committee members for the YMCA proposal.

In fact, they requested that the staff prepare a letter of support on behalf of the committee. I don't know if that's actually been done yet. But if you haven't received it yet, commissioners, that should be forthcoming, a letter of support from the Southern Advisory Committee for the YMCA proposal.

A couple of things that they noted -- they wanted to encourage local hiring in the construction and operation of facility. And certainly, Port staff along with the city's contract monitoring division staff will work with the team in setting appropriate LBE goals and so forth to make that happen.

A lot of people on the committee stressed the importance of getting this going in a timely manner. They just noted that the fact that the park is already receiving quite heavy use and the need for permanent bathrooms to replace the temporary restrooms that are there currently.

So again, we stand ready to work with the team to, you know, expeditiously get through negotiations and hopefully get them into construction if you authorize us to do so.

And then, finally, they suggested that the YMCA consider seismic issues in the building design, noting that 100-person occupancy limit that I mentioned earlier. And again, our engineering staff will work with them. And we've already been in discussions with the YMCA folks, and we don't see a big problem with that issue. Next slide, please.

So again, I'm here seeking your approval of the attached resolution, Resolution 21-46. With your approval, we will commence lease negotiations with the YMCA of San Francisco. And then, if those negotiations are successful, we will return to the Port Commission for approval of a lease. Next slide, please.

And that concludes my presentation. I did want to offer an opportunity for a member of the YMCA to just say hello. So we have Jamie Bruning-Miles. Go ahead, Jamie. Your microphone is muted.

Jamie Bruning-Miles: Sorry about that, Jamie. Thank you, everybody, President Brandon, Vice President Adams, commissioners and Director Forbes and, of course, Jamie Hurley. I'm here to answer any questions. And I appreciate the support for the proposal.

Jamie Hurley: And with that, commissioners, we look forward to your comments and questions. Thank you.

President Brandon: Thank you, Jamie, for the presentation. Commissioners, can I have a motion?

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

No Public Comment on Item 11B.

Commissioners' Discussion on Item 11B:

Commissioner Woo Ho: Thank you, Jamie, for this report. I'm very supportive of the item and really have no further questions. We've heard a lot about it. I think YMCA is a great choice. I think their programming will be great for the area. And glad that you have received the input from the community. So I think this is going to be a wonderful addition to everything that we have on the Port. So I'm very supportive. Thank you.

Jamie Hurley: Thank you.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Ditto to Commissioner Woo Ho's comments. I'm very excited to see this happen and get this building activated. And I feel the choice of the award is appropriate and great. So I'm supportive of the item.

President Brandon: Thank you. Commissioner Burton?

Commissioner Burton: No comment.

President Brandon: Vice President Adams?

Vice President Adams: It's time to move this thing with a resounding unanimous vote. Thank you.

President Brandon: Well, it sounds like everybody wants to see this happen. So thank you both, Jamies, for a wonderful presentation. And thank you for bringing the Y to the southern waterfront. I think it's going to be a great opportunity for a lot of people. So thank you.

Jamie Bruning-Miles: President Brandon, can I make one quick comment?

President Brandon: Sure.

Jamie Bruning-Miles: I just want to thank you all. As a resident of San Francisco, your last conversation around the Navigation Center Embarcadero just means it's going to be a thoughtful, heartfelt community project. And I just appreciate that. So thank you. Looking forward to working on lease negotiations.

President Brandon: Thank you for bringing the Y to the waterfront.

Jamie Bruning-Miles: Thank you so much.

Jamie Hurley: Thank you, commissioners.

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 21-46 is adopted. Next item, please.

**12. MARITIME**

- A. Informational presentation on the proposed expansion of retail fish sales from boats at Fisherman's Wharf.

Dominic Moreno: Hi. Good afternoon, President Brandon, Port commissioners, Director Forbes. My name is Dominic Moreno with the Port's maritime division. I am joined by Andre Coleman, the Port maritime director. Next slide, please.

So today, I will be providing the informational presentation on the Port's retail fish sales program at Fisherman's Wharf and respectfully request Port Commission guidance on making the program permanent and an expansion to include Dungeness crab for the off-the-boat sales.

This report serves as a follow-up on the program update provided to the Port Commission in 2019 allowing retail fish sales from commercial fishing vessels at Fisherman's Wharf harbor. The purpose of this informational update is to seek Port Commission guidance on a proposed expansion of the program to remove species limitations and exclusions of the original program. Next slide, please.

We believe the expansion to include live crab provides an opportunity where one currently does not exist. Fisherman's Wharf provides cooked crab and wholesale crab. But current policy does not allow for the sale of retail live crab.

We look forward to providing this opportunity to a segment of the commercial fishing industry that was directly impacted by both the global pandemic and the Pier 45 fire of 2020. Next slide, please.

Industry experts have told us that historically fishers have sold fish off their boats for well over 100 years at Fisherman's Wharf. Ninety percent of the seafood brought in goes to the processors at Pier 45. It's a historical thing at Fisherman's Wharf to buy fish off the boats.

It does bring people down to the wharf. People like to get to know the people that provide them their food. It's important that they're able to come down and meet and get to know their local fishermen. Next slide, please.

With a successful program in place for home-ported vessels and fishers, there may be opportunities to identify other locations for transient vessels to participate. Port staff is looking into that for future capital projects with hopes to continue reconnecting the public with the commercial fishing industry.

While every fish and crab sold off the boat is a success, we look forward to seeing improved growth of the program and increased participation, both fishers and consumers. Next slide, please.

The fishers are primarily responsible for marketing and would be allowed to post signage on their vessels when fish is available. There are other electronic opportunities including social media. And we look forward to seeing the creativity of this entrepreneurial group.

The program not only brings fresh locally caught seafood directly to the public but, as a secondary goal of the program, brings the public back to Fisherman's Wharf. Next slide, please. The retail fish program expansion supports two key

goals of the Port's strategic plan: engagement and economic vitality. Next slide, please.

Port staff would appreciate your guidance as to any adjustments you feel might be necessary and direction as to whether to extend the program permanently, which would give commercial fishers the option for retail fish and crab sales in the future.

We look forward to your recommendations and will bring this back as an action item soon. Thank you. Next slide, please. That concludes my presentation. And I'm available to answer any questions. Thank you.

President Brandon: Dominic, thank you so much for the presentation. Now, let's open it up for public comment. We will now open the phone lines to take public comment on item 12A from members of the public who are joining us on the phone. Jenica will be our operator and will provide instructions now for anyone on the phone who would like to provide public comment.

Jenica Liu: Thank you, President Brandon. At this time, we will open the queue for anyone on the phone who would like to make public comment on item 12A. Please dial \*3 if you wish to make public comment.

The system will let you know when your line is open. Others will wait on mute until their line is open. Comments will be limited to three minutes per person. The queue is now open. Please dial \*3 if you wish to make public comment.

President Brandon: Thank you. Do we have anyone on the phone?

#### No Public Comment on Item 12A.

Angela Cincotta: Hi. I'm sorry. Good afternoon, commissioners and all others in attendance. By way of introduction, I am Angela Cincotta of the Alioto-Lazio Family and Fish Company. We have been in business and a tenant of the Port of San Francisco since the 1940s.

For over 80 years, we have been buying and selling seafood, especially Dungeness crabs. We have several concerns regarding your permanent crab sales direct from the boats. First is the health and safety issue.

As with your pilot program for other seafood, no other oversight agency was involved to manage what or how product was sold. The Port staff says it is not their obligation. But the Port is the permitting agency for this program. The health and safety of the public should be your first concern.

Second, the Port is creating an unfair business competition. Once a boat becomes a direct seller, his boat now becomes a brick-and-mortar business just like all of ours. The same rules should apply but will not.

For \$225 a year, from one boat, you will be jeopardizing the thousands of dollars you receive monthly from the other brick and mortars. The money does not equate. Lastly, this move does not just harm our business but the other crab fishers and crab stands.

During the pandemic, we, within the seafood industry, all worked to make sure people had food while most of your staff was furloughed causing substantial litter and little to no maintenance throughout the Port. Now, the staff is back at work.

And under the veil of secrecy, we find out about this apparent fait accompli from Mayor Breed's announcement on October 22, 2021 to the Fisherman's Wharf Community Benefit District's local media blitz on October 4, 2021.

Because you do have control and are required by law to address these matters, please take the time to listen about public health and safety in your financial decisions. If you commissioners or anyone else participating in this meeting have any questions, please feel free to contact me. I thank you for your time today.

Nick Krieger: Hi. This is Nick Krieger. I'm a fisherman at Pier 45. I have the fishing vessel Ariana Rose. And I think this program allowing us to continue to sell fish and sell crab off the boat is a great idea. San Francisco is really one of the only ports on the coast that doesn't allow fishermen to sell crab off of the boats.

And I know we've lost a few boats because, you know, they go to Half Moon Bay to sell their crab off of the boat. I think that this is going to benefit everybody. I think it's going to be really good for the local boats.

I think it's going to be really great for the community to access sustainable, fresh, local seafood. I think it's going to be great for the tourism industry. It's going to add a lot of authenticity to Fisherman's Wharf.

And I actually think it's going to be good for the local businesses down there that are currently selling seafood because we're going to be selling crab, you know, occasionally when we go fishing. We're not going to be there every day like some of the businesses.

And when we get customers that come down and we're not there, they're customers that are currently not going to Fisherman's Wharf. But they hopefully



will be. And then, they'll look other places that they wouldn't normally be looking. So thank you for your time. And I appreciate the opportunity.

John Barnett: Hey. Thanks for your time. This is John Barnett, president of the Crab Boat Owners Association and Salmon Boat Owners Association and speaking mostly as a fisherman. I'm not sure I would take advantage of selling crabs off my boat.

But I do believe that we should be able to do it. Again, we're the only port pretty much on the coast here that can't. And it's crazy that boats would leave here, go to another port to sell crabs off their boat that they caught here.

I do believe that it's going to enhance all the other businesses around. And let's just be clear. Every other bit of seafood, you're allowed to sell off your boat here that you catch. It's just crabs we're talking about.

We've been able to sell salmon off the boats for quite a while. And it hasn't hurt. If anything, it enhanced or just kept the same all the other businesses around. So I don't believe that it's going to drastically change.

I don't see it -- you know, maybe some boats won't take advantage of it. Maybe some boats will. I think it will add some authenticity. But with COVID going on right now, any new business could help. I don't see how it could hurt.

So again, just speaking on most of the fishermen I've talked to, a good 90 percent of the fleet, though they may not take advantage of it, they're in favor of the ability for other boats to be able to do it. So that's all I've got to say. Thank you for your time.

Dan Strazzullo: Hi. I'm Dan Strazzullo. I've been a tenant at Pier 45 for over 20 years. And I have no problem with anybody doing business. What I do have a problem with is that we are required to have our scales inspected, have wash-down facilities and all that.

I just want to see people -- level the playing field, so we all are doing the same thing. Our costs and our licenses are very expensive. And we just would like to see the boats that are going to sell -- who's going to monitor their scales?

Do they have wash-down facilities? Do they have refrigeration or ice to put their product on? These are all things that are required to our businesses. You guys tried this program with the Pioneer, which I believe was a disaster. And they're no longer allowed, I think, on the Port, if I'm not mistaken.

I think you should reconsider, if we're going to allow this, that we have some health issues and make them meet some of the requirements that all the other businesses have to do. That's all. Thank you for your time.

Commissioners' Discussion on Item 12A:

President Brandon: Seeing no more callers on the phone, public comment is closed. Dominic, did you want to respond to anyone?

Dominic Moreno: Sorry about that -- mute. I have made notes. And I will respond. I think that, specifically, we're talking about live crab for sale. So the Taylor Street crab stands sell only cooked. And I don't feel or believe that this would impact wholesale business.

Andre Coleman: Dominic, if I may add just to some of the health and safety concerns that were raised, so oversight is through Department of Fish and Wildlife. And that is due to the sales being from the boat. So if a vessel were to set up a table, let's say, landside at one of the berths, then Department of Public Health would come into play for oversight.

However, being that that is not a part of the program and it is limited to species directly from the vessel, the health and safety is the oversight of Department of Fish and Wildlife. Additionally, there are other health and safety concerns that we have to be cautious of. And that's pedestrian traffic.

I think one of the last callers did mention a conflict with one of the more active retail fish sellers, and that was the Pioneer. And there was conflict with one of the landside restaurants and the popularity of his vessel and fish sales.

So that is something we addressed, those safety concerns -- landside safety concerns and something that we will continue to monitor depending on location and popularity of the program.

President Brandon: Thank you. Commissioner Burton?

Commissioner Burton: Mm-hmm. Okay. How did you address the health and safety concerns you said that were addressed? I'm sorry. [laughs] You sir, far left.

Andre Coleman: Andre? Yes. Thank you for that question Commissioner Burton. So again, this was a pedestrian traffic issue. So there was some queuing modifications that took place to address queuing at that berth location.

Unfortunately, due to the leasehold restaurant that wanted to set up outdoor dining, we had to discontinue retail fish sales at that location for that vessel. But that was the largest health and safety concern that we were made aware of at the time. I think you're on mute, Commissioner Burton.

Commissioner Burton: [Who am I talking --] what?

President Brandon: You were on mute. Did you have any other questions?

Commissioner Burton: Yeah. I didn't hear my -- how did you address the concern you mentioned?

Andre Coleman: Yeah. So unfortunately, we had to discontinue retail fish sales at that location for that vessel due to incompatibility of outdoor dining and retail fish sales at that location. So we did look for other locations within the wharf to accommodate that vessel. It was a larger vessel. But ultimately, that fisherman ended up taking his vessel elsewhere.

Commissioner Burton: Okay. Thank you. What was mentioned by, I think, one of the first people that spoke talked about this was done under a veil of secrecy. Do you have any idea what she might be talking about?

Andre Coleman: [laughs] I do not. Again --

Commissioner Burton: I'm sorry, sir. I can't read the names. What's his name?

Male Voice: Dominic.

Andre Coleman: Yeah.

Commissioner Burton: I'm sorry. Yes, sir.

Dominic Moreno: I don't know what that comment --

Commissioner Burton: In other words, you gave a lot of notice? Everybody knew what you were doing every step of the way?

Andre Coleman: Y -- go ahead, Dom. [crosstalk] I was just going to say, Commissioner Burton, again, just kind of the history that Dominic provided -- this program was piloted in 2017. I believe 2019 we provided an update to the Port Commission.

The program has actually remained active for those interested in selling. The purpose of this -- we did reach out to a couple tenants down at the harbor. But the purpose of this informational session was -- or item was to do exactly that, put it out there, solicit some feedback from the commission, the public to expand to crab.

Commissioner Burton: Well, yeah. I mean, that's an expansion. Why wasn't this done originally? Is it only because the pandemic that you made this policy change or would like to?

Andre Coleman: So historically, crab was excluded from the program. I think there were some concerns from the certain segments of the fishing community. I think, as noted, as we rolled out the program, I think one of the callers did mention that, you know, salmon has been sold off the boat successfully with minimal disruption to the processors or -- although crab stands -- crab stands.

I think we see this as you have the processors who receive -- or sell wholesale. You have the crab stands that are selling prepared and cooked crab. And then, you have this segment of fishermen selling live crab off the boat, which again, as you heard, occurs up and down the West Coast and within the region out of Pillar Point, if I'm not mistaken.

Commissioner Burton: Okay. But the thing that was mentioned was this is here partially or wholly as a result of the pandemic. In other words, that had nothing to do that it was a logical extension with or without a pandemic. In other words, the early testimony was kind of like, because of the pandemic, we have to extend this.

It was more because of the economic hardship, I guess, on that -- the fisher people as opposed to that. So it wasn't the pandemic. It was just in your mind a logical extension, and you used the pandemic as a reason or what?

Andre Coleman: Yeah. I think, as noted in the staff report, as an opportunity for economic recovery. We view this as an opportunity to increase foot traffic down at the wharf. In talking with some of [crosstalk] the other harbors down in, for example, Pillar Point, I think they see up to 1,000 folks on a weekend approximately for off-the-boat fish sales.

And of course, that spikes during crab season. So for us, this was an opportunity to, again, expand the species for crab with the goal that we increase foot traffic down at the wharf, engagement from the local communities and engaging the fishermen and fisherwomen at the industry. And hopefully, those individuals frequent other businesses while they're down going through that experience down at the wharf.

Commissioner Burton: As long as they don't ride bikes. [laughs] One last thing, so there would -- this extension, shall we say, the broadening will not have that much of an adverse impact on present businesses there like the first speaker or second speaker talked about?

Andre Coleman: Correct. At this time, we don't anticipate significant disruptions. Again, this is live crab versus cooked crab at the crab stands and not sold in bulk, as the processors typically receive. But again, that's something we can monitor.

And the last thing we want to do is have -- there may be some unintended consequences or some adverse impacts as a result of the program. If that's the case, we will definitely reevaluate and return [for] the commission.

Commissioner Burton: And we would be asked to put the cork back in the bottle.

Andre Coleman: [laughs] Possibly.

Commissioner Burton: [It's pretty tough to -- I mean, it's] [unintelligible] to undo something. But thank you very much. Thank you, Madam President.

Andre Coleman: No problem. Thank you.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Thank you for the report. I have just a couple of questions. I have a couple questions about the expansion. And I have a couple of questions just in general about live fish sale on the wharf. I do want to say first that I'm a proponent and a booster for getting locals back to the wharf.

I don't know if folks saw. [It maybe was] [unintelligible] weeks ago, the Chronicle ran a story about Fisherman's Wharf. And it was sort of the good, the bad and the ugly for locals coming there. And while there was a lot of positivity, there was also, you know, a fair criticism of the wharf just being for tourists.

And as someone who lives on the northeast waterfront, you know, really want to see locals drive to the wharf as they do in so many other communities from Seattle to Sydney to Barcelona, Spain where the waterfront is used so much more by locals from my observations.

So first off, can you just tell me, Andre, how many boats are participating now in selling live fish? And how do they let the public know? Because as someone who went this morning, maybe I went too late at 8:00 a.m. looking for live fish, I could not find it sort of anywhere on the waterfront. So I'd like you to answer that question first for me. And then, I just have a couple of others.

Andre Coleman: Dominic?

Dominic Moreno: Yeah. So currently, there were two boats that were participating. We had a total of three in its previous version. The creativity I spoke to around social media is typically how they're getting the word out.

I think there's a couple apps that are kind of fish-finder-type apps. And you can search, you know, by location of your phone, zip code, find nearest. So there's going to be some creativity that we think we'll see in that advertising and

marketing piece. But again, the fishers are responsible or primarily responsible for that.

Commissioner Gilman: Okay. So there's two boats now that are currently doing it.

Dominic Moreno: Correct.

Commissioner Gilman: And we h --

Dominic Moreno: Well, in the previous program, yes.

Commissioner Gilman: Okay. And they're all around Pier 45? Like that area?

Dominic Moreno: So the areas that they're allowed to be involved in the program is the inner and the outer lagoon of Fisherman's Wharf. And that's designated because of the public-access opportunities. So at the outer lagoon is Scoma's, Pier 47. And then, the inner is kind of [front-row-ish area] by the Chapel.

Commissioner Gilman: Okay. And how many -- just to give a point of scale -- because there was comments of folks being concerned about brick-and-mortar shops that are selling live fish, about competition -- first of all, how many brick-and-mortar shops are selling live fish that we lease to?

Dominic Moreno: I don't know if we have a policy allowing retail fish to be sold.

Commissioner Gilman: So then, we don't have retail fish being sold?

Andre Coleman: To clarify, from the brick-and-mortars, for some of the -- our -- retail fish sales -- it's our understanding -- is not allowed per the leasehold language for some of those processors.

Commissioner Gilman: Okay. So the fish processors, okay, can't -- because there's quite a number of fish processors that are wholesale, not retail --

Andre Coleman: Correct.

Commissioner Gilman: -- only because I saw them all this morning. They were extremely active, by the way. So that seemed like a very profitable, good thing for us and for them to do. We have the folks who are selling cooked fish, you know, all along sort of where Aliota's and Scoma's and Fisherman's Grotto are.

But we currently don't have brick-and-mortars like -- again, sorry, I've just been traveling. I was at two ports. There were all sorts of fishmongers selling fish in brick-and-mortar or sort of stalls right by the boats. We don't typically have that here.

Andre Coleman: Correct.

Commissioner Gilman: Okay. So then, there wouldn't be a brick-and-mortar concern then? Because a caller did say that they were concerned about competition for brick-and-mortar businesses. So I'm just a little confused. I'm sorry. Okay.

So I guess the only other question I'd have is, on the health and safety, it seems like the health and safety for selling fish off the boat is not in our jurisdiction. I just want to -- I heard you say that when you answered Commissioner Burton's questions.

I want to just be really clear that that's accurate. It's not that we don't want to regulate. It's just it's not our jurisdiction to regulate it because it's not happening on Port property. Technically, the boat is in the water.

Andre Coleman: That is correct. And if there are issues that we were made aware of, I mean we do work closely with local agencies. Again, if there are issues that we observe or we're made aware of, we will definitely address them either by way of our Port resources or partnerships with the local agencies.

Commissioner Gilman: Okay. So I guess the only other suggestion -- since this is an informational item today, and I know it's coming back to us -- is maybe going back to something that Commissioner Burton referenced.

It might be good to have a sunset or a review by us to make it more permanent so that, if there are some -- I mean, I can't imagine what the unintended consequences would be. I will say I hope, if we vote on this as a commission and allow this, I do think we need to do more advertising as a Port.

A caller referenced the Fisherman's Wharf Community Benefit District doing a social media campaign. If we are to vote and approve this at our next meeting, I would hope the Port would do something too and maybe even something around signage just as someone who was wandering around that whole area this morning.

It's sort of hard to figure out what's going on if you're just a lay public person or people in the neighborhood who we want to have drive there. So that's just a suggestion -- and a sunset or a review by us, so we can make sure there aren't negative unintended consequences.

But generally, it seems like a good -- anything we can do to get San Franciscans to that area, in my opinion, for positive activity is a good thing. That concludes my questions and comments.

President Brandon: Thank you. Commissioner Woo Ho?

Commissioner Woo Ho: Yeah. Thank you, Dominic and Andre. So just following up a little bit on the conversation so far -- so I did hear that, obviously, other ports are doing this already. And while it's not in our jurisdiction, do we know what healthy and safety measures are usually taken?

So even though we cannot dictate or whatever but just for the general welfare of the public to make sure -- and obviously, we've been selling fish. The fishermen have been selling fish. And so far, I don't think you reported any incidents of health and safety from that so far.

So if that's the case, we should know about it because -- and so that's one question, whether, you know, we can make sure that we're aware of what other -- what they generally do just to protect the health and safety. It's not that we can enforce it but just that we want to make sure that, you know, what is generally considered common-sense principles are followed for the general welfare of the public, if we could pass that on and saying hopefully you're observing these and -- ice or whatever it is that you do.

I mean, I think live crab is definitely -- I can tell you I am a live-crab eater. I buy them in the Chinese market because they taste so much better, I mean, fresh. So I definitely would appreciate that. So I think that, if we could at least make sure that we know what the standard should be even if we can't regulate it and that we pass that on to make sure that they do that. They should know it themselves but just to make sure.

And secondly, you said there are only two boats right now that are selling fish. When we expand this to crab, is it the same boats? Or are we introducing now more boats to be selling crab? Because I -- it's my ignorance in terms of -- but I thought the crabbers were different from the fisherman. But maybe they're one in the same.

So can you answer the question whether we are now introducing more boats, which will make it more interesting? But I just would like to understand that.

Dominic Moreno: That's a great question. We think that we will see increased number of boats participating. To John Barnett's comment, there will be some that won't. And I think I've heard comments that, when the fishing is good, they want to go get the haul, bring it back to Pier 45, offload it to processors, get back out to sea and continue the fishing. And I suspect that will



be the same with crab as well. But we anticipate seeing an increased number of participants.

Commissioner Woo Ho: Okay. So let me ask the question slightly differently. So since we opened the fishing boats since 2017, I guess they do have to register with us. So do we have -- how many boats have registered to sell, but we're finding that only two boats sell regularly? Or is it just there's two boats usually that are there out of a pool of 10 boats? How does that work?

Dominic Moreno: So the two boats that participate are permitted to do so. And there's only two permits out right now.

Commissioner Woo Ho: Okay. Okay. So we don't have people who say I want to have the permit, and then I'll decide whether I decide to sell on that particular day. So there's no kind of rotational situation where, gee, today, I think I might do this. And the next day, I might just sell to the wholesalers. But this is their permanent way of selling fish now? They don't sell to the wholesalers at all?

Dominic Moreno: I couldn't answer that. I do think that that is a business decision that the fishers would need to make themselves.

Andre Coleman: Correct. The option is still there for them to sell to their wholesalers. The option is there for them to participate in the retail fish sales program. It really depends on their business model. You know, again, we had the one vessel that was more successful, given the length and size of his vessel and how he fished.

So he was a little bit more successful in the program -- direct sales for the program. But that did not prevent him from selling to the processors as well. So it really depends on, again, the interest of the fishermen, their business model. But both options are available.

Commissioner Woo Ho: Okay. Then, I don't know -- I think I asked this question a long time ago when this started. But we don't know what we observed the difference in terms of -- not that they do report it. But [I don't know if we] observe the difference of how they sell -- the price to the public as a retail, which normally says is higher, and then what you sell to a wholesaler. Do we know if there's a differential in the pricing?

Andre Coleman: We could chase that down and bring it back to you for the  
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Commissioner Woo Ho: Okay.

Andre Coleman: -- when we return.

Commissioner Woo Ho: But at this point, we are responding to an interest from the crabbers to do this. Is that correct? It's not just us trying to expand the program, but there's also their interest in being able to do this as well. I just want to make sure that we have interest on their part. The public will be interested in this because I think it is something that, you know, gives them a choice and something else to do when you come down to Fisherman's Wharf.

Andre Coleman: Correct. Yes. There's interest. Of course, this is the Port looking to expand the program. But of course, there was some outreach to some of the crabbers. And there is interest from their end as well.

Commissioner Woo Ho: Okay. Well, hopefully, they're working with us closely because I think we've done a fair amount to help the crabbers, right, when the fire and everything else. So hopefully, we have a strong relationship and partnership with them to make this successful on both sides. Okay.

So I think the question just from my -- are we setting this up even when you come back as an action item -- not that we're voting on it today -- to do this for -- again, I think we did this with the fish sales. We put it out there for a period of time. And then, we made it more permanent.

Is this what you're planning to come back to us and say let's try this for a season or two seasons or whatever, and then we'll make a decision on whether we make it more permanent? Is that the structure of what you're proposing?

Andre Coleman: Correct. Two parts -- so the program permanent and the expansion of species for crab -- I think, based off of some of the initial feedback, the best approach is probably a pilot program of one season and learn from the successes or maybe some of the challenges or evaluate those and return either way on extending crab.

Commissioner Woo Ho: Okay. Thank you.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: Deputy Director Coleman and Mr. Moreno, good job. I heard the first caller what they had to say. I was going to ask Director Forbes something. But I think you've explained it. I'm on board about helping the fishermen.

I don't think people have to go to other ports when we have such a great port. I'm open to a pilot program. It's something that works. And ever since I've been on this commission, this commission has always been very supportive of the fishermen.

It's a part of our history over 100 years in this Port of San Francisco. We've been there during the good times, and we've been there through the struggles. And I think we have to continue to support them.

I mean, they're like the last of the Mohicans. And we have to continue to support them. So when you bring it back, there might be some more questions. I'll talk to Director Forbes offline. I want to know a little bit more about what was said. But I also think that we're on the right track. Thank you both. Appreciate it.

Andre Coleman: Thank you.

Dominic Moreno: Thank you.

President Brandon: Thank you. Dominic and Andre, thank you again for the presentation. Thank you for answering all the questions. So we have a pilot program. And right now, we are adding crab to our pilot program. That's the request?

And then, you'll come back -- because it seems like this has been a pilot program for a while. So I'm just wondering when we get to an actual program or --

Andre Coleman: Yeah. Two parts. Again, make the retail fish sales program permanent and then expand the species to include crab as a pilot for one year so that we can reevaluate again any of the challenges that we faced given some of the comments or feedback that we've heard today. So that's the ask in two weeks.

President Brandon: Okay. So we're going to make the program that we have now permanent --

Andre Coleman: Yes.

President Brandon: -- and then pilot adding crab to the permanent program --

Andre Coleman: Correct.

President Brandon: -- as a pilot.

Andre Coleman: Correct.

President Brandon: Commissioner Burton? You're on mute. You're on mute, Commissioner --

Commissioner Burton: Why wasn't crab put in at the very beginning? In other words -- anybody? One of the two of you?

Dominic Moreno: I think there was consideration for the Taylor crab stands, Commissioner Burton, in its previous version. I think there's -- these days, there is only one crab stand functioning. So we thought there might be an opportunity to provide crab to -- you know, in live form.

President Brandon: You're on mute, C --

Commissioner Burton: When we did it, we didn't want to just do all in one, just took care of the fish and then [not -- there's] a need for the crab that there wasn't before the pandemic. I got -- I understand it, I think. Thank you very much, both of you.

President Brandon: Thank you again for your presentation. We look forward to you coming back.

Andre Coleman: Thank you.

### **13. ENGINEERING**

#### **A. Informational presentation on equity opportunities in construction project delivery methods.**

Rod Iwashita: Good afternoon, President Brandon, Vice President Adams, commissioners and Director Forbes. I am Rod Iwashita. I'm the chief harbor engineer for the Port. And I'm here with Stephanie Tang, our contracts and procurement manager, to discuss equity opportunities in construction project delivery methods.

I gave a presentation in 2019 to the Port Commission about alternative project delivery methods. And today, Stephanie and I are here to discuss how we consider and include equity in selecting construction project delivery methods. Next slide, please.

So the Port is committed to eliminating racial disparity and all its policies, processes, decisions and resource allocations. That's straight from our race equity action plan website. Inside the racial equity action plan, there are four different construction-related goals.

This includes enhancing equity-based language in all pre-bids to state the Port values of creating racially diverse contracting teams, repackaging of contracts into smaller projects when feasible to create opportunities for racially diverse micro-LBE teams and evaluate the feasibility of creating a job order contracting pool similar to the Public Works JOC program to increase capacity of small minority businesses.

So why consider -- so we've considered this equity in contracting. We want to maximize economic opportunity for our local communities. Our historic strategy has been to use the LBE program to achieve this goal. But there are other opportunities in equity the Port can explore using contracting alternatives to our typical low-bid process.

These equity opportunities that are available to the Port include workforce development, community benefit programs, education and mentoring programs as well. While we strive for safe, cost-effective and timely construction projects, we're also looking to maximize our impact on local communities through our construction contracting.

Over the past three years, the Port has completed 38 separate construction projects with a value of approximately \$67 million, ranging in construction value from \$16,000 to \$17.8 million. So we don't expect the contracting community to develop community benefit programs immediately.

And we need to remind them about the Port's equity goals and values in order for them to prepare for the use of -- the Port's use of non-cost scoring criteria and how they affect bid evaluations in these alternative delivery methods.

This was one of the reasons the upcoming Port maintenance dredging contract RFP was structured as a two-year contract this time around. It's typically a five-year.

And we included optional non-cost criteria in the RFP to allow the dredging contracting community time to prepare for the following five-year contract where it's very likely non-cost criteria is going to be included and scored in the bids. Next slide, please.

Here, we have the most common construction delivery methods in the city's administrative code. The typical Port project has been a low-bid project. Although, the cruise ship terminal at Pier 27 was contracted using design build. And the Illinois Street bridge project was used construction manager, general contractor methods.

The Port has started to use the Public Works JOC program to address smaller repair and maintenance projects with greater frequency over the past three years. Next slide, please.

And here, we have the different delivery methods that we're talking about and the dollar range where we look to use these different methods. So the overall amount of a JOC contract can be as high as \$5 million.

But the city administrative code limits specific task orders to \$706,000 or the threshold amount. Design-bid-build -- or the low-bid projects don't have an administrative minimum or maximum dollar value.

And best value has a minimum construction value of \$1.5 million. CM/GC and design-build construction methods don't have minimum contract values. But because of the amount of resources -- staff resources and contractor resources, we typically don't use those unless a project is complex or quite large, \$15 million and greater. Next slide, please.

So when we're selecting a delivery method for a project, equity is one of our considerations. But other considerations that we have include project cost, the complexity, safety, timing, staff resources and available contracting resources.

Best value, design-build, CM/GC provide a mechanism for evaluating non-cost criteria within a bid, while low-bid and JOC methods rely on LBE participation to address equity. And with that, I will turn it over to Stephanie.

Stephanie Tang: Thanks, Rod. Next slide, please. So in a typical low-bid process, if you meet the minimum requirements, the city's definition of being a responsive and responsible bidder, then the lowest cost wins. It's pretty straightforward. That's the low-bid approach.

So once you start using scoring criteria, the selection process is more similar to what you will see in a professional services or in a real estate developer selection process. The department develops a set of criteria. And then, a panel will score them.

This is usually around things like past performance, the ability to meet timelines, labor compliance, safety records but that also it's the opportunity to introduce equity as a scoring criteria. So this could be the bidder's DEI practices. It could be workforce programs.

It could be mentorship. It could be volunteer programs. It could be environmental stewardship, anything that the -- these are all considered as the panel is deciding who is the most qualified respondent. And this non-cost criteria gets to one of the goals of generating community benefits. Next slide, please.

So this slide looks at which delivery methods are used based on price alone and which use non-cost criteria. So JOC and design-bid-build, low bid, the top two -- those are based solely on cost. And then, the bottom three, best value, design-build and CM/GC are ones where you can introduce non-cost criteria.

Now, of course, cost is still considered in this. We're not going to throw away cost. For best value, you actually create a formula where it's the cost divided by the qualification score. And a design-build cost has to be at least 40 percent.

Rod and I have talked about the perspective of us, the department. But what are our bidders going to think about us using these non-cost criteria and asking these equity questions? And I do want to say, you know, the non-cost criteria are excellent from the equity perspective.

But from the respondent perspective, there is a learning curve. It's all the work of doing a low-bid proposal plus the work of proposal writing and also possibly an interview. The selection process does take much longer. And it's also a longer period of uncertainty for them. And like all things administrative, bigger firms have more capacity to do more administrative work. Next slide, please.

So this slide gets to the LBE, which is the typical strategy the Port has used to advance equity. We think the LBE is a great strategy. It can't be the only strategy. But this is how it applies to some contracts.

All contracts must consult with the contract monitoring division, the city regulator for administrative code chapter 14B. And while the use of non-cost criteria in a selection process is optional, participation in this LBE program is not. So this is a requirement.

LBE requirements are established at the time of bid. But let me highlight a few important distinctions. Design-build -- so it's the third one on the slide -- has one LBE requirement for the design phase and then a different LBE requirement for the construction phase.

Then, for the CM/GC solicitation process, LBE goals are set at the project start for the project overall, but then trade-bid packages have a separate requirement. So for example, while a CM/GC overall could have a goal of 10 percent, an individual trade-bid package might have a much higher LBE goal depending on availability. Next slide, please.

On this slide, you can see the different alternative delivery methods but then also the three initial goals we started out with and also an assessment of the relative strength of equity of the different areas. And this shows you how we're kind of thinking about how we're going to apply equity.

Now, clearly, low-bid and JOCs are best for maximizing the opportunity for LBE primes. However, they're not as good as best value for generating community benefits. Then, we have the design-build and CM/GCs that offer wonderful opportunities to select a prime contractor who does equity and community-serving work.

But it is extremely rare to have an LBE at a prime because the projects are so large. So LBE opportunities are really at the lower-tier level. So if there's one takeaway from this presentation, it's this. When we're applying the equity lens to contracting, there isn't a one-size-fits-all for which delivery methods we should use.

Each delivery method has advantages and disadvantages. And in the appendix to the staff report, pages eight to 11 has some pretty detailed charts in how you can think about the equity and the non-equity considerations for each method.

So you could understand how staff are approaching and selecting the method from a holistic point of view. And before I close, I wanted to confirm and reaffirm what Rod already mentioned about maintenance dredge and about how we're not just talking about how we can do this.

But we're actually doing this right now and that the dredging contract has always been a low-bid opportunity. And there have been very few LBE opportunities in that work. And nobody was satisfied with that result.

We were doing the same thing, but we weren't advancing equity in that contract. So in the staff report, I just want to draw your attention to item 10A on page two where it says Port staff intends to use a solicitation to prepare the dredging community for possible future implementation of non-cost selection criteria.

So what we're doing is we're preparing the market. We're going to demand more and ask more of the folks that we work with because our equity values should not just be expressed by us, the Port, but also our contracting partners. And the expansion of strategies for equity and contracts is happening now.

So that concludes our presentation. I wanted to thank some other folks who provided insight into making sure that we were clear and correct in our presentation. Thanks to Tiffany Tatum, Alan Gin and Alysabeth Alexander-Tut from the contract monitoring division for their comments. And Rod and also Alysabeth from CMD is on the line as well for your questions. Thank you.

President Brandon: Thank you, Rod and Stephanie, for the presentation. Now, let's open it up for public comment. We will open the phone lines to take public comment on item 13A from members of the public who are joining us on the phone. Jenica will be our operator and will provide instructions now for anyone on the phone who would like to provide public comment.

No Public Comment on Item 13A.

Commissioners' Discussion on Item 13A:



Commissioner Woo Ho: Thank you, Rod and Stephanie, for this presentation. I have to say that it is very innovative and creative. I think we've learned a lot. When I read the staff report, I wasn't sure that I fully understood everything that you said because it's a complicated view of -- and we don't live in the contracting world every day, nor do we live in the world of public finance and how civic entities address it.

I think you've helped us understand. It was extremely educational. So I support trying to move this equity initiative forward. I guess that all the qualitative aspects of what we expect from our contracts as far as you know in terms of the quality, the timeliness and the cost is still there.

But this is advancing it a step forward. And I'm just wondering, as we go forward on this, is the idea -- and I don't know if other city departments are approaching it as well, if we're in tandem with other departments.

Are we going to give this a pilot period just to sort of figure out how to actually execute against this? And then, I'm sure you'll learn some lessons along the way in terms of what's easy to actually implement because there is the -- obviously, it's -- I know it's -- as we said, there's no numbers or anything like that associated with it.

But still, are you going to put this into sort of like a pilot period to sort of make sure that you understand how to execute and implement it and then come back to us and report whether it's working and what other refinements you might want to make?

Rod Iwashita: Well, I will say that I believe it was about two years ago about when I did the first presentation of alternative delivery methods that we were talking about Building 49 or Crane Cove Park in general and trying to do that as a CM/GC project.

The bids there failed. And we ended up having to split the project up and redefine some of the work at Building 49. But we have tried this. We have not done a best-value project, I believe, yet. And I think that we would -- when we come to the Port Commission to ask for authorization to advertise projects, I think we will have -- we will have thought this through.

And probably, if you are interested, we can talk about our reasoning for selecting the contract delivery method at that point. And whether or not it's successful is whether or not I come back and ask you for additional funds because we've had a cost overrun or something.

Commissioner Woo Ho: Okay. All right. I think, at this point, you know, it's worth trying. And I think it's a step forward. I know you all spent a lot of time

thinking about it. So I applaud you for the effort that you've made so far. So thank you.

Rod Iwashita: Okay. Thank you.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Rod and Stephanie, thank you also for this report -- again, applaud you for your innovation. We know that we have LBE and other local-hiring requirements. But this is really taking it a step further. I had one question. I might be misunderstanding the staff report.

So again, apologies if this question seems silly, but one of the questions I had - - and this really goes to -- the way I understood your staff report is, you know, that there are barriers when we get to the design or the CM/GC section, that it's harder because of the competitive-bid process and sort of the barriers for that.

Is there a way -- and I'm going to use just as an example -- this is totally illustrative -- you know, Piers 30-32 and the seawall lot. That was a massive development project that we put out for bid. We are in negotiations with the top bidder.

But would there be a way in those bids to -- while some bids did come in with strong LBE programs and outreach programs, others didn't. So I want to know, one, if there's a way for us to mandate that more, that it has to sort of be part of the bid package.

And also, is there a way on the professional-service side -- it really struck me -- you know, everyone came in -- I'm going to use this, again, illustratively -- with an architect. And they were major firms because of the scope and size of the project.

And it seemed like the LBE or smaller-firm work would be modeling and some of the sort of less-price-point options. Is there a way for us to mandate more equity and sort of work sharing on those major projects to say that -- as an example, if the architectural firm is going to be paid X -- let's just say \$100,000 - - that at least \$50,000 of that needs to be going to smaller firms, LBE, etcetera? I'm just curious about that.

Director Forbes: I can provide some information about the development projects because they're different from what Rod and Stephanie are talking about here --

Commissioner Gilman: Okay.

Director Forbes: -- this evening, commissioner. So for the private-public partnerships where we go out for bid looking for a development partner and enter an exclusive right to negotiate, we have included in our proposals requests for community benefits or for equity.

We've done so more in recent years for sure as a scoring criteria. For some time, all of our development partners including our maritime operators at like the cruise ship terminal, for example Metro, have provided an LBE workforce program.

But now, we're really moving the dial over the years. I must say we've really advanced equity in more a cradle-to-grave approach where equity starts with the development team and ends with the leasing program so really thinking through equity across the program.

So there are additional opportunities. I think that mandates might not be the right approach given that the various work scopes can change. And LBE opportunities are different. I do think having development partners describe their equity goals, their BIPOC goals, diver -- you know, to really express what they're intending in the program is critical because the LBE program itself is race neutral.

So I think -- I'm saying a lot of words but all to say that it's different. We have advanced the way in which we solicit for equity upfront. And we are also requiring diversity DEI programs from our development partners as an early gating point before we enter into term-sheet negotiations. So we've advanced quite a bit the way in which we're incorporating equity into these public-private partnerships.

Commissioner Gilman: And I do apologize if I confused the two matters. I guess what I -- and I pulled it up on my screen. So I'm simultaneously looking at the staff report as a soft copy.

I guess what I was getting at was the way I read what Stephanie was walking us through is that she was saying the design -- maybe it was the construction management/general contracting and the job order contracting would have higher community benefits but may not attract as many -- was I understanding your chart right -- as many LBE firms or folks to apply for that bid?

You were saying there was a trade-off. So I apologize that my examples were development projects because I can't think of a construction project right now. You know, maybe Heron's Head Park is a great example. You just talked about that.

So I guess that's where I was having a little confusion about how we could have higher community benefits but then less sort of BIPOC equity participation who

goes after those grants. That's what I was trying to drive to of how to incentivize those firms to go after those contracts.

Stephanie Tang: Commissioner Gilman, you've identified the inherent contradiction that the staff report gets at, which is that the opportunities for LBEs to prime are exact -- in opposition to the ones that advance community benefits on a larger scale.

And that's why, you know, we want to pose the kind of contradiction of when we're looking for a construction delivery method of figuring out where the balance should be on that particular opportunity.

If you recall the slide that had the numbers, the dollar values of the particular opportunity, the basic kind of way to think about it is the bigger the contract the less likely an LBE is to prime it.

Commissioner Gilman: Mm-hmm.

Stephanie Tang: So because the LBE is less likely to prime it, you're then in a situation where, okay, then you're thinking about how do we maximize LBE participation. But then, are there other equity benefits that we could possibly get?

So basically, small contracts, you try to drive towards the LBE program. Bigger contracts, you've identified the other community benefits that you can do for construction. And then, it's the in-between contracts like maintenance dredge that you then make that choice of where to go.

And that's where the Port is making a different choice from the low bid, which is the habit, to thinking about approaching it in a different way. And you know, the approach that [Shannon and Ken] are using is to prepare the market.

If we prepare the market and we tell them this is what's coming, then we should expect -- you know, we can expect -- as Commissioner Woo Ho asked, we expect less failure if everybody knows what to expect.

So we are preparing the market. They've seen it in the bid documents. They're going to see it. They get a test drive. And they are -- we are well positioned for two years from now when we go back out for everybody to understand exactly what's happening because all the information is there. And you've had literally years to prepare at this point.

Commissioner Gilman: Okay. My only other question is, do we ever -- for this set of contracts -- because other departments use this. Do we ever do just a call for qualifications and then keep a running list of vendors who meet that?

So then, we're not sort of putting -- so let's say we're doing -- I don't know -- sewage plumbing work to prepare for something on Port property. Do we ever just do a qualified-vendor list and then -- so we don't have to put every single project out to bid, that we just then work off of a qualified-vendor list? Other departments do that in the city. I was just curious if that's a practice for us.

Rod Iwashita: So we -- I would consider that to be a maintenance project or a repair project.

Commissioner Gilman: Okay.

Rod Iwashita: Smaller projects like that, we've started to use the Public Works JOC program. They have the pool of contractors. And if a prime JOC contractor can't do that type of work, they are allowed to sub it out. And then, there's an administration fee that they pull out of it.

But it's not an emergency-repair type of deal. But it is something that pulls a lot of -- or takes a lot of pressure off of the Port engineering department because a lot of the construct -- or the construction management and the administration of the actual project itself resides at the Port JOC administrator.

Commissioner Gilman: Yeah. I apologize again. My analogies are just failing tonight. Have we ever done that for a design-bid project, just have a qualified-vendor list or for --

Rod Iwashita: No.

Commissioner Gilman: -- a construction management? Have we ever considered that as a way to streamline the contracting process?

Stephanie Tang: You can't do it for that because of the dollar value --

Commissioner Gilman: Okay.

Stephanie Tang: -- because the dollar value is too large. And pools work when you have multiple opportunities of the same size going out again. Right. So if we do the same work many times, you can have a pool because people know exactly what to expect.

But each design build and each CM/GC is a precious unicorn that gets built, right, where it has all these specific configurations for that particular opportunity. So we need to select the specific right person. And the bidding requirements for CM/GC or design build are not for the faint of heart. They are significant.

Commissioner Gilman: Okay. No. You've answered my question. I just was trying to figure out, you know --

Stephanie Tang: Perfect.

Commissioner Gilman: -- if there was a streamlining way where we could have a pool of LBEs who are qualified that we can then just say, hey, this project has come up. Firm X, would you like to do it?

I was just looking -- you know, OEWD has that. Homeless and Supportive Housing department has that. DPH has that. Other folks who are large contractors for the city will do request for qualifications and then work off that list when opportunities come up.

So I was just trying to see if that was a pathway we could use. So thank you. I understand now. And I'm going to conclude my questions. And I apologize that all of my examples failed spectacularly. But I think I understand now what I need to understand.

President Brandon: What Commissioner Gilman is talking about -- isn't it like with our real estate contract with our services where we have a pool where we go out, and we have a pool of four or five firms that we could use if the need arises? But it's more professional services, not contracting. So I think that's more of what Commissioner Gilman's asking. Could we do that in the contracting world for -- go ahead, Rod.

Rod Iwashita: So I think we -- the next time we go out for on-call engineering services, you know, I think we -- the last time we did this -- there's always a -- one of the first things we talk about at pre-bid meetings is the diversity and what the Port is looking for.

I think we want a diverse -- and there's a paragraph that I remember reading that is -- you know, we want the team makeup to reflect the goals of the city in terms of diversity. So I think we are doing that already.

I think -- and I'm glad that we're talking -- you've asked that question because I think that this is -- you know, if there are any consultants watching the Port Commission meeting now, that this is kind of telegraphing to them as well what the Port's values are and maybe where our evaluation points go when we are evaluating a professional services contract or bids.

I'd just like to say real quick that, you know, the JOC program I've been talking about with Public Works -- 10 of the 13 JOC contracts right now are primed by LBE contractors. So there is a significant component there of LBE participation already.

Commissioner Woo Ho: I just wanted to make one comment. I know that our process a lot of processes in San Francisco are considered very convoluted and harder than other cities. But on this particular area, I think -- I guess I'm a little bit contrarian to Commissioner Gilman's comments.

I think there's more transparency with what you just described with the way we would go about this process. So I think -- because, as you know, the city has been criticized recently for some not-so-great practices.

So I actually support what you're trying to do. And I think that having something that's more open and transparent, even though it may take more steps, is probably a good thing. And I think we have kept ourselves, I think, pretty clean as far as the commission is concerned.

And we hope that the staff agrees with us. And I think that's a good thing. So I don't want to say anything about other departments. But I feel good about the San Francisco Port for that reason. So I appreciate, you know, while we're trying to build more values into how we do business to encourage the community and help support the community, I think if it takes a little more effort, but that's fine.

I would be a little bit concerned if we just had a qualified list. And after a while, we sort of got used to the clique. And we just took people off that list. That's another type of, I guess I could say, non-equity in a different way in the long run.

I mean, it may not be. So I would just be cautious about that. That's the only comment I want to make. I know we're not going there. But I would just say I like open and transparent processes when it comes to contracting. I think it's a good thing.

And I think we've done a great job on the LBE side. And I think you're adding another level. And I think that's good. And yes, there is a contradiction where you can never get a prime LBE to be on some of the larger projects. I mean, we still, at the end, cannot ignore people have to have the qualifications to be able to do the project. And it takes time.

President Brandon: Always. Always. Everyone has to be qualified in order to do the job. And I appreciate all that Rod and Stephanie are doing to open the horizon to all those who are qualified to be able to participate in our contracting. And thank you for being so innovative. Commissioner Burton, do you have any comments?

Commissioner Burton: No. I just think it's a very fine report. What I really liked was the discussion of the numbers. I think that gives good direction and is consistent with our goal.

President Brandon: Thank you.

Rod Iwashita: Thank you.

President Brandon: Vice President Adams? Is he still with us? Okay. Well, I guess I will come back to him. But again, I want to thank Rod and Stephanie for the report. I want to thank you for the innovation and all that you've put into this. You know, it's -- as you said, one size doesn't fit all. And so for each contract for everything that we do, we're going to have to see what is the best way to go with it.

But whatever we can do to encourage our LBE firms to participate in our opportunities is absolutely wonderful. And I just lost my train of thought. I'm so sorry. But it was something along the line of whatever we can do to help our LBE firms get engaged at whatever level -- no. I know what it was.

Rod, you mentioned something about how the contracting community is listening to us and how our conversation is helping them prepare. So anytime you need us to help you help them prepare for doing something differently and more inclusive, just let us know. We're happy to help.

Rod Iwashita: Well, I remember you being at the last on-call -- or one of our in-person meetings. Right. And you came. And you addressed folks -- the contracting community before we actually got into the meat and potatoes of the bid, I believe. So thank you very much. Thanks for the leadership that the commission is providing to us. This is -- yeah.

President Brandon: Well, thank you for being so innovative and so open to everyone's participation. Thank you so much again for the presentation.

Rod Iwashita: Thank you.

#### **14. NEW BUSINESS**

No New Business.

#### **15. ADJOURNMENT**

**ACTION:** Commissioner Gilman moved to adjourn the meeting. Commissioner Woo Ho seconded the motion. In a roll call vote, the motion passed unanimously.

President Brandon - The meeting is adjourned at 5:53 p.m.