



SAN FRANCISCO PORT COMMISSION

**MARCH 8, 2022
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

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

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

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING March 8, 2022

1. CALL TO ORDER / ROLL CALL

Port Commission Willie Adams called the meeting to order at 2:00 p.m. The following Commissioners were present: Willie Adams, Doreen Woo Ho, Kimberly Brandon and Gail Gilman. Commissioner John Burton joined the meeting during closed session at 2:30 p.m.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – February 22, 2022

ACTION: Commissioner Kimberly Brandon moved approval of the minutes. Commissioner Gilman seconded the motion. 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 and to invoke the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

(1) PUBLIC EMPLOYEE APPOINTMENT/HIRING

Title/Description of position to be filled: Deputy Director of Planning & Environment. Discussion and possible action pursuant to California Government Code Section 54957(b) and San Francisco Administrative Code Section 67.10(d).

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

Also present: Elaine Forbes, Executive Director
Michael Martin, Assistant Port Director & Chief Operating Officer
Lavena Holmes, Director of Human Resources

(2) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Elaine Forbes, Port Executive Director. Discussion of Performance Evaluation pursuant to Section 54957(b) of the California Government Code and Section 67.10(b) of the Administrative Code.

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

Also present: Elaine Forbes, Executive Director

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.

Vice President Woo Ho: In closed session, the commission unanimously approved the appointment of David Beaupre as Deputy Director of Planning and Environment.

- 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 without disclosing closed session discussions. Commissioner Brandon seconded the motion. The motion passed unanimously.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

The Commission Affairs Manager announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for the ringing of or use of a cell phone or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, the moderator will instruct you to dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

No Public Comment.

9. EXECUTIVE

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

- B. Executive Director's Report

Director Forbes: Good afternoon, President Adams, Vice President Woo Ho, Port staff and members of the public. I am Elaine Forbes, the Port's executive director. Happy Women's History Month. I have a lot to report today. So I'm going to dive right in.

It's great to announce that the Port will receive an award from the American Society of Civil Engineers Region 9. And this is for Crane Cove Park. This is now the second award we've received from the society for Crane Cove Park.

The design of the park preserves our historic and industrial feel of the site. And it gets the public out into the waterfront. And we are really seeing all that community planning effort that this commission led over a decade come to life in the park.

Erica Petersen, project manager, and Rod Iwashita, chief harbor engineer, will accept the award April 22. Congratulations Port engineering. And I have more exciting news.

Mission Rock is over one year into construction and recently topped off Building B. This is going to be a new major life sciences building. The groundbreaking for the final building in the first phase will happen this spring. And that's a housing building. So that will be much needed new housing. This is a big achievement for our city.

I want to thank our real estate and development team for their dedication to this project and the commission for your leadership. Each of you made major contributions to shape and shepherd this project.

Onto economic recovery, the Port's external affairs and maritime division collaborated to produce a short video highlighting the unique and special Fisherman's Wharf character to local, regional and national audiences.

The video is to give a hand to the Fisherman's Wharf community who are working very hard and collaboratively on their economic recovery. The video highlights crab and fish sales and sports fishing and commercial fishing and the character of our wharf.

I would like to take this indulgence to play the video for you and for the public if you will allow, President Adams.

President Adams: By all means.

Director Forbes: Thank you. [video plays] I'd like to thank Randy Quezada of our team who really pulled this one off. Thank you, Randy. Okay. Now to equity, we're very excited to welcome back SailGP to the bay. This is an international sailing competition using high-performance catamarans where the teams compete across the season to multiple grand prix around the world.

San Francisco will host the league's grand final on March 26-27 right here on our waterfront. GP has set up a technical base camp at Pier 96 to temporarily house the racing vessels and equipment. This temporary two-month license has contributed to activating our parcel for maritime, generating revenue.

And we look forward to opportunities in this location going forward. GP is working to accelerate diversity and inclusion in sailing with the promise to connect to more than 1,200 young people with education and teamwork experiences in March leading up to race weekend.

GP and local sail events coordinators have connected with schools in D10 and community centers to provide awareness and access for local youth. These race

organization goals are to leave a positive legacy and build a sustainable sport by providing equal life-changing opportunities and new career pathways for all, achieving diversity. And we're happy to be host.

I want to recognize our maritime division for ensuring equity is prioritized in our partnerships including our youth sailing program, jobs for District 10, residents in the Pasha agreement and more. Please keep up the great work, team maritime.

Now to key projects, we're proud to partner with the San Francisco Water Agency Transportation Authority. They recently won an award for \$3.4 million from the Federal Transit Administration to build a zero-emission electric ferry.

This ferry is to support Treasure Island and Mission Bay neighborhoods. The Port is excited to welcome more ferry services connecting people, growing neighborhoods and jobs. And electric ferry service is green, which is very good news for our waterfront.

I want to thank our speaker, Nancy Pelosi, and the Coalition of the Bay Area Delegation that made funding for this project real. And we have more good news on green transportation. Our planning division with the SFMTA has made good progress on putting in the two-way bike lane.

It's now open from Mission to Broadway. We have pedestrian signals, new flexible posts, paint to define the bike lanes and signs to show cyclists about the bike lane. A special thanks to Hudson, CUESA and the many neighborhood users who helped make this work.

We're going to be back to you in the commission in spring to talk about how it's going and think about our next move. I would like to thank my team for preparing this report. And that's my conclusion. Thank you so much.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman: No problem. Director Forbes, thank you for that great report. I had already seen the video. But I just really want to say how wonderful I think that video is. I cannot wait to have that at every little demarcation along the waterfront. [From the] beginning of the video, it went from the southeast to the northeast and then zoomed in on that bubble.

I think, when we have a whole set of these, it really brings people to the waterfront. So I just wanted to thank the communications team. And I hope we can push that out on all of our social media channels. And as commissioners, we should push them out too.

And then, I just wanted to make one comment on the bike lane quick-build project. I know we're coming back in spring. But I will say we should always remember that having these protected bike lanes are critical for our waterfront.

While Alexandra [Zemai] who is a bartender at Waterbar who was hit on her bicycle riding home after work, while not hit on Port property, just illustrates the example of why we really need protected bike lanes throughout our city because her tragic accident -- she is in recovery with traumatic brain injury, a young vibrant woman who was a fixture of Waterbar, the bartender with the pink hair.

Alexandra was a friend. And I just really wanted to use this opportunity to say how important it is that I hope as a Port that we, on our property, do everything we can to make safety for our bicyclists at utmost priority. Thank you for your report.

President Adams: Thank you, Commissioner Gilman. John -- Commissioner Burton?

Commissioner Burton: No comment.

President Adams: Okay. Commissioner Brandon?

Commissioner Brandon: Elaine, thank you so much for your report. And happy Women's History Month. Congratulations on the award from the American Society of Engineers and on the funding for the zero-emission electric ferry. I think that's going to be a wonderful addition to the waterfront having ferry service from Treasure Island.

Hopefully, as Commissioner Woo Ho says all the time, we can continue to expand our ferry service. I also saw the video earlier. And I want to say what an incredible job Randy and the team did in producing it. I think it was very inviting and inclusive. And it made me want to go to the water. [laughter] So thank you so much for your report.

President Adams: Thank you, Commissioner Brandon. Vice President Woo Ho?

Vice President Woo Ho: Thank you, Director Forbes. That was a wonderful report. I also loved the video. And I think it will, I think, encourage more people to come down. And it's nice to see something that we can see in action actually, what we propose in terms of the live sales on the waterfront.

So very much -- and the rest of your report I think my fellow commissioners have already made some great comments. So thank you and look forward to hearing more on these projects going forward. Thanks.

President Adams: Director Forbes, stellar report, great video. And to my fellow women commissioners and to all women throughout the world, today is International Women's Day. Thank you very much for all that you do. Appreciate it.

Commissioner Brandon: You're welcome. [laughter]

President Adams: They never had nothing like that for men. Carl, next item, please. [laughter]

10. CONSENT

- A. Request approval of Executive Director's nominations of E.B. Min, Joe Igber, Noelle Yuen, Meng-Hsiu Chen, and Ken Lindberg for appointment to the five-member Port Building Code Review Board. (Resolutions 22-12)
- B. Request approval of a Settlement Agreement for Lease L-15017 with Paul Furman d/b/a Bay Natives (Tenant) under which: (i) Port and Tenant will enter into Lease L-16658 ("New Lease") for a reduced premises of 5,000 square feet of outdoor paved land at Pier 94; (ii) payment to be comprised of the New Lease base rent at \$0.45 per square foot and back rent for Lease L-15017 in the amount of \$1,500 per month to reduce the outstanding balance; (iii) Port to waive all late fees and interest that would have otherwise accrued on the outstanding balance through the end of the 5-year term of the New Lease; and (iv) provided Tenant is not in default under the New Lease, Port to forgive the remaining outstanding balance for Lease L-15017 at the end of the New Lease 5-year term. (Resolution 22-13)
- A. Request approval of a resolution adopting findings under new State urgency legislation to allow certain members of this body to attend meetings remotely during the COVID-19 emergency; continuing to allow certain members to attend remotely for the next 30 days; and directing the Commission Affairs Manager to agendize a similar resolution at a Commission meeting within 30 days. (Resolution 22-14)
- B. Request adoption of new procedures for public comment at Port Commission meetings, providing members of the public an opportunity to comment in-person or via teleconferencing. (Resolution 22-15)

ACTION: Commissioner Brandon moved approval of the consent calendar. Commissioner Gilman seconded the motion.

No Public Comment on the Consent Calendar.

All Commissioners were in favor.

President Adams - Resolutions 22-12, 22-13, 22-14 and 22-15 are adopted and passed unanimously.

11. REAL ESTATE & DEVELOPMENT

- A. Informational presentation on Mission Rock Project updates and intent for Port to enter into agreement for the purchase of non-potable water from Mission Rock Utilities at Seawall Lot 337, bound by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay.

Phil Williamson: Thank you, Carl. Let me just get comfortable with the new technology here one second. There we go. Thank you, Carl. And good afternoon, President Adams, Vice President Woo Ho, fellow commissioners. Phil Williamson, project manager for the Mission Rock project here with you today.

Today's informational presentation will provide updates on several project components and review the project sustainability plan or sustainability strategy as -- [crosstalk]

Director Forbes: Phil, I'm sorry to pause you. But would you be willing to speak very closely into the microphone? It's harder to project with the masks on.

Phil Williamson: Thank you.

Director Forbes: Thank you. I know you're tall. And the microphone only goes so high. But get as close as you can.

Phil Williamson: No problem.

Director Forbes: Thank you.

Phil Williamson: Okay. Should I start over? I'll start over from this slide. Thank you. Thank you, Elaine. Today's presentation will provide updates on several project components and review the project sustainability strategy including a preview and an agreement to purchase non-potable water to irrigate the project's parks and open spaces.

This slide is a quick written and graphic representation of phase one, which you've seen before. But just for a quick recap, that phase one includes two residential buildings, two commercial buildings, one life science and one more of a traditional office building, ground floor retail in these four buildings of approximately 50,000 square feet and construction of the inland portion of China Basin Park.

The project team has been keeping very busy over the past several months working on both horizontal and vertical construction aspects of the project. On

this slide, we quickly highlight that for you including Parcel G which is underway -
- I've got to put my glasses on to read it.

And the façade is now being installed and is working its way to the top of the building. We're working to issue a temporary certificate of occupancy for this building this fall with full occupancy to occur in 2023.

Parcel A, a residential building at the corner of Third Street and Toni Stone Crossing, is underway as well. We expect that building to top out at its highest level, floor 23, in May of this year and occupy that building in 2023.

Parcel B is under construction, the life sciences building just to south of Parcel A. Construction is underway. We had a big ceremony there a few weeks ago and topped out the structural steel. And target occupancy is 2023. So next year, we'll see a lot of new people on the site occupying these buildings.

Parcel F, a residential tower that is slated to start construction the beginning of April, is currently in its final permit review process. And we are looking forward to that building pile driving starting in a few weeks.

Regarding workforce, the Port received an updated information from the developer just a few days ago and are reviewing that now and will be coming back to you at a subsequent meeting with a full LBE update.

But just -- we wanted to share some of that information with you even though it is still under review. But what we're seeing preliminarily from looking at it in just the last few days is that the Q3 2021 increase in LBE participation dollar wise is a total of \$7.3 million.

That's helping the project continue its trend towards 20 percent participation. The latest report, again, information is still being reviewed. But it's showing us that, to date, the project has issued \$72.8 million to LBE firms. And our participation rate is up to 13.2 percent, heading up towards 20 percent and hopefully beyond.

We have a brief budget update for you today. We primarily have told you these items before. But just to refresh your memory, last fall we were successful in issuing our second tranche of bond financing for the project totaling now just over \$99 million at a pretty -- very attractive interest rate.

And speaking of which, the project team is keeping a close eye on the interest-rate environment, which is currently in a volatile moment, also on construction costs and supply-chain issues, all challenges to the project that we're grappling with successfully. And we'll keep you updated as those projects change going forward.

The current focus for the team is to close on a construction loan for Parcel F. And we're anticipating that could happen as soon as this Friday if not early next week. So that will be a big step forward for Parcel F's ensuing construction commencement.

As originally reported to the commission back in 2017, the project is now implementing its sustainability strategy in the areas of transportation, resilience, water and energy use. The project has achieved a LEED gold certification for neighborhood development based on these project elements and constructability efforts that are underway.

Back in 2019, we came back to the commission. And you adopted Resolution 19-40 that supported the formation of Mission Rock Utilities. Mission Rock Utilities is a nonprofit entity that will build and operate infrastructure that's critical to implementing the project's sustainability strategy.

The key components of this infrastructure are a district energy system and a water-recycling system that together will produce 100 percent carbon-free electricity for the project as well as 100 percent of non-potable-water needs for the project's irrigation and other non-potable needs.

The water-recycling system will produce non-potable water from the buildings on the project site to meet the project-wide needs for toilet flushing, irrigation and cooling-tower operation. This system is being built now as part of phase one and is located in Building B, the life sciences building now under construction.

The recycled water itself will be purchased by the vertical parcels for use in those buildings and by the Port for use in our parks and open spaces. The Port and the MRU entity are currently negotiating terms of a purchase agreement for this recycled water.

The Port's obligation to purchase the water will be subject to a cap on the costs. And the water's cost will be based on actual cost to produce the water itself. A fully negotiated agreement is expected to be brought back to the commission at your April 12th meeting for your consideration.

And should you approve that resolution in April, we will move on to the Board of Supervisors for their consideration. So that concludes my presentation today.

But before moving on to any questions you may have, I'd like to ask Fran Weld from Mission Rock Partners, who I believe is on the line as a participant, to address the commission. Fran, are you there? I'm not sure how she -- how would she participate, Carl?

Director Forbes: Just a second, commissioners and Phil, as we work out the technology.

Phil Williamson: Okay.

Director Forbes: Hold on a second.

Phil Williamson: Thank you.

Director Forbes: It may be a couple of minutes. We may decide to forego the comments from the Fran today if we can't get a resolution in the next couple of minutes.

Male Voice: She's not in the virtual meeting.

Phil Williamson: Okay.

Director Forbes: She's not in our virtual meeting.

Phil Williamson: Okay. Well, that answers that. Thank you. Thank you, guys. That concludes my presentation then. So any questions you may have, I'd be glad to answer.

President Adams: Thank you, Phil, for your presentation.

Commissioner Burton: Mr. Chairman --

President Adams: Yes.

Commissioner Burton: -- President, I've got a question. And I'm trying to remember. There was a commitment by the Giants for -- it was either 10 or 20 units for aged-out foster children which I got them to accept at a meeting that lasted 27 years it seemed. But exactly what is the number of units that we set aside for aged-out foster children?

Phil Williamson: Thank you for that question, commissioner. And the project is aware of that requirement for those TAY units, transition-aged youth units. Transition-aged youth, I believe, is the terminology. The last I heard, that will be a phase-two element. And the number I recall hearing is 21 units. But I would want to confirm that.

Commissioner Burton: Yeah. Yeah. So that's still in, and that's the deal.

Phil Williamson: Yes. That is my understanding.

Commissioner Burton: Is there any way to confirm that that's kind of locked in stone? Who's monitoring to see that that happens and also that part of that

was going to be a support system for these young children? Who's responsible looking after that? The Port? A nonprofit?

Phil Williamson: So the Port will be working closely with the developer to implement that part of the project and also with the Mayor's Office of Housing and Economic Development or Mayor's Office of Community Development, MOCD, will help us implement that component.

Commissioner Burton: There's no question that that's going to be in the deal.

Phil Williamson: That is my understanding. There is no question. Correct.

Commissioner Burton: Is it the understanding of the developer? [laughs]

Phil Williamson: I believe so. They're not here to affirm that, but that is my understanding. The Port will -- [crosstalk] the Port is aware of that obligation. And --

Commissioner Burton: Okay. Thank you.

Phil Williamson: -- we'll keep you informed, commissioner.

Director Forbes: Phil, if I may, could we send to the commissioners information about how that sits in our deal term, why it's required of the developers and who's the responsible party for enforcement?

Phil Williamson: Certainly. We can do that. We'll send it through the commission secretary.

Director Forbes: Thank you. [crosstalk]

President Adams: Are you done, Commissioner --

Commissioner Burton: Yes, sir.

No Public Comment on the Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner Brandon: Phil, thank you so much for this update and this report. Just a couple questions -- so we have ever entered into a purchase agreement for non-potable water?

Phil Williamson: Not to my knowledge, Commissioner. We are deep in negotiations with the developer working closely with the city attorney's office to

hash out that agreement. It's a new agreement for the Port. There are examples in other jurisdictions that we've seen and looked at. But so far, to my knowledge, the agreement we're working on is unique to the Port.

Commissioner Brandon: And has it been done in the city?

Phil Williamson: I recall looking at some agreements from municipalities. I don't recall any that were San Francisco based.

Commissioner Brandon: So this is a totally new concept that we're embarking upon.

Phil Williamson: Yes. Coincidentally, it helps fulfill a city requirement to use recycled water that the city enacted many years ago. But there hasn't been a source of recycled water to use to fulfill that ordinance requirement.

So what'll happen in many projects is the project will build the infrastructure to support the use of recycled water but will not have any actual water to charge the system with. So we now have a source for the buildings and for the open space. And we have to execute this agreement to fulfill the requirements of the utility to have customers to buy the product.

Michelle Sexton: If I may -- Michelle Sexton -- I hope my mic is working.

Director Forbes: Your mic looks to be on.

Michelle Sexton: I'll get very close. Okay.

Director Forbes: Very, very close.

Michelle Sexton: It's through the mask. I just wanted to let you know that, as we were collecting exemplars for the recycled-water purchase agreement, Phil and Port staff worked with the city attorney's office and the public utilities team to gather what they have encountered and what they've used with other agencies to formulate the agreement that will be before you once it's negotiated.

Commissioner Brandon: Interesting. Thank you. I look forward to it coming back in April, so I can see what it actually looks like.

Phil Williamson: Exactly.

Commissioner Brandon: [laughs] Thank you.

President Adams: Thank you, Commissioner Brandon. Commissioner Gilman?

Commissioner Gilman: I have no questions. I, again, just want to elevate and lift up to Mission Rock how happy I am that, in phase one, we have 199 affordable units coming on board outside of the phase-two work that Senator Burton mentioned earlier in his comments.

So again, just want to say this is what real estate deals, in my opinion, should look like. So I have no questions on the recycled water and meeting the environment goals. But I'm super happy this is happening in phase one.

Phil Williamson: Thank you.

President Adams: Thank you, Commissioner Gilman. Vice President Woo Ho?

Vice President Woo Ho: Yeah. I just had a couple questions. It's not related to the non-potable water. I think you answered the question that Commissioner Brandon had. So in the Mission Rock phase one, in terms of -- is there pre-leasing going on now for A and B?

Phil Williamson: I believe so. But we have not had that confirmed. The developer, I believe, is actively seeking tenants. But we don't have any details about their efforts.

Vice President Woo Ho: Okay. Well, because we know obviously that Visa is taking on one of the buildings. But I think it would be useful for us to know -- and it's part of, I guess -- I see it as a data point for understanding economic recovery in the city.

And this is just to know if there is active pre-leasing going on and what the lease interest is with these buildings since they're coming on stream, I guess, late this year and early next year. So it would be good to know if they're -- and if they're actively looking to do the pre-leasing and if there's interest.

So it's a combination of, are they promoting? And secondly, is there interest? So we sort of know what the trends are going to be in office space.

Phil Williamson: That would be very useful information, Commissioner. I agree. We've heard colloquially that there is interest. But to verify that and get some actual data points would be very useful. So we'll look into that.

Vice President Woo Ho: Okay. So whenever you do another update, can you please provide that and have the Giants tell us as well?

Phil Williamson: Sounds good. We'll do that.

Vice President Woo Ho: Thank you.

Commissioner Gilman: President Adams, can I add one request to that?

President Adams: Go ahead.

Commissioner Gilman: I also think it would be very interesting for us to know on the 50,000 square feet of ground floor retail because we, ourselves, have a lot of retail space coming up. I'd also like to know what the interest of that is and, similarly, what the deal points are for that as well.

Phil Williamson: Just on that point, we have our kickoff meeting for ground-floor phase-one development I think Friday actually. So we should have more information for you at our next meeting hopefully on April 12th.

Commissioner Gilman: Thank you. I think they both dovetail together for economic recovery.

President Adams: You done, Commissioner? Okay.

Commissioner Gilman: Mm-hmm.

President Adams: Phil, great presentation. I live down in that area. And I drive by it every day. I walk by it and down the waterfront, do my exercise. And it's just good to see how this thing is just right in front of your eyes. It's just up and coming. So I really appreciate that. And I'm just really excited about this project. Okay. I think Commissioner Burton already spoke. So Carl, next item, please.

Carl Nicita: Actually, President Adams, we were able to get Fran Weld on the meeting if it's okay if she has a moment to address the commission.

President Adams: Sure. Go ahead.

Carl Nicita: Can you hear us, Fran?

Fran Weld: Hi. Thank you so much. I'm sorry I wasn't able to get the teams up earlier. Thank you, President Adams and commissioners. It's nice to see you all. My name is Fran Weld. I'm with the San Francisco Giants, senior vice president of our development.

Thank you, Phil, as always, for a great presentation. I just wanted to note, on behalf of the Giants -- I think, Commissioner Gilman, you mentioned this but -- how excited we are to be able to bring on this environmental innovation and sustainability in our first phase and have the incredible water savings and energy efficiencies with our district system.

I wanted to highlight that this was one of the first items that the citizens group 15

years ago called for Mission Rock to be an exemplar of sustainability. And we're really happy that we've been able to achieve that with the Port's partnership over the years and look forward to working on this black-water treatment -- black-water purchase, recycled-water agreement in the coming weeks and months.

In response to Commissioner Woo Ho's question about leasing, I did want to also say that, yes, we are in active conversations both with potential commercial tenants for the office and life science space in Building B, the office space in Building A and, of course, the retail space on the ground floor of all of the buildings.

We're seeing some uptick in conversations and people's interest and availability to tour the site and have -- you know, expressing interest in signing leases, in coming out the most recent phase of the pandemic. So we are optimistic that we'll be successful in bringing on tenants in the commercial and retail space and hopeful to have positive news to share throughout the summer with the group.

I also wanted to just take a moment, if I may, just on a personal note to let this incredible commission know that, after 11 years with the Giants and at the helm of Mission Rock, I personally will be moving on to my next adventure.

And I wanted to thank this incredible body for your vision and leadership for Mission Rock. It's been an honor of a lifetime serving as the steward of this important piece of the San Francisco waterfront. And I have learned so much from each and every one of you and have really appreciated your support of our collective vision here.

When I joined the extended Port family, there was no cruise terminal. There was no seawall program, resiliency, leadership of, you know, collecting inter-agencies. There was no racial equity plan. And you all have really, over the last decade, led the way, I think, on so many things for the city.

And I've just been -- truly a pleasure and honor to work alongside you and your incredible staff. So thank you for just giving me a few minutes to express my gratitude for your partnership over the years. And I will be seeing you all around.

President Adams: You will definitely be missed, Fran. Thank you so much. Any other commissioners or Doreen? Kim, you've known Fran a long time. Have any comments?

Commissioner Brandon: Yeah. I'd just like to say that Fran will truly be missed. She was such an integral part of this whole team and the project and all that it is today. And because of the foundation and the groundwork that you were engaged in, this is going to be a phenomenal project.

It's been such a pleasure working with you. I highly respect you and all that

you've done to create a great team and a great vision for Mission Rock. And you will truly be missed.

President Adams: Vice President Woo Ho?

Vice President Woo Ho: I just want to echo Commissioner Brandon's comments. I don't know if I could add a lot more to them. She said them so eloquently. But Fran, we definitely will miss you. I think we've learned, I think, in the beginning in terms of how to go about Mission Rock.

There were steps forward, and then there were steps backward. And you know all about them. But we have worked it out so that it's extremely collaborative today. And we have openness and transparency and good conversations.

In fact, I got a text from Jack Bair today. So I didn't know that this was the major announcement that he was referring to saying that you were going to be on the commission agenda today. But we really will miss you.

But you're leaving at a good point. The project is underway. It's been, as Commissioner Brandon probably knows, something that's been on the agenda for years and years even before I was on this commission.

But I think you're leaving it at a great point. You'll have a great legacy. You are part of that legacy. And we won't forget it. So thank you very much for your work. Best of luck in what your next chapter is going to be, whatever it is. I hope it's still in the Bay Area. But anyway, best of luck. Thank you.

President Adams: Commissioner Gilman, you have anything you'd like to say?

Commissioner Gilman: I just want to echo what my fellow commissioners said. Fran, we go way back before I was on the commission as an early community supporter of the ballot initiative that brought Mission Rock to be and the negotiations of the 40 percent affordable housing.

I just want to thank you for your stewardship and leadership particularly on International Women's Day. Thank you so much for everything you've done.

President Adams: Commissioner Burton, you have anything to say? I think he c -- okay. It's only fitting that the boss, the executive director, has the last word. Director Forbes?

Director Forbes: Thank you so much for giving me this opportunity, President Adams. Fran, we will miss you terribly. As the commissioners have said, we've seen over the decade this incredible hard work that you've put in to the project. You are part of the Port team.

You have always demonstrated transparency, collaboration, problem solving. Even on our worst negotiation times before we had a deal, Fran, you were tremendous, your innovation on how to bring to life all of these various values in the resiliency, sustainability program, to the equity program, just across the board.

You're a true talent. And the project is shaped with Fran Weld's name on it. We all are going to miss you. And we hope you stay in touch with us and that we see you in your next chapter. Thank you so much.

12. EXTERNAL AFFAIRS

A. Informational presentation to review the Port's Proposed 2022 Federal and State Legislative Priorities.

Boris Delepine: Good afternoon, commissioners. Good to be before you in person and in chambers. I'm Boris Delepine, Port's legislative affairs manager. The item before you outlines the Port's federal and state legislative priorities for calendar year 2022.

Could I have the Power Point? Thank you. This presentation and the accompanying report are working documents that provide an overview of the Port's legislative priorities in a very dynamic and changing context.

Last year, we managed an active legislative advocacy program focused on pursuing state and federal funding to mitigate the negative impacts of the COVID-19 pandemic. We were very successful in this endeavor thanks to your support and contribution.

In 2022, our primary legislative objective is to target funding available through the bipartisan federal infrastructure bill in Governor Gavin Newsom's proposed fiscal year '22-'23 budget. Our key legislative goals are to, one, leverage federal and state funding that advances maritime business, reduce earthquake and flood risk and protect key facilities for the Port.

Two, we want to position Port capital projects to access federal and state infrastructure funding that supports economic recovery, resilience and equity. Three, we want to ensure that supply-chain-congestion-relief funding for the nation's maritime transportation sector includes support for small ports like ours.

We want funding for ports in the state budget to remain high while establishing rules on disbursement that benefit the Port of San Francisco. We want to effectively partner with the Army Corps and other federal agencies to support our waterfront resiliency program. And finally, we want to monitor progress of new laws that may impact the Port's sidewalk vending permit program.

This slide highlights some of the specific federal initiatives we're targeting to meet the goals I just outlined. The Infrastructure Investment and Jobs Act, also known as the bipartisan infrastructure bill, is a \$1.2 trillion spending agenda to upgrade the nation's outdated roads, bridges, broadbands and transit systems. It includes \$16.7 billion for ports and waterways.

This initiative presents our greatest opportunity to access and leverage federal funds for the benefit of the Port of San Francisco. I'll provide detail on some of the strategies we're employing to bid and win infrastructure funds in a moment.

But right now, I want to turn to the Build Back Better framework, which was introduced along the infrastructure bill to support climate change and the administration's social-equity initiatives. It passed the House in November but failed to garner support in the Senate.

Last week, there were discussions about reviving a stripped-down version of Build Back Better that would preserve climate-advocacy portions of the act. The framework currently provides over \$500 billion for clean energy and climate change solutions that could benefit our waterfront resiliency program.

We receive weekly updates on developments for initiatives like Build Back Better from our federal lobbyist. In 2020, Port staff worked with Speaker Pelosi to amend the Water Resources Development Act, or WRDA.

We wanted to modify -- we did modify how seismic benefits are considered by the Army Corps when determining project eligibility and funding levels. The amendment ensures that Port projects are able to compete equitably for federal funding by requiring the Army Corps to take account of higher costs when building flood-risk-reduction projects in earthquake-prone areas.

A legal interpretation limited the amendment to riverine flood-risk-management projects. We're working with the speaker's office to clarify the language and ensure that it applies not only to riverine projects but also coastal projects like ours.

Returning to the federal infrastructure plan -- most of the funding is reserved to augment existing federal programs with \$550 billion in new spending. It's important to note the money from the infrastructure plan is spread over five years.

Funds are allocated through competitive grant opportunities. Like our contract RFPs and RFQs, these funds are competitively solicited through notice of funding opportunities or NOFOs, which provide a description of the projects and the entities that are eligible to apply for funding.

I mentioned earlier that the infrastructure bill provides our best opportunity at

obtaining federal funds. Of all the available programs, our best chance to win funding is through the Port Development Infrastructure Program, or PDIP, which is made available through MARAD.

The purpose of the PDIP funding is to improve facilities, operations and intermodal connections to seaports. This NOFO was issued last month. Over the next five years, \$450 million will be made available annually.

We have several projects eligible for these funds in our southern waterfront including: berthing and fendering at Pier 80; replacement of the roadway along Amador Street; Pier 80 drainage and subsidence work; berth electrification; and facility improvements at Piers 94 and 96.

A lot of the money currently made available is tied to goods movement, making our southern waterfront eco-industrial projects uniquely positioned to compete. Rebuilding American Infrastructure with Sustainability and Equity, or RAISE, grants offer planning and design funds to study transportation improvements in the southern waterfront.

Brad Benson is leading that effort along with Muni and the PUC to submit a planning grant proposal to improve individual segments of transportation infrastructure around Islais Creek. Other yet-to-be-released NOFOs for which we have eligible projects include ferry boat and ferry terminal facilities program through DOT which could benefit Mission Bay Ferry Landing or China Basin Ferry Terminal.

Building Resilient Infrastructure and Communities, the BRIC program through FEMA, creates opportunities for our waterfront resiliency program. There's money available for electric-vehicle charging and refueling, grants and some state and local cybersecurity grant money available through the Department of Homeland Security.

We continue tracking federal NOFOs and assessing grant opportunities that align with our capital needs. The funding available from the federal government is allocated again through competitive solicitations.

In order to put forth the most successful proposals, our senior leadership team led by Assistant Director Martin have identified capital projects that promote our ability to generate revenue and serve the public.

We analyzed past NOFOs, looked at awarded projects to ensure our future applications are good fits within the given evaluation criteria defined in each proposal solicitation. We're hiring a grant writer with previous experience applying for federal grants to help support our effort and make sure we offer proposals that line up with the goals and objectives of these federal programs.

On all these efforts, we coordinate with the mayor's office to ensure that we can leverage their support. Thanks to our lobbyist in D.C., we've met with a number of federal agencies to date to understand the culture, mandate and expectations of their funding obligations.

Funding will be made available over the next five years. We will be playing a long game to strategically stack projects that build upon each previous year's efforts.

Now turning to our state priorities, the legislature began the second year of their two-year legislative cycle in January. The legislature, through the president pro-temp and assembly speaker, identified COVID response, climate change, housing and homelessness as their top priorities this year along with how to spend a projected \$45.7 billion state surplus resulting predominantly from tax revenue and federal funding support.

There are currently four vacant assembly seats including Assembly District 17, which covers the entirety of Port jurisdiction. The general election is scheduled for April 9th to determine a replacement to finish the term of former Assemblymember David Chiu.

That election will be followed by a primary in June and a general election in November to elect a new representative to the seat beginning in January 2023. The deadline to introduce new bills was February 18th. We're monitoring the development of several bills. Over 2,000 were introduced.

These are some of the bills and initiatives that we're tracking, again a very dynamic and evolving list. The governor's proposed '22-'23 budget includes \$2.3 billion in supply chain investments for ports. This funding is designed to invest in Port-specific high-priority projects that increase goods-movement capacity and promote the state's climate-change goals.

The majority of the funding available through the budget is slated for large container ports in San Pedro Bay, like L.A. and Long Beach. The Port of San Francisco is working with our colleagues at the Port of San Diego, Port of Hueneme and others to ensure funding for ports remains high but that the rules on disbursement benefit small, medium and large ports.

California's ports have different business lines and strengths. Together, the state's ports are a foundational economic engine that benefit all of California. And we're going to need your help to send that message up to Sacramento.

Last year thanks in large part to your efforts, Governor Gavin Newsom allocated \$250 million to California's ports to provide economic relief from COVID-19 pandemic. In December, State Lands awarded the Port of San Francisco \$56.6 million to cover revenue losses in 2020.

Applications to recover losses in 2021 are due on March 14th. In April, the State Lands Commission will distribute the remaining \$130 million in available funding. Staff is currently evaluating revenue losses and are slated to apply for over \$50 million in the next tranche of available funding.

Today, Mayor Breed introduced a resolution at the Board of Supervisors to allow us to accept and expend the first \$14 million in ARPA funding. That resolution was co-sponsored by Supervisors Peskin and Haney.

As you heard last month, we're working with the city's real estate department, fire department and mayor's office to lift the public trust on a 2.6 acre of Port land to develop a new training facility for SFFD. Assemblymember Ting introduced legislation last month. We're working with his office to ensure passage of that bill now known as AB 2357.

Sidewalk vending is a hot topic in Sacramento this year with a number of bills introduced to deal with the issue. They range from SB 972, which deletes the provisions of the California retail food code to remove barriers for vendors selling food, and SB 1290, which is a spot bill introduced to potentially repeal SB 946, the sidewalk vending act law that decriminalized sidewalk vending in 2018.

Today, the board adopted Mayor Breed's sidewalk vending legislation which is mirrored on our program. Finally, we're also monitoring a couple other bills including AB 1679, which creates a position for a supply-chain coordinator at CalSTA.

There's SB 551, which coordinates zero-emission vehicle authority to deal with ZEV activities among state agencies. And AB 2387 is a \$7.4 billion obligation bond that could be used to finance safe drinking water, wildfire prevention and flood protection. That could be on the ballot as early as June.

In conclusion, our primary legislative priority this year is to secure federal and state funding for targeted capital investments that advance maritime business, reduce earthquake and flood risk and protect key facilities for the public.

I want to assure you, commissioners, that we're firing on all cylinders here to compete successfully for these funds. We realize that this is a once-in-a-generation opportunity. And we're ready to meet the moment and take full advantage of the circumstances before us.

We're working to leverage and maximize the expertise of Port staff, our lobbyist, grant-writing services, support from our San Francisco -- thank you -- San Francisco state and federal delegation along with your skill and constituencies to make sure we put forth the best effort and find funding.

We'll continue to collaborate with the mayor's office and will return to provide updates on the actions and steps discussed. I thank you for your time. And I'm available to answer any questions you have.

No Public Comment on the Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Gilman: Boris, thank you so much for that detailed report. And please drink some water. I just had two questions about our state advocacy. And they're more procedural. I guess my question on the state was, do we -- I just don't know if governmental entities do this. But the private sector and nonprofit sector do it all the time.

They issue letters to the governor on the [may revise]. Is that something we participate in or something that goes through the city and county that we do? I'm just wondering, with such a surplus of one-time money that could go a long way for us, if we're using that as a tool in our toolkit to secure funding.

Boris Delepine: Absolutely. It's a tool that we have in our toolkit. It's something that we do along with CAPA, the California Association of Port Authorities. We send group letters. We send individual letters as Ports that list, you know, our project needs and request funding. So yes, it is something that we do proactively.

Commissioner Gilman: Okay. And my only other question was, do we have any concerns that, with the redistricting that was put forward for the assembly seats, that a little sliver of the Hyde Street Pier, which used to be in 17, is now in 19? Or do we just think that will make it -- it will give us more leverage with sort of two assemblymembers who now represent the Port?

Boris Delepine: It's a fraction of --

Commissioner Gilman: Yeah.

Boris Delepine: -- Port property. So I don't think it'll have an impact overall. But it will give us an opportunity to engage Assemblymember Ting's office.

Commissioner Gilman: Okay. Great. Thank you. That concludes my questions. And thank you for your report.

Boris Delepine: Thank you.

President Adams: Thank you, Commissioner Gilman. Commissioner Burton?

Commissioner Burton: No questions.

President Adams: Commissioner Brandon?

Commissioner Brandon: Boris, thank you so much for this report, very detailed and a lot of exciting opportunities for us to seek funding for so many of the projects that we need funding for. But I just wanted to let you know that we are all available to help in any way that we can whether locally, state, federally. We're here for you.

Boris Delepine: Thank you.

President Adams: Thank you, Commissioner Brandon.

President Adams: Vice President Woo Ho?

Vice President Woo Ho: Thank you, Boris, for this very comprehensive report. I am totally convinced that you're firing on all cylinders. So I really appreciate that and that we know that we're looking at every possibility and under every rock. And I think that's really critical given all the needs of the Port.

I was glad to hear in your report that we're adding resource to make sure because, other than generating income and revenue ourselves, this is the only other way we're going to fill our gaps. So it's really important that we stay focused on it.

I think you have a lot of people on the commission who continue to be resources for you. And I'm glad to hear that we're working on this. And it'd be good to have an ongoing report. And as you said, this is a unique window of opportunity right now legislatively that so much money has been released out of the federal government.

And there is a state surplus right now. So we want to take advantage of that. And so far, you all have done a great job in getting a share. So hopefully, we can continue to do that. So thank you very much.

Boris Delepine: Thank you.

President Adams: Boris, great job. I'll just share with the commission and with you, Boris, my day job, my real job -- Saturday, I had the opportunity to have lunch with President Biden and all the international presidents in Wilmington, Delaware.

And this is the first president -- you can go back, not even Obama, Clinton, Trump, Bush. Nobody has put this much attention on ports like President Biden has. The last time we've had something like this was Woodrow Wilson or even an FDR.

His vision -- he understands it. Secretary Walsh was with him. Just by the fact that Pe -- Secretary Buttigieg came down to L.A., Long Beach. I was with him and then, John Porcari, port envoy. Governor Newsom came down.

And Governor Newsom -- this is the first time that the state has actually come up with some money. And Governor Newsom has stepped up. This is revolutionary. This is bold. Gavin deserves a shout out because normally the money would come from the federal government.

But Gavin has come out of the box. He put the money out there. The problem that I see that we have is there's some -- I mean, Commissioner Brandon said something. You can use us. It's L.A., Long Beach and Oakland. But San Francisco, Port Hueneme, Stockton, Eureka, Sacramento -- we've got to kind of band together to get our share.

We have got to fight to get our share of this pie. If not -- because each port is different. And they're going to look at the major ports that's got all the containers. And when L.A., Long Beach is having 20 million containers and when you're talking \$2 trillion going through the West Coast ports, that's a lot.

And that's where the volume and stuff like that -- right now, even out here, we had a meeting today. There's 25 ships sitting out here at the Port of Oakland waiting to get in. That's a good thing. And even when we're talking about inflation and all that which is crazy -- but through MARAD, the Department of Transportation Secretary Buttigieg -- I have a really good relationship with him.

And we have to apply for those MARAD grants. And he gets it. Secretary Pete -- he might have been a mayor of some town in Indiana, but he gets it. He's a smart guy. And he's down in the ports. And he's willing to help ports. And he wants them to thrive.

On the state level, Speaker Rendon -- I know Anthony very well -- pro-temp Toni Atkins -- but we've also got to use our legislators from here. I mean Scott Wiener and those -- you know, Phil and whoever wins this election, see whoever. That's between them.

But we have to use them. And we have Lieutenant Governor Eleni Kounalakis. I was at a fundraiser for her recently. So I mean, we've got to engage and use what we've got. And probably nobody is more connected here than John Burton as the former chair of the Democratic party.

So I think we've got to work it on the state, the federal level. We've got to claw, beg, do whatever we've got to do. We've got to be able to get some of that money because the money is out there. This president -- you know, hopefully, he'll get another term.

But we may not get this chance in a lifetime again. Right. And this is bold vision. We need to take advantage. And you know what? We need to have our hands out. And we need to say, just as important as L.A., Long Beach, I mean -- those are my members.

We've got to say we might be from San Francisco, but we want some too. And we've got to go out there, and we've got to own it. And we've got to fight for it. So thank you very much. I really appreciate -- you have all of our support. Don't be hesitant to ask us because I'll make calls. I'll talk to lawmakers, whatever. We're here. And we're engaged. We support you. So --

Commissioner Burton: Amen.

13. NEW BUSINESS

No New Business.

14. ADJOURNMENT

ACTION: Vice President Woo Ho moved to adjourn the meeting. Commissioner Brandon seconded the motion. All commissioners were in favor.

President Adams: It passed unanimously. We are done at 4:25 on happy International Women's Day.