



SAN FRANCISCO PORT COMMISSION

**December 13, 2022
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

**HON. WILLIE ADAMS, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. JOHN BURTON, COMMISSIONER
HON. GAIL GILMAN, COMMISSIONER
HON. STEVEN LEE, COMMISSIONER**

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

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING December 13, 2022

1. CALL TO ORDER / ROLL CALL / RAMAYTUSH OHLONE LAND ACKNOWLEDGEMENT

Port Commission President Willie Adams called the meeting to order at 2:00 p.m. The following Commissioners were present: Willie Adams, Gail Gilman, and John Burton. Commissioner Steven Lee arrived at 2:05 p.m. and Vice President Kimberly Brandon was excused.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – November 8, 2022

ACTION: Commissioner Gilman moved approval of the minutes. 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.
*This session is closed to any non-City/Port representative:

ACTION: Commissioner Gilman moved to convene in closed session. Commissioner Burton seconded the motion. In a roll call vote, all commissioners were in favor.

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER (Action Item)

Discussion of anticipated litigation matter pursuant to California Government Code Section 54956.9(d)(4) and San Francisco Administrative Code §67.10(d)(2) regarding disputed rent under expired Port Lease No. L-13927 for Roundhouse I with Miller Kelley Architects, Inc.

Anticipated litigation: ___ As defendant _X_ As plaintiff

Request approval of a Settlement Agreement with Miller Kelley Architects, Inc. under which the former tenant will pay \$225,000 to resolve Port's claims for unpaid rent under Lease No. L-13927 at Roundhouse I and the parties will release each other from potential claims in connection with the remaining balance of unpaid rent.

- (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. (Discussion Item)

Property: 300 Jefferson Street, at Taylor
Person Negotiating: Port: Rebecca Benassini, Deputy Director of Real Estate and Development
Negotiating Parties: Kevin Westlye D & G Company, a California limited liability company dba Lou's Pier 47
Under Negotiation: ___ Price ___ Terms of Payment X Both

In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment for rent in a new or amended lease for the abovementioned property. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City, and the People of the State of California.

5. RECONVENE IN OPEN SESSION

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

No Report.

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

Commissioner Burton was excused at 3:10 p.m.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- 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

Public comment is permitted on any matter within Port jurisdiction that is not an agenda item. No Commission action can be taken on any matter raised other than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

No Public Comment.

9. EXECUTIVE

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

Director Forbes: Good afternoon, Mr. President, commissioners, Port staff and members of the public. I am Elaine Forbes, the executive director. I'm going to start my report with an update on commercial crabbing. Unfortunately, the season will be delayed to at least December 30th.

The next risk assessment will be completed by December 22. This delay comes because the California Dungeness crab fishing gear working group composed of fishers and scientists have concluded that fishing in the waters off the California coast would risk whale entanglement at this time.

This is not new. Since 2015, there have been delays in all but one commercial Dungeness season. That said, recreational crabbing is strong. San Francisco sport fishing boats are taking the public out of Fisherman's Wharf and returning back with both rockfish and Dungeness crab. And some are reaching the 10-crab limit.

This is an exciting opportunity for folks to get out on the bay and catch crab and rockfish. Since we are at our last commission meeting of 2022, I'd like to take this

opportunity to thank the Port commissioners. And I'm sorry there are only three of you. But this is the meeting to make the thank yous.

I've really been thinking about the contributions each of you have made to our organization and how strong we are because of your stewardship. We have a very clear vision of what we're trying to accomplish. And we have a strategic plan to excel in our achievements.

And commissioners, you've given us that strategic plan and all of the guidance to pull us through. I want to thank you, President Adams, in particular. We have had a great year in maritime. Cruise is better than it's ever been.

Federal and state investments are coming in now because of your work. We had Secretary Buttigieg call our own mayor, London Breed, to talk about the Amador Street funding. This route is key to our maritime industrial lands.

And you are also guiding us on business development. You have made such a major contribution to the incredible maritime team, which Andre Coleman is at the helm. The legacy of your work, we hope, will be a very active blue-green maritime portfolio that supports jobs and jobs for the future while healing our planet for future generations. We couldn't imagine a better business plan.

And of course, this work will grow our revenues. Maritime has been the stable and strong force of our revenues throughout this pandemic. So commissioners, we are very lucky to have you. You have great strengths and help us push forward our bold efforts.

You are also the wind in our sails to create an antiracist organization. The commission itself reflects diversity and the values of equitable leadership. You are diverse in race. You are diverse in gender, experiences and approach. And you're all at the same table working to guide our organization.

You have various skills, knowledges and perspectives. And sometimes, you don't agree. And I think that's healthy. The Port Commission -- you arrive at great decisions because you are united to move the mission of the Port forward. You are visionary and adaptable. And you also welcome to learn from staff. And we appreciate that.

We, Port staff, will continue to emulate the commission's equitable practices and follow the light that you're shining on what is possible for an antiracist organization. The commission has been ready and willing to lead us on our bold journey. And with incredible successes in 2022, we have a bright future for 2023. So thank you, commissioners.

The Port has made so many accomplishments in 2022. I cannot report on it in this format. I'm going to ask you to -- you and the public -- to review our Port of San Francisco Impact Report for 2022, which lays out all the various details.

We really are ending the year with an unimaginable record of success. We have delivered to our best of our ability a safe, equitable and vibrant waterfront at a time when delivering public spaces is very challenging.

Our waterfront stands out for our clean streets. It stands out for well-managed and accessible promenades and the new bike lane and safer, reliable transportation. We have risen to the occasion under your leadership to bring back the waterfront more equitably with more vibrant partnerships [offering] and visitors.

We're seeing big velocity in the return to the waterfront. And it shows even in our numbers. We ended this year with \$16 million of profit even though we were certain to end the year at a loss covering our operating and capital expenses.

We welcomed people with pop-ups, concerts, cruise calls and many more offerings. This is fueling the recovery of our financial footing and of the city overall. We and our tenants and our residents and our businesses -- we're really looking forward to our recovery and renewal next year.

We want people to keep returning and discovering the Port of San Francisco and the San Francisco Bay, perhaps one of the most beautiful places in the world. The hard work in 2022 has paid off. But we have so much work ahead.

We have an activation plan. It's very aggressive. But getting our organization onto sound financial footing is not going to be an easy and quick effort. We have had a structural deficit in our balance sheet probably since we were transferred from the state.

We do not make enough money to repair our assets, even those we operate directly. With the way we're headed, we will lose the value of our assets unless we can move into finding other sources of revenue or public-private partnerships.

We cannot stand in this position and be successful over the long haul. We have to have enough revenue to run our operations and pay for our capital to keep this organization and our Port thriving. We have a bold move to bring forward an economic recovery program that really reaches durable long-standing results. And we have a hired a leader who is prepared to take us on that journey.

I'm going to introduce her shortly. She's been at the Port before. She's a known person who has accomplished so much because of her expertise and her ability to bring people together. I'd like to introduce Meghan Wallace. She is our economic recovery manager.

Meghan Wallace: Thank you so much, Executive Director Forbes. Good evening, commissioners. As Executive Director Forbes stated, my name is Meghan Wallace. And this afternoon, I'm going to provide a brief update to our economic-recovery work.

So if I may, go ahead and start the slide. I just want to highlight -- actually, going back one slide before I begin speaking, I just -- I really love this picture and seeing the Ferry Building and the waterfront with the city at our backdrop.

I just want to highlight going into, you know, what I'm going to be sharing with you, how the Port's economic-recovery work really is so integral to that city in the background as well and just thinking about how our waterfront connects us to the city. And our success is going to help the success of the city.

So while I am new to the economic-recovery role, as stated previously, I am not new to the Port of San Francisco. I'm very familiar with the Port's wonderful staff and work culture, our operations, finances and unique challenges due to my work particularly in finance and budget.

And I'm looking forward to leveraging these relationships and my knowledge about the Port as I move forward with working alongside staff, leadership and our business partners to develop and implement strategies that address the economic impacts of the COVID-19 pandemic as well as improve the delivery of key services along our waterfront.

As highlighted in the bullets here, just want to highlight that this work spans across various phases. It's not going to be a big bang of economic recovery. That first stage really is in developing and refining economic recovery initiatives and then allocating resources to the extent that we don't have sufficient funding or staffing either already in place or in the right places.

I will be working to highlight where those changes need to be made. And then, ultimately, we'll get to executing concepts that improve our economic outlook as well as -- I should highlight -- our staff experiences and effectiveness.

I think there's an element of controlling costs and expanding revenues. But there's also an element of my work that means looking for opportunities to help our staff succeed so that we can all be doing this work together.

So before I get too far and you have an understanding of my role, I'd like to take some time to share my initial findings about the work of the Port. And first, I just want to highlight the fact that this economic-recovery work has been underway for some time.

Throughout the pandemic, the Port staff have been underway with stabilizing our waterfront, making sure that services have been provided during the most challenging of times. And then, also, the Port's planning work really has set the stage for economic recovery.

Just thinking about how economic recovery is a goal within our strategic plan, I was talking earlier about funding and staffing. Well, the fact is that this current-year budget has already taken steps to make sure the staff and funding is in place to do

things like tenant improvements or making sure that we have someone such as myself helping lead the charge on this work.

And then, additionally, the waterfront-activation plan, really thinking about how to attract people to the waterfront. I have a real benefit and fortune of stepping into this role with all of this work already having been done.

So I'm really just picking up where the Port has already been, you know, taking these steps. And now, I get to lead the charge particularly in thinking about activating our waterfront in a safe, equitable and vibrant way.

So now, I'm going to take a little bit more time and talk more about each of those elements of what I just said: safe, equitable and vibrant. First of all, it is critical that people feel safe to come down to the waterfront.

We want to encourage visitors to be down here and remind their friends and neighbors to come join us. So thinking about making sure that our property is clean, having public-safety resources, managing our public spaces -- all of these things are elements of how people are going to want to come down here and encourage their friends and family to do so as well.

Equity is so important for the Port. I know that this organization is deeply committed to its equity work. And really, by infusing equity in our economic-recovery-efforts work, by intentionally breaking down barriers and generating opportunities that diversify our visitors and businesses that enjoy our waterfront will also expand the Port's opportunity for economic recovery.

I just want to be really clear here that our strategic goals of economic recovery and equity are in alignment and complement one another. I'm going to go ahead and call out the final bullet on this slide as a great example of this where the Port may be challenged to change some of our practices and prior thinking.

For example, we have historically pushed to require new tenants to complete their own facility improvements. But the vacant-facility strategy actually calls upon the Port to use stimulus funds to complete some of that work.

That would lower barriers to entry and attract small and diverse tenants who might not have previously been able to access our facilities or our market, to accessing the people who come across the waterfront.

So not only are we lowering those barriers and having an equity mindset and approach, but that can actually increase -- or shorten, I should say, the timeline to the Port generating revenue in those facilities. So I think that's just a great example of how equity and economic-recovery initiatives can complement each other.

And then, of course, a vibrant waterfront -- we all know how beautiful it is down here and what it was like before the pandemic. I would say that we do feel that energy

and excitement down here today. But not everybody knows to come down here and access it.

So we just need to continue this work of creating our exceptional places, expanding maritime transportation options, promoting our partners, thinking about all of these activities. We have over 300 activities scheduled -- events scheduled for fiscal year -- for this upcoming calendar year of 2023.

But targeted activation is a real area that I will be diving into, you know, thinking about those quiet places along the waterfront where we've had ongoing vacancies, thinking about ways to activate those spaces, make them more energetic and make people feel like the waterfront is alive again.

But it's important to think about the timeline that it'll take for all of these things. Safety and equity really are current and ongoing efforts. Right. Like we're doing what we can now. And that's never going to end.

But when it comes to vibrancy and our efforts to activate the waterfront, I really do think about in three phases where there will be immediate activation, sort of a jumpstart to our work, have those events along the waterfront but also thinking about, how can we activate open spaces, get vacant spaces filled maybe with short-term tenants.

So there are a lot of ideas out there that staff will be pursuing with regard to that short-term, quick activation. But really, the fruits of our labor for these longer-term -- the mid and long-term efforts such as completing capital improvements, investing in our southern waterfront infrastructure to help attract maritime partners, attract additional federal and state funding, really understanding what our line-of-defense strategy is going to be with regard to waterfront resiliency.

All of those things are going to take some more time. So in my work, I'll be very clear in terms of timeline, what's low-hanging fruit that can be accomplished in the short term versus the longer-term efforts that may be more challenging and require different types of investment of staff and funding.

So in conclusion, I just want to highlight some of the key next steps that I will be taking in my role. Again, I'm in the develop-and-refine stage so working alongside staff and the leadership team, our Port partners to really understand our inventory of economic-recovery initiatives.

We've got a really good list. But we need to map it out and understand what is short and long term, what's easy, what's going to be challenging and then ultimately get into the work of honing in on the different details for each type of initiative, you know, ability to increase jobs and visitors all the way down to alignment with our strategic plan.

I do want to highlight that engagement strategies will be a really important part of this work. I do see it as critical for making sure that we are successful in implementing

any of our various strategies. It could be working internally with staff for some sort of internal change management all the way to engaging tenants and neighborhood advisory committees.

So we'll be providing more details as the various initiatives start to get legs under them but just want to be clear upfront that I do see engagement as a critical part of this work.

So a lot is ahead of us. So wish me luck as I take on this new role. I believe this is going to be the main update that I give for now. And I'll be returning in June of 2023 -- next year but not too far from now -- to give an update or an overview overall on the progress. Thank you so much.

Director Forbes: Thank you, Meghan. We really appreciate it. We'll leave questions for the end. And Meghan can come back. So we're extremely excited to have Meghan on board. We've had Toni Autry on board leading our equity program. And it's been a game changer to have someone completely allocated and focused. And we're very excited to have Meghan.

I'd like to turn to equity now. Just like with economic recovery, there's too much for me to talk about in this format. So I'm going to ask folks to look at this report. But I want everyone to know that we are making huge strides on equity.

And we still have a long way to go, of course. But we are working to make our waterfront a waterfront for all and for the Port to be a truly antiracist organization. We've been helping small businesses. With our development partners, we're building equitable communities.

And we're also taking real, serious steps to breathe life into our organization, so we can see where structural racism has had an impact on us. And we can fight back.

The team is identifying areas related to employee advancement, employee resources that are critical to resolve. We have come together as teams in training and talking to each other about what it would need to look like and what we would need to do to get there.

We have convenings with women in maintenance. I've had two now experiences talking about what it feels like to be a woman in maintenance and what still are the barriers to gender equity in our organization.

So we are on our journey. We are well a way on our path. I have some highlights to go over. But I know this is a long report. So again, looking at the impact report will be critical. But I'm very proud of the team. I'm very proud of Port staff, who are basically now demanding a diverse and inclusive workplace. And that is where we wanted to come to infuse equity into our organization.

With resilience, it's been a big year for resilience. From the living seawall launch that our maintenance team put together under the guidance of the Smithsonian Institute, we're figuring out what we can do on our seawall to bring in critters that support our fisheries.

Supporting our fisheries is very, very critical to our future and just ecology in general. We've identified those 23 critical projects, our first life-safety projects. And six of them are moving along into design and should be ready for construction as early as 2024.

And this will initiate real opportunities for jobs, again from our organization and the construction work. We just secured \$5 million from Speaker Pelosi to finish the flood study. Once again, she leaned in to help us figure out our line of defense.

And we're rolling out the adaptation strategies and finding innovative ways to bring more of the public in to have the conversations about what our future should look like. And where is our line of defense?

We will be talking with the commission about this very much coming into the new year. And things are moving on resilience. I'm very proud that this organization stands as a leader in this space. We are ahead of many communities. But we are also learning from those who have been ahead of us.

So to key projects, I turn to two. The SFMTA and Port have decided to hold off on the testing of the north Embarcadero lane. The SFMTA may decide to resurrect this idea for the future and come back to the commission and talk about it.

The SFMTA has committed to us to analyze the signal timing, which I have observed to be a challenge. Many of us have observed. And they are going to make any adjustments in 2023. So we're very excited about that commitment.

And with very exciting news, we will complete the living shoreline at Heron's Head Park by the end of this year, improving habitat, protecting wetlands and erosion from sea-level rise. And we did this all with grant money. Congratulations to the Port team and Carol Bach in particular.

I do need to communicate the write-off policy. Commissioners, consistent with the write-off policy adopted pursuant to Resolution 22-11, Port staff provide report summarizing two recommended write-off accounts. And you have 30 days to review before we process. If anyone has concerns, please contact me in 30 days. And we will schedule a future commission item to discuss.

Now, I turn to Carl Nicita, your commission secretary, who is leaving the Port for the Department of Building Inspection. Carl has received a promotion and will be running the legislative program for the Department of Building Inspection.

It's a big job to run that program. And we're very proud of Carl for his promotive opportunity and for the big role he will play at DBI. I know you have words to thank him as your commission secretary. But I wanted to thank him as my assistant.

So Carl Nicita has been a wonderful, wonderful collaborator to me. I'm going to admit now that, while I organize a lot of things, I am personally not the most organized person. And it's been challenging to tackle that.

But Carl Nicita -- he organized me. He organized me completely. And it was amazing. Now, I will stay organized. So that was a great partnership. And it helped me tremendously. And it helped me be a better leader.

Carl also has a great deal of integrity and is extraordinarily hard working. So we were very lucky to have him for two years. And we're saddened he's leaving.

We had the passing of a Port commissioner, who served for 16 years from 1994 to 2010, Commissioner Michael Hardeman. He was involved in very major projects -- Michael Hardeman, yes, a labor leader.

He was involved in many, many projects including the rehabilitation of the Ferry Building, Piers 1, 5 1/2 and the Exploratorium. He also provided a lot of guidance on the Giants ballpark, the cruise ship terminal -- the J.R. Herman Cruise Ship Terminal and our master developments at Pier 70 and Mission Rock and the Brannan Street cruise terminal and Pier 43 open spaces.

So he was involved in a lot of Port transformation in his 16 years. He was a native San Franciscan, third generation. He was an artist and a sign painter. He was a very active labor leader. And he contributed to numerous civic organizations.

I knew him. He was a wonderful person. He always commented on the importance of leadership to make the Port a great place to work. He cared very much about our employees when he was on commission.

We send our condolences to his family. And he has a legacy here that's living and breathing on our waterfront. So we're so appreciative. We would like you to end the meeting in his honor.

And finally, I want to wish everyone a very happy, happy holiday season. I wish everyone peace and joy. I have extraordinary gratitude to you and the Port staff for all you've done this past year and all the ways you've achieved and overachieved and the way you work together and the way you care about this place and one another.

And I'm very inspired to be the captain of this team. And I'm very lucky. So we look forward to 2023. Thank you. That concludes my report.

President Adams: Thank you, Elaine. How would you want to do this for Carl? Did you want to do it under the commissioners -- how did you want to do that?

Director Forbes: Now would be the appropriate time, Mr. President.

Commissioners' Discussion on the Executive Director's Report:

President Adams: Okay. Is there any public -- anybody from the public, any staff, please come up. If anyone has to say anything about Carl, please hit the mic.

Rebecca Benassini: Rebecca Benassini, deputy director for real estate and development. I know Carl would not want all of us to gush. So I will just be very brief and say we are going to miss you so much. You have been an incredible organizing function not only for Elaine for but for us because we need Elaine, and Elaine needs us.

You have been an absolute fantastic conduit. And we always say this. You will always have a home at the Port. We will always be a resource to you. And the city is small. And we will cross paths again. So best of luck to you.

Brad Benson: Carl, I just want to add my voice. You've been an amazing collaborator. You always come to an engagement in the best possible mood. There's a calm about what needs to come next. I'm like Elaine. I'm not the most organized person, and you've helped me be more organized in my dealings with Elaine.

I was amazed to watch you perform your function as you were testing for law school and thinking about that next step in your life. You managed that extraordinarily well.

And I think this is just an obvious next step in your career growth moving into this legislative role for another department. And I know that you're going to excel at it. And we're going to miss you deeply. So thank you, Carl.

President Adams: Anyone else from the Port that has anything that they want to say about Carl? Okay. Commissioner Lee?

Commissioner Lee: Well, as the newest commissioner here, Carl, coming from a commission of 10 people to 300 and being overwhelmed, and you really helped guide me with everything from day one I stepped on this Port property.

And I want to really thank you for that. Now, who's going to be the glue, you know? You kind of remind me of the Radar O'Reilly from MASH, you know. It's kind of -- if I have a question, just ask him, and he knows.

But anyway, thank you. And I know DBI is going to -- they need help over there. So I think you're going to improve -- trust me. I know DBI very well. So good luck. And thank you so much.

President Adams: Commissioner Gilman?

Commissioner Gilman: Carl, I just want to thank you so much for all of your support of me and helping me feel grounded and particularly on the equity subcommittee for the Port. Your voice was always there to ensure that, when we met with you and Toni -- me and Commissioner Brandon -- for those just updates, that you really articulated, A, the needs of Port staff and reminding us of equity from everything from our land dedication, when we -- introductory to these meetings to reminding us about that.

So I really want to commend that work. I hope you carry that work forward to your new department. As a former DBI commissioner, they do need a lot of help and support. I will say we're more fun than them. So whenever you miss us, come on back. You've been a lifeline for me. And I really appreciate you. Thank you. And good luck.

President Adams: Carl, wow. I'm happy. And I'm really glad that you're going on your journey. And you and I had this conversation. You've been focused. You're a class act. You're an eagle. And it's time to fly. And this was your training ground here. And you had that opportunity.

My grandmother used to say, in order to grow, you at least have to do one thing a day that makes you afraid, to get outside your comfort zone. And you're doing that. And t -- got your training ground here at the Port -- I've watched you grind.

Now, I see Jenica sitting next to you. So we continue, you know, as you move on. And you know what? The most important thing in life is to be happy and to do something that you really like. Sometimes, we can all find ourselves in a rut in life.

But we've got to keep pushing -- got to keep pushing forward. So I'm glad to see you go. And I hope, young man, you find that happiness that you're looking for in your life. Right. And you left a mark here at this Port. Have fun. Life is short. It goes fast.

Do what you want to do. And keep using those talents of yours till you get to where you want to be at in life. Right. So thank you so much. At that time, I think you need to come up to the mic. Say a few words, Carl. [laughter]

Carl Nicita: [Unintelligible].

President Adams: That's where you need to be. [laughter]

Carl Nicita: I did write some things down. So President Adams, commissioners, Director Forbes, Port staff, members of the public, in reflecting on my transition, I thought about how I joined the Port in the early days of the pandemic, which is a really strange time to join an organization.

But even meeting virtually, I felt immediately welcomed by my colleagues, by you. And I especially immediately saw all of the amazing work that was being done under really extraordinary circumstances at that time with astounding, terrific results.

So thank you all. Thank you, Director Forbes and my colleagues, for your mentorship and support throughout the couple of years that I've been here. I think you all know that I take my job, my role as a public servant like a vocation.

And I'm really excited to take everything that I've learned here at the Port from all of my wonderful colleagues in this next step in my career, still in city government though not here on this very vibrant waterfront that I love so, so much. But thank you.

President Adams: Thank you, Carl. [applause] Director Forbes, thank you for your report. Now, at this time, we will take public comment. Is there any public comment in the room on the report of the executive director? Any comments on the report of the executive director? Seeing none. Tedman will provide instructions now for remote participants.

No Public Comment on the Executive Director's Report.

10. CONSENT

- A. Request approval of a resolution adopting findings under 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 22-62)
- B. Request authorization to advertise for competitive bids for Construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows Resolution. (Resolution 22-63)
- C. Request approval of the Operating Agreement (Contract # OP-0010) with Aeroground, Inc. DBA Menzies Aviation, granting authority to operate its location at 606 McDonnell Road, San Francisco, CA as a Foreign Trade Zone No. 3 Usage Driven Site for a term of five years, with one operation to extend for four years and outlining conditions for the operation of the usage driven site. (Resolution 22-64)
- D. Authorization to (1) file with the California Building Standards Commission, the Port's amendments to the 2022 California Building Standards Code and the local findings that support such modifications; (2) repeal the current 2019 Port of San Francisco Building Standards Code (which includes the 2019 Port of San Francisco Building, Existing Building, Mechanical, Electrical, Plumbing, and Green Building Standards Codes), effective midnight, December 31, 2022; and (3) adopt the 2022 Port of San Francisco Building Standards Code (which includes the 2022 Port of San Francisco Building, Existing Building, Mechanical, Electrical, Plumbing, and Green Building Standards Codes) with an effective date of January 1, 2023. (Resolution 22-65)

- E. Authorization to Advertise a Request for Proposals for Heron's Head Park Marsh Revegetation and Transitional Age Work Training Program. (Resolution 22-66)

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

No Public Comment on the Consent Calendar.

In a roll call vote, all commissioners were in favor.

President Adams: Opposed? Motion passes unanimously. Resolutions 22-62 through 22-66 are adopted. Jenica, next item, please.

11. REAL ESTATE & DEVELOPMENT

- A. Hearing and request approval to amend the Port's Harbor Traffic Code to update certain parking and curb restrictions on Port streets within Mission Bay to accommodate events at the Chase Center. (Resolution 22-67)

Jennifer Gee: Good afternoon, President Adams, Commissioner Gilman and Lee, Director Forbes. My name is Jennifer Gee, senior property manager with the Port's real estate and development staff. I'm here today to request your approval to amend the Port's harbor traffic code to update parking and curb restrictions to accommodate games and events at the Chase Center.

Before I get started, I do want to thank my colleagues for their guidance and assistance bringing this item before you today, Kimberley Beal, Becca Benassini, David Beaupre, Rona Sandler and our colleagues at SFMTA, Mari Hunter and Hank Wilson.

The Port Commission adopted the harbor code including the harbor traffic code and its amendments to regulate the use of vehicles and impose traffic regulations on Port property. SFMTA also assists the Port in management of on-street parking and curb management on Port streets.

Recognizing the traffic impacts of basketball games with the new basketball arena in San Francisco, the city is committed to work with the Golden State Warriors and the community to ensure traffic to and around the arena are well-managed.

During the transportation planning of Chase Center, SFMTA took the lead on the development of the Chase Center access plan that provides access to the arena. In 2019, the Port Commission approved parking and access restrictions on Port streets to accommodate games and events in and around Chase Center consistent with the access plan.

Since the opening of Chase, SFMTA has analyzed the street operations on game and event days. And after reviewing traffic flow, enforcement actions and feedback from

the community as well as feedback from Chase staff, SFMTA now recommends adjustments to the Port's harbor traffic code to better manage curb use and metered parking, parking restrictions and enforcement on Terry Francois Boulevard, also known as TFB, Illinois Street, 16th Street and Warriors Way.

The proposed harbor code amendments include: relocating 80 feet of dedicated parking for accessible shuttle and paratransit parking located on the west side of TFB between Warriors Way and 16th Street; establishing designated passenger and commercial loading zones on the perimeter streets of Chase Center, which include TFB, 16th, Warriors Way and Illinois; and lastly, to increase the maximum time limit for commercial loading zones from 30 minutes to 60 minutes.

SFMTA anticipates that these changes will: increase parking meter revenues; improve traffic flow, improve pedestrian/vehicular safety; and also -- sorry -- and also likely decrease in citations by improving parking enforcement in the area.

In addition, in 2015, the San Francisco Commission on Community Investment and Infrastructure, OCII, certified the final subsequent environment impact report for the Golden State Warriors Event Center and mixed-use project. The proposed amendments today to the Port's harbor traffic are within the scope of the FSEIR.

And in conclusion, Port staff recommends approval of Port Resolution 22-67 to amend the Port's harbor traffic code to adjust parking and curb regulations in and around Chase Center. Mari Hunter with SFMTA and I are here today to answer any additional questions you may have.

President Adams: Thanks, Jennifer Gee, for your presentation. Commissioners, is there a motion?

ACTION: Commissioner Gilman moved approval of the resolution. Commissioner Lee seconded the motion.

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner Lee: I mean, obviously, this has been done a while. And for me to actually know if there's any impact to small business around there -- it's supposed to help the Chase -- I just am hoping that it doesn't impact like Mission Rock and The Ramp and all those places around there.

What I like about it is you took away a lot of the tow-away because, when somebody gets towed away, it's terrible, \$600 just for the recovery and then the ticket. And you know, when you're doing that to tourists and people that are visiting, it's really brutal.

So the only thing I can say about it is I approve that. It -- hopefully make things better. I just -- without me really going out there to look that it's not impeding on some of the small businesses around there that are still trying to get some of that business -- so you know, I'm supportive and approve this for now.

Jennifer Gee: Thank you. I do want to say that SFMTA and the Port did take into consideration Mission Rock Resort and The Ramp Restaurant. And anything on TFB below Mission Rock restaurant right where the cutoff is where the restaurant is is regular parking. This does not impact any of those areas.

Commissioner Lee: Okay. Great. Thank you.

President Adams: Thank you. Commissioner Gilman?

Commissioner Gilman: Jennifer, thank you for your report. It was lovely. I support the item. No questions.

Jennifer Gee: Thank you.

President Adams: Jennifer, this is the first time that I've heard you present. You did a great job.

Jennifer Gee: Thank you, President Adams.

President Adams: You're very calm. And you took it right to the mic the way you're supposed to. I really like that. I live in that area. Right. I live a block from the Chase Center. So I really appreciate this. I'm in support. So we have a motion and a second. All in favor, say aye.

Commissioner Lee: Aye.

Commissioner Gilman: Aye.

President Adams: Opposed? Motion passes unanimously. Resolution 22-67 is adopted. Jenica, next item, please.

Jennifer Gee: Thank you, commissioners.

12. FINANCE & ADMINISTRATION

- A. Authorization to award contracts from a Request for Qualifications for As-Needed Engineering and Related Professional Services to four most qualified firms in the amount of \$4,000,000 each and a five-year term and to create a pre-qualified pool of qualified respondents. (Resolution 22-68)

Stephanie Tang: Hi. Good afternoon, commissioners. My name is Stephanie Tang. And I'm here to request authorization to award four contracts for engineering and related services as well as to create a prequalified pool.

The four high-scoring entities are listed here before you. Each contract will be for \$4 million with an initial term of four years with an option to extend for one more year, so five years, \$16 million in total.

In addition, there are seven firms who scored high enough to qualify for a prequalified pool. The prequalified pool is for additional awards in the next two years. And the Port will follow the chapter six requirements for the selection process and delegated authority for awarding these additional contracts.

These as-needed contracts are really an important piece in supporting the engineering division and their work. But these engineering projects really support maritime and real estate as well. And the services of these contracts will advance the strategic initiatives of evolution and productivity and equity and resilience.

So what will these contracts do? There's a lot on the slide. And that is because the engineering team of Rod Iwashita, Shannon Cairns and Uday Prasad really did a wonderful job of outlining, what are our needs and really being specific. And we're going to return to this point later.

We categorized the scopes based on how we thought they would be used. Primary scopes are what we really expect to be used and, therefore, will spend a lot of dollars on these. Secondary are somewhat likely to be used. And tertiary are the -- we wanted to have them in, but they're going to be pretty rare.

This slide outlines the selection process. We initially advertised this in July, did outreach, held a preproposal meeting of 120 firms, answered 51 questions and received proposals. And despite our best intentions to craft a perfect RFP, it wasn't perfect.

And we decided to actually reject and rebid the proposals. And we did this because a single proposal had an unanticipated and unconventional approach to our RFQ. And the fastest way to make sure that we secured our process was to reject and re-advertise.

We did this re-advertising within two weeks of the initial bid due date. So we were really trying to keep up the momentum. And we structured the proposals in a way to really make sure the respondents from the first time around could re-respond with as minimal effort as possible.

So if you responded the first time around, there was just one additional page you had to attest to and sign. And then, you could submit your old proposal. We did do an addendum to extend the deadline, so the final deadline was September 12th.

And at the end of this second process, we received seven proposals and worked with CMD in the evaluation of the proposals. This here is the selection process. We first had a review for minimum qualifications. And then, you can see the selection criteria for the written proposal.

You will see that this is the first time where we had submittal of a DEI, a diversity, equity and inclusion plan as a scored criteria. So you see that here. The written proposal was worth a maximum of 100 points. And the oral interview was worth a total of -- I said 25, and that's 30. My apologies. It should be 30 points.

All firms scored more than 75 points could be advanced to the oral interview. And that was also the cutoff to be qualified for the prequalified pool. The questions were -- there was a presentation at the oral interview.

There were two advance questions with 48-hours' notice to prepare. And then, there was one on-the-spot question. So here are the scores. The highest ranking teams are Moffatt and Nichol and OLMM JV.

Then, we have COWI and Telamon JV as a team. Then, third is GHD Structus. Fourth is Arcadis and Lotus Water. Below the dark line are the three times which scored high enough for the prequalified pool. Those are Ryan Joyce Structural Design, Stantec McGovern McDonald and Parsons FMG.

I'm delighted to share that all the teams had an LBE as a prime or as a JV partner. And one team is an LBE prime lead. You'll notice that the scores here that -- this is worth a total of 130 points. And the respondents scored very highly here.

At the conclusion of the interviews, a panel member remarked that he would work with any one of these seven teams. So my sincere congratulations to the respondents.

This slide shows the four teams for immediate award. All of these teams have significant experience with public entities as well as with marine engineering experience either with the Port or with other national or even international entities.

You'll note that these teams are large, between 16 and almost 30 subs. And we hope this means that we can respond quickly and nimbly for when we have a need. And there are a number of firms on these teams that we've not seen before.

This is a slide about the teams who scored high enough to be in the prequalified pool. And these teams are also excellent for when there is additional work. And the Port anticipates going back to these firms as well as the pool for additional awards.

For next steps, this is the schedule that we anticipate moving forward with to get these contracts done. Now, before I get to the final slide to ask for authorization, I wanted to take a break from the typical flow and talk a little bit about equity.

We know that the engineering industry is not diverse. And that is frankly a detriment to this industry. But our series of contracts can't change the entire industry. But we can raise our voices and be part of the engine for change and have a strategy to increase equity opportunities.

And I wanted to share some of what we did here. We did very broad outreach. We had over 500 firms. We outreached early. We went beyond San Francisco. For example, we reached out to the black chambers in Solano and Oakland.

We advertised to women professional engineering organizations. We took a regional approach to really saying like who is out there beyond San Francisco. I've already mentioned the DEI plan, how we included that so that we could really ask, "Hey, what is your approach to diversity in this industry, to your workforce, to professional development, to work with subs, to the community?"

And of the seven respondents, six submitted a DEI plan so six out of seven. One did not. We have informal debriefs with all of the seven proposing teams this week. And we will be raising the DEI plans as an opportunity to have additional conversation.

Then, next, we -- at our last time together, I talked about the form-based RFQ. So I won't revisit what we did there. This is the first time we did it. But I did want to pause a little bit and talk about the as-needed contracts and the existential problem of how we matched subcontracting commitments in an as-needed contract to actual utilization.

What happens for an as-needed contract is that we don't know the exact scope. So we can't say this is exactly what you need. And what happens is that the department makes a guess. And the teams make a guess.

So you make an estimate off of an estimate. And it doesn't end up so well. So that is where we really kind of came to this idea of, hey, we need to inject more certainty in this process. And part of that is our responsibility.

And that is part -- how we came up with this idea of doing the primary, secondary, tertiary scopes. And this actually relates to the question, Commissioner Gilman, you asked at the last meeting, which was, "Hey, are LBEs getting substantial work? And how are they getting used?"

And I actually want to push it one step further and say, you know, what we're hearing is that LBEs are being used to meet a requirement to the team. They help a prime. They help someone else win. And they don't get work because the scope doesn't show up. And there's no accountability or consequence.

And that is kind of like the real implications of what this problem is. So the hard part about your question is that the city can't dictate to a prime how it staffs its team or how they're going to assign the work. We can't tell a prime that they should use a sub for architecture instead of [CAB].

That's just not something we can do. But if substantial means dollar value -- you know, are you actually getting paid for the work -- then we do have a role. And with that, what we did was we wanted to be really clear in what are the dollars and how they're going to relate. Primary means more dollars.

And in that way, we could provide certainty and set up the prime-sub relationships better. So in addition to doing this primary, secondary, tertiary, we actually took it one step further, which is that we connected the use of the scopes to actually credit for utilization.

So for the secondary and tertiary scopes, we set a ceiling for LBE utilization. A single secondary scope of work was maxed out at 5 percent. And a single tertiary scope was maxed out at 1 percent credit. And with this, we made it much harder for a prime to over promise to a subcontractor.

And in that way, we're hoping that this means that they can't just bring on a sub and leave them hanging with no work. So unfortunately, it'll take a few years for us to decide if our experimental approach is going to work.

But our thought is that this will allow us to better track real utilization if we can connect it to some aspect of certainty. Yet it still preserves the flexibility that we want in an actual as-needed contract.

And I didn't share this at the last contracting update when I was last here because we're kind of mid-experiment. But since the commissioner asked the question, I wanted to report back how I was secretly happy because we'd already been thinking about this problem in terms of how we address it.

And this is one way we're trying to get to what we see as being the real issue with as-needed contracts, creating certainty and making sure that people are really getting used.

So now that I'm back from my commercial break, I can get back to what the other business of what we're here for which is that I'm here to request the authorization to award the four contracts and then also the ability to create the prequalified pool for the seven qualifying firms.

And that concludes my presentation. And I also wanted to thank my colleague, Alysabeth Alexander-Tut, who has been very instrumental in making sure this gets done, really helping brainstorm as well as implement a lot of the experiments that we're doing for this particular round of contracts. So thank you very much for your assistance, Alysabeth. Thank you.

President Adams: Thank you, Stephanie. Great presentation. Commissioners, is there a motion?

ACTION: Commissioner Gilman moved approval of the resolution. Commissioner Lee seconded the motion.

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Gilman: Stephanie, thank you so much for this report. I just want to make sure -- I'm supportive of the item. I just want to make sure I'm understanding a couple of points correctly. So when you were talking about the experiment you're doing with the [caps], I just want to -- so are you saying that, for secondary work in the secondary tranche of what those activities are, that it's guaranteeing a minimum of 5 percent?

Stephanie Tang: No.

Commissioner Gilman: No. So I was a little confused there. Can you walk me through that again?

Stephanie Tang: Yeah. Thank you for clarifying. We can't guarantee anything because this is an as-needed contract. But what happens is that the primes make a guess about how their team is going to be used. And then, they get LBE credit based on those dollars.

So what we did was we said, hey, realistically, don't give anybody for -- more than 5 percent for these secondary scopes because that's not going to be what happens in actual utilization.

Commissioner Gilman: Okay.

Stephanie Tang: So it's not an actual guarantee. It's just a way to manage how LBE credit is given in a more realistic way because the typical way a contract is set up for an as-needed is we say these are the scopes. We don't actually have dollar values associated with it. So a prime could take a tertiary scope of work, that is a scope which is never going to -- very rare to happen, give them 15 percent credit for it, have an LBE or somebody think I'm going to get 15 percent of this contract value.

But then, when those dollars happen, those dollars don't happen. Where do those dollars flow? Those dollars likely end up being utilization by the prime of contracting work. So that's the idea of -- there are not guarantees. It's more that the crediting process for being able to win the contract is based on a more realistic assessment.

Commissioner Gilman: So why didn't we do that with the primary scopes?

Stephanie Tang: We didn't do it with the primary scopes because we do think it could be much larger. You could have 20 percent, 30 percent, 40 percent, which are just

structural. So we didn't do it with the primary because we didn't feel like we could make a realistic ceiling.

And the idea was to be -- even 5 percent is pretty generous for the secondary and tertiary. But we wanted to start this concept of setting ceilings and see how it could be more realistic. So we could have an as-needed engineering contract that is primarily only a few of the scopes.

Commissioner Gilman: So my only other question was, if I was looking at it correctly, is, of the qualified pool of seven, one did not submit a DEI plan.

Stephanie Tang: That's right.

Commissioner Gilman: So why are we including them in this scope of seven?

Stephanie Tang: Because it was credited with a single point. So it could be determinative in the scoring process, and it couldn't. We didn't have a DEI plan as a minimum qualification. But that's an interesting idea for a future opportunity that you must have one.

And I do want to say -- there was a question about, you know, why is it only one point? Why isn't it five points or something more? And one of the things that we came up with is that we had no idea what the quality of these DEI plans was going to be.

And I did not want to give somebody with a written-that-morning DEI plan the same number of points as somebody who had a thoughtful plan. And we don't actually have a series of criteria for how to evaluate the plan.

So we said, look, given that risk, let's just do it at a point. Let's look at what we have. And we're working with Toni in terms of examining all the different DEI plans so that perhaps we could come up with criteria. But I love the possibility of maybe making it an MQ. And I'll take that up with other folks as an idea.

Commissioner Gilman: Yeah. I mean, I think you did a tremendous job, particularly your outreach to different communities. I do think it would be great at some point moving forward either through our workshops that we do with contractors or -- I don't know if we ever like -- actually, I don't know if we do this -- like ever public -- like you could strip out stuff for confidentiality, like publish a model response to an RFQ or some sort of learning opportunity like schools do, model papers for students when they're doing assignments.

But I would love to see us come up with sort of model plan -- not that could be cut and pasted but that could really give thoughtfulness to a sector that we know lacks diversity and inclusion. But I'm supportive of the item. And I really want to commend your work on this, Stephanie. Thank you so much.

President Adams: Thanks, Commissioner Gilman. Great comments. Commissioner Lee?

Commissioner Lee: I mean, this is quite a bit of work for something that's just in the air, you know. I mean, it's good to have stand-by. My question is -- okay, these seven qualify at this point. But then, you know, we don't know when you're going to call them. Correct.

I mean, basically, they're on call when the projects come up. So what happens if things change employment wise? You know, suddenly, you know, whatever internally, you know, what got them there suddenly got laid off and [no longer would require]. So what do you do in that case?

Stephanie Tang: You don't have to use them. Or we can -- part of having multiple entities in the pool is that we can -- we have other entities to go to. I mean, staff changes are real. Right. That's inevitable. So we can then learn, what are the staff changes? Who is the most qualified for this particular what we call a contract service order for this particular need to have? And then, we make choices in terms of who we use among the folks in the pool.

Commissioner Lee: So that'll be when the contract comes up and --

Stephanie Tang: When this contract service order comes up.

Commissioner Lee: And then, you would say, okay, do you follow these --

Stephanie Tang: Yes.

Commissioner Lee: And we start again --

Stephanie Tang: Yes.

Commissioner Lee: -- but at least eliminates 30-some-odd people.

Stephanie Tang: Yeah.

Commissioner Lee: And now, you've just got seven in the pool.

Stephanie Tang: Yeah. And it's really starting with four. So we're going to award four immediate contracts where we will then be able to pull contract service orders, which is a much faster process, you know, multi-week process, which is very fast for us --

Commissioner Lee: Right.

Stephanie Tang: -- in terms of getting folks working. If we have an additional need, which would be an entirely new contract, then we could go to the larger pool and have them compete.

Commissioner Lee: Okay. Well, it's a lot of pre-work. My gawd, how many hours did you work on this? Thank you. I'm supportive of this situation -- possible situation.

President Adams: Stephanie, the work that you and your team -- the work is just very meticulous. You've done your due diligence. So it's kind of like a surgeon, very just like peeling an onion. You've got it right down to a science. I'm in favor of this.

I appreciate it. I also appreciate your open-mindedness, not even thinking in a box. People always talk about thinking outside a box. You shouldn't have a box. I love your thinking, thinking out of both sides of the brain and thinking well on your feet and just using your creative imagination and making something work and getting back to us.

So this is excellent. I'm in favor. So thank you so much. All right, commissioners. We have a motion and a second. All in favor, say aye.

Commissioner Gilman: Aye.

Commissioner Lee: Aye.

President Adams: Opposed? Motion passes unanimously. Resolution 22-68 is adopted. Jenica, next item, please.

13. WATERFRONT RESILIENCE PROGRAM

- A. Informational update on the second bond issuance request, in the amount of \$42 million of Proposition A Bonds to support early projects, adaptation strategies, and San Francisco Waterfront Coastal Flood Study General Investigation ("Flood Study").

Brad Benson: Good afternoon, President Adams, commissioners, Director Forbes, staff and the members of the public. I'm here with Nate Cruz, who is our acting CFO for the Port, and Carlos Colon, who is our waterfront resilience program administrator, to talk about this second bond sale.

I'm just going to do a few introductory slides upfront about the work going on in the program and then really hand off to Nate. So this is our agenda for the presentation. We have, as Director Forbes mentioned in her report to the commission, we have a lot of work going on on the program.

There were some very big milestones this year. This slide shows that we're working across the seven-and-a-half miles of the Port's jurisdiction. Our big effort is the Army Corps of Engineers flood study.

And you saw earlier in the fall a presentation about the draft waterfront adaptation strategies that have been released publicly to arrive, we hope, in the middle of the next year at a preferred plan that the commission can embrace and, also, the

Embarcadero early projects, which are really the focus of Proposition A spending that is the subject matter for this presentation.

There are other efforts like the living seawall pilot -- we worked with Port engineering on the southern waterfront earthquake assessment. And there are other resilience efforts too including the historic piers rehabilitation program that are outside of the waterfront resilience program. We play more of a support role in terms of those other Port resilience efforts.

So as a reminder, we identified 23 Embarcadero early projects in December of 2021. The program team has been working on six of these projects. They have advanced through needs assessment, which is a process of really working with the broader Port team to identify problems, opportunities, constraints in each of these project areas, develop a range of potential alternatives for dealing with those problems, opportunities and constraints that will then advance into a formal alternatives analysis to choose -- to recommend the best project alternative for advancing further into predesign.

You can see these planning steps on this slide. So after alternatives assessment, we'll advance to conceptual engineering for the early projects, then into detailed design, environmental review, construction and closeout with a goal of advancing one or more of those early projects to construction by the end of 2024. And now, I'm going to pass it off to Nate Cruz. Thank you, Nate.

Nate Cruz: Good afternoon, commissioners. Nate Cruz, acting deputy director of finance and administration. I'm going to walk through the funding sources and uses on the WRP program. So this is a -- the first table is just a large overview of where we are today.

This is the appropriations that you approved to date back to sort of the inception of the program through the current fiscal year. So where we stand today, you've approved \$64.5 million of funding. We're asking to issue a second bond issuance for \$42 million. That'll bring us up to \$106.5 million.

I do want to point out on this slide that, you know, obviously the lion's share of the funding has come from that first seawall bond issuance of \$49.7 million. We did that early on in the pandemic. I think it was May or June of 2020.

But along the way, there's also been these really critical contributions from the Port and our fellow city agencies. And those are absolutely essential -- well, they were essential early on because they were the only money. They were sort of that seed money in the project.

But as we move forward, bond eligibility rules prohibit us from spending every -- we can't find a source for every spending need that comes from the bond. So these Port capital contributions are really flexible and allow us to do the work we need to do to advance the project where the spending might not be eligible for the bond.

So you'll continue to see Port contributions to this very important project. The last thing I want to point out on this slide is down at the bottom outside the table. We also have, I think under active consideration, \$48.7 million in grant applications.

We just added that to this slide because we wanted to illustrate the span of sources we're looking for money. We want to -- obviously, there's a city-wide effort that benefits the entire region. And we want to make sure that everyone has an opportunity to contribute.

So that's the funding sources. Here are the program expenditures to date. So as I mentioned, you've appropriated \$64.5 million. We spent a little over 50 at 51.7. Obviously, where we are in this phase of the project -- most of that money has gone towards planning. Right.

We're still very early on -- really excited to see these early projects begin to mature. And we're starting to see some specificity. But as I show these expenditure slides, you'll see that most of the dollars are in planning.

So onto the specifics of the bond -- so the first bond issuance that you approved for \$49.7 million -- we've spent nearly all of it at \$40 million. Again, all of that -- or the bulk of that spending is in planning. We've been using that to advance the flood study, these early projects and to get us as far as we are today.

But since that issuance, there's been some changes. And I just -- or there have been a number of changes. I want to highlight just two of them. First is an amendment to the CH2M contract, increasing the not-to-exceed amount from roughly \$40 million to \$60 million. That was to accommodate a wider scope of planning work.

And the second increase -- or the second amendment that I wanted to point out was an amendment to the U.S. Army Corps of Engineer flood study, expanding it from \$6 million to \$16 million and increasing the duration of the study. That's really a benefit to the Port.

Ultimately, that flood study is the key to unlocking federal dollars to help fund this effort. So that was definitely a positive piece of news when we made that amendment. Onto the second bond issuance. And this is what we're requesting your approval to issue.

So we're hoping to issue \$42 million in bond proceeds. The uses of those proceeds are illustrated in this table. Really excited to see Embarcadero early projects in the table now, so we can start advancing those specific projects.

So this is still planning. Right. We're still in the early phases. We don't have construction dollars in here yet. But those are going to come soon. That brings me to the schedule. Now, we're here with an informational item discussing this approval. We'll be back in January requesting your approval of the issuance.

And then, we go on to the Board of Supervisors finally to issue those bonds in 2023. This phase of funding will get us up to basically the construction. We'll be ready for construction of those early projects. We're anticipating a third issuance in 2024.

We've considered maybe doing a larger issuance now to cover the potential construction costs later. Market conditions aren't so great right now. So it was much more efficient for us to right-size the issuance today to get us to construction.

We'll come back in 2024 and hope that inflation has been tamed and rates are a little bit more favorable for the Port. But with that, that concludes my presentation. Carlos, Brad and I are here to answer questions.

President Adams: Thank you, Brad, Nate and Carlos for your presentation. Now, let's open it up for public comment. Is there any public comment in the room? Seeing none. Tedman will provide instructions now for remote participants.

No Public Comment on Item 13A.

Commissioners' Discussion on Item 13A:

Commissioner Lee: Well, really no comment other than, you know, there's a lot of work in getting this money together. Definitely, get started. The faster you get started, then inflation doesn't catch up. And then, you're out of money later when you ask for it again.

So no real comment -- there's a lot of great work here. And I'm just anxious to get started on it, you know. After this last rain, I thought we're going to be flooded. [laughter] So anyway, good job. Thank you.

President Adams: Commissioner Gilman?

Commissioner Gilman: Brad, Nate, no questions. Thank you so much.

President Adams: Same thing, guys. Good presentation, Brad, Nate, Carlos. Nate, I never saw you when I was at Georgetown. I was a Hoya. And I never saw you. We must have missed each other. But no. Guys, this is great. For me, this project is so huge. Right.

It almost hurts the brain. But it has to be done. And I just appreciate the effort that you put into it. It's complicated. It's constantly changing. And of course, the market, as you said -- a lot of things are happening with inflation and a lot of things.

Nothing -- we don't know what it's going to look like but -- as far as, you know, how the market goes up and down. But this is going to be a great project at the end. And I appreciate the effort of all three of you. So thank you so much. Jenica, next item, please.

B. Informational presentation regarding Waterfront Resilience Program (WRP) Local Business Enterprise (LBE) Subcontracting and WRP Equity Actions.

Carlos Colon: Good evening, President Adams, commissioners, Director Forbes. Carlos Colon, the waterfront resilience program administrator. And I'm here to present the LBE and equity update on the program. I do want to say before I start -- normally, this presentation is done following Stephanie Tang's presentation on the LBE update for the Port.

And I apologize that last meeting I was not ready. And so that's why I'm presenting at this meeting. So I will talk about equity. I'll also talk about the LBE participation on the CH2M Hill contract and then our next steps.

So here, we're sort of talking about -- I'd like to talk about the sort of external equity that we're working on. We're really focused on: jobs especially for residents in Port-adjacent communities; contracting, supporting LBEs and getting them ready to bid on our upcoming early projects; and then funding.

We just presented on the bond. But funding is also really important to continue this work so that we continue the fund the projects and develop careers that could go on for decades.

Let's talk a little bit about workforce development. We spent the last say about two years doing sort of a needs assessment, the baseline analysis. We reached out to our stakeholders. And in early 2023, we are going to have a workforce development implementation plan.

And I think that's probably in March 2023. And that'll get us going once we select early projects to develop a workforce that can then be prepared when those early projects start in hopefully by the end of 2024.

We're also focused on LBE development of support services. Again, the last couple years, we've been sort of doing the needs analysis, also working with Tiffany Tatum and Stephanie Tang on the work that they're doing for LBE support for the Port in general.

We are also going to have an implementation plan early next year which will help us prepare again for the early projects once they're selected and ready for early -- detail design and ready for construction. Last month, we also launched a page on our website to keep LBE prospective contractors, consultants informed as -- our progress.

Internally, we are also focused on equity in the program. CH2M is about to submit a final draft of equity framework memo. And this will help guide equity throughout alternatives development in the program.

Now, I'm going to focus on the LBE participation in the CH2M Hill's contract. CH2M LBE commitment is 21.19 percent. To date -- and I should say to date is through

September. That's the last invoice that we paid for them. We've paid them \$37.8 million. \$10.2 million have been paid to LBEs at 27.2 percent.

So you can see that, as of now, we are exceeding the 21 percent goal. The breakdown of the LBE categories, MBE, OBE, WBE, 7.2 percent for MBE, 0.1 percent for OBE, 19.8 percent for WBE. Now, I also break down it into other categories of -- these are not MBEs. I'd I -- these are minority-owned businesses.

And the reason why I break it down here as well -- and you can see this total is 10.6 percent. It is higher than the 7.2 percent for MBEs. And that is because of two reasons. CMD only lists -- you select one category when you register. So there are some WBEs that are minority owned.

CH2M has also subcontracted with some minority-owned businesses which are not LBEs. So overall in the contract, it's 10.6 percent minority-owned businesses which are participating.

So here are some highlights. I really like this one. Of the \$59.9 million not-to-exceed amount, CH2M has gotten to 92 percent of their LBE requirement. And just before this meeting, I was checking my emails and looking at some LBE ta -- not LBE ta -- task authorizations which we are reviewing.

And I think there was about \$1.4 million for LBEs. So by the end of this calendar year, CH2M will have exceeded their 21 percent LBE goal. As of now, nine of the 17 LBE subs have met or exceeded their original percentage. And there is about \$17.5 million remaining in unscoped future task authorizations. So there is going to be a lot more opportunities for LBEs moving forward.

This slide is a little small. But this image is also in the staff report. It shows sort of what was planned at the time of amendment in 2019 versus the actual LBE participation. You can see in phase one that we -- in 2019, the assumption was that we had 15.5 percent LBE participation. And the actual is 27.3 percent.

And you can see the breakdown by category and that, in five of the six subtasks, CH2M exceeded LBE participation. On the overall contract, at this time of the contract, CH2M expected to be at 16.9 percent task authorizations to LBEs. And they have exceeded that at 20.86 percent.

So moving forward, I will continue to present to the commission when the Port staff, Stephanie, presents on LBE Port goals and participation. And we will update the commission on contracting opportunities in early 2023.

Not here -- and I think we're going to do this -- once the workforce development and LBE support services implementation plans are complete, I think we should probably come to the commission and tell you what we found and what we plan to do moving forward. And that's it. If you have any questions --

President Adams: Thank you, Carlos. Brad let you take the lead on that. Thank you both for your presentation. Let's open it up for public comment. Is there any public comment in the room? Seeing none. Tedman will provide instructions now for remote participants.

No Public Comment on Item 13B.

Commissioners' Discussion on Item 13B:

Commissioner Gilman: First off, Carlos, thank you for this report. It's fine that you had to delay it to sort of get your ducks in order. So I did just want to -- at least from my point of view as a commission. And I really want to commend CH2M, who I guess is not here today, because -- are they?

Carlos Colon: One -- [laughs]

Commissioner Gilman: Okay. Because that's really great that you are on track to exceed your goal at this early stage in the project. And I can't wait for you to come back and report that they met 200 percent of their goal. [laughter] I really appreciate this report. Thank you.

President Adams: Commissioner Lee?

Commissioner Lee: No comment. Good job. Get more -- hit that 200 percent.

President Adams: Thanks, Carlos. And thanks for being upfront that you wanted to make sure you had everything right and tight when you came here. That's very well thought out. And I appreciated your presentation. And I'm looking forward to when you come back. But thank you for -- keep raising the bar, and keep pushing it. So thank you both very much. Jenica, next item, please.

14. NEW BUSINESS

Director Forbes: President Adams, I have not recorded any new business. Is there any new business at this point?

President Adams: Commissioner Lee had a couple things he was going to bring up. And I think Commissioner Gilman -- I think, you know, about what we talked about earlier. So go ahead, Commissioner Lee. You want to go first?

Commissioner Lee: Okay. Well, you know, 2023 is coming. I'd like to get prepared for tourist season, if possible. So I think -- I had something in mind that maybe somehow -- I don't know if there's a budget or SFMTA wants to help out with that.

But you know, have more access from the cruise ship tourists to be able to hit our districts, you know, on their own. Sometimes, instead of having a tour, they can jump on a bus and maybe provide some loading zones somewhere where these jump-

on-and-off-bus people can go to various stops, Fisherman's Wharf, North Beach, Chinatown, Union Square and then loop back around.

So I'd kind of like to see something like that. It's come -- I've got some correspondence from some local vendors, I guess. They're having issues with illegal vendors that are not permitted. So I'd like to know or get some kind of report on what's happening with some kind of -- are we monitoring the situation?

Are we doing something about it? I mean, we know COVID made a lot of people struggle. But then again, the ones that do pay the permits and do do the right thing should be in consideration of doing their jobs, you know, without any obstruction. So I'd just like to know where we are on that. So that's kind of where we are.

And I appreciate Meghan coming in because I have a lot of -- I was going to give it to you. But now, I can give it to her of a lot of ideas for the recovery.

Director Forbes: You can still give them to me.

Commissioner Lee: Okay. Okay. Good. So I'll cc you.

Director Forbes: Yes.

Commissioner Lee: But that's all I have.

Director Forbes: Yes. Thank you, Commissioner.

Commissioner Lee: Yeah.

President Adams: Commissioner Gilman?

Commissioner Gilman: Thank you. I guess mine are similarly along the same lines as we embark on 2023 and our economic recovery. I would love to see an informational or when Meghan is ready to have a micro report on economic recovery for the Fisherman's Wharf north of Pier 39.

In particular, that area I think has really been struck by vacancy and folks that are struggling. It's one of the most historic parks. It's sort of north of Pier -- like right north of Pier 29 all the way to Hyde Street pier where our jurisdictional stops. I'd be very interested in that.

I know we've applied for some grants. I'd like to see an update on our way-fare signage. To Commissioner Lee's point, a cruise ship dock there -- what day was I walking? Like the Princess from -- was in town, or maybe it's still here.

There was a ton of tourists coming off. There was traffic patrol officers. But literally, there was no signage that says, "Behind you is the Ferry Building. Going forward is historic neighborhoods." So I really would like to understand what we're doing

around signage -- same around the ferry terminals where the ferry is docked, and folks come off and want to see historic Dogpatch or historic shipyard.

There's really nothing that points them in that direction. So I think, with economic recovery and hoping to invite more visitors to the waterfront, I think that could be really critically important. So I'd love to understand what we're doing with that.

And I think, for me, that concludes my new business. I did want to say congratulations on ending the year in a positive cash position that you've noted in your report especially -- I know we have structural deficits. But I think we should really commend all the Port staff --

Director Forbes: Yes.

Commissioner Gilman: -- and you, Director, for doing that in a time when we were starting in such a deficit through the pandemic.

Director Forbes: Thank you.

President Adams: I want to just kind of -- is that okay?

Director Forbes: Absolutely.

President Adams: Okay. I just wanted to go back to something earlier about making sure we can get a list going forward of more that will be coming forth, so we know, as the commissioners, that more are going to be coming at us. So I'd rather --

Director Forbes: Yes.

President Adams: -- know upfront what's ahead. We already know what's behind us. I just want to say a special thank you to the staff in the back. You make sure that we have this -- make this thing happen. Thank you. We wouldn't be able to do it without you.

A special thank you, Director Forbes and Deputy Mike Martin and the staff here. Thank you. We've gotten through 2022. We're going to roll into 2023. And we're going to make a bang. Jenica, first day, you hit it. You knocked it out the park today. [applause] Thank you.

Best of luck. Thank you again. And on behalf of the commission, we want to wish everybody a merry Christmas and a happy new year. And I don't think there's any other business. If we can get a motion to adjourn --

15. ADJOURNMENT

ACTION: Commissioner Gilman moved to adjourn the meeting..

Commissioner Gilman: A motion to adjourn in 2022, our last meeting.

President Adams: We adjourn in the memory of the late Mike Hardeman, who was the president of the Port Commission and was an icon in the City of San Francisco and gave his best. Have a good holiday. See you all. Be careful, and be safe. We are now adjourned. Thank you.

Commissioner Gilman: Thank you.

Meeting adjourned at 4:47 p.m.