



# **SAN FRANCISCO PORT COMMISSION**

**FEBRUARY 28, 2023  
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION**

**HON. KIMBERLY BRANDON, PRESIDENT**

**HON. WILLIE ADAMS, VICE PRESIDENT**

**HON. GAIL GILMAN, COMMISSIONER**

**HON. STEVEN LEE, COMMISSIONER**

**ELAINE FORBES, EXECUTIVE DIRECTOR**

**JENICA LIU, ACTING COMMISSION AFFAIRS MANAGER**

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING FEBRUARY 28, 2023

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

Port Commission President Kimberly Brandon called the meeting to order at 2:30 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman and Steven Lee. Vice President Willie Adams was absent.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

### 2. APPROVAL OF MINUTES – February 14, 2023

ACTION: Commissioner Gilman moved approval of the minutes. Commissioner Lee seconded the motion. The minutes were approved unanimously.

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

### 4. EXECUTIVE SESSION

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.

ACTION: Commissioner Gilman moved to go into closed session. Commissioner Lee seconded the motion. The motion passed unanimously.

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

Property: 340 Jefferson Street (Lease L-8986)

Person Negotiating: Port: Rebecca Benassini, Deputy Director of Real Estate and Development

Negotiating Parties: Kevin Westlye, President, High Flying Foods

Under Negotiations: \_\_\_ Price \_\_\_ Terms of Payment X Both

In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment for a

termination of lease and settlement of unpaid rent 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.

Present:               President Kimberly Brandon  
                              Commissioner Gail Gilman  
                              Commissioner Steven Lee

Also present:        Elaine Forbes, Port Director  
                              Jenica Liu, Acting Commission Affairs Manager  
                              Rebecca Benassini, Deputy Director for Real Estate  
                              Don Kavanaugh, Senior Property Manager  
                              Michelle Sexton, General Counsel  
                              Annette Mathai-Jackson, Deputy City Attorney  
                              Patrick Kelly, Deputy City Attorney

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

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

No Report.

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

ACTION: Commissioner Gilman moved to reconvene in open session without disclosing closed session discussions. Commissioner Lee seconded the motion. The motion passed unanimously.

## **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))

### Public Comment on Items Not Listed on the Agenda:

Michael Gregory: Good afternoon. First of all, I want to say thank you, guys, for giving us the opportunity to even park at Pier 96. But I guess what I'm looking for now is maybe a bigger situation at Pier 94, the backlands project.

We've been parking down there for about 23 years. And it's now become a graveyard for broken-down trucks, which is leading to a lot of stolen items off local truckers, equipment. And it's becoming a big burden. So what I ask today is if I can get in contact with somebody about leasing a bigger spot maybe at the backlands instead of Pier 96. Thank you.

President Brandon: Commissioner Gilman would like to ask a question.

Commissioner Gilman: Michael, who are you with? You said we. Sorry, sir. I didn't catch it.

Michael Gregory: Excuse me. I'm the president of the African American Construction Collective.

Director Forbes: [We'll get in touch.]

Commissioner Gilman: Thank you, Michael.

President Brandon: So Director Forbes, will we --

Director Forbes: We can absolutely --

President Brandon: -- can we have someone contact --

Director Forbes: -- work with you.

President Brandon: -- Mr. Gregory?

Director Forbes: Yes. Yes. We will do so, Madam President.

Michael Gregory: Can I leave a card with you?

Director Forbes: Yes, please.

## 9. EXECUTIVE

### A. Executive Director's Report

- Economic Recovery
- Equity
- Key Project Updates

Director Forbes: Good afternoon, President Brandon, commissioners, Port staff and members of the public. I am Elaine Forbes, the Port's executive director. Tonight at midnight, the mayor's emergency order for COVID-19 will be rescinded. We've made it. So that's a really good piece of news for all of us.

I would like to start my report with an update on economic recovery. Good news -- as I've been reporting, visitors are returning to San Francisco and in larger numbers than the city predicted. And these larger numbers are appearing on our waterfront.

We see it, and we feel it. And we have the data. Cruise is back better than ever with a banner year to come. Despite several vacancies, particularly in Fisherman's Wharf, overall restaurant gross sales are at 66 percent of pre-pandemic levels.

Parking lots, excursion operators -- they are at 90 percent of pre-pandemic levels. We are a major attraction for visitors. When visitors prepare for an upcoming trip to San Francisco, a quick Google search will highlight many of places to explore in the city. But no location, however, stands out as much as our waterfront.

When you ask people what they loved about their trip to San Francisco, they will talk about attending a Giants game, eating delicious food at the Ferry Building, taking a ferry to Alcatraz, visiting Fisherman's Wharf, taking kids to the Exploratorium or Aquarium by the Bay, watching sea lions in the wharf and picnicking under Cupid's Span.

If they're lucky enough to ask a local where to go, they may be encouraged to try kayaking at Crane Cove Park or to enjoy views of the shipyard from Bayview Park before a Warriors game or to go connect with nature at Heron's Head Park.

To visit San Francisco is to visit our iconic, historic waterfront. The Embarcadero promenade and the historic buildings and piers are central to our public image

and to our identity. We are proud -- we are a proud part of the city's economic recovery. We are a major contributor.

And we have some challenges, which we have strategies to address. We are making visitor returns more durable as we look to the spring and summer when we expect more visitors to return. We are working diligently to keep our waterfront safe and clean and vibrant.

We are not only focused on the visitor experience. For some time now, we have been laser focused on strategies to support our tenants, lease our buildings and activate the waterfront for locals with equity and with resilience.

The market has changed. And we are adapting to support our tenants in this new economy. We are moving forward with the Chapter 6 waiver request, which will enable prospective tenants to move in more quickly. We are piloting a broker solicitation process and placement for two of our vacant buildings.

As commissioners will recall, we see this as critical strategies to lower barriers for tenants and to expedite our leasing. We're hoping to get small and local businesses into our facilities that will support our visitors as they return.

As always, we thank you for your partnership on economic recovery and growth. We've made tremendous progress. And we still have a ways to go.

To equity -- as our waterfront evolves, we have identified properties with the State Lands Commission that make sense for housing. And for housing on this waterfront, our key goal and priority is that housing be inclusive, which means affordability.

As you know, commissioners, we have worked hard together on our partnership to make sure Mission Rock neighborhood will be delivered with 40 percent affordable homes. Next month, Mission Rock Parcel A, known as The Canyon, will initiate marketing for 102 affordable homes.

The Mission Rock team will conduct marketing and targeted outreach including to community groups and key neighbor employers, such as Mission Bay healthcare providers and the San Francisco Giants as well as for us.

The marketing period will include town-hall-style meetings at the Southeast Community Center to walk interested residents through the below-market-rate units. The Mission Rock team anticipates the first residents for both affordable and market-rate units moving into the building in this year in June of 2023.

The goal for both market-rate and affordable units is to fully lease them up within the one year of opening, as I said. Mission Rock will then move to the process for the 97 affordable units in Parcel F, which will bring the total affordable homes in phase one to 199 units.

This is one of the largest ever middle-income project -- affordable project. And we are excited to see a mixed-income neighborhood thrive on our property. And we won't stop there in advancing affordable homes on our waterfront.

Plans at Mission Rock and Pier 70 include potential for another 840 units of affordable housing in prime waterfront locations, which is very exciting.

On to resilience -- yesterday, the Port's waterfront resilience program team submitted a \$21 million grant application to the U.S. Department of Transportation for FY '23 Rebuilding America Infrastructure with Sustainability and Equity, or RAISE, grant funding.

And this is for the Islais Creek resilience transportation master plan. The Islais Creek area located between southern Dogpatch and northern Bayview neighborhoods faces mobility challenges that climate change will compound. Many critical transportation corridors will be flooding and unusable.

The planning project will advance technical analysis, environmental studies, project design and community participation that, together, will lay groundwork for critical capital projects to enhance the resilience of San Francisco's transportation neighborhood -- infrastructure. I'm sorry.

The Port of San Francisco is partnering with other city departments including the San Francisco Municipal Transportation Agency, SFMTA, the PUC and the Department of Public Works. The Islais Creek resilient transportation master plan will be the next step towards creating a resilient and human-centered transportation system that improves accessibility and mobility options for the Southeast community and its connections to the city.

To key projects -- turning to key projects, all in the southern waterfront with several exciting updates to share, the second phase of the Amador Street reconstruction and pump station project is nearing final design.

The project will use MARAD grant funds to fully reconstruct Amador Street, upgrading the pump station, the sewer main and replacing the water lines along this critical road for the Port's trucking tenants in the southern waterfront.

We are wrapping up construction of the Pier 70 shipyard grading and abatement project performed by an LBE contractor, Yerba Buena Engineering. The project's scope of work was to remove a contaminated storm drainpipe and cap native soils that had naturally occurring asbestos with a durable cover.

This work was done in accordance with EPA and Department of Public Health plans to further protect the public and prepare the site for future leasable space.

And exciting news about our Crane Cove Park playgrounds -- you recently authorized the Parks Alliance work, who has been raising funds to design and build playgrounds at the dog run at Crane Cove Park.

The design of these park elements is now able to begin in the coming months. Lastly, we are in the process of reviewing bids for a micro-LBE set-aside construction contract to procure and install upgraded signage at Heron's Head Park.

The updated signage at the park is part of our longer-term strategy to increase and update information along our waterfront. The Port, in partnership with our commissioners, are making sure the southern waterfront receives funding that it deserves, which is reflected in the key projects highlighted today. The southern waterfront receives the most resources from our grants than any other area of the waterfront, which is a data point we are very proud of.

In closing, I would like to recognize our talented women commissioners as we head into upcoming Women's History Month. I want to thank the president of the commission, Kimberly Brandon. She is a fearless champion for the entire waterfront and, in her over quarter century serving on this commission, has led dramatic change in this waterfront.

She is a steadfast champion for diversity, equity and inclusion in our waterfront. And she continues to play a most vital role in ensuring that there is equal access to our open space and waterfront jobs and contract opportunities.

She ensures our development partners are strong in their equity records and in their capabilities to deliver. We thank you so much for your service, for your leadership. Thank you.

Next to Commissioner Gail Gilman, she's been a long-time advocate for below-market-rate and affordable housing for our residents. She is a voice for our most vulnerable and is a huge supporter of making sure we had a place for people to shelter through the city's Navigation Centers.

Always looking for ways to improve our waterfront experience, she is generous with sharing observations with staff and in amplifying our efforts. And I always find her on the ground with our Port tenants and at our events.

And to our retired or promoted commissioner now, Lieutenant Governor Eleni Kounalakis, she was a fierce advocate for our vision on Piers 30-32. And I'm so excited that we're about to bring our project to the state for consideration.

She was always really interested in our resilience program and in our developing equity work. She was tremendously supportive of the Dogpatch Navigation



Center. We're so grateful that our former Port Commission and fearless leader is our lieutenant governor.

And while never a Port commissioner, I want to recognize our mayor, London Nicole Breed. She loves this waterfront. And she dedicates significant time and energy to ensuring our success. The Port is a proud place for women leaders. Happy Women's History Month in March. Thank you. This concludes my report.

President Brandon: Thank you. Wonderful report.

Commissioner Gilman: [Yes].

President Brandon: Is there any public comment in the room? Seeing none. Corey, can you please provide instructions for our remote participants?

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Lee: Great report, Director. You know, our recovery is going to take another year at least in small business. And you know, activation -- we have so much potential, you know, with tenants leaving and gaining new tenants for the next generation.

So I'm glad that we're focusing especially on the southern waterfront because that's where the need is. I look forward to doing whatever I can to help you to make the Port continue being the place to be when the visitors come.

You know, I'm all about that. So congratulations on what's been happening even before me. And to the women of our commission --

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Thank you, Director Forbes, for that great report. I also, too, want to recognize you as the department head in our city as a woman and that many members of your senior leadership team too are women in leadership.

So I think that speaks a lot for us as a City and County of San Francisco to have so many women here at the Port but in general as department heads. There are many of you -- but still fewer than the other sex still -- leading the City and County of San Francisco. So congratulations to you and your team.

I'm very excited about what is happening at Mission Rock. It's unprecedented. Still in the city, it's the largest private development with 40 percent affordable even though it does go to -- 140? 120? 140?

President Brandon: Forty.

Commissioner Gilman: -- 140 of AMI. So I do want to request an informational hearing with all parties at the table -- this isn't just a Port partnership. This is Mission Rock Partners and the Mayor's Office of Housing and Community Development -- to check in about the marketing plan.

It's unprecedented to rent above 80 percent AMI in the affordable housing space. And the one-year timeline -- it's not a nicety. It's actually a hard deadline that will put financing and other things at risk if it's missed for occupancy. So I'd like to ensure we have a good game plan for that and would like to just get an informational update on that.

And then, also, congratulations for moving forward with the federal funds that we so need for the southeast waterfront and Islais Creek to ensure that we can mitigate the environmental impacts that are coming our way. So I hope that is successful. And I'm glad that we're going after those resources. Thank you so much.

President Brandon: Thank you. Director Forbes, thank you so much for a great report. I think it's so wonderful that the Port is playing such a vital role in the city's overall economic recovery. And it's just so exciting that people are coming back to the waterfront and continuing to enjoy the waterfront.

I think the Mission Rock affordable housing complex is going to be absolutely phenomenal. And it's really going to help citizens of San Francisco. As everyone has said, they've set a precedent. And this is going to be great addition to our housing market.

I'm going to keep my fingers crossed for the \$21 million grant [laughter] and hope and pray that we receive it -- knock on wood. And I also would like to commend Director Forbes for her leadership during Women's History Month.

You have done a phenomenal job over the last three-plus years but especially over the last three years pivoting into so many different directions and securing funds to help us save the waterfront. And it's paying off. So thank you so much for your leadership.

And I know that you and all the female leadership here at the Port will be recognized during Women's History Month. So I can't wait to see what we have to say about everyone. So thank you again for your report. Jenica, next item, please.

## **10. CONSENT**

- A. Request approval of the Operations Agreement with APS West Coast, Inc., dba Amports, ("APS") granting APS authority to operate its Benicia and Antioch California locations as a Foreign Trade Zone No. 3 Subzone for a

term of 5 years, with one option to extend for four years and outlining conditions for the operation of the subzone site. (Resolution 23-09)

- B. Request approval of the FY 2023-24 Supplemental Appropriation to Fund Operations of certain Mission Bay Parks and Approve Proposition J Contracts for Maintenance of Nonstandard Improvements at Mission Rock and Pier 70. (Resolution 23-10)
- C. Request authorization to waive competitive solicitation process and award a sole source grant in the amount of \$100,000 to a Port licensee for quarterly activations of Ferry Terminal Plaza in conjunction with Saturday Farmers' Market. (Resolution 23-11)

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

Public Comment on the Consent Calendar:

Andrea Akers: Good afternoon, commissioners. My name is Andrea Akers. And I'm the operations manager for Foodwise and also a San Francisco native. I've worked with the nonprofit for over 13 years. I'm responsible for operating our farmers markets and helping my colleague, Deven Okry, coordinate the events that we now call the Pop-Ups on the Plaza.

These pop-up events are quarterly themed community celebrations that showcase black-owned businesses from San Francisco but also the greater Bay Area. I just want to share a bit more about why these events are worthwhile.

We started this series in 2021 with the first annual Juneteenth on the Waterfront. And the Port generously sponsored by waiving permit fees and also providing technical support. And it was a great success. And with that, it brought so many families and community members down to the waterfront on a historical holiday, Juneteenth, that had just been declared a national holiday the day before our celebration. So that was great.

At the pop-ups, we have educational activities, music, dancing, food and drinks. And the whole vibe is positive and alive. So it's great. And we hope everyone could come down and celebrate with us. The pop-ups are free to attend and very family friendly, bring lots of folks down to the waterfront and also folks that would not otherwise, you know, visit the waterfront. So that was also great.

A lot of people voiced their opinion for need to grow these events beyond Juneteenth to build community. And we agreed that we should the farmers market and our framework like to host more of them.

So the relationship that we've built with these vendors is great while allowing us to

support them and the work that they're doing building their businesses but also highlight them in our fundraising events and also invite them to become permanent vendors at our markets.

It's been a win-win situation for us and for our participating vendors but also the community too. So -- yeah. It's bringing joy, bringing just raw talent. All of that has been great. So hopefully together, we can continue to work and support them. I'm definitely asking for y'all's support.

President Brandon: Thank you.

Andrea Akers: Thank you very much. Appreciate it.

President Brandon: Thank you.

Deven Okry: Good afternoon, commissioners. My name is Deven Okry. And I am the operation coordinator at Foodwise. And I have worked at Foodwise for almost seven years. I am a proud San Francisco native and love being able to work and support black-owned businesses to be successful and have opportunities to expand their audience.

I have been helping to organize the pop-up events since 2021. I want to share with you a bit about the support that we are offering to the participating businesses. Most people believe that farmers markets don't require much know-how or training before they start selling at the markets, which is not the case.

For many of the vendors that participate in the pop-up events, this is their first time navigating through all the rules and permits from DPH, the fire department, CDFR, etcetera. At Foodwise, we walk everyone who is participating through the process.

We pay for their permit, so there is less of an obstacle for them to participate. It also lets the vendors focus on providing their customers with the best of their products. We host site visits to give folks a chance to walk out, day of logistics such as loading, unloading and parking.

This is also a chance for them to walk out the space and see the layout of where they'll be setting up and the signage they will need. Foodwise also coordinates the DJ, educational activities as well as providing customer seating.

We are really invested in these businesses' success and want to see them thrive. There is a lot of behind-the-scenes work that we do so that they are able to shine. It may seem like a simple gathering of local businesses. It's far more complex than that.

These events are created to be welcoming and inclusive for all and give San Franciscans an opportunity to support these black-owned businesses. We want to

keep organizing these pop-up events with the goal to highlight more black-owned businesses and help them gain a wider audience and become more successful.

We hope the Port can continue to support these events in 2023 and beyond. At Foodwise, we believe that farmers markets are for everyone. And these events help to make that a reality. Thank you.

President Brandon: Thank you. Christine?

Christine Farren: Good afternoon. I'm Christine Farren. I'm the executive director for Foodwise. I think my staff did a fabulous job describing the events. So I'm just here to say thank you. The Port's been such a wonderful partner to us in our 30 years of operating farmers markets at the waterfront.

As was mentioned, the benefit for the vendors and the way that they're able to grow their business and their operations is really lovely. But it's really these incredible community connections that we're forging and building.

Foodwise, as an organization, has been on its own racial-equity journey and really trying to walk our talk better. And these events are one way that we're focused on that. I really encourage you all to come down. We've got four of them planned for this year. So thanks for everything that you've already made happen.

## **11. FINANCE & ADMINISTRATION**

- A. Request authorization to award three contracts to (1) AEW Engineering (2) SCA Environmental and (3) CDIM Engineering for As-needed Environmental and Planning Services, each contract in an amount not to exceed \$2,500,000 and to create a pre-qualified pool. (Resolution 23-12)

Alysabeth Alexander-Tut: Good afternoon, commissioners. My name is Alysabeth Alexander-Tut. And I am here to request authorization to award three contracts from the environmental and planning services RFQ and to create a prequalified pool.

The three highest scoring entities are listed before you. Each contract will be for \$2.5 million and for an initial term of four years with the option to extend for one year. In addition, there are four firms who scored high enough to qualify for a prequalified pool.

This prequalified pool is for additional awards for the next two years. And the Port will follow the Chapter 6 requirements for the selection process and delegated authority for awarding additional contracts from the pool.

What would these contracts do? The as-needed contracts are really an important piece in supporting the planning and environmental division and their work. But

these planning and environmental projects support both the maritime and engineering divisions as well.

There is a lot on this slide. And that is because the planning and environmental team -- thank you to Carol Bach -- wanted to be really clear about all of the things that we may or may not need. We categorized the scopes based on what we thought would be used.

Major categories of work are scopes we expect to be used and therefore will spend more dollars in these areas. Minor categories are somewhat likely to be used. And tertiary are the rarest scopes. This is the second time that we've added tertiary scopes.

This slide outlines our selection process. We initially advertised this in October. We did outreach, held the preproposal conference of over 50 firms, answered 13 questions and received proposals. At the end of this process, we received five proposals and worked with CMD in the evaluation of the proposals.

Four of the proposals met the minimum qualifications and moved on to be graded by the CMD-approved panel. [There are first a] review of minimum qualifications. And again, four of the firms passed this review.

The panel participated in two stages of the review. There was a written proposal worth 100 points. The criteria is ahead of you. Please note that this was the second submittal that included diversity, equity and inclusion plans as a scored item.

The four responsive firms scored more than 75 points and were advanced to the oral interview phase. Teams presented a short introductory presentation and then had two questions to prepare in advance.

These questions were given 48-hour notice. In the interview, there was one on-the-spot question. Here are the scores. The highest ranking primes are AEW Engineering, SCA Environmental and CDIM Engineering, which is the third prime for award.

Below the dark line, we have one team, which also scored high enough to be in the prequalified pool. This is the JV team Hazen and Sawyer and Avila and Associates joint venture. I am delighted to share that all the teams had an LBE as a prime or a JV partner.

The three awardees are all LBE primes. You will notice that these are great scores. I think we got to see the best of the respondents in this process. And my sincere congratulations goes to the respondents.

This slide shows the three teams for immediate award and the four teams that scored high enough to be in the prequalified pool. All of these teams have

significant experience with public entities, environmental engineering and storm water experience either with the Port or with other entities.

You'll notice that these teams are large and have exceptional breadth for the types of services we anticipate. We hope this means that we can respond quickly and nimbly in case there is a need. There are a number of firms that we have not seen on teams before.

The Port anticipates going back to the pool for potential additional and future awards. Before I get to the final slide for the commission action, I wanted to discuss equity. As the Port, we continue to raise our voice and be part of the engine for change and have a strategy to increase equity in all of our opportunities.

I want to share our approach for equity on this RFQ. Accounting for implicit bias in the oral interviews -- this is the first time we have included in our instructions to panelists a reminder to be aware of the impact of their implicit bias in the grading process.

Outreach -- we did broad outreach. Our list was almost 200 firms. We reached out early. We used interested party lists from other city departments such as the SFPUC. And we worked with CMD to develop and LBE outreach strategy that included over 70 LBEs.

DEI -- this was the second time we included a scored question and asked if firms had a DEI plan. What was their approach to diversity in their industry, their workforce, their professional development, their work with the subs and their community endeavors?

All five submitted their DEI plan. We have our informal debriefs with the team later in the coming weeks. And [DE] plans are a topic that the Port will initiate a conversation about.

Next -- this is the second time we have used the RFQ -- the form-based RFQ to lower the burdens for respondents. We continue to receive positive feedback for proposers on the use of these forms. And finally, on as-needed contracts, we continue to address the existential problem of connecting the subcontracting commitments to actual utilization.

On an as-needed contract where the services are not yet determined, the department makes a guess of how we need -- of what we need. And then, the teams are based off the prime making an estimate for how to staff their teams.

We continue the practice here of inserting more certainty into the process by dividing scopes of work into categories based on the likelihood of the use. We can't dictate to a prime if an LBE should be listed for safety qualification review instead of environmental engineering.

However, we can be more clear in how we will use our contract and still preserve our flexibility. If we provide more certainty, we can help the prime-sub relationships lead to better success. We took the major, minor and tertiary scopes and then connected it to actual and predicted utilization.

For tertiary scopes, we set a ceiling for LBE utilization. A single tertiary scope of work is maxed out at 1 percent of the contract. A single tertiary scope could receive no more than 1 percent LBE credit. With this requirement, we have made it much harder for a prime to overpromise to a subcontractor and leave the sub hanging with no work.

We also instructed proposers and panelists, when grading for breadth, that we will not consider the inclusion of tertiary scopes. The intention is to prevent primes from adding some consultants to a team in order to score points during the evaluation process and then to leave them hanging in the wings for the full extent of the contract because these scopes are unlikely to be used on each contract.

This is the first time we have taken this unique approach. In a few years, we'll be able to see if these experiments worked and examine if subs have a better experience on our contracts. Back to my conclusion, I am here to request authorization to award. Thank you.

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 Gilman: Thank you so much for this presentation. I'm supportive of the item. And I am really intrigued to see, once we have data, to see sort of what the experience of our LBE subs are on these teams. I really appreciate this approach. Thank you.

Alysabeth Alexander-Tut: Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Just a question -- on your process, do you score based on completion as far as on time, you know, versus they've always been delayed for whatever issues? Do you ever -- is that part of your scoring process?

Alysabeth Alexander-Tut: The scoring criteria are -- we have a series of questions that ask about how they approach these things that might cause a delay and how they -- let me look at our actual questions if you don't mind.



Commissioner Lee: That's okay.

Alysabeth Alexander-Tut: Thank you. I want to answer completely. We have questions about their technical approach and how they work with public-sector clients. The city is interested, as I believe is the heart of your question, in finding a way to grade past performance. And the city attorneys have -- I would say this is an ongoing project.

Commissioner Lee: Mm-hmm.

Alysabeth Alexander-Tut: And we don't have that available yet to us.

Commissioner Lee: Okay. Yeah. I think, in the future, th -- get this part worked out because it seems that, reading some of the past documents, there's always been these contingencies that we put 10 percent in. And it always seems to go -- somebody wants to get that 10 percent.

So I'm just wondering, in the process, is that going to be part of this future scoring situation where track record, you know, that they've had so many on-t -- it's just like taking a flight, you know. You know that this carrier is pretty much on time. So they get an extra point for that. You know, so I'd kind of like to have something like that in the future once the city attorney kind of gets that part straightened out.

Alysabeth Alexander-Tut: Thank you for your feedback. I will bring that to our team.

Commissioner Lee: All right. I'm okay with this for now.

President Brandon: Thank you so much for your report. Commissioner Lee, that's a great point. So for the ones that you are asking us to approve now, who had contracts over the past three to four years, how did they do with their LBE goals?

Alysabeth Alexander-Tut: Yes. Thank you so much for that question. I have it right here. The LBE sub requirement for the last round was 12 percent. And AEW is at 18.01 percent LBE subcontracting participation. The ESA CDIM team -- so CDIM is now a prime. They were previously a JV team. They are at 12.61 percent. And SCA Environmental is at 42.86 percent LBE subcontracting participation.

President Brandon: Thank you. What's the goal this time?

Alysabeth Alexander-Tut: Fifteen percent.

President Brandon: Fifteen percent. So it has increased. So why do you think that there was so much interest in the outreach but not in the proposal -- in the responses?

Alysabeth Alexander-Tut: I believe that the teams were formed when people -- people joined as sub-consultants and because the difference in the -- the wide breadth of the sub-consulting requirements and the opportunities, that people chose to join the sub-consultants.

President Brandon: So you think most of the interest was in the sub-consulting.

Alysabeth Alexander-Tut: In the specialty fields.

President Brandon: And it seems like there's a lot of cross-consulting -- some of the same consultants are on most of the teams, which is very interesting. I appreciate all the outreach that you've done and all the work you're putting into understanding how this works and how we can improve our outreach and our solicitations when it comes to engineering. So thank you for all your work on that. We have a motion and a second. All in favor?

Resolution 23-12 passes unanimously.

## **12. REAL ESTATE & DEVELOPMENT**

- A. Informational presentation on proposed lease amendment to L-16997 Lease with Andre-Boudin Bakeries, Inc. for Chowder Hut restaurant to extend the deadline for construction of improvements to patio and revise the scope of development to patio improvements to reduce total patio area enclosed.

Don Kavanagh: Good afternoon, commissioners. I'm Don Kavanagh, senior property manager for Fisherman's Wharf. I am presenting this matter today. Boudin currently -- Andre-Boudin Bakeries, Inc. currently operates a takeout restaurant called Chowder Hut in the heart of Fisherman's Wharf after they assumed the lease in 1993.

The lease covers approximately 5400 square feet of existing building and exterior patio space and operates as an indoor/outdoor casual dining restaurant including public restrooms. Boudin was required to complete two capital improvement projects on the premises and invested \$335,000 in 2011, another \$365,000 in 2013. And in both cases, the work was completed in an efficient and timely manner.

So under the terms of the 2020 lease extension, Boudin was required to install additional improvements costing at least \$800,000 by January 1, 2023 in order to retain its right to the option for a five-year extension.

In August 2022, Boudin approached Port staff to advise that the bid for the additional improvements ballooned to \$4.5 million to enclose seven of the eight sides. This estimate was made just after the -- the initial estimate was made just after the onset of COVID.

And it's not surprising that the cost increased due to the COVID shutdown, inflation, supply-chain issues and lack of labor. Boudin reported these costs were not financially feasible. And Boudin refined the design to meet its financial and operational goals.

Now, Boudin is proposing motorized louvered coverings to enclose three of the eight sides and new awnings improvements on the other locations that are not being enclosed. Two of the locations that are not being enclosed includes the entry to the public restrooms and the restaurant.

The other two are proposed to remain as alfresco dining with new awnings and other minor improvements. So we recommend approving the revised proposal because the amendment extending the deadline will help the tenant in good standing make an investment in the premises during a period of market distress for retail and restaurant.

The Port has gained revenue increases under the lease. So providing this extension does not substantially reduce the Port's bargained-for benefits. The lease also provides the executive director the ability to consider tenant requests to extend timeframes as part of the work letter to the lease.

In exchange for the extension, the tenant has increased its minimum investment to \$900,000. So that's my presentation.

President Brandon: Thank you, Don. Now, let's open it up for public comment.

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Commissioner Lee: So man -- so you're talking about an increase of almost -- more than like double -- I mean I almost three times, four times. On the original proposal, they're adding more. They're adding more space? Or they're just adding more awning?

Don Kavanagh: They're just enclosing patio area.

Commissioner Lee: They're going to enclose it where they weren't before.

Don Kavanagh: They're semi-enclosed. But --

Commissioner Lee: Semi.

Don Kavanagh: Yeah.

Commissioner Lee: Okay. So now, they're going to enclose the whole thing.

Don Kavanagh: Well, that was the original proposal was to enclose seven of the eight sides. Now, they're proposing three.

Commissioner Lee: Only three.

Don Kavanagh: Yeah.

Commissioner Lee: And the price went up to \$4 million?

Don Kavanagh: No. No. No. The original proposal was \$4.5 million.

Commissioner Lee: Okay.

Don Kavanagh: The new proposal is \$1.1 million.

Commissioner Lee: Okay. Okay. I'm getting it backwards. Sorry. I always think they go the other way. They're always looking to go up. So basically, they're going to save some money. And they need more time --

Don Kavanagh: Exactly.

Commissioner Lee: -- to do this. Okay. Well, I mean, again, it's important to have the outdoor dining. It's important to have -- what they're doing and to save cost because of COVID recovery -- I mean, it's a good move. Do they have any plans of covering in the future the other --

Don Kavanagh: They have not discussed that to this point.

Commissioner Lee: Is that another process if they want to do that, I guess?

Don Kavanagh: They could do that as an -- what we're proposing now is a way for them to preserve their five-year option.

Commissioner Lee: Right.

Don Kavanagh: If they came back to us, you know, in a year and said, "We want to enclose more," it would be a different project. So it wouldn't --

Commissioner Lee: Okay.

Don Kavanagh: This is just to preserve their five-year option.

Commissioner Lee: So basically to get them to continue their five-year agreement.

Don Kavanagh: Yeah. Which makes more sense for them to invest --

Commissioner Lee: Right. Okay.

Don Kavanagh: -- \$1.15 million.

Commissioner Lee: Okay. Yeah. Well, that'll help during this time. So -- okay. Thank you.

Don Kavanagh: Okay.

President Brandon: Commissioner Gilman?

Commissioner Gilman: My only comment is an anecdotal one, you know, particularly the location of where Chowder Hut is, is adjacent to many other properties that are either shuttered or no longer in operations. So in some ways, they should be capitalizing on the benefit that -- as someone who is on that edge of the waterfront, there are not as many establishments to eat at or to dine in that there used to be because things are shuttered and closed particularly on Jefferson Street and then coming --

Don Kavanagh: Yeah.

Commissioner Gilman: -- around the corner. I will say though, just to state as a commissioner, the activation of that space needs to be more than just putting in awnings. It's difficult sometimes to know whether it's operational or open. It's difficult to see from the street.

So I guess I would just encourage them, while they're making these improvements on awning and siding to the building, that they also need to, in general, just make it have a better -- a little more curb appeal and more obvious with folks that it's open --

Don Kavanagh: Okay.

Commissioner Gilman: -- for business because I think they could probably be having more traffic and a bigger increase in sales because there's so many other establishments that folks used to go to that are no longer in existence or operating at this moment.

Don Kavanagh: Okay.

President Brandon: Thank you. Don, thank you so much for the presentation. I'm very supportive of this item. So thank you.

Don Kavanagh: Okay. Thank you.

B. Informational presentation on the Stakeholder Engagement Process with Respect to an Unsolicited Proposal for the Leasing and Phased Development

of Portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman's Wharf.

David Beaupre: Good afternoon, commissioners. David Beaupre, deputy director of planning and environment. I'm joined today by Rebecca Benassini, who will also support me in this, as well as we're joined today by the representatives of Fisherman's Wharf Revitalized, Seth Hamalian, Lou Giraudo and Chris McGarry.

We're going to talk briefly about our stakeholder outreach process for the unsolicited proposal that we received for the triangle lot, also known as Seawall Lot 300 and 301 and Piers 45 Shed A and C.

We'll go over the proposal briefly. We'll talk about the strategic plan objectives. We'll talk about the review process, as outlined in the draft waterfront plan soon to be adopted and then our next steps from here.

So again, we received a proposal from Fisherman's Wharf Revitalization, LLC for a mixed-used development project on Seawall Lot 300 and 301, which is the triangle lot located roughly in the center of the diagram.

It also includes use proposals for Pier 45 Sheds A and C, the easternmost sheds on the right side of the pier here in this diagram. The proposed uses at a very high level are for an experiential museum and event center, hospitality attractions in the form of restaurants for food and beverage facilities and markets of short-term vacation rentals and then resilience improvements as well as public access and plaza areas [on] the adjacent areas to the site.

Consistent with our strategic plan, the outreach process would address productivity and attracting and retaining tenants to the waterfront. And what we're talking about just today is the engagement on how to roll this proposal out to the public and then come back and get input from the commission.

So just to briefly review the process outlined in the draft waterfront plan, prior to submittal to the Board of Supervisors for consideration, our process would be to: require the developer to submit a written proposal that describes the proposal, which we have and which is attached to the staff report; convene a Port advisory committee meeting or meetings to review and receive comments on the proposal.

We recognize that the Fisherman's Wharf waterfront advisory group, which typically would hear this, has taken a hiatus primarily due to COVID. So we'll be working on standing that up. But in the meantime, we propose to do two meetings within the Fisherman's Wharf area -- two public meetings within the Fisherman's Wharf area to receive public comment.

And then, we'd bring it to the northern advisory committee meeting as well and then bring it back to the Port Commission for an informational meeting for your review to share with you what we've heard in that outreach process.

So these are the next steps we just talked about: the two public meetings; bring it to the NAC; and return it to the Port Commission. And with that, I'm available for any questions or comments. Thank you.

President Brandon: Thank you, David. Is there any public comment on this item?

No Public Comment on Item 12B.

Commissioners' Discussion on Item 12B:

Commissioner Gilman: So thank you so much. I know we are just discussing public outreach. We are not discussing the proposal. Can I just ask you a clarifying question though about your slides --

David Beaupre: Sure.

Commissioner Gilman: -- just because I saw a disconnect between the staff report and -- or I didn't catch it. You added short-term vacation rentals. I didn't see that pop up in other parts of the staff report.

David Beaupre: I thought it was included in the staff re --

Commissioner Gilman: I could have missed it.

David Beaupre: -- report. But if it was not, it was definitely in the proposal.

Commissioner Gilman: Okay. I'll go back and look at it. Thank you --

David Beaupre: Sure.

Commissioner Gilman: -- for clarifying that. What's going to be the outreach when you say you're going to do the sort of town hall community outreach around Fisherman's Wharf? Is that going to be just to business entities? Or are you going to in-reach into North Beach, Bay, Francisco to residents as well?

David Beaupre: So right now, we're tentatively looking at hosting at a minimum two meetings, one to address the tenants within the Fisherman's Wharf area. And part of the reason we're thinking about holding two is because we know the fish processors work different hours.

And historically, when we had the Fisherman's Wharf waterfront advisory group, we hosted those meetings in the morning or late afternoons. We want to make certain that we touch on those. And then, we thought we would have a second meeting in the evening where we'd reach out to anyone.

Both meetings would be open to the public. And we thought we would do outreach

to the list that we have thus far. And then, as we bring it to the NAC, we would also use that list that reaches up into North Beach and Telegraph Hill as well.

Commissioner Gilman: Is that list cross referenced with Planning Department and others who have to do noticing when there's a planning event?

David Beaupre: We do sometimes use the Planning Department's. We also sometimes use -- we can do it by area. So we've done a preliminary search of all the tenants and land owner and property owners within 500 feet of the site.

Commissioner Gilman: Great.

David Beaupre: So we do that as well.

Commissioner Gilman: Okay. I just want to really make sure that we -- I think the surrounding businesses, the fish processors, people who make their livelihood on the waterfront absolutely -- we need their input. But because this is more than just a commercial component to this proposal, I want to make sure that we're also in-reaching to folks who are raising their families or living on the outskirts of the waterfront, that they also too have an ability to give us public input.

That's my only comment. But I think the broader we can cast that net and also reaching out to any neighborhood association or business associations also I just think would be beneficial so that we don't come back at a point and have an accusation that we didn't do enough outreach for folks.

David Beaupre: Terrific. I'll take that. And I'll cross reference our various lists and make certain we do that adequate outreach. Thank you.

Commissioner Gilman: Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, obviously, you're not going to get complaints from me as far as bringing in more traffic for Fisherman's Wharf. My only question is, for our bridge and tunnel customers -- again, it goes back to parking because, if you have an event center, you have the fish processing -- I mean, there's going to be a lot of people interested.

And I'm hoping we're promoting to the outside of people that come in to the waterfront. Other than Pier 39 with their big garage, you know, they'll need signage or some kind of indication where people can park. That's my main concern because now Jefferson Street -- it's going to be very, very intense.

You know, knowing how this thing will be so popular, I'm just concerned about the traffic and making sure that everybody has a good experience, and there's safe parking as well. Is there any structure that the Port controls? Or --



David Beaupre: Again, today we're just talking about the process and not necessarily the details of the project. So we are so early in the project that I think issues around transportation will definitely be brought up.

Commissioner Lee: Yeah.

David Beaupre: It's an issue that comes up with all of our projects as well as parking and all the other things that come along with it. So we wanted to focus today on doing the outreach to get the input that we need and then advance the project and begin to talk about design and use details and programs.

Commissioner Lee: I think, you know, when you go to the public, they're going to ask the same questions. You might as well nip it in the bud now and say, look, we've got this proposed. But we've got all this extra space that you could park and where everybody can enjoy. I think that should be part of the -- you know, in the plan for the outreach. Otherwise, you might get a little pushback.

David Beaupre: I think part of what we read in the proposal was that the proponents didn't want to come to us with a fully baked program. They really wanted to come to us with an idea and then allow us to use the community process to help better shape it.

Commissioner Lee: Yeah. Well, I'm sure you're going to get comments on that one. So I think that should be -- it'll take a lot less time if you plan ahead. So I have no problems. I think it's great. Just put that big sign on the shed saying shop here or something, you know. [laughter] Thank you.

David Beaupre: Thank you, Commissioner.

President Brandon: Thank you. David, thank you for this presentation. It looks like it's going to -- it appears to be an exciting project. You know, at this point, Fisherman's Wharf really needs revitalization.

Commissioner Gilman: [Absolutely].

President Brandon: And I think that Commissioner Lee had a great point because those restaurants have depended on that parking for years, you know. So that is going to be a huge issue and challenge to figure out where the parking will go.

And we also have to make sure that our fishermen are taken care of and are okay with all that's going on. So I just want to say just pay special attention to our fisheries and our fishermen and our maritime tenants and really understand what we're going to do with parking.

David Beaupre: Duly noted. Thank you. [laughter]

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: I was just going to say I found it. It was on page 12. So you did not miss it. I missed it.

David Beaupre: Thank you.

President Brandon: Thank you, David. We look forward to you coming back. And I hope you are able to do a lot of extensive outreach and try and make that reach as far and wide as you can so that we can all support this together going forward.

Commissioner Gilman: Yeah.

David Beaupre: Thank you.

### **13. NEW BUSINESS**

Director Forbes: I have recorded a request for an informational item on getting the housing leased up at Mission Rock phase one. Is there any other new business?

President Brandon: Any other new business? No?

Commissioner Lee: No. No.

President Brandon: If there's not, can I have a motion to adjourn?

### **14. ADJOURNMENT**

ACTION: Commissioner Gilman moved to adjourn the meeting at 4:16pm. Commissioner Lee seconded the motion. All commissioners were in favor.

President Brandon: The meeting is adjourned.