



SAN FRANCISCO PORT COMMISSION

**APRIL 25, 2023
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

**HON. KIMBERLY BRANDON, PRESIDENT
HON. WILLIE ADAMS, VICE PRESIDENT
HON. GAIL GILMAN, COMMISSIONER
HON. ED HARRINGTON, 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 APRIL 25, 2023

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

Port Commission President Kimberly Brandon called the meeting to order at 3:15 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Ed Harrington, and Steven Lee. Vice President Willie Adams was absent.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – April 11, 2023

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

3. PLEDGE OF ALLEGIANCE

4. 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, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

5. 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 Port 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:

Marina Secchitano: Good afternoon, President Brandon and commissioners. Marina Secchitano, Inlandboatmen's Union. I want to thank you for the opportunity to speak. We're here today to update you on our negotiations with Alcatraz Cruises.

We won the election in October. And to date, we've only had five meetings with the company. At our last meeting, April 3rd, we proposed 10 days in April. Eleven days later, they reported they could not meet until May 25th, which is 52 days between sessions. We don't believe that's bargaining in good faith.

Our members are working without consistent schedules, only notified a week at a time. They don't get two consecutive days off. They work without overtime or double time for over nine days straight. And we believe this is an exploitation of the workers. And we're not going to tolerate this.

You know, this is one of the most lucrative contracts in the nation, you know, the National Parks Service, and one of the biggest tourist attractions we have. You mean to tell me they've got to behave like this with their workers.

When we spoke at the previous meeting, we reported the company was refusing to recognize the captains and wanted us to go back to the National Labor Relations Board and re-litigate this issue. All the other ferry captains in the Bay are represented by the union.

It was the captains that organized this group. And they are still solid in their resolve. Rather than delay the election, we set aside those ballots. And the board was ordered that we bargain the status of the captains.

The situation is heating up. We want to let you know. We don't believe this is fair to the workforce. We ask that you contact Alcatraz Cruises and demand that they schedule meetings within a reasonable timeframe and that they bargain in good faith.

Just so you know, we have a rally and a march to Alcatraz Cruises May 1st, International Workers' Day, which is all about protecting workers from exploitation. And we're going to be out there with that. Thank you very much.

Evan McLaughlin: Good afternoon, commissioners. Thank you for your time today. My name is Evan McLaughlin. I am with the International Longshore and Warehouse Union. I've had the opportunity to work alongside the workers at Alcatraz Cruises.

As a side note, I was previously a representative with SEIU 1021 working at a -- workers at the Board of San Francisco. I have to say that, with that exaggeration of my experience in the labor movement, the Board of San Francisco is the best employer I've gotten to work with in terms of labor relations.

So I know that you all know how to handle these situations responsibly. But I'm here to echo what Marina said and support what the workers at Alcatraz Cruises are trying to do. What folks are asking for -- and we've been working with them for a while now -- consistently all the way through, it's not complicated.

People want consistent schedules. People want fair wages. People want safe conditions. People want predictability. It's things that every other company on the Bay has managed to achieve. And they're doing great. And they're in business.

So we're trying to figure this out. We're trying to figure out how we can get this to a resolution and a fair contract. But honestly, workers are telling us they are going to do what they've got to do. And they've told us that they want to fight. They're willing to fight.

And we're going to stand with them. So we are here to ask for the Port's support, as Marina said. They have given us an unreasonable amount of time between bargaining sessions. We're asking for your support just to call on them and say, "Hey, look. Just come to the table. Sit down. Let's figure this out."

You know, we've got summer coming up. We know how important that season is to the Port. We're trying to resolve this. So thank you again for your time. Appreciate it.

Tristan Senft: Good afternoon. My name is Tristan Senft. I'm a senior deckhand that's worked for Alcatraz Cruises for in total about three years. As I've worked under Alcatraz Cruises through these recent months, the atmosphere between management and the workers has become t -- has been getting more and more tense with the company handing down constant changes with our work policies that has changed our working conditions.

Meanwhile, managers are making fewer and fewer appearances on site. On a regular basis, we're supposed to have at least three managers with marine [op] so that there's always somebody to contact. We currently have one, and he's not on site all the time.

We've been negotiating for a new contract since the end of January. Since that time, we've had about six negotiation dates, many of them hard fought to even get. Things are moving slowly. Workers are getting more and more tired and fed up with having to fight for our rights.

We'd like to ask for the continued assistance of the San Francisco Port Commission for our effort to fight for our working rights and for better working conditions. Thank you for your time.

6. EXECUTIVE

A. Executive Director's Report

- Economic Recovery
- Equity
- Key Project Updates
 - Overview of Ongoing Development Projects

Director Forbes: Good afternoon, President Brandon, commissioners, Port staff and members of the public. I am Elaine Forbes, the Port's executive director. First and foremost, I'm excited to welcome our newest honorable commissioners, Edward Harrington, today.

Mayor Breed swore in Commissioner Harrington just this last Thursday. Commissioner Harrington has served the City and County of San Francisco in many roles including city controller from 1991 to 2008 and later as the general manager for the San Francisco Public Utility Commission from 2008 to 2021.

As former city controller and general manager of the PUC Commission, Commissioner Harrington replaces Senator John Burton, who served on the Port Commission since 2020. As I reflect on the diverse and impactful contributions that each Port commissioner makes to our organization, I cannot think of a better time to welcome Commissioner Harrington.

With decades of experience and a champion of good government, transparency, strategic action, you will come here just at the right time. We face unique challenges as we grow into our waterfront resilience shoes and figure out how to deliver a mega project as a small enterprise agency.

We need to understand jurisdictional issues, infrastructure implications and do very careful design. While we're proud to lead on climate, it also creates growth spurts and growing pains for us. We're a small enterprise agency with a big mission.

We also are knee deep in economic recovery and are developing near, mid and long-term strategies to really strengthen and make our organization durable. I'm happy you're joining our visionary and impactful commission. And you will guide us on this generational work and economic recovery and a host of other efforts. We are honored to have you, Commissioner Harrington.

Now to economic recovery and growth, my report will mostly focus in this area. And I'm going to ask Josh Keene soon to join me. So today, I'm going to focus on

two really near-term -- two really exciting opportunities and some near-term activations.

And Josh, who is our development director, is going to take us through an update on our economic development projects. So as a starting point, we have two great opportunities you're going to hear about today, one in the south and one in the north.

So I'm going to start with the south at Piers 80 through 96. First, I want to reiterate that our city's livelihood is really tied to the success of these industrial facilities in the southern waterfront and the jobs they create.

In 2001, we started efforts with our community to make a one-stop industrial shop essentially, which we call the Eco-Industrial Center. The area supports 700 local jobs and shares resources to keep 90 percent -- to make 90 percent of the construction material and deal with the debris that our city needs to build.

And this keeps bulky materials off our freeways. While we're very proud of what we produce there, we are excited about some forward-facing environmental opportunities. And in particular, off-shore wind presents a very unique and exciting opportunity.

Because of our location, we are positioned to become a major hub and support the growth of this industry. We want to be part of getting to a great goal of 25 gigawatts of floating offshore wind by 2045, which is the state's very ambitious goal.

We know the city supports innovation. We know we want to be part of climate innovation. And we couldn't think of a better industry for our Port property. You'll be hearing more about this today.

And also in the southern waterfront is our gateway location to the neighborhood at Pier 96. Just last week, our director of the environment and president of the commission, Kimberly Brandon, toured the building resource site on Amador Street.

The group discussed how future operations can improve the beautification and the wellbeing of the community. And we also discussed Amador Street project, which we received federal infrastructure money to rebuild.

And I want to thank President Brandon for your continued leadership in the southern waterfront. You are foundational to seeing our greener future and for the activities that happen and are sustainable today.

Now to the northern waterfront, you'll be hearing about a proposed sole source for major -- for long-term and major capital investments in the wharf. This really presents an opportunity to reinforce the history of Fisherman's Wharf as a fishing

community and to have some revitalization into the area to inspire residents and visitors to continue to come and enjoy the wharf.

We've conducted early engagement, which you'll hear about today. And we've heard loud and clear that protecting Fisherman's Wharf as a fishing port is key. Whether or not to grant a sole source, of course, is the decision of the Board of Supervisors. We are following our waterfront plan engagement strategy to date at the point in the process.

But now I turn to interventions we want to make at the wharf now by the summer. As you know, people are returning to the wharf in big numbers. And we're very excited to see that. We also have many restaurants that are closed.

To revitalize the area, the staff has been working on a short-term plan. You will see this in May. It involves working with the waterfront community benefits district and the CBD at the wharf. Some of the exciting ideas are implementable for the summer.

They'll be things like fresh painting, hanging flower baskets, banners, outdoor amenities, pop-up events like live music, dance performances and food events, all to make the crab wheel and the area surrounding it really come to life in the best way that we can do with our partners. Okay.

I'm about to turn it over to Josh Keene. But I did want to give you a brief update on Piers 30/32. Today, legislation is at the National Resources Committee for consideration at the state. This is Senator Wiener's bill.

And it asks the state legislature to make a trust consistency finding so that the project can then move through the regular permitting process. Our teams, the senator's office, the Bay Area Conservation Development Commission, the State Lands Commission -- they're still working together on language.

And we're almost there. But the language that's being worked on would clarify BCDC's role in providing leadership on how we adapt to climate change and the rising tide. I'm very excited our team is at this point with the state legislature with the support of Senator Wiener.

As you know, this is a challenging place to develop and to work on. It's a hazard, these piers. And through a competitive solicitation process, we did select a partner that figured out to make the piers smaller would present a more feasible project and has since really listened to the public, BCDC, State Lands and the Port and has made the project better.

It is taking great shape. It's now estimated to deliver \$400 million of investment in sea-level rise and earthquake to make that section of the waterfront durable. It also maintains our deep-water berth for maritime including for cruise. These were our two major infrastructure goals.

So when the project comes back to you, you'll hear about other public benefits and values that it may deliver. I want to wish David Beaupre, who happens to have a birthday today, and our planning dir -- who is our planning director, and Boris Delepine, our legislative affairs manager, very good luck in Sacramento today.

Okay. Now, I would like to invite Josh Keene, who directs the development team, to come up and show us what's going on with our development projects.

Josh Keene: Wonderful. Thank you, Elaine. Welcome, Commissioner Harrington, back to the city but over to the Port, Commissioner Gilman, Commissioner Lee and President Brandon. Rebecca Benassini, at the last Port Commission in April, did an overview for the real estate and some of our strategies and where the leasing activity is happening.

So we wanted to look at it through a different lens here as an update for development items because we're under the same division but very different in nature, much more longitudinal. Some of these -- the leases themselves are 10, 20, 30, 66-year leases.

But the actual negotiation process and what it takes to get these projects entitled and the long-term relationship means sometimes we go quiet for a while. But we're really working a lot behind the scenes.

So we're not quite as active -- just thinking we want to make sure you know where we are with some of the marquee projects and for some of the other projects so wanted to use this as an opportunity through the executive director report. There are some development items later in the agenda but just wanted to do this more from a portfolio level for you all.

So let's start with probably the most prominent one that we're all aware of, which is Mission Rock. Anyone that's turned on a Giants game lately has seen these buildings going up. They are way up from where they were even in October.

And I want to talk a little bit about, you know, what Mission Rock is, especially within phase one where we are, current status and then what you can expect going forward with the regulatory approval through you all. And it's also going to be at the Board of Supervisors -- a lot of action happening at Mission Rock.

Towards the end of the presentation, I'm also going to try to let you know things you may see over the next couple months with all of our development projects -- not an exclusive list, but it will be those.

So I want to talk about Mission Rock. So phase one -- it's a huge success. It's one of the only projects in the country let alone in the Bay Area to really take off during COVID with all of the capital constraints, all of the risks, all the uncertainty, which

we believe is actually one of the amazing factors that it's one of the products actually coming online in the market now. And we think it's a really wonderful opportunity.

To recap, it's four vertical developments, also with a large public open space of a park that's going to be owned by the Port of San Francisco. So the residential component, which is obviously top of mind for everybody, over two buildings, it's going to be 537 residential units. One hundred ninety-nine of those are below market rate. That's just under 40 percent.

The entire phase of all the projects once built out will be at 40 percent. But this is phase one, which is kind of the first one and the biggest one in front of us. Additional to that is a huge commercial component, which is office and lab space or otherwise life-science space.

That's one of the commercial engines of the entire development, also supported with 65,000 square foot of ground-floor retail. In addition to this five-and-a-half-acre park we're talking about, the real vision here is it's all coming out at the same time.

And you're really creating a community of living, working -- maybe not everybody is working there, but other people are -- and shopping in your same area, especially with outdoor space to enjoy. So we're super excited. It does not happen all the time that a phase goes out of the ground at the same moment.

I do want to get to those successes under this temporary certificate-of-occupancy update. Also, if anyone has been watching a Giants game, you may have seen the Visa logo is actually outside of building G, which is a nice site to see. That's tied into receiving its temporary certificate of occupancy in January of 2023.

Visa will continue to work with the Port and with the developer to go ahead and make sure, get the improvements ready, so it's able to occupy starting towards the end of [next] year, early next year. I do want to highlight, in particular, Parcel A.

Some of you may have seen some press releases about this. But Parcel A is the first residential development on the site. We expect the temporary certificate of occupancy later next month. So it's probably not on May 9th. But by the one in June, we're going to be having -- that will have already occurred.

And more importantly, we've actually initiated and finally launched with our partnership with MOHCD -- have actually launched a lottery application process for the lease up of the below-market-rate units, which there is 102, which -- and these are all-inclusionary, on-site units, which is fantastic, ranging between 90 percent average median income up to 150 percent average median income, which really emphasized the diversity of the groups from market-rate units, which

are now currently under lease also, all through different levels of below-market-rate units.

It's a huge success. I have put on there on the screen -- there is a marketing website directly for the Canyon, as we call it. So while the development team -- we think about it as Parcel A, it's now become actually the Canyon.

And if anyone's actually seeing the architectural marvel that it is, it looks exactly like that. So it's not a misnomer. That's the site for anyone to visit for leasing. Also through the Mayor's Office of Housing site, the applications, as I mentioned, for the lottery are available now through May 18th. That's the first phase of this.

Efforts will continue. I want everyone to know too, Parcel F, which is the secondary residential parcel, that should come online more in 2024, probably in the summer, which actually lines up nicely because the lease-up period for Parcel A should dovetail into Parcel F. So they're actually -- hopefully, they will sequence with each other right there, so it's a continual lease-up process to welcome residents.

And then, Parcel B, which is actually the other side of the commercial aspect, is a life-science building. That is going to receive its temporary certificate of occupancy also around the same time as Parcel A.

So we just wanted to highlight this. For anyone that's seen, it's a huge success to have all four parcels coming online this year and next and people actually living and being at the site. So this will be an interesting update in the coming months. We'll let you know how that's working out.

Just on a technical side, this is the less fun part. But this is how these buildings come online is the horizontal improvements, which are the utilities, streets and sidewalks. And you'll see this towards the end, making substantial progress, expected to have a notice from Public Works that we can begin the process to start accepting at the Port and at the city.

So that process will be starting this year going into early 2024. Now going down south just a little bit is Pier 70, which is -- it's a more complicated site in the sense that there's a 28-acre site, which we look at as the Brookfield site.

There's also the existing Orton development site, which is part of the Pier 70 development, which is a huge success to our partners at Orton, the historic core. It also involves the future Hoedown Yard site. And it also has the Parcel K North site, which was a site we sold to developer, TMG.

But that's actually all kind of part and parcel to the Pier 70 development. While the Port -- this is focused on the 28-acre site itself, which we know of. So phase one overview -- just want to do it real quick -- 115,000 square feet of retail, arts and light industrial uses.

For the most part, that's comprised of the existing historic buildings that are there. But it also has 460,000 square feet of office, which is going to be a portion of new construction and existing buildings. And obviously, we're hopeful -- it's entitled for, in the first phase, for up to 600 in future residential units.

Those are behind pace. And I'll get to that in a moment. But that is part of phase one. And we are working on that process to get it moving. There is also an open-space component to this, which will tie into a future acceptance by the Port, also on a similar timeline as Mission Rock. And I'll speak to that later.

As most are aware, there is a component -- and some may say the market is challenging, which it obviously is. But this project itself has a trigger in it, which is called down-market delay, which tests what the performance is in the market right now.

And it currently is in down-market delay. And we talked about this last year, commissioners. We've initiated the appraisal process to test that. It'll be a couple weeks to maybe a couple months -- not multiple months. We will report back once we find out what that is.

But we're going to test if it's still in a down-market-delay status. It is challenging. But we also want to bring some good news on this. We are working with an affiliate of Brookfield to negotiate a potential acquisition and lease of Parcel A, which is the life-science building we brought forward last year as an amendment to -- as a D-for-D amendment so a lot to go on that one.

But we're still hopeful that we are actually going to have some news on a Parcel A tenant going forward. But I do want to flag as a real triumph in the last two weeks - - some of you may have noticed Building 12, which received its TCO in early 2022, has some actual tenants right now, seven of them, 70,000 square feet including an anchor tenant of Standard Deviant Brewing and also a beloved baker group called Breadbelly, a total of seven tenants, which is a great mix for anyone that's seen that site itself -- looking for more on that one including the office space there.

But it is nice to see some momentum on that site especially tied into the activation at the Orton site across the street with the Restoration Hardware -- so a huge success on that. And I also want to let you know that the horizontal-improvement process with Pier 70 will also be upcoming later this year and through the board process in early 2024.

To touch on quickly, Elaine gave a very nice overview of what's going on at Piers 30/32. We're working on some -- to move this forward at the state level and with other stakeholders. Once that happens, we're looking to move forward into more specific negotiations.

This, along with our other -- down the water also, at Piers 38 and 40, are both parties to exclusive negotiation agreements approved by the Port in early 2021. Both are challenging sites. They're both on the water.

One has a historic building. One has a pier that needs significant restoration. But there are also critical components to the South Beach and the overall citywide resiliency plans. So we're committed to both projects and having both of them in addition to the economic vibrancy they're going to bring to be part of that process for us.

The term-sheet endorsement at the Port Commission happened last summer for Piers 38 and 40. As I mentioned, we will be doing that for 30/32 as soon as we get some resolution on this process so look forward to that.

Both of these projects now and in the future -- and they did before -- will always have continuous ongoing design review and community input. I'm not going to touch on these quite as much detail. But some of these are topical now. Some of these are items that we brought before you last year.

And some of these are -- just wanted to let you know these are active and things we're working on. There just might not be immediate action here. For those from the city side looking at a holistic level, we brought forward the Port's contribution towards the relocation of the fire training facility.

That was last year. There's been a lot of process including taking state legislation. And we're proud to announce we expect that to close transaction within this fiscal year so before June 30th, which allows the city to fully assemble the site to move forward with its development under its -- for its process of moving the fire training facility.

You're going to see on the agenda later finally the approval of the YMCA lease, which is a huge success, a long-term lease, long-term partnership with the YMCA of San Francisco and its subtenants. There will be substantial construction buildout that the YMCA is going to be paying for.

So this is a benefit to the Port as far as it goes, the improvements at the building. But the Port is going to be heavily involved in this because of the substantial nature of the construction. So that's going to be something we're working on throughout.

I did mention earlier that Parcel K North, which is part of the Pier 70 site -- and I also want to flag the Potrero power station, which is not directly in the Pier 70 site but is an immediate neighbor and is huge to the overall vibrancy. And it's a very active project going forward now.

Port is planning a lot of coordination roles to help work with both projects to keep them moving. As we did an informational item last October on Teatro ZinZanni,

that's still moving forward. Obviously, design work, permitting work and seeking financing is there. But we hope to provide information on that when it's relevant.

And then -- so probably the primer here, which we can provide an appropriate update as needed beforehand -- but I wanted to let you know some of the items that will be coming forward this year to the Port Commission.

From a public-financing side, we will be looking to form the CFD, the community facilities district, for the Orton site I mentioned earlier. That will have a special-services tax and facilities tax that the tenant is required to pay under the lease. And that money will be used to offset Port expenses for facilities repair and also for service expenses.

At Mission Rock, we are going to explore the viability of -- now that these projects are up and running and they're going to be leased out -- of adding more public financing to repay some of the costs that are being incurred that are earning a return right now.

As everyone will likely recall -- and Commissioner Harrington, you may have seen -- we actually sold about -- almost \$100 million of debt for phase one. So this will be a continuation of that next tranche, hoping to initiate that process in the weeks ahead -- obviously, challenging market conditions.

Same thing with Pier 70 -- while we do not have the vertical development happening there, there is a lot of momentum in there. We'll be exploring those options with the public-finance team at the city.

I'd -- quick indication that the Piers 30/32 term sheet will be coming to the Port Commission sometime this year. That is required under the exclusive negotiating agreement in order to go through the Port Commission and then the Board of Supervisors so that we can begin CEQA.

And I also mentioned that the Pier 70 and Mission Rock phase-one improvements will be happening at the Port level and at the city level. And one of the bigger items -- and this was tied into the recycled-water agreement we brought in last year -- we will be bringing forth that parks lease, which is the management agreement lease of the China Basin Park at Mission Rock, which is intended to be with our development partner and affiliate.

So I'm going to go ahead and leave it there. I wanted to just make sure you're -- we'll always be available to answer more questions now or whenever. I just wanted to put this proactively in front of you. But we can always do any kind of briefings or any kind of updates upon request. But we'll try and stay in front of this even if there's nothing specific happening.

Director Forbes: Thank you, Josh. I really appreciate you providing that overview. And I hope, commissioners, you found that useful to see all the various

work we're doing, development work, public-private partnerships and where things lie in terms of their transaction, schedule and process.

We do a lot of work here through our public-private partnerships. You are going to see at the next hearing our capital plan. And we still have that \$2 billion of backlog in our infrastructure. So we do find these public-private partnerships a major way to bring in investments and enhance our balance sheet and now solve the big challenges of climate.

So thank you, Josh, for that overview. I hope that pairs well with Rebecca's real estate briefing during director's report last time. We're trying to give you more detail in the director's report especially right now on how we're doing on economic recovery.

So given that, I'm going to defer my report on equity and resilience to next time. There is nothing urgent to report except one item. I did want to amplify under equity that, on that YMCA building, we had a gap in the project that the YMCA couldn't fill immediately.

But speaker emeritus, Nancy Pelosi, got the project \$2.8 million. So the funding gap is resolved. We're so excited to have that building in the park for coffee and rental of the boats and YMCA programming. It's just really going to liven up the park. And we're very excited that that gap is closed, and the shovels can hit the ground.

And then, for my last item on key projects, we discussed last time how contracts sometimes come in over budget and take too much time. This one is a good story. We, the Port engineering group, has received a 2023 International Partnering Institute Award for the Heron's Head Shoreline resilience project.

This dealt with shoreline erosion. It restored native wetland habitat. And it did create capacity to adapt to sea-level rise. It created youth-employment and community-engagement opportunities. It was completed on time, December 2022.

And we are getting an award because of our ability to be on a tight schedule, to design changes in the field and to have a significant environmental permitting -- permitting requirements resolved and behind us. So congratulations to the engineering division. The award ceremony will be May 19th. And that concludes my report. Thank you very much.

Public Comment on the Executive Director's Report:

Francisco Da Costa: Commissioners, my name is Francisco Da Costa. And from time to time, I watch your proceedings. As the director of Environmental Justice Advocacy, I've been monitoring the San Francisco Port Authority for over 40 years.

There used to be a time that I never missed attending your meetings. So I've been listening to the presentation, very general in nature. But I would like to remind you, commissioners, each one of you all, that the 7.5-mile area that comes under the Port Authority is public trust land.

And you have to read what public trust land means not only for San Franciscans but for every Californian. Now, y'all do know that y'all have to pay attention to maritime uses. So y'all go to the state and use your connections over there to create a stadium. And that's on you.

But then, you push forward to have housing. And you don't pay attention to pollution. That's really on you. And as far as climate change is concerned, I was listening to the Corps engineers at the bond -- there was a bond -- [it's a] citizens group reviewing the bonds. And the Corps engineers could not provide, I would say, a good answer when it came to funding.

So stop hoodwinking us in broad daylight. We need all the money for the seawall. And we need all the money for the contamination and pollution including the one million tons of [coal tar] near Pier 70 linked to the power station. So we need that abated and mitigated. Thank you very much.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman: Thank you, Director Forbes and Josh, for that report. I had a couple of questions for Josh, the development report. And then, I have a couple of comments about economic recovery for the director. So I just wanted -- you know, again, you know, I've said this before -- really proud of and want to commend the Giants and Mission Rock for the 40 percent affordable even though it's at the higher end of AMIs.

But I was just curious. Are you feeling more c -- are you feeling confident now that the portal has launched with the Mayor's Office of Housing through DAHLIA on the online application that will meet our criteria for rent-up?

Josh Keene: Yeah. We do. It's going to be a combination of how the below-market-rate units go and the market-rate units. They are separate but one in the same as far as it goes. So early indication -- and we don't have any -- we can't test any of the BMR units right now because [they n --] the application process but, from the developer's perspective, significant interest.

So right now, we feel that it's up. It's launching at the right time because we wouldn't be able to occupy the units anyways until the TCO occurs. So we're thinking it [stacked] very nicely by June. We will update when we have some actual info on there. But yes. I would say the leasing interest has been significant at this point.

Commissioner Gilman: Okay. Great. Because I do think we should recognize and for the public to understand that this is the first-of-a-kind project for the City and County of San Francisco where the AMI levels have exceeded 80 percent. So it's riding a new way of doing business, a new way of leasing and marketing affordable housing.

That's sort of the first of its kind and that innovation that the Port is so known for. So I just wanted to check in that we were getting applicants through the DAHLIA system and outreach was occurring.

Josh Keene: Yeah. I will be honest. I don't know the exact applicants we've had because they usually --

Commissioner Gilman: Yeah. [crosstalk]

Josh Keene: -- I don't know how much they're tracking until then. But we will know after May 18th --

Commissioner Gilman: Okay.

Josh Keene: -- what the profile of that looks like. But yes. It's part of the appeal because it's not simply low income. And it's not simply market-rate units. It is a real spectrum. But it is a different situation that we're going to have to track and see how it goes.

And what we're looking for is hopefully lessons learned that we can share outward on how this actually works. But right now, we're confident. Yes.

Commissioner Gilman: Okay. Great. And then, my other question -- I just -- it was just more to remind me. You would think, after like six years, I'd remember this. But -- and also sort of to the public comment we heard -- my understanding was [this up for a -- like maybe a paper street or a street]. The power plant is not on Port property.

Josh Keene: It's not on Port property. It's privately owned. It's just -- because of how it's located, it's some throughways through there. So it's more some land rights. There may be a scenario where we come with a license or whatnot forward. We're discussing -- trying to be good neighbors with power station. But it is not on Port property. Correct.

Commissioner Gilman: Yeah. I just wanted to clarify for the public comment on whatever environmental issues are there or what the development plans are, that we didn't weigh in and approve that project. I know that was before my time.

Josh Keene: Yeah. That would be approved through the city.

Commissioner Gilman: Yeah.

Director Forbes: Josh, if I could add please, the shoreline is encumbered with the public trust. So --

Commissioner Gilman: That's what I thought.

Director Forbes: -- what the commission worked on is to ensure that there was public trust a -- there is public access, and it linked well to our property. So that was one piece. And there was also some integration relative to street rules that affected Pier 70 and Potrero. And we worked together to resolve those issues.

Josh Keene: And the project is dependent upon public streets that will be going through the proj -- through some of the project. So yes. They're indirectly related and, in those aspects that Elaine is talking about at the shoreline in particular, more directly.

Commissioner Gilman: Okay. No. It's great that we're coordinating with the Pier 70 work. I just wanted -- I guess, to the point on the call --

Josh Keene: Yeah.

Commissioner Gilman: -- around environmental cleanup or housing -- you know, housing or what's happening there, that that was something that's not in our jurisdiction.

Josh Keene: This is correct.

Commissioner Gilman: Thank you, Josh.

Josh Keene: Sure. Thank you, Commissioner. [Good luck].

Commissioner Gilman: And then, Director Forbes, I just wanted to say how excited I am for the possibility of hearing more about how we can innovate and do pop-ups. You know, our economic recovery is so vital. And in that vein, I guess, I just wanted to take a moment to say for the record from the perspective I have that, with our economic recovery coming and Alcatraz tours being one of our most visited sites here in San Francisco, that I really hope that the operator would begin to bargain in good faith.

As someone who, in my previous role, am proud that I negotiated three contracts with SEIU 1021 sitting on the side as management, I know that you can come to the table in good faith. You can manage well and right and do what's right by your employees.

I would hate to see massive picket lines and having tourists turn away during the summer months because this labor dispute can't be handled. So I Hope that this can be resolved as soon as possible. Thank you for your report.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Josh, great report. I mean there's so much work. And with all the new projects coming up, we're going to be busy. My only question is, on all the square footage, I'm glad that we are adding a lot of commercial opportunities for small business.

Do we have any input with the developers on how large these units are going to be? Because -- are they just waiting for whoever comes in? They build to suit., and they're kind of stuck with it? Or is there going to be a model of a maximum square footage that's affordable so that it gives the small business opportunities for people?

Josh Keene: So Commissioner Lee, you're talking about the size of retail, not the commercial, right? So -- that it's not oversized, that it's --

Commissioner Lee: Right.

Josh Keene: -- something that can be affordable?

Commissioner Lee: Yeah. You've got one building 165,000 square feet. And you have another one -- you know, Pier 70 has square footage, you know.

Josh Keene: Yeah. I may have Rebecca supplement this a little because it moves into the real estate side out of the development. Generally speaking, they're all going to be different at Mission Rock, at Pier 70 and then, let's say, some of the other developments.

From a Pier 70 side, if you look at Building 12, the way it's configured, it is a three-story, kind of very open experience versus a ground-level retail that's more traditional supporting the actual residential and commercial buildings above it.

I know that they're varying in size. And they are trying to exceptionally accommodate different retail groups and acknowledging the challenges. But there's been significant interest that -- I don't think they've announced anything -- but at Mission Rock and the recent ones at Pier 70. I can't speak for that. But I'm sure that they're mindful of it. But maybe Becca might know a little more.

Rebecca Benassini: Thank you, Commissioner. Rebecca Benassini. Just to add on, we, when we approved the project at Mission Rock, approved a retail strategy. So that really guided absolutely small store frontages along the main thoroughfare that takes you north to south.

So that's our main hook in terms of what they're going to deliver. And the buildings comply with that and look really, really great. And Josh is right. When we hear who they've selected, I think we'll be pleased. We don't know who they are. But we know that they've been having some good activity. That's all I wanted to add.

Commissioner Lee: Good. Yeah. I mean, you know, there are so many empty storefronts right now I hate to be building new empty storefronts. So I just hope that the developer -- which sounds like it's part of the plan that the smaller units and bigger units will be combined. So --

Director Forbes: Yes.

Commissioner Lee: Thank you.

Director Forbes: And these retail opportunities are in a mixed -- they're in a neighborhood location.

Commissioner Lee: Yeah.

Director Forbes: So they should mirror more like our neighborhood residential districts are doing citywide, which is very strong retail because it is a neighborhood that's being built, not just an office or a commercial area.

Commissioner Lee: Right. Yeah. I think servicing those office workers as well helps a lot too. So thank you very much. Great report.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thank you, Madam Chair. Obviously, there is so much going on here that I'm still learning. But thank you for the report. Just one really small question -- you talked about immediate things you can do at Fisherman's Wharf.

I know the mayor's office has a new program for art pop-ups that will last for, I think, three months at a time. And they give money to the landlord and to the people that are there. And they arrange it all. Are we involved in that at all? Or is that part of what could happen out there?

Rebecca Benassini: Thank you. I'll take that one. We're definitely monitoring all the city programs. And we have a great staff member who came to us from OEWD, Amy Cohen, who you'll hear from in May, who is very aware of those programs and is ascertaining whether or not we could participate or if the focus is really elsewhere. So thanks for the question.

Commissioner Harrington: Thank you.

President Brandon: Thank you. Elaine, thank you so much for the report. Josh, wonderful update on all the projects we have going on here at the Port. I, too, want to welcome Commissioner Harrington. I think we are honored to have you here with your vast knowledge and expertise of so many of the happenings within the city but definitely your expertise on large infrastructure projects.

And you see all that we have going on along with the resilience effort. So you came just at the right time. [laughter] And I want to welcome you. I can't wait to work with you once we delve into all these projects. So welcome.

Elaine, thank you so much for the report. I think there's great opportunities, short and long-term in Fisherman's Wharf. And I think the staff is on top of it. And whatever we can do to revitalize the area and make sure that the tourists continue to see it as a great place as they always have -- I think we also have wonderful opportunities in the southern waterfront, Piers 80 through 96 and with new technologies, new ways to create jobs for the surrounding communities.

It's amazing how much work is being done here at the Port. It's amazing. How many people do we have on our development team? Just wondering.

Josh Keene: Five.

President Brandon: Wow. [laughs]

Director Forbes: Well, there's six, right, if you count Josh.

Josh Keene: Five and me. [laughter] They do all the work.

President Brandon: Well, you are all doing an incredible job. Thank you for keeping all these projects going. It's definitely going to lead to the city's economic recovery. And we are at the front gate of recovery. So thank you, everyone. Jenica, next item, please.

7. CONSENT

- A. Request approval of a Mutual Termination Agreement with D & G Company dba Lou's Pier 47; Lease No. L-14630 and License No 14651 for Premises at 300 Jefferson Street, SWL 302 San Francisco, CA 94111, subject to Board of Supervisor's approval. (Resolution 23-17)
- B. Request approval of a Mutual Termination Agreement with 340 Jefferson, LLC, dba Pompei's Grotto; Lease No. L-8986 and License No E-13772 for Premises at 340 Jefferson Street, SWL 302 San Francisco, CA 94111, subject to Board of Supervisor's approval. (Resolution 23-18)
- C. Proposed lease amendment ("Second 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.
(Resolution 23-19)

- D. Request approval of proposed development and multi-use lease of Building 49 located at 701 Illinois Street within Crane Cove Park by the YMCA of San Francisco, for an initial term of 10 years plus options to extend for a total term of up to 34 years, and a fee waiver for a companion license agreement.
(Resolution 23-20)

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

No Public Comment on the Consent Calendar.

Resolutions 23-17, 23-18, 23-19, and 23-20 pass unanimously.

8. REAL ESTATE & DEVELOPMENT

- A. Request approval of a proposed License 17036 with GSW Arena, LLC, a Delaware limited liability company (“GSW”), for 3 separate white zone curb spaces totaling approximately 624 linear feet, 2 separate yellow zone curb spaces totaling approximately 337 linear feet and 80 metered parking spaces on game and special event dates located in and around Chase Center for a term of 10 years with two (2) five-year options to extend, subject to Board of Supervisor’s approval. (Resolution 23-21)

Rebecca Benassini: Thank you so much, Jenica. Good afternoon, commissioners. Rebecca Benassini, deputy director for real estate and development. I want to introduce Jennifer Gee, our senior property manager, who will provide you the informational presentation.

I just wanted to intro and thank her and Kimberley Beal, our assistant deputy director, and Grace Park for working quickly on this item. We overzealously got very close to acting on it. But we really got ahead of our partners and didn't provide them sufficient time to review the license.

So we want to do an informational today. It's a continuation of a curb-space license -- a new license for similar uses as the Golden State Warriors have been using the space for. It generates more than a million dollars in revenue, which is why it's subject to Port Commission and Board of Supervisors approval. And Jennifer will give you the details.

Jennifer Gee: I've got to lower this. Good afternoon, President Brandon, Commissioners Gilman, Lee. And welcome, Commissioner Harrington. My name is Jennifer Gee, the senior property manager for the southern waterfront of the Port's real estate and development team.

To reiterate Becca's note, I would like to thank you for your understanding on hearing this item today as informational. With the potential 20-year term of the license agreement, the Golden State Warriors and Port staff want to ensure that everything is detailed and fine-tuned.

Before I get started, I do want to thank my colleagues for their guidance and assistance in bringing this item forward to you today. Kimberley Beal, Becca Benassini, our now retired attorney, Rona Sandler, and Grace Park.

The item being presented is a proposed new license to use property with GSW Arena, LLC, also known as the Golden State Warriors, for use of the perimeter streets around the Chase Center. They include three passenger loading zones, two commercial loading zones. And in addition, the license also covers their reservation and use of 80 metered parking spaces on game and special-event days.

So a little bit of background -- in 2019, the Port Commission approved parking and access restrictions to accommodate games and events on Port streets in and around the Chase Center that were consistent with the Chase Center access plan that was developed by SFMTA along with the Port's input.

As you may recall, the Port's harbor traffic code was also recently amended to establish designated passenger and commercial loading zones on these streets to improve traffic flow, pedestrian and vehicular safety as well as enforcement.

Since then, the Port has entered into a nonexclusive license agreement with GSW for their use of the white and yellow zones and 80 metered spaces. This license -- this existing license will expire in June of this year.

Recognizing Chase Center will be in the Mission Bay area for quite some time, GSW and the Port wish to enter into a new, non-exclusive license agreement for use of the same area for an initial term of 10 years with two five-year extension options.

The proposed license requires approval by both the Port Commission and the Board of Supervisors as the length of term is over 10 years and anticipated revenues are over one million dollars.

Now, let's talk about the terms of the license. The proposed new license includes GSW's non-exclusive use of white and yellow curb spaces for passenger and commercial loading and also 80 metered parking stalls on game and special event days on the perimeter streets of the Chase Center, specifically Terry Francois Boulevard, 16th Street, Illinois Street and Warriors Way.

The term proposed is 10 years with two five-year extension options. The license fees are at current parameter rates and will also include annual increases. The revenue over the initial 10-year term is approximately \$1.5 million.

Provided GSW exercises both of their options to extend, the potential total revenue of the license over the entire term is approximately \$3.5 million. In addition, every game and event will also generate \$1,008 for use of the 80 metered spaces. And the Port reserves the right to increase these rates according to the city's meter rate policy.

We anticipate GSW's continued use of the license area will increase parking revenues to the Port, improve traffic flow in the area, improve pedestrian and vehicular safety as well as improve parking enforcement and likely decrease citations that are issued.

In 2015, the SF Commission on Community Investment and Infrastructure, OCII, certified the final subsequent environmental impact report for the GSW event center and mixed-use project at Mission Bay blocks 29 through 32.

This proposed license is within the scope of the FSEIR. And it's also certified in compliance with CEQA. In addition, the proposed use of these streets has been presented to the Southern Advisory Committee.

In conclusion, staff recommends the Port Commission direct staff to bring the proposed license for approval to the commission on May 9th. If approved, the next steps are for the license to be presented to the Board of Supervisors for final approval. That concludes my presentation for today. I'm happy to answer any questions that you may have. Thank you.

No Public Comment on Item 8A.

Commissioners' Discussion on Item 8A:

Commissioner Harrington: Thank you very much. I gather we're not going to be approving this today anyway. My understanding is that it is completely consistent with what's happening now. It's just a renewal or other changes?

Jennifer Gee: There might be some small changes to the boilerplate --

Commissioner Harrington: Small changes.

Jennifer Gee: -- maybe the insurance coverage.

Commissioner Harrington: I mean the spaces.

Jennifer Gee: The spaces? Yes. The license area is the same.

Commissioner Harrington: Typically, just so you know for future things, the privatization of public property like metered spaces is not -- I'm not a big fan of that. But clearly, we've been doing this as part of the expectation. I'm fine with it.

Jennifer Gee: This is also a non-exclusive license. So when the Warriors are not using it --

Commissioner Harrington: That's still --

Jennifer Gee: Yeah.

Commissioner Harrington: Yeah. Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, I, for one, support anything that makes it -- public safety and parking easier for people to be unloaded during these events. I mean, there's -- I drive down Third Street during a Warrior game. And they do a great job.

But I do see that a lot of people are still using their cars. And before we all switch over to 100 percent public transportation, I'm glad the Warriors can see that in the next 10 years at least. So I'm supportive of this. And nothing's changed, like you say, correct?

Jennifer Gee: Correct. Mm-hmm.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: I have no technical questions. I understand is the reason this is not delegated authority is because of the 10-year term and the revenue? Because --

Jennifer Gee: Correct.

Commissioner Gilman: -- this is just an extension of something we have been doing in practice, correct?

Jennifer Gee: Yes. We will be terminating the existing license. And then, we will be executing a new license.

Commissioner Gilman: Okay. Thank you.

Jennifer Gee: Yeah. For the continued use. Thank you.

President Brandon: Thank you. I think my question was answered. So I appreciate you bringing this to us. As long as nothing has changed except for the rates, we'll see you next month.

Jennifer Gee: Thank you.

President Brandon: Thank you. Jenica, next item, please.

B. Request approval of a proposed new Memorandum of Understanding ("MOU") with the San Francisco Department of the Environment ("DOE") for approximately 27,502 square feet of paved land, approximately 5,766 square feet of unpaved land, and approximately 3,615 square feet of shed space at Seawall Lot 344 for a term of five years. (Resolution 23-22)

Kimberley Beal: Good afternoon, President Brandon, commissioners. I'm Kim Beal. I'm the assistant deputy director for real estate. And I'm here today seeking for commission approval of a new memorandum of understanding, or MOU, with the San Francisco Environment Department for space at Seawall Lot 344 for operation of a reuse facility for building materials.

Joining me today as part of this presentation is Alexa Kielty, residential zero waste senior coordinator with the San Francisco Environment Department. This item is being brought before the Port Commission for approval as the item will exceed a million dollars over the term of the agreement.

As part of today's presentation, I will be providing background on the use of the site, a summary of the request and key terms of the MOU. Alexa will be providing an overview of the Environment Department's mission and goals and why this location is key to helping meet those goals. Upon conclusion, both Alexa and I will be available for questions.

So entering into a new MOU with the Environment Department will meet the Port's strategic objectives of sustainability by advancing the concept of environmental stewardship through recycling and reuse efforts and stability by managing the real estate portfolio to maximize value and income to the Port and retain a tenant that can perform through economic cycles.

So the San Francisco Department of the Environment has been a tenant at Seawall Lot 344, specifically 701 Amador Street, for over two decades. They occupy a total of approximately 37,000 square feet consisting of paved land, unpaved land and shed space. The current MOU expired March 31 of 2015. So the existing tenancy is month to month.

Through San Francisco Community Recyclers, San Francisco Environment operates Building Resources, a reuse center designed to receive, sort, process and resell reclaimed and surplus building materials with a goal of reducing the

quantity of building materials being disposed of at landfills through active recycling.

San Francisco Environment issued an RFP for a new site operator and requested a new MOU to ensure control of the site for continued operations as the property is vital to the city achieving its mandated climate goals.

In developing the RFP, San Francisco Environment consulted with Port staff to ensure any concerns with existing operations were addressed through the RFP criteria. As a result, the RFP incorporated Port's southern waterfront community benefits and beautification policy into the criteria.

Respondents were asked to explain how diversity, equity and inclusion goals would be incorporated into the business plan, if classes could be offered to the public on how to utilize reusable building materials and asked how the business would improve exterior screening of the facility.

San Francisco Environment also included both a Port staff member and a Southern Advisory Committee member on the selection panel.

The new MOU will be for a term of five years. The rent was recently increased to the low end of parameter but will increase by 3 percent upon commencement of the new agreement and will be increased annually by 3 percent.

6.5 percent of the revenues, or approximately \$80,000 over the term, will be set aside for community benefits and beautification as the MOU is subject to the southern waterfront community benefits and beautification policy.

The MOU will incorporate the commitments made by Environment Department to improve exterior screening of the site, to address the community's diverse and historically underserved populations through workforce economic development and to work collaboratively with community groups to expand education, awareness and benefits of building products reuse.

Although the Environment Department will have the ability to contract with a third-party operator, the agreement will be with the San Francisco Environment Department. Therefore, it will be their responsibility to ensure the commitments made are kept.

So at this time, I would like to introduce Alexa Kielty with the San Francisco Environment Department, who I believe is joining remotely.

Alexa Kielty: Good afternoon, commissioners. Can everyone hear me?

Commissioner Lee: Yeah.

Alexa Kielty: Hi, everybody. My name is Alexa Kielty. I am the residential zero waste senior coordinator at the Environment Department. I'm calling remotely because we are on an all-day work retreat at a farm doing restoration work so apologies I couldn't be there.

I'm going to take a few minutes to explain the importance of why Department of the Environment needs a building reuse center in San Francisco. Next slide, please.

So one of the main goals of our department is to bring the city to carbon neutrality. So we have a goal of reaching carbon neutrality by the year 2040. Next slide, please.

And the construction industry is key in that. About 20 to 25 percent of what we're currently sending to our landfill right now is construction debris. And we know around 23 percent of building and construction in San Francisco is contributing to our greenhouse gases.

So we know reuse and construction building material reuse is critical because the more we reuse the lower those carbon emissions will be related to the building industry. Next slide, please.

In addition to our carbon goals, we also have a zero-waste goal. We want to cut our landfill in half by the year 2030 from our 2015 goal. So we definitely need to reduce what we're sending to landfill. And in the year 2021, Mayor Breed did sign our climate action plan.

And we recommitted to goals related to the building industry and reuse. And that falls under the responsible production and consumption section of our climate action plan. Next slide, please.

There are three parts that are related to the construction industry. The first part is we are required to pass a deconstruction ordinance in San Francisco that would basically require for our building stock to be deconstructed as opposed to demolished.

And usually, they'll put a date of about 1950 or -- they're trying to preserve old-growth timber for a certain date for old construction. Next, we want to develop guidelines for tenant improvement projects [to] utilize reused materials.

So in order to do that, we need to have building-material-reuse yards that are accessible for tenant improvements for people to access reused building materials. And the third thing is we want to build a policy framework for regional building material reuse.

What that means is we want to be connected to other building material reuse facilities throughout the Bay Area. There is a number already in operation. And we

want to expand what can be purchased online as well. So we've got to expand the online markets. Next slide, please.

So where we are in the process -- we just completed our review of our RFP. We issued an RFP because we needed to update the site. We know we wanted to modernize the site. I know there's a lot of issues around beautification that we wanted to address.

So we issued an RFP. It recently closed. There were two applicants. We will be announcing the winner probably in the next week or so or early May. It is -- the two that did apply are local building materials reuse facilities that already operate in the Bay Area, not in San Francisco currently.

But the two applicants -- one is from the North Bay. And one was from the East Bay. The current operator did not apply. And we hope to have an agreement in place around summer to help with that transition process.

So we are looking forward to a partnership with the Port to not only beautify the neighborhood but also to help the city reach our climate goals and also working with a new operator. So I will hand it back to Ms. Beal.

Kimberley Beal: Thanks, Alexa. So in conclusion, the Port staff recommends approval of Resolution 23-22 to enter a new MOU with the San Francisco Environment Department for use of space at Seawall Lot 344 and welcome the Port Commission's questions and comments. Thank you.

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

No Public Comment on Item 8B.

Commissioners' Discussion on Item 8B:

Commissioner Gilman: Thank you so much for your report. I support the item and have no questions.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: I agree. [laughter]

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: I'm going to say more [laughter] because this thing is a great resource especially with us people that build a lot. And my wife yells at me because I hold building materials, you know, for the future.

Once we get the operator going, how much can Port kind of -- can we, like on our social media, tell people and the public that they can buy resources at this place? Because I don't think, in the past operator, there has been much public outreach and knowing that this facility is there.

Kimberley Beal: I can't say too much. I was on the selection committee, the scoring committee.

Commissioner Lee: Okay. Yeah.

Kimberley Beal: So I can't really say too much about what is being brought or suggested to be brought forth with the new operator. But I will say there are some marketing efforts that they will be doing as part of the operations at this site.

And we will definitely be working with them to try to make it known as to what can be brought to the site and how to use it. And I definitely see it being more active than what it is currently.

Commissioner Lee: I think, with building supplies going up, you know, reusable resources are actually a deal. So yeah. I fully support this MOU.

President Brandon: Thank you. Kimberley, thank you again. I had the opportunity to tour the site last week with Director Forbes, Director Jue, Alexa, David Beaupre. And I was so surprised. I had never been inside. And I didn't know what type of materials or what they were collecting.

I mean, they had everything. They had doors. They had toilets. They had wood. They had glass. They had everything. But because, you know, this site is right at the gateway to the Bayview community, you could just tell from a distance that it was an eyesore.

So that's why I kept asking about beautification. What are we doing? And the current operator is doing a really good job of trying to clean up and get rid of a lot of stuff that they should have never accepted and to get the site ready for whoever the new respondent is.

But I think it's a jewel. This site has so many wonderful items that -- you know. So I wish that we can do a better job of letting people know that that use is there because I think there's just a lot of great little things that we can all use in our homes.

But I do look forward to hearing about the RFP selection and understanding what type of improvements and upgrades are going to be made with this RFP. And I wish you had the slide that David showed me last week because we received a grant to upgrade Amador Street and the landscape and beautify it. So all of it together is going to make that particular corner look much better.

Kimberley Beal: Agreed.

President Brandon: So I just look forward to you coming back and sharing with us who won the selection process and what upgrades they're going to make to the site. And there was one other thing. The current staff -- the current staff -- some of them have been there for over 30 years.

So if there's anything we can do with the new operator to keep -- to try to keep the current staff, that would be absolutely wonderful because they were just -- they didn't know what was going on.

Kimberley Beal: Understood.

President Brandon: Thank you.

Kimberley Beal: Thank you.

President Brandon: Jenica -- this is an action item. All in favor?

Resolution 23-22 passes unanimously.

C. Informational presentation on a proposed Interagency Cooperation Agreement with Transbay Joint Powers Authority regarding Port staff's work program and reimbursement of Port's costs related to Phase 2 of the Transbay Program.

Director Forbes: Madam President and commissioners, I ask to recuse myself. I am a member of the board of the TJPA. So Michael Martin will be acting as Port director for this item.

President Brandon: Thank you.

Jamie Hurley: Good afternoon, President Brandon, Commissioners Lee and Gilman. And welcome, Commissioner Harrington. My name is Jamie Hurley. I'm a project manager in the real estate and development group.

I'm here today to provide you a brief presentation regarding what is being termed an interagency cooperation agreement, or ICA, which is related to a major regional transportation infrastructure project led by the Transbay Joint Powers Authority, or TJPA.

I wanted to start with a brief overview of the TJPA project called the downtown rail extension project, which is really phase two of a project that began with the construction of the Salesforce Transit Center.

This new phase of the project is about construction of a rail corridor that will extend from the Salesforce Transit Center, which is shown in terms of its location

in the red box located in the upper-right portion of this map, to the Caltrain station at Fourth and Townsend, which is indicated in the red box in the lower left of this map.

Here is a closer look at the portion of the rail extension route that is near the terminus of the route at the Caltrain station. What you see here in light purple color is a stretch of Townsend Street that has been identified as Burton Act parcels subject to the public trust. And this is the reason behind the Port's involvement in the project.

The reason we are here today is because the TJPA and the city have decided that the best way to coordinate with all of the various city departments involved in such a large complex project is to create a single agreement that everyone signs onto rather than a series of individual agreements or MOUs.

Again, this master coordination agreement is called the interagency cooperation agreement, or ICA. Perhaps the most important part of the -- or aspect to the ICA is that it provides a mechanism for the Port to be reimbursed for its project costs or its costs related to its work on the project including staff costs and any third-party costs that may be incurred.

At your next Port Commission meeting on May 9th, we will be back here seeking your approval for the Port to sign on to the ICA along with a host of other city departments. Once all of the departments have given their consent to the ICA, it will be forwarded by the TJPA to the Board of Supervisors -- by the TJPA and OEWD to the Board of Supervisors for approval, which is expected to occur in June.

Then, beginning in FY '23-'24 and likely extending into the following fiscal year, the Port's scope of work, which is described in your staff memorandum on sort of a broad-overview level, that will be refined. And our work on the project will begin.

And any actions or approvals including any transactions involving the Burton Act parcels will be considered separately in the future. So I wanted to make that clear that today's item and the action item on May 9th is simply about consenting to the ICA.

Before I close, I want to thank Anna Harvey from the TJPA and Leigh Lutenski from OEWD, who are here and sitting behind me. Thank you for being here. And I want to thank you, commissioners, for your time. Anna, Leigh and I are happy to answer any questions you may have. That concludes my presentation.

No Public Comment on Item 8C.

Commissioners' Discussion on Item 8C:

Commissioner Lee: It's great for the future. I know that the high-speed rail might be a long ways away. But once this tunnel and everything is completed -- even though we don't have high-speed rail -- Caltrans will be using it to bring the trains to downtown or to the Transbay?

Jamie Hurley: Thanks, Commissioner Lee. I think I'm going to have Anna Harvey from the TJPA address any kind of project-related questions.

Anna Harvey: Absolutely. Good afternoon, commissioners and President Brandon. Anna Harvey, deputy project director for engineering at TJPA. As to your question regarding Caltrain, yes, upon opening phase two of the Transbay program, as executed by TJPA, will host the Caltrain service into the already-construction train box that's underneath the Salesforce Transit Center. And at a future date, high-speed rail will join that initial operator.

Commissioner Lee: So by that time, everything will be electrified, I'm assuming.

Anna Harvey: Absolutely.

Commissioner Lee: Okay. I mean, we're talking about -- how long do you think -- I mean, we know how long the subway took -- to build a tunnel through downtown? What do you have the estimates once things get started three years from now?

Anna Harvey: Absolutely. So in November of last year, we completed preliminary engineering to approximately a 30 percent level. And the schedule that went along with that said that we would reach revenue service in September of 2032.

Commissioner Lee: 2032. Okay. I don't know if I'll be here. But -- all right. Thank you so much.

Anna Harvey: Thank you.

President Brandon: Commissioner Harrington?

Commissioner Harrington: So I was the first chief financial officer for the Transbay Joint Powers Authority [laughter] because nobody else would do it. And it's a great building. And I'm so proud of it. And I just hope, before I die, I see a train come in there. [laughter]

Commissioner Lee: Yeah.

Commissioner Harrington: Good luck.

President Brandon: Commissioner Gilman?

Commissioner Gilman: I have no questions.

President Brandon: I have no questions either. So we look forward to seeing you when you come back. Thank you, Jamie. Jenica, next item, please.

9. MARITIME

- A. Informational update to the Port Commission on staff's efforts and paths to support State of California Assembly Bill 525 to develop a strategic plan for offshore wind energy deployment off the California coast in federal waters.

Michael Martin: Good afternoon, commissioners. Mike Martin, assistant Port director. I wanted to make just a few framing comments before Mr. Coleman gives the rest of the presentation today. So in 2021, the state legislature and the governor set the state on a path to deploy up to 25 gigawatts of floating offshore-wind energy generation by 2045.

The important word in that phrase is floating. So right now, there is offshore-wind energy being generated all around the world and very much so on the East Coast and in Europe. The vast majority of that is fixed-bottom assets so things that are actually anchored to the seafloor. And the power connection to bring the power back to the shore comes from that anchor point.

What we're hoping to do in California is access areas offshore where there is a consistent wind resource that is in very deep water. So basically, the technical answers to the challenges of fixed bottom kind of have to be amended and revised as we look at this new challenge of, how do you build these giant turbines offshore?

How do you anchor them, so they don't float away? And how do you bring the power back to the shore all in a way that doesn't negatively impact the environment and undercut the benefits we're trying to get by cleaning up our energy mix?

So there are a vast array of government agencies and private actors working on these challenges right now. And we, as the Port, are trying to ascend this learning curve as well. What we found at this early stage is that our location and our southern waterfront maritime facilities are a really good match for what the state needs.

And there aren't enough locations like ours to do all of the work they need to do. So we see this as a great maritime opportunity but one that hasn't quite come into focus yet because of these outstanding questions.

So we wanted to come to you at a stage where we don't have a firm view of where we fit. But we wanted to update you on what we've learned as a first step in an ongoing effort to inform you as we see what opportunities are there and how we can capitalize and contribute to this really important thing the state is trying to do.

So we are going to get a lot of information today. We welcome your questions and direction from here. And we plan to be back before you as we try to answer those questions going forward. So I just wanted to give that as a little framing.

We may not have all the answers today. And it's sort of an awkward position for us to be in because we don't have that project to pitch yet. But we think, by building this relationship and this dialogue with you and the public, we'll hopefully be in a better space to move quickly when the time comes. So with that, I'll hand it off to Mr. Coleman.

President Brandon: Thank you.

Andre Coleman: Good afternoon, President Brandon, commissioners. Welcome, Commissioner Harrington. My name is Andre Coleman, deputy director of maritime here to apprise you of staff's initial efforts as it relates to offshore wind, specifically California Assembly Bill 525, which includes the development of a strategic plan for offshore wind along our California coast.

So what is offshore-wind energy? You heard some opening remarks from Mike Martin. But offshore-wind power is the generation of electricity through wind farms in bodies of water, usually at sea. There are higher wind speeds offshore than on land. So offshore farms generate more electricity per amount of capacity installed.

They are a proven source of clean energy. And there are several offshore-wind projects in development on the East Coast. And offshore [at least] touch on California's goal for deploying this technology.

At the federal level, you have the Bureau of Ocean Energy Management, or commonly referred to as BOEM. BOEM promotes energy independence, environmental protection and economic development by managing offshore energy resources. And they are the lead federal agency for offshore-wind development.

Planning for offshore-wind energy development began taking shape as early as 2009 when the Department of the Interior developed regulations for renewable energy development. BOEM's authority extends from three nautical miles offshore ending at 200 nautical miles offshore.

Since 2013, BOEM has conducted nine competitive lease sales in the United States for call areas. And as of June of 2021, there were 42 megawatts of installed offshore-wind operating capacity in the United States.

On the West Coast, BOEM has designated two call areas on the California coast in federal waters, to the north off of Humboldt Bay and in the south off of Morro Bay.

At the state level, Assembly Bill 525 initiated in September of 2021 by Governor Newsom was signed into law and took effect on January 1 of 2022. AB525, which was sponsored by Former Assemblymember David Chiu requires the California Energy Commission, in coordination with federal, state and local energy development -- excuse me -- federal, state and local agencies and a wide variety of stakeholders, to develop a strategic plan for offshore-wind energy development off the California coast in federal waters.

The CEC, or the California Energy Commission, must submit the strategic plan to the California Natural Resources Agency and the legislature no later than June 30th of 2023.

What's encompassed in that, the CEC's offshore-wind strategic plan, is the plan is required to: address and assess sufficient sea space to meet California's ambitious offshore-wind goals; address economic and workforce development; include a plan to improve waterfront facilities that can support a range of floating offshore-wind energy development activities; transmission planning.

And it's required to provide informational and potential impacts on coastal resources, fisheries, Native American indigenous people's lands and national defense as well as strategies for addressing those impacts.

As far as the West Coast offshore-wind call areas, in December of 2022, BOEM held their first California lease sale for areas, which are referenced off of the Humboldt Bay and off of Morro Bay. The auction allowed qualified offshore-wind developers to bid on these lease areas.

And it resulted in winning bids for five companies totaling just over \$750 million. The lease areas have the potential to produce 4.6 gigawatts of offshore-wind energy. On the right, there is a map identifying those lease areas. And again, that's to the north off of Humboldt Bay and to the south, Morro Bay.

For one of the near-term projects, we have the California demonstration project, more commonly referred to as CADEMO. It is a joint venture between two developers. And it will kick start the offshore-wind industry on the U.S. West Coast

with the deployment of four wind turbines in state water well ahead of a much larger, multi-gigawatt deployment in federal waters.

These projects will be situated off of the Santa Barbara County coast just west of the Vandenberg Space Force Base in California. And again, it will include four wind turbines with approximately 60 megawatts including in the demonstration project.

Port staff has met with CADEMO to emphasize the alignment of their project with the Port's mission and portfolio objectives as well as the Port's ability to support their development. Based on these initial discussions or early discussions with CADEMO, CADEMO has included the Port as a potential location for fabrication of floating wind turbine foundations.

So those are the foundational structures that will then have the tentacles or anchors to the seabed. And the Port has been included in the notice of preparation for environmental impact report for this project.

So as far as the Port's positioning in all of this -- sorry. This is a duplicate. The advantages of our Port acreage and our facilities of Pier 96 -- so in our early discussions, the Port -- we are limited -- or the Port of San Francisco -- we are limited or restricted from full assembly, giving our air-draft restrictions, the Golden Gate Bridge and the Bay Bridge.

But our advantages includes our acreage. So we have: at Pier 96, 25 acres of available wharf space; our backlands, which has a minimum of 12 acres of backland space. And then, of course, we have our deep-water berths at Piers 96 and the adjacent piers.

Based on information shared by potential developers, BOEM, CEC staffers, the Port of San Francisco is well situated to compete for a key role in the development of offshore-wind industry based on several key attributes that I just mentioned.

To add to some of the attributes that I mentioned, I'd also like to just note that we have the synergies of our Eco-Industrial complex with the concrete batch plants being within close proximity of these ideal locations to support manufacturing of these concrete bases.

We also have skilled workforce availability so whether it's with the Bay metal trades union and other local unions to support this effort. And our proximity to the call areas -- we're the midpoint along the coast so our proximity to the northern call and also to the southern call area.

As far as additional support piers, we have also identified Pier 80 as an additional support pier to complement the core operation. That cargo terminal can handle other components that can be imported by way of cargo vessels or other vessels to the site.

And then, we've also identified the Pier 68, the former shipyard, which will have the ability to support administrative offices, component fabrication possibly and also wet storage. When the bases or foundations of these structures are manufactured, they're then deployed to a semi-submersible harbor craft.

And there will be wet storage required until such time those components are moved to the next stage for complete assembly of offshore-wind turbines.

Some of our next steps include -- well, I should take a step back real quick. As noted in Mike's opening remarks, again this is just kind of an introduction to our engagements thus far. We've been working closely, Port maritime, legislative affairs team and with our engineering team as well and also consultants to prepare a basis of design for improvements to our pier infrastructure.

As Mike noted, we have yet to identify exactly what the -- or what those exact uses are for our piers. So we're kind of dealing with a blank canvas here. Again, we have the acreage. We have the water. We have the workforce.

We'll continue, again, with the Port's maritime team, legislative affairs team and our engineering team as well as our on-call consultants to engage with a wide range of offshore-wind stakeholders.

And with the feedback today from the Port Commission, staff will continue down our path described herein. And as we mentioned earlier, we'll return to you with our progress on offshore-wind endeavors for the California coast. And with that, I will pause and open it up for any questions. Thank you.

No Public Comment on Item 9A.

Commissioners' Discussion on Item 9A:

Commissioner Harrington: Thank you, Madam Chair. This is an exciting project. I hope we get a big chunk of it. I don't know enough about the different properties you talked about. But are they all vacant? Or are we -- given the uncertainty, do we have to do something where we're letting other opportunities lapse because we're holding off for this? What's that discussion?

Andre Coleman: Thank you for the question. So there are -- in the Pier 92 through 96 complex, there are a lot of water-adjacent piers that are currently on short-term leases or do have options to where we can relocate certain tenants at

other locations within the Port so that we can prioritize these locations for offshore-wind opportunities.

There are some vacant areas within the Port as well. The Pier 80 facility -- currently, we have a terminal management agreement in place. But it's a 70-acre facility and does allow for some additional throughput through that facility.

And then, as I noted with the Pier 68 shipyard -- ceased traditional ship-repair operations in 2017. So there are some opportunities there for some light maritime industrial use and activations at the site.

Commissioner Harrington: Thank you.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Andre, thank you so much. This is so exciting. I think, besides the economic opportunity and the opportunity to be part of this new green economy that's going to happen and the environmental impacts, I think just also to really ramp up and reemphasize -- and this actually goes to a public comment that we had at the beginning of our meeting -- our maritime use and the public trust.

To me, this is the exact kind of project that, when the Burton Act was passed and with our State Lands and BCDC, like the perfect project for the Port. So it is so exciting to see that we can get back to a manufacturing base that then is loaded on ships.

And I love this little graphic here -- that can both create jobs, contribute to a better economy for California and the bay and lead back to a maritime use and maritime jobs on our waterfront. So I am very excited about the prospect for this and look forward to future updates. Thank you.

Andre Coleman: Thank you for your comments.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Yeah. I agree with Commissioner Gilman. Do you have to build any new structures requirement for this type of use, you think? I mean, will you have to invest in -- other than just the shed? But do we have to build some facilities for this project?

Andre Coleman: I think we're still in the early stages. We haven't yet identified what exact uses the Port -- or what exact role the Port of San Francisco will play in assembly. I think the one thing that we've learned thus far is that not one port can accommodate everything to get to full assembly so have yet to be identified exactly what components other than -- you know, I lightly touched on the manufacturing piece.

So I assume that will, depending on if we go down a road with developers that may require some improvements as far as, of course, our foundations at some of our piers and may require some superstructure construction as well at some locations in our southern waterfront.

Commissioner Lee: Yeah. I would think they're pretty heavy, you know, these poles, right?

Andre Coleman: They are very heavy.

Commissioner Lee: Okay. I mean, it's quite interesting. It's good -- you know, since we lost the repair business, it's kind of moving to the future. Too bad we couldn't build rocket ships there, you know, barges for rocket retrievals. But I look forward to it.

Andre Coleman: Thank you for your comments.

President Brandon: Thank you. Andre, thanks for the report. This is a very exciting opportunity for the Port. And it would definitely be a great investment to some of our piers and create long-term jobs. So I'm glad that you guys are really focused on going after these various opportunities to bring to the Port of San Francisco. Do you foresee any risk or negative impacts with this type of use?

Andre Coleman: Landside or waterside?

President Brandon: Either.

Andre Coleman: At this time, you know, I think that's still up for discussion. And as I mentioned in the CEC's report that is forthcoming in June, we hope that that report, as they are required to lay that all out, will inform us of what those potential risks are, both landside and waterside and will also include some mitigation measures to address those issues.

But you know, we will stay engaged with our community partners as things develop. I believe I'm presenting before the SAC tomorrow night to get some initial feedback from the community. So we'll continue to stay engaged and address any concerns as they arise.

President Brandon: Thank you. That was going to be my next question, if you had gone to the SAC yet. Thank you. This is an exciting opportunity. I hope there is not too much of a negative impact. And I hope that it's something that we can capitalize on. So thank you for the presentation.

Andre Coleman: Thank you, President Brandon.

10. PLANNING & ENVIRONMENT

- A. Informational report on the stakeholder engagement process and next steps with respect to the unsolicited proposal from Fisherman's Wharf Revitalized for the leasing and phased development of portions of SWL 300/301 and Pier 45 sheds A and C in Fisherman's Wharf.

Dan Hodapp: Good afternoon, commissioners. Dan Hodapp with the Port's planning and environment division. Good afternoon, Chair -- President Brandon. Excuse me. Get all my terminology straight. Excuse me.

I'm here today to tell you about a proposal at Fisherman's Wharf, which you're familiar with. It was brought to you in February. And since then, we've gone through and have gone through part of the process as required by the waterfront plan for this proposal for an exclusive negotiating agreement. Next slide, please. Or do I do that? I do that. Excuse me.

What we're going to do today is review the process that's been done to date, go through a summary of some of the key community points were raised during the community process. And then, Rebecca Benassini, our deputy director of real estate and development, is going to tell you about the next steps and the process that goes before the Board of Supervisors should you direct the project to go forward in that direction.

The waterfront plan outlines policies for an unsolicited proposal. Included within that is outreach conducted prior to submittal to the Board of Supervisors for consideration. And we're going to go through how that was done right here.

The Port process is for the developer to provide a written submittal that describes the proposal. And you saw that at your February meeting. It's linked to the staff report here today. Convene Port advisory committee meetings or meeting and th -
- in this case, it was three meetings to maximize public outreach, two that were hybrid meetings, in person and an online option and a third one that was on the virtual meeting online at all -- and conduct a Port Commission informational meeting for review, which is what we're doing here this afternoon.

The developer team is here. And Rebecca Benassini will introduce Lou Giraud to introduce Seth Hamalian and Chris McGarry and talk a little bit about the project as well. Of course, it does include the triangle parking lot in the center of Fisherman's Wharf and Pier 45, the Sheds A and C area.

Sheds B and D on the left -- A and C are on the right, if you look out at the pier. B and D on the left are where fishing-industry operations are concentrated at this point. Triangle parking lot is between Powell and Mason Streets to the north of Jefferson Street. It is a parking lot, as described now. And the parking lot also continues over to Taylor Street at this time.

The project does align with four very important strategic plan goals: productivity, to attract and retain tenants to build an economically successful and vibrant waterfront; resilience, project plans to reduce seismic and climate-change risks to protect the waterfront; evolution, evolve the waterfront to respond to changing public and Port needs; and engagement, engage the constituents and the public on Port functions and activities.

It also aligns with a number of waterfront plan goals, as it continues the maritime function of the Port with the fishing industry. It aligns with all of them. Some of the ones that just come to mind are it contributes to a financially strong Port, the maritime Port, the resilient Port and making some improvements to Pier 45 are part of the proposal. And I think partnering for success really jumps out too.

The belief right now is that it would align with all of the goals here. Sub-area goals as well -- the -- first of all, protect and maintain Fisherman's Wharf as a working fishing port, be a mix of maritime and water-dependent activities at Fisherman's Wharf, enhance the public-access experience, maintain the wharf's diverse mix of public, commercial and maritime and recreation uses, work closely with Fisherman's Wharf restaurants and businesses to coordinate investments.

And a lot of that work has been done by the team. And they will explain a little more of that -- and manage transportation flow to and through the wharf to maintain viable industrial loading access for the fishing industry and commercial businesses -- so the sub-area goals [dealing with].

To go through the summary of some of the key comments that came forth here, first and foremost, it's number one for a reason. The fishing industry must be prioritized. We heard this loud and clear. The development team heard this loud and clear and are taking this into account. And they can address how they're doing so.

The visitor attraction of the wharf is the ability to observe the activity of the fishing industry. People like to see what's going on. They come down. They wander in all sorts of places that you wouldn't think are quite comfortable in order to do that.

Sheds A and C are used for fishing gear storage, staging and parking to support the fishing industry. It said that there's not sufficient space for the industry's storage needs today. This was repeated multiple times in the public process.

The fishing industry could benefit from cold-storage space on Pier 45. Concerns about impacts that the proposed use of Pier 45 may have on the valley -- the valley is the circulation space between Sheds A and C on the east side and B and D on the west where all the truck activity -- all the access occurs so concerns that that's already a congested space.

And the proposal is staying out of the valley. But they can explain more of that as we go forward. Regarding the triangle lot, concern that development on the triangle lot would turn its back on Jefferson Street businesses' activity by diverting customers over to the north -- to the Embarcadero to the north.

It was a concern expressed. And these are concerns that the team plans to address: observation that the Embarcadero is at times needed for vehicle access to fishing-industry uses on Pier 45; a question about does the proposed short-term residential use violate the 1990 Prop H banning hotels within 100 feet of the waterfront. So that'll be addressed in the process.

And the overall reception for triangle lot uses was very positive, public space on the western portion of it, the retail and short-term residential on the east side of it. And I won't go into more details of the uses at this time but leave that for the others behind me.

Some general comments that were received -- is it appropriate to consider new development when there are so many vacancies at the wharf? Should the sponsors look at the vacant properties on Taylor and Jefferson Street for the uses proposed on Pier 45? I won't go into explanations on these. I'm not going to answer them.

Important not to lose the industrial character of the wharf -- would the area benefit from an area-wide plan? Consider activities and uses that focus on the inner lagoon where the historic boats are located. People are very interested in these.

Open space attracts uses that are problematic -- of course, very familiar with the illegal-vendor problem that plagues a lot of the northern waterfront -- and excitement about the potential for new investment in Fisherman's Wharf. With that, I'm going to turn it over to Rebecca Benassini to cover the next steps in the process.

Rebecca Benassini: Thank you so much, Dan. Hello, commissioners. This is the first time we're going through this process. As you know under the waterfront plan, we sought public input. We're now going to hear from you all. And then, we will go forward and kind of preserve the board's role in terms of their ability to approve or not approve a sole-source proposal.

I know it's a little bit of a difficult process. Dan provided a lot of comments that we received from the public. You probably have a lot of questions about the project. How much does it cost? Is it feasible? What does staff think about it?

We're being really clear that, at this stage in the process, we haven't asked for anything like that because we are not negotiating with this entity. We're just going through the process in terms of this unsolicited proposal.

So I know that, when you hear a lot of comments that we were just discussing like, "Why don't we do something about this or that?" we're taking all those comments in. The developers are taking those comments in.

And many of the back-and-forth moments we had with the community members I think we were extremely fruitful in them understanding how we're addressing other elements of Fisherman's Wharf while we're also talking about this particular proposal that came to us.

So the other item -- if the Board of Supervisors does choose to grant that sole-source negotiation, then we would initiate a sort of typical ENA negotiation. We have many models in terms of that document. And we'd come forward to you to approve the ENA or consider the ENA and help us determine whether or not the milestones that we put forward are in alignment with what you want to see.

The ENAs would provide a meaningful set of requirements with regard to public outreach ongoing throughout the negotiation. So I want to really stress that. And this next slide stresses it even further that where we are at this stage is one group that has come forward with a ton of experience and great ideas and thinking.

And they've put forward a proposal. And then, there is this process going forward. The slides here show a development process that we show in front of a lot of our projects. And the sponsors typically don't like it because it's so long.

But it's a range, three to five to even seven years as we go through the negotiations. And there are multiple opportunities for continuous public comment. One of the key milestones, of course, after the E -- or during the ENA process, we're looking at the financial terms.

We're looking at all of the community benefits and community aspects. And that's sort of a relatively lengthy period of time. And then, you begin -- if those are approved, then you're beginning sort of environmental review and more feasibility testing and then the transaction documents themselves can be multiple years to negotiate and refine through the public process.

I want to take a moment now to introduce the development team. Then, I want to come back and kind of sum up what we're asking of you all today. So we're really happy that Lou Giraudo, Seth Hamalian and Chris McGarry joined us. I want to invite any or all of them to say a couple words about their vision and what they've heard so far from the public if they wish to give any summation.

I know Dan did a great job of going through the details. And then, I'll come back and just sum up for you.

Lou Giraudo: Good evening, commissioners. I can dance. It's just a little tough with the -- the aging process sometimes takes its toll. My name is Lou Giraudo. I'm 77 years of age. I'm a native San Franciscan. I live in San Francisco. I'll never

leave San Francisco even in a six-foot box. They're going to bury me in my backyard.

Nevertheless, I love San Francisco. Everything that my family has, which we think is substantial by virtue of being a working-class family, coming here as immigrants to San Francisco, we owe to San Francisco. We owe it to the wonderful people of San Francisco.

We owe it to the attitudinal disposition of San Francisco that says, let's help each other make it through our lives. We're still doing that today. People criticize us for it. People praise us for it. No matter what they do, it is happening.

We, Seth, myself and Chris and others -- Dante Serafini was here today -- Tom Creedon with Scoma's and Paul Capurro from Capurro's and others, have been looking at the wharf for quite some time. And we've been worried.

We think we're in a state of crisis. And then, with COVID, we realized we were in a state of crisis. And we thought something needed to be done. So we have a dream. And we decided that we'd try to convert the dream into a vision and then hopefully into a plan, negotiate a lease with the city and provide Fisherman's Wharf with a renaissance, a revitalization so that the thousands of jobs and the hundreds of people like the gentlemen who are here today will still have their businesses.

And there will be new small businesses. We want to create a new legacy as well as maintain the legacy that exists today. So we come here not to convince you that we have some magic. What we are here to tell you is that we're grassroots. And we want to make our Fisherman's Wharf, your Fisherman's Wharf a better place for everybody in San Francisco, a better place for the general region because we do get a lot of local business meeting in the Bay Area and for tourists.

And I never realized how important the tourists were. And I used to think some of these snobs would say, "Not Fisherman's Wharf. Only tourists go there." Well, guess what? They're very important to us, very important to us and to the City of San Francisco. And we need to make Fisherman's Wharf a better place.

Yes. There are still a lot of people coming to Fisherman's Wharf on the weekends, the weekdays not so. We'll see now this summer. It is getting better. But it'll never go back to what it was. We're probably short some four to five million people here visiting the Fisherman's Wharf area.

We think what we have planned or what we envision will bring them back and provide new forms of entertainment and provide the opportunity to enjoy the fishing industry the way it was many years ago. So that's what I have to offer in terms of who we are. If you have any questions of me, I'm happy to answer them. And if you don't, I'm happy not to answer them. [laughter]

President Brandon: Thank you, Lou. Does Seth or Chris want to speak?

Rebecca Benassini: They gave me the job of following Mr. Giraudo. So I always appreciate that. So I wanted to just close by making clear that we'll be recording comments that you all make. We'll be continuing to record comments we hear from the public -- any members of the public who wish to speak.

And as we're preparing for our Board of Supervisors hearing, certainly they'll want to hear what our commissioners thought, what members of the public thought. So we'll be recording those. And I'll do my best to kind of summarize at the end if that's appropriate since this is an informational hearing kind of consistent with what the waterfront plan anticipated for this process.

We aren't asking you to take action. But I do want to make sure I'm reflecting what I'm hearing well to make sure that either David or I or Dan, whoever gets to present this to the board, does a great job of summarizing. Thank you so much.

President Brandon: Thank you, Rebecca and Dan, for the presentation. Is there any public comment on this item? Come on up.

Public Comment on Item 10A:

Paul Capurro: Commissioners, Elaine Forbes, my name is Paul Capurro. I represent Capurro's Restaurant, which is on the far west side of the wharf. So I'm part of the group from the historic part of Fisherman's Wharf, which will now -- and hopefully this plan moves forward -- will be really the last two blocks of the hunk of the old wharf, which we intend desperately to preserve and to keep going.

I'm kind of disappointed to see of our pieces left this afternoon. But Pompei's and Lou's. But we are committed to keep ourselves going. I have Tom Creedon behind me over here from Scoma's Restaurant. We have Scoma's. We have -- this is a tremendous opportunity, a tremendous opportunity.

We are hurting. My family started -- I'm part of the Alioto family. We started in 1915 on the wharf. I'm fourth generation working. My son and daughter work, the fifth generation. We're in desperate times down there right now.

It is really, really difficult. I've never seen it like this in my life. There are so many factors involved, you know, the street people, the vendors, the illegal alcohol, illegal food. It's almost lawless down there right now. I probably shouldn't go off on another tangent, which I could.

But we really feel -- and I've spoken to every single tenant that's still down on the old side. And even though we are down there and comments are being made that, "You know, they're going to do it all for themselves. And they're going to try and create a really great business for themselves," but it's always been that way.

The main row, Alioto's and Grotto 9 has b -- we've known that as murderer's row forever. They've always been the top guys. But the whole wharf has flourished because we had that. And that's what we really need back.

We need the feeling of safety. We need the feeling of something really exciting happen. There's all kinds of things on the plate. But I don't know how long we can hold out. I mean, it's been brutal. I mean, the last couple of years we've bled to death out there other than few of us hardheads that have just tried to keep it going.

So I don't know how we can move this forward. But maybe just the possibility of you guys giving us hope that this is a viable opportunity that, you know, we don't have to wait for city money. We don't have to wait for city people to get in there and do it.

These guys -- you're not going to get a better dream team than what's standing behind us right now from my opinion. So we really ask you to please expedite it as much as you can. Give us something to get back to work. We're looking forward to this summer.

As Lou said, it's picking up a little bit. It's a little better than it's been. But when you go down as far the road as we've been down, [timer beeps] it's pretty hard. Is that the timer? Wow. Nice. Nice. [laughter] Anyway --

President Brandon: You finished just in time.

Paul Capurro: But we do just ask that we just need it to be done. We need hope. The whole city -- we need hope. And we need help on our streets. And we need things cleaned up. And we need people to get aggressive again --

President Brandon: Thank you.

Paul Capurro: -- and help us out.

President Brandon: Thank you.

Paul Capurro: Thank you.

President Brandon: Is there any other public comment? Tom Creedon, did you want to speak?

Tom Creedon: Paul said it all.

Commissioners' Discussion on Item 10A:

Commissioner Gilman: Thank you. Rebecca, I want to do a clarifying question before I just make some comments. And it's also just to remind myself

but also for the public. If we move forward and we do negotiations, we could do all the negotiations, all the community outreach.

We could do it all and still, at the end of the day, not walk away with a deal. It's just opening the possibility for due diligence, for plans, for budgeting. I just want to clarify, if we go into exclusive negotiations, it doesn't mean that we will come through with a project. It means we get to have richer, deeper, more substantive conversations through allowing the sole source.

Rebecca Benassini: Exactly right. Our retail policy requires competition. So we cannot -- we are not allowed to speak to them about their proposal until we get the sole source. So that's exactly right. And then, we get to start to talk about things in detail.

Commissioner Gilman: Okay. Thank you.

Rebecca Benassini: Of course.

Commissioner Gilman: So the rest are just some comments I want to make as someone who lives a stone's throw from Fisherman's Wharf up on Lombard and Powell. So I can see it every day. I see what's happening at Little Embarcadero. I walked around and wanted to say I've always felt that we needed a much more strong -- a couple of things to make it a little more stronger, one, bringing back locals to the waterfront.

I've been in my spot now for 20 years. My landlords were born in the building they own now as immigrants from Italy. And they remember going to the wharf as children. And it was a place San Franciscans went. And you bought fish. And it was much more lively for retail.

And I will just say, in the last two decades I've been here, that has been fading away. So I'm a huge proponent of economic vitality back at the wharf. It is hard during the week right now to be down there particularly when the weather has been poor. It's been really vacant.

I've seen tourists trying to navigate it. So I just want to say I feel for everything you gentlemen, your businesses are going through. And I think we absolutely need a revitalization plan. And I need to say [unintelligible] my fellow commissioners. But I'm pretty open actually to the idea of -- with the right constraints of sole sourcing.

So I just want to say for the record that's not a non-starter for me as a commissioner. I think, if we have the right community process, the right framework of our strategic plan and our equity goals, I actually think it's exciting to entertain people who are industrious and who want to come forward, particularly a group of people who have such a historic place at the waterfront.

And then, I'd say the only things -- I know we can't discuss the proposal. I'd be curious to explore more how -- if we get to this point from an architectural perspective, it's light and brings people. And it doesn't close off Jefferson Street with a wall of new construction or new buildings.

And I have a lot of questions. The one thing that sort of stood out to me the most is I have a lot of questions about the short-term rentals and how that would work particularly with Prop H, which was mentioned by the public, but also with the new restrictions put in place around short-term rentals.

That's one piece that gives me pause. So I would want to understand how that economics makes the whole plan work, which I know we cannot discuss until the Board of Supervisors authorize a sole source and right for us to negotiate. But I'm loving the fishing and the education.

And I'd be very excited to be in conversation with you. And those are my comments as a commission and someone who lives nearby the site.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, I feel the people down there because we go through this every day in Chinatown. I mean, we have more empty storefronts than you have. But we kind of all stuck together as a community. And like you say, we're all trying to hold on.

I was just in Washington last month. And I was talking to the U.S. Chamber. They're giving us all the statistics about recovery. And I just asked them. Just give me the simple answer. When are we going to be out of this? And they said it'd be 2025, you know.

So we have to hang in there and work together. And I'm hoping that, you know -- now, this is a surface revitalization. Right. I mean, are we -- do we have to invest in some of the structures down below? We're going to be ha -- that's going to be part of the challenge too. Correct?

Rebecca Benassini: Correct. Definitely to be evaluated. So nothing in the proposal states this is what we're going to do with the pier pilings or anything like that at this point. That's something that we would work on for sure and resilience as one of the key benefits we would want under our strategic plan and our waterfront plan goals. So [we would be] --

Commissioner Lee: And the proposal kind of follows a line -- so Alioto's and Castagnola's -- they're not part of that? It's kind of going --

Rebecca Benassini: Correct.

Commissioner Lee: -- this way. Right?

Rebecca Benassini: Correct. Yeah. Exactly.

Commissioner Lee: So we still have to work with them and try to get them relaunched and back on its feet too.

Rebecca Benassini: Correct. So Alioto's is ours. And in our next meeting, we'll be talking about that, about how we're looking into what we can do with that building and some of our other properties that you all discussed earlier on your consent agenda.

And Castagnola's still has a tenant there. And we've been working with that entity as well as her partner operations person and her attorney to try to urge reopening while she holds that property.

Commissioner Lee: Okay. Well, I'm not giving up on Fisherman's Wharf. And you know, I know we lost two today, two tenants, you know. But there's a good possibility somebody will fill it with new energy. And I'm pretty supportive of that. So don't give up yet.

But as far as I'm on this commission and the reason why I volunteer to be on this commission is to help people like you and your group because I know how it feels to invest all that time and energy. And then, suddenly, the economy and no tourists, you know, that are beyond our control, and we end up losing it.

So don't give up. I support this. I think there's more to discuss obviously. And I'm sure the supervisors will see it the same way. I think there's a lot more to discuss.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: So obviously, Fisherman's Wharf is incredibly important. I feel for what's going on right now. I would love to go forward as fast as possible to make some things work. This proposal sounds really exciting. Mr. Giraudo is kind of Mr. San Francisco. And if he's part of something, there's a very high trust factor there.

I know we're not supposed to talk about the project. So let's talk about the process. It was odd to me that the first step when you get an unsolicited proposal was to go and talk to stakeholders as opposed to talk about whether you want to go forward with the sole source because that's the normal thing I would think.

As you mentioned, it's three to five to seven years. The lease will be something that all of us in this room will be dead before -- when this project is up and running still hopefully. Why -- something will go wrong.

In every major project, something goes wrong. And when something goes wrong, people say they gave it away. They gave it a sole source. There was no

competitive bidding. None of that stuff happened. And a sweetheart deal was given to some local people. And that's why we're in this situation.

Why aren't we doing something like a request for interest, something that would allow us to go to the Board of Supervisors and say, we got the unsolicited bid. We spent a couple of months asking if anybody else was interested in this, so we can come forward to you not with the full competitive bidding process -- I understand that would take a very long time -- but something that says these are the only folks interested in working with us so that you're not just walking into the board and saying, you know, trust the nice people.

That's a hard thing to ask the board. It seems like our process is almost -- we get something. And we assume the board is going to be talking about whether it's appropriate to have a sole source. We should be the ones talking about that.

And I think that should even be before we have stakeholder discussions because we need to know if we're comfortable with doing that. In fact, if we had started some kind of an RFI process two months ago, we would almost be ready to finish it maybe to see if somebody else is out there. So I'm very concerned that we are not doing anything to say, is anybody else interested in this?

Rebecca Benassini: I'm going to start. And I bet Director Forbes or Mike Martin are going to help me out. So first, the waterfront plan is adopted. And this is the process we have set up. So to change that, we would have to amend it. So that's kind of like the fro -- that's not your question though. Your question though is --

Director Forbes: Why?

Rebecca Benassini: -- why did we get here? And one thing I will say is, when we get -- this isn't the f -- many entities will come forward. Like why don't we do this? Have you thought about that for your property? That's empty. Why haven't you thought about this other thing?

And typically, what we do is we have such short -- we have such a small number of staff. We are not going to go after RFIs for any item that comes through the door. It would be just a huge diversion of Josh's very small team.

So we just wouldn't. And we definitely wouldn't, on our own, think about RFI'ing a fish -- a Shed A where we have fish storage, and we have lay-down space behind that are kind of active at this point. So we wouldn't contemplate doing an RFI in anticipation of something like this.

Director Forbes: I can add more context, I think. So during the waterfront land use planning process, there was concern among the committee members about sole-source projects because many of them are coming through the Port. It wasn't unusual actually. It was more typical.

And there were many marquee projects like the Golden State Warriors projects, things that were exciting to the public, maybe exciting to the public trust in some ways because they were marquee.

We have leaned hard on doing solicitation processes, competitive, fair solicitation processes for things like Piers 30/32, which we just discussed. That said, Port properties have unique challenges. And having unique teams with certain vision and capacity and actually, I would say, attachment and vision for a place can be a turnaround for us.

So the folks on the waterfront planning process wanted to develop a process that has us collect enough information, so we can transmit to the board how we feel about the project from the trustee's perspective.

The waterfront planning group thought going to our community advisory groups, collecting information from this Port Commission and then transmitting that to the board, so it can make its sole-source decision, which is only in their authority, that would be the right process in which we could comment and provide information about the trustees' perspective.

Once the Board of Supervisors makes a decision if this group is uniquely qualified and should move forward on the sole-source basis, then we move into our ENA position and start to really work through the various details of the project.

So that was what was on the minds of the group that put together these recommendations. There are 161 of them. Actually, the sole source was one of the things that was hotly disputed by one member didn't ever want a sole source for Port property.

But as we think about projects like Teatro ZinZanni, projects like this that are stakeholders coming together and thinking about how to rehabilitate the property for the uses that they understand and the experiences they have in community can be very important for the Port.

So we're rolling out a new process of our recently adopted plan. We understand it's a little clunky as we work out the details. But that was the thinking. And this is why we're here on this process. And in terms of putting out an RFI, I understand what you're saying.

I think Rebecca's primary comment that we don't have the resources to do it is right. We have a grouping of northern piers we may move to. We're always looking at where is the next site we're going to do an RFP or an RFI on. So that is part of our development planning. So I hope that answer is helpful.

Commissioner Harrington: It wasn't. I mean, it was partially.

Director Forbes: Mm-hmm.

Commissioner Harrington: It seems the way you're talking about this we are kind of staffing the board for the board to make their decision about a sole source as opposed to us as a commission making a decision about whether we think a sole source is right.

So all the processes are to gather information to bring it to the Board of Supervisors. Won't they ask us if we think it's a good idea to have a sole source? Shouldn't we be making that decision? And how do we make that decision when we haven't seen -- when we do sole sources, it's because there's no one else out there. Or there's all kinds of other reasons.

And I read through the reasons for a sole source in the proposal, which was urgency, project and team. I get that. But again, it's a seven-year, three-year-minimum project to get anything done. And it would seem like something this important that you know is going to blow up -- it will blow up in our faces at some point in this process.

Everything this large does -- that you would want to protect yourselves and the Port as much as possible by saying, "We went through the right process. And this was the right team," not, "We heard from great people, and we went forward."

Director Forbes: It could be in the Port [by] charter or by rules only the Board of Supervisors can grant the sole source --

Commissioner Harrington: They make the final decision.

Director Forbes: They make the decision.

Commissioner Harrington: But we recommend to them.

Director Forbes: It is absolutely possible that this commission could take an action. But we've chosen not to take an action because it will be when you enter the ENA that you have enough information to make decisions about the financial structure and other pieces that is not -- we don't have it at this point.

So basically, we're saying here's what we have. Here's what we think. Board, are you going to move forward with authorizing the sole source? So we can get in the details and make decisions as a commission about whether to move forward and under what terms.

Commissioner Harrington: That's not giving the Board of Supervisors information that they would normally get for why they should go forward with the sole source.

Director Forbes: And --

Commissioner Harrington: They go forward with the sole source for certain particular reasons. We're not giving those to them.

Director Forbes: We're giving them what the waterfront land use plan group thought was essential, which is community feedback and commission feedback on the proposal. Before this process was laid out, it wasn't clear that the commission had any role in a sole source for the board.

There was definitely practices we took. In some, we took action to recommend the sole source to the board. So it has been the commission's -- working with the commission, a decision to take no action and just transmit the information. It is in the commission's hand to take an action.

But then again, do you have the information you need? It's a chicken-and-egg process where the board's decision will open us up to the negotiations where we learn more, and you're prepared to take actions to move forward or to ask for more questions.

Commissioner Harrington: That's not a satisfactory process from my point of view.

Rebecca Benassini: I want to add -- if I could add one thing -- we're going to talk about this a lot more, I think, at the next commission meeting because I want to talk about competitive solicitations because we have -- you all have just terminated -- helped us and the other tenant terminate two leases.

That'll go to the Board of Supervisors. We are going to have a lot of vacancies. And we need to start to look at and revamp how we're going to do these solicitations because how we've been doing them in the past is not consistent with the market today.

In the past, we had people banging down our door. We had a fantastic property that had challenges but was in such an incredibly desirable location. We had competition. Where we are today is not that. I think we're going to have a much tougher time. And it's going to be more up to us to say, who wants to come in? Who is willing to take the leap in the face of some sort of economic uncertainty?

And we'll put that forward for sure for businesses that we had in operation several years ago. And we have a vision for what they are. What this proposal is is not something that we would have ever -- we wouldn't have come up with an RFP or an RFI for something like this.

And that's -- in the past, what's come forward -- Teatro is our other sole source. Exploratorium is our other sole source that were successful. Those are sort of established entities similar to the proposers here today who have had experience on the waterfront or had experience putting infrastructure in the city.

Those established entities can get through the process because of what their experience has been in demonstrating they can complete a project. The only other thing I was going to mention is -- competitive solicitations haven't always protected us in the past from things blowing up for sure.

So we've had many difficulties in projects that were competitively bid. And we still would face sort of questions about -- even if they were competitively bid, why did that entity win? So it's not a perfect protection for -- from us in terms of defending what we went through to get to whatever point we are in the process.

Commissioner Harrington: I see that. Nothing is a perfect process to protect you. There will be criticism no matter what happens. What I'm trying to do is limit it at some point anyway.

Rebecca Benassini: Thank you.

President Brandon: Commissioner Harrington, are you okay? Did you get your que --

Commissioner Harrington: I got my questions answered. But I am not okay with going forward with the sole source. So I would hope that you're not going to -- I mean, if you come to the commission and ask us to do a sole-source recommendation to the board, I'm not sure I could vote for it because I have no reason to believe this is a sole source because we haven't asked the question.

President Brandon: So is there -- are you looking for any further response from the staff or --

Commissioner Gilman: Can I ask a -- [crosstalk]

President Brandon: As soon as he's finished.

Commissioner Gilman: Okay. I was going to ask him a question.

President Brandon: Okay. Go ahead, Elaine.

Director Forbes: I don't know if this will be more helpful. But I think, with Port property, there is so much need and there is so much activity happening. And we have done many sole sources that have had challenges or not come to fruition in terms of a tenant.

And I think we are learning through our process to be open to other ways in which groups come in that can be successful. And we do have two sole sources that are very -- well, Teatro is not up -- but Exploratorium, very, very successful project.

We also have sole sources like the America's Cup and the Warriors stadium, which were not successful. Similarly, I could add ones that were solicited. So I

think here we're not making a decision about whether this is a sole source or whether anyone else could do the work.

The way in which the waterfront land use planning group looked at this is they understood that sole sources would come through, great ideas, unique ideas. And they were guiding us to get enough information together, so the board could make a better decision or have more information than they had in the past.

So we would have the opportunity to look at it and comment. There could be a situation where we would get a sole source that the public would say, we don't think this is trust consistent. We don't think this fits. The comments you saw were more about how it would fit.

So I think that there is an understanding that the Port properties are challenging. And we should be open to other ways in which we welcome partners and get into an ENA position. So that's what I would say.

And especially post-COVID, we certainly see this with our vacant properties where we're going to solicitations through a broker and other ways in which to find the tenants rather than solicit out and wait for responses. I hope that's helpful.

Commissioner Lee: Thank you. President, can I follow -- Gail?

President Brandon: Commissioner Gilman?

Commissioner Gilman: Commissioner Harrington, I guess I had -- it's a similar question. I want to make sure I'm not interpreting your comment incorrectly. When I heard what you just said, I think one reason my comfort level is -- to me, I'm interpreting the board and this information that goes to them for the sole source -- and you know, you have worked much more deeply in government than I -- as an opportunity for us to start a conversation through negotiations.

And we could decide three months from now in those nego -- once this goes through that we're like, sorry, this is not working for us. As a commissioner, I could never support a project like this. But my understanding is we are so tied that we can't even have that deep conversation.

Like to me, it's not even that the Board of Supervisors would be saying -- when we use the word sole source, it sounds like a rubber stamp. The deal is off and running. To me, I feel like the Board of Supervisors is giving us the latitude to begin this negotiation, this pull and push, this -- how is your financing going to come together?

What is your public benefits? What's your LBE participation, etcetera, etcetera -- to then decide whether we would, in fact, support it. And we could still, in the middle of that process, if the deal is not working or the deal falls apart, put it to bed and go back and do a solicitation.

I think what I'm sensing since I've been on the commission -- and it's only been five-and-a-half years now -- is, with all of this vacancy and all of these things and deals we've seen like one of the spaces that we are doing direct leasing for, which, since I've been here, we've had a whole RFP process for.

We awarded the grant. And the deal fell apart. And we're back to square one -- that we need to figure out more creative ways just to be having the conversation. So I guess I just wanted to make sure I'm not interpreting your comments wrong because y -- from your comments, I feel like you are interpreting it as, if the board votes, no matter what, our hands are tied. We have to go with this group, with this solicitation, with this process.

Commissioner Harrington: Not exactly. If the board adopts a sole source, we certainly will be focused on working with this group appropriately. And it would take a lot probably to blow it up, just frankly. I mean, if you're walking on the street with people and they're trusting people and it's a great program, you're going to walk down that way.

What you have done is you have selected never to know if something else was out there. You have selected to know -- if something better may have been there, and you never asked the question. And that's the difficulty of a sole source.

Commissioner Gilman: But -- I mean, maybe we can have a larger item on this with -- also with the direct-leasing. I guess I would -- maybe I'm an optimist. I would say we had public comment here today. I was noticed of these meetings. People in my neighborhood was.

And if I was a development group and I was like, "My gawd, we have been working in a back room thinking of this exact space for 10 years," I'd be here at public comment. I would be at the board saying, "Please don't issue the sole source. We're interested too."

And I think maybe the silence -- the deafening of the silence also indicates there may not be someone out there. I'm just g -- as a new commissioner, I'm just giving you my thought process. And I was bold to say that I had a comfort level. That seems different than yours. I think it's great when we have conversation here at the dais. So I just --

President Brandon: Thank you.

Commissioner Gilman: -- wanted to explain.

President Brandon: Thank you.

Commissioner Harrington: Thanks.

President Brandon: Commissioner Lee?

Commissioner Lee: So I get the process part of it. The thing is right now is we, as business people, have to come up with some new ideas to get these things passed. I mean, we have property like the old butterfly space that's been around for I don't know how long.

And I can't understand -- because I used to know the owner of that space that left years ago. And it should be turnkey. But it's still sitting empty because of the process. And I think there's nothing wrong right now to come up with a new strategy, a different approach.

And I think the supervisors know that. But of course, if it's only going to be brought up as a process, it's going to take months. At least they know that the community is behind it. If the community is behind it, they will tend to maybe lean a little bit, you know. Or maybe you should do this.

Or there might be one supervisor that just says exactly like you saying that we don't like sole sourcing. But at least we got it there, you know. We have to be a little bit outside the box. And I think, you know, with all the 550 tenants that we have, the main ones that we're getting leases back are the main draw of Fisherman's Wharf.

We've got to fill those spaces. So that's why I'm kind of looking at how can we do this a little outside the box, still follow the process but not wait a year if we can help it.

Director Forbes: I will make a comment about the wharf. And I was hearing Mr. Capurro and others talk about how -- all the challenges at the wharf. It is clean. We are cleaning it all the time. We are working on the vending challenges.

We're putting a lot of staff effort into a clean and safe wharf, I mean, really, with our crews across the board. But the vacancies and the lack of investment and where it's headed from a public realm is not good. I mean, if we just look at this playing out without something major, we are in a real challenge to say one in four San Franciscans will keep coming.

So getting a group that has generational experience in the wharf, knows the stakeholders, knows the business owners, goes back with -- this is a community that has a lot of history and is also a community that doesn't necessarily come together easily on ideas.

So there is a real value in having someone from the community who is bringing partners together. We do have these activation plans. And we will be trying to lease these buildings. And Port is going to do everything we can to keep the wharf together through this period.

But seeing a generational investment come in with a group, with the financing, with the background, this is an opportunity, as we see it. And we understand it's not the traditional way that we've done things. But we are very much open to such an opportunity. Or at least, I am and my staff feel very open to it.

Commissioner Harrington: One last comment -- I would hope this is a good proposal and it would win whatever process there is.

Director Forbes: Sure.

Commissioner Harrington: You're just not having the process.

Commissioner Lee: Your turn, President. [laughter]

President Brandon: Rebecca --

Commissioner Harrington: Well, [for my] first meeting -- [I'm sorry]. [laughter]

President Brandon: I love it. I love it. [laughter] Rebecca, thank you so much for the presentation. And this has been a great conversation. I understand what you're saying. And I understand how you feel. I am the first one that will say no sole source.

I'm always the one to say, no, we shouldn't do it. This one, I felt comfortable with because of the state of Fisherman's Wharf and all that we need to do to revitalize it and all the investment that we need to make that happen.

And I don't think anyone's going to come to us to say, "Can we have four, five, six parcels?" and invest and really do something. If Lou didn't have a proven track record with the Port and not already made so much investment into Fisherman's Wharf and to other areas, I would step back.

But I think it's only because of the state of Fisherman's Wharf, the condition. And we've lost five, six tenants. And there may be more to come. And if we don't -- if the brokers and everyone else doesn't see some type of investment to bring, you know, retailers back to Fisherman's Wharf, there is no telling what's going to happen out there.

So I agree that there could be a better process. And I agree that there should be more transparency because we do get sole-source requests that we just reject. They don't even come to the commission. We don't get to this point.

So maybe there needs to be a better process in who will be accepted and who won't and how, you know. So like Commissioner Gilman said, I'm comfortable because we may not make it through the ENA process. Once we see the financials, once we see what the real investment is, once we understand the total

concept of the project, we may say, well, no. That's not really benefitting the Port. We don't want to move forward.

So we don't have to move forward even if the board says yes to the sole source. But I encourage you to work with Director Forbes to discuss processes going forward.

Commissioner Harrington: Thank you.

President Brandon: So with that -- is this an action item? It's informational. [laughter] This has been real informational. Thank you. So when you go to -- do you have to come back for an approval? Or are you going straight to the board?

Rebecca Benassini: We do not have to come back. We will go straight to the board. And I have recorded many of your items. And I will rely on Jenica to make sure I've summarized it correctly when we do go to the board.

President Brandon: Okay. So for the outreach, I'm happy that you did extensive outreach. But can I ask you, approximately how many people showed up at each of the sessions?

Rebecca Benassini: A lot, a lot more than showed up here today.

President Brandon: Really. Really.

Rebecca Benassini: Dan will have better numbers.

President Brandon: Good.

Rebecca Benassini: In the room in Fisherman's Wharf, we had dozens of people and several people on the phone. At Pier One when we had the process, I think we had about 25 or 30 people and then many more people on the phone. That phone participation was very good.

And then, we had one hybrid meeting -- I'm sorry -- one all-online meeting at NAC. Dan, do you have any more numbers? But it was very well attended and many, many commenters.

President Brandon: Great. Great. I'm glad that there was such extensive outreach and so much engagement.

Dan Hodapp: Dan Hodapp returning. We probably averaged about 30 people per meeting. And they were excited, emotional, charged with comments about protecting the wharf, its character and also being supportive of some ideas that were going to bring things in.

President Brandon: Great.

Dan Hodapp: So they were some of the most interesting public meetings I've gotten to participate in and facilitate.

President Brandon: Good. Good. Happy to hear that.

Director Forbes: I will say that, from the work we've been doing at the wharf, live crab sales and live salmon sales has been extraordinarily popular. And the concept of highlighting fishing and bringing fishing back and showcasing it and having beautiful public realm and facilities around fishing, we believe that that is very forward vision that people will embrace and very important to the wharf. So I would add that.

President Brandon: And that's why we have to make sure that the fishing industry has to be prioritized throughout this project. And then, we discussed staffing and all that we have going on. So how are we going to staff this?

Rebecca Benassini: We've been discussing that internally. Let's see what the board does. But we have been discussing it. We are shy on development property man -- we are shy on development staff. We have a lot in the hopper.

So we'll be thinking about how to assign this one. We're backfilling still David Beaupre's position since he's been promoted to be our planning director. So there's a vacancy there for 30/32 and 38/40. So we are scrambling inside.

I'm not going to paint a different picture. But we will be working on what to do. And we may lean on consultant support for part of the work, which we typically do for the financials, etcetera. But we need to bring in people. And next commission item, we'll be talking about Rebecca Benassini and her plans. But that's a whole other matter.

President Brandon: Right. Right. Right.

Commissioner Lee: [Boo]. [laughter]

President Brandon: Okay. So you're going to go to the board. They're going to say yea or nay. And before you start the ENA process, I would like for you guys to come back to us and let us know their comments, their thoughts before moving into the ENA discussions.

Director Forbes: Absolutely.

President Brandon: Okay.

Director Forbes: Absolutely. Yes. Absolutely.

President Brandon: Great. Any other comments? Commissioner?

Commissioner Gilman: Sorry. I just wanted to -- so Dan, on the community outreach, I just want to know, as someone who was aware of all three sessions, there -- thank you for listening to us, the in-reach to both North Beach and Chinatown.

I heard from folks in the business associations. They were aware even if they didn't participate because I don't believe -- I'm not sure if the Chinese Chamber did. But I know folks were aware. So thank you for hearing us on that to make sure the adjacent neighborhoods, not just the businesses at the wharf, which doesn't have a dearth of residential, but all the neighborhoods surrounding it were able to give input. So I just wanted to acknowledge that you heard the commission.

President Brandon: Any other comments? Thank you, Dan and Rebecca. Jenica, next item, please.

11. NEW BUSINESS

Director Forbes: I've recorded that we'll return with an informational session after the selection of the operator for 344 to see their plans. And then, we will come back after the ENA pro -- after the sole-source process with the Board of Supervisors before we work on the ENA. Is there any other new business?

President Brandon: Is there any other new business?

Commissioner Gilman: I had one -- it could be on the back burner because we have so much work we're doing. And I know we have staffing shortages and a small and mighty team. But a reflection on today's agenda is I'm wondering, is there a way to look at delegated authority for the director both on the gross of a million but also the interdepartmental MOUs and things with other city departments where we're just sort of doing business or working as-is?

I just -- just a question whether, as a commission, that's really a place for us to weigh in on. Or is that something we want to delegate? I don't know the answer. But it was just a thought I had looking at today's agenda.

President Brandon: I think it depends on the item.

Director Forbes: It does absolutely. But delegation is also a commission policy. So some, we've updated. Some, we keep consistent with the city. And some have sat in old delegation. So it's a good question. And we can certainly look at it and bring it to the commission. The one that comes to mind to me is always traffic changes like to the meters or to the pricing.

And that hits our harbor code. But anyhow, it's a very good question. And we will look at it as a B-level effort in terms of priority. But thank you for the question.

President Brandon: Any other new business? Okay. Next item, please. Can I have a motion to adjourn the meeting?

12. ADJOURNMENT

ACTION: Commissioner Gilman moved to adjourn the meeting. All commissioners were in favor.

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