



SAN FRANCISCO PORT COMMISSION

**MAY 9, 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 MAY 9, 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, Willie Adams, Gail Gilman, Ed Harrington, and Steven Lee.

Commissioner Gilman left early at 5:55 p.m.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – April 25, 2023

ACTION: Commissioner Gilman moved approval of the minutes. Vice President Adams 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))

No Public Comment on Items Not Listed on the Agenda

6. EXECUTIVE

A. Executive Director's Report

- **Economic Recovery**
- **Equity**
- **Key Project Updates**

Director Forbes: Good afternoon, President Brandon, Vice President Adams, members of the commission, Port staff, members of the public. I am Elaine Forbes, the executive director. First, I want to recognize and wish everyone happy Asian American, Native Hawaiian and Pacific Islander Heritage Month.

This month, the Port will proudly celebrate the rich cultural heritage of the AAPI communities, achievements and remarkable contributions to our city, nation and beyond.

To economic recovery, first, I would like to discuss the Fisherman's Wharf sole source and give you an update from the informational item we had April 25th. This was really an exciting opportunity for us to try the process in the waterfront land use plan that was approved through our EIR for sole source.

And we know that sole source is really different for us than when we solicit through an RFI or an RFP for development opportunities because, when we solicit, we have a plan. We work with the community. We worked with you to really define our criteria.

With a sole source, someone comes in and has a plan we didn't have yet. And it's an opportunity to see that -- whether or not we should explore it further with them. So we tried our process. And we actually thought it was excellent. It really infused transparency and public review early in the process.

It was very well designed. We have the benefit of testing this sole-source process out. And we received solid cross-sectional feedback in terms of what the Port staff would need to negotiate in the project agreement to ensure a successful investment and a more vibrant Fisherman's Wharf.

We really heard about fishing and the history and the fabric of the community from the public-outreach process. And it was very successful test. And we received early feedback and lots of transparency.

Following the April 25th hearing, we had several conversations internally and with other policy makers and stakeholders about whether the proposal is a unique opportunity for which a waiver of competitive bidding is appropriate.

In the circumstance, we concluded that we do need to do more outreach to understand if there are other interested parties because this Port Commission and the Board of Supervisors will need that information to consider the sole-source-waiver request.

How it will work -- the Port's COO, Assistant Port Director Michael Martin, is preparing to issue a request for interest from parties who may be interested in developing some or all of the properties identified in the Fisherman's Wharf revitalized proposal to learn more about that interest, what it may be and whether the other proposals could potentially provide a level of Port and public benefit that would justify a further competitive process.

We're not sure we would recommend this process in the future. But in this instance, we think it is important and helpful to gather that outreach information. The RFI will be open for 30 days after issuance. We'll bring the results back to you in July.

And we look forward to this really important public dialogue. We have a huge opportunity in Fisherman's Wharf. And the sole source is something to engage in. In the meantime, we will continue to develop strategies to bring needed now improvements and revitalization to the wharf.

And you're going to hear about that in item A on today's commission agenda. Now, I turn to the southern waterfront -- thousands of people came to the waterfront this last weekend for SailGP. This is an international sailing race. It showcases our beautiful waterfront and the home bases at Pier 80.

Along with an estimated 15,000 people who watched the championship races from the race village, Crissy Field, Marina Green and out on the bay, SailGP also attracted nearly 1,000 people a day to our Pier 80 camp facility.

This year, 10 international teams welcomed local school children from District 10 and around the city in a program called Inspire. The kids learned sailing fundamentals, wind and hydrodynamics and environmental stewardship.

Australia did win again. And I understand it's the third year in a row. But Team USA and SailGP look forward to returning to San Francisco in 2024 for another exciting event.

To Pier 70 and the Dogpatch, it's really thrilling to see what's happening in Building 12 as it springs to life and attracts new local businesses. Our vision has

always been to create a new waterfront neighborhood that really embodies a sense of belonging for all San Franciscans to enjoy.

And this vision is starting to bloom. Brookfield and a team of brokers and marketing specialists have been hard at work on Building 12. This is a really beautifully rehabilitated historic building on the ground floor with public places for retail shops and studios for local artisans and makers.

We'll be excited to welcome the new businesses over the course of six to 18 months. Next week is small business week. And it's a really important opportunity for us to uplift and celebrate all of our small businesses that are our tenants.

And many of them have struggled long and hard on the road to recovery post COVID. In San Francisco, over 95 percent of businesses are small businesses employing nearly one million people in the Bay Area. So let's celebrate our tenants from Fisherman's Wharf to the southern waterfront.

Turning to equity, we are also a more inclusive waterfront by our intentional efforts to plan events that center on BIPOC communities. For the past two years, we've been the proud sponsor of Juneteenth on the Waterfront.

This event brings black-owned businesses primarily from District 10 into the Ferry Market Plaza and has been an incredible celebration of Juneteenth. We are very proud to partner with our Human Rights Commission in the Dream Keepers Initiative. And we keep expanding the celebration.

This year, in addition to being the third year, we'll have an inaugural Juneteenth parade down Market Street. And Mayor London Breed will lead this parade. These events should bring many more people, even larger crowds and a really great opportunity on the Juneteenth holiday.

Please mark your calendars for Saturday, June 10th. The parade will begin in Civic Center Plaza at 11:00 a.m. And the Juneteenth at the Waterfront event is scheduled from 9:00 to 2:00. I hope to see many of you there.

Turning to resilience, I had a great opportunity to join city administrator, Carmen Chu, and chief resilience officer, Brian Strong, as they welcomed members of the Resilient Cities Network along the waterfront.

We were able to work with 100 member cities from around the world who are working on implementing and designing responses to sea-level rise and climate change. I was able to talk about our particular journey as being one of a city just completely committed to a resilient and stable future and how we've been on such a long journey and have gotten so far from when the city first said the seawall was a critical asset to when the city went on grants with living cities to figure out how to pay for such a program.

The controller's office helped us. The city came together with our Prop A bond for \$425 million down payment for the program. And now, we're set with the Army Corps of Engineers to figure our flood study, our plan for our resilience.

And we've just come such a long way thanks to being just a leader in the resilience effort. So it was quite a day. And it was a proud day for our resilience team.

I'm turning to key projects. I wanted to talk with you about Piers 30/32. Senator Wiener's bill has moved forward. The Senate natural resources and water committee approved the bill 10 to zero. As you know, the legislature is making key trust findings on the value of this project.

This would remove six acres of fill, retain our deep-water berth, provide new recreational amenities and, importantly, invest \$400 million in seismic and sea-level rise investments. We are working with BCDC on the bill, as is the senator's office.

And it may result in clarifying language on our special area plan and the work we will do with BCDC to modernize that plan. So we're making good progress. It should be in the Senate appropriations committee next month, on the floor in June. And it is expected to pass.

So I'd like to thank David Beaupre for his outstanding work. And he got the first -- the bill went first through the committee on his birthday. So congratulations to David Beaupre.

Now, I'd like to give you an update on the Pier 19 COVID emergency trailers site. We had planned to bring our informational to action today. But we are delaying the item because we'd like to work with HSH as they continue to figure out the best wind-down program and find suitable places for everyone that are currently housed at that location.

Supervisor Walter prepared a resolution for you and [HSA] asking you to please put the residents first, continue the wellbeing of the residents and to support HSH's wind-down. We concur completely. And we are working with HSH as recommended.

And we're very proud that we were able to use this site for an emergency during COVID. It is industrial land. And it is not suitable for long-term use. But we're very pleased that we were able to step up in the COVID emergency. So we'll continue to work with HSH. And we plan to be back at the next calendar. Okay.

Finally, this is the worst part of my director's report, which has been quite long. Apologies. But I'd like to now close by acknowledging Rebecca Benassini. She says she's leaving at the end of this month, so we have to acknowledge her.

She came to the Port in 2016. It was the same year that I was appointed Port director. And she was our development director for some time. And she just hit the ground running and is just this light that came into the organization, so capable of putting work together, so capable of bringing people together and just someone everyone kind of immediately wanted to work with.

She was promoted to deputy director of real estate and development. And she had to face the pandemic with her team. And it was a very hard reality that she and her team were facing. They were completely upside down in terms of the staffing to deal with the details on the ground.

You jumped up and got your tenant relief programs, kept people in place, figured out how to do shared prosperity. All the while, folks weren't paying their bills. It was a very, very difficult time. And we were facing a pandemic personally and professionally.

But Rebecca Benassini jumped up and tackled the challenges with her team. And they have just achieved incredible results in difficult times. And what else to say about her? She's definitely an emerging leader. She's grown a lot at the Port of San Francisco.

She's extremely flexible and creative. But she knows people's responsibility, accountability and risk transfer. She's a tough negotiator. And she's very fair. She's going away to go on a world tour with her family. So we can't argue about that.

She has done a great job with her succession plan. She has very strong contributors in the real estate and development department who are already jumping up to fill in Becca Benassini's shoes. So with huge gratitude, Becca, thank you for your contributions to the Port. We'll miss you terribly. Thank you. That concludes my report.

President Brandon: Thank you, Elaine. I'm trying to figure out how to handle this because I really want to do Rebecca separate from your report. So let's start with Rebecca. And anyone that would like to comment on Rebecca leaving us, please come forward.

David Beaupre: Good afternoon, commissioners. David Beaupre, deputy director of planning and environment. I wanted to thank Becca for her years of service and also recognize that I've had a great benefit of actually working with Becca for 17 years.

Commissioner Brandon, you may recall that, during the Pier 70 preferred master plan, Rebecca had a different role where she was the project manager and lead with Economic Planning Systems on Pier 70 and was a great partner with me in going through that three-year community planning process to get the Port Commission's endorsement leading to the great development that's happened at Pier 70.

From there, I worked with her supporting her as a planner in the planning and environment division on her development projects and then had the great benefit of going and working with and under her in planning and development and then back with planning and environment.

So I really appreciate the time that I spent with Rebecca. I'm going to miss her. What I've really appreciated is: her sense of humor; her uplifting attitude and perspective on everything is just always a pleasure to walk in a room or be in a meeting with her because she has great ideas and has a ton of energy, which I am jealous of; her wit and intelligence and being able to get to issues and identify them quickly and come up with different brainstorming ideas on how to resolve or continue to work through; and then just her friendship.

So I'm going to miss you a lot, Rebecca. Have great travels. My sense is that you're going to come back to us in some form. I suggested that maybe she could become an LBE -- [crosstalk] [laughter] With that, have a great trip. And thank you very much.

President Brandon: Thank you, David.

Michael Martin: Good afternoon, commissioners. Mike Martin, assistant Port director. I came to the Port in 2017 after Executive Director Forbes and Rebecca arrived. And I came in as a know-it-all from city hall who thought I could come in and fix the world.

And I came into a waterfront development director named Rebecca Benassini who knew way more than me. And she became probably the best thought partner I've ever had in city government just because we had different strengths. We had different weaknesses. But we both had this vision of what the Port could be that was really aligned.

And that has only grown even when we moved on to our new roles where I was looking over her shoulder and realizing she was doing my old job better than me in real estate and development. And I just want to say this is personally and professionally like one of the bigger tough moments of my career.

But I'm super excited for her and her family as a friend. So you know, we'll soldier on and try to continue to realize that vision that we shared together. And like David, I really expect her to come back some day and fix it. [laughter]

President Brandon: Thank you, Mike.

Josh Keene: Hi. I'm going to be brief. Josh Keene, the development director. I'm also a city hall hack. It was very hard to leave the city and come from the city's real estate division. I've been working with general fund and the whole group for a lot of different projects.

And I was really on the fence about actually leaving and coming over to the Port. It wasn't a jump. It was just looking for something. And you know, there's people in organizations. And Rebecca got me into this organization that I love because of who the person she is.

She is so charismatic. She brings so many traits that I don't have and that, in our short 20 months together, I've learned from and look to take forward. Thank you for bringing me to the Port. You brought me to the Port just because of who you are. And I'm very happy to be here.

And it was a challenge. I mean, I was replacing her job. And I've still got those shoes to fill. But thank you, Becca.

President Brandon: Thank you, Josh.

Jennifer Gee: Hi, commissioners, Director Forbes. I'll try not to get emotional here. Jennifer Gee, senior property manager for the southern waterfront. As everyone says, Becca has a very charismatic, high-energy personality.

It just makes you want to work harder for her. I've been really lucky here at the Port. I've had a lot of exposure and the ability to work with some of the best leaders here in this organization. But I will say Becca is very special in many ways.

Not only is she extremely supportive and approachable, I can talk to her about almost anything, super positive. I had to write everything down because I felt like I was going to get emotional and not remember everything. I'm going to miss you dearly. Thank you so much for all of your support and your leadership. Thank you.

President Brandon: Thank you.

Phil Williamson: Good afternoon, commissioners. Phil Williamson from Port real estate staff. Thanks for the opportunity to say a few words about Becca today. Like David, I am fortunate to work with Becca in her days before she came to the Port as a consultant to the Port and dating back probably to the 1990s, I'm thinking, Becca, but maybe a little sooner than that.

But even then, she was helping to promote sound financial decisions with her astute analysis, enabling Port staff to effectively manage the waterfront. Having her then subsequently join our real estate team as a brilliant and energetic thinker and leader, Becca defines to me what it means to serve the public with intelligence, wisdom, an open mind and keen insight.

Becca was a great boss -- is a great boss. Her management style is collaborative, supportive and confident and very practical and infectious in her approach to dealing with issues and opportunities with a unique and customary zeal that we've all witnessed.

Advice and direction from Becca was always well-founded and well-researched. Becca's passion for her work served to encourage and support the rest of our team. And she will be sorely missed. All the best, Becca. Thanks for everything.

President Brandon: Thank you, Phil. Would anyone else like to make a comment?

Ricky Tijani: Good afternoon, commissioners -- President Brandon and commissioners. My name is Ricky Tijani. I'm a waterfront development project manager working in the real estate and development division under Rebecca.

Let me get my statement here. One second. All I could say is that I've been very, very fortunate to work with Rebecca. She is very, very spontaneous, ability and willingness to listen and work collaboratively with staff and our private partners that we're working with.

When she came to the Port, Pier 70 was just going through that process. And I was amazed at her ability to comprehend -- now, I realize that she had been working on Pier 70 before she came. So she was able to really help us and guide us and put us through that.

As you know, life is a series of stages. There is a beginning. And there is an end. And here, the end here for me -- I'm still in denial because, when I heard that she was leaving, it's like, wait a minute. [I mean here] -- you've only been here for 10 years, just getting to know you. What's going on here? [laughter]

But nonetheless, life goes on. So I'm going to wish you the very best. It's been wonderful working with you. And as everybody is saying, you probably will come back in one form or another to help the Port. Thank you so much for all you've done for us.

President Brandon: Thank you, Ricky. Would anyone else like to comment? Becca, you want to comment?

Rebecca Benassini: This is like an open mic night at a wedding. Like this is so mortifying. [laughter] I have so much gratitude for things that everyone has said. And people have been so wonderful to me when I provided this, I know, really disappointing news.

And the one thing I have seen is, looking around this room, every time someone leaves, somebody awesome steps forward. So I have a lot of confidence that the team will manage. I wanted to reflect on a couple different things since I have your ear.

I've been through two really different economic cycles during this time period, as you can imagine. I started, and developers and tenants were beating down our door in 2016 and pushing us to the limit in terms of their desire to get projects going.

We've turned 180 degrees. And we are now the ones chasing people down and pressing them to sign a lease, renew a lease, pay back rent, get moving on various agreements. And I think what we are entering into -- and I think we are doing it, but we have to do it even more -- is sort of this posture of opportunism.

Like just take opportunities as they come. I have a little mental movie that I think Byron, Diane, David and Brad really put into my brain when I first started. I can run up and down the waterfront. And I can imagine each site, 2016, 2017, 2018.

And there are some incredible locations that, as you look at them, they look so cared for by our Port maintenance, by our tenants. They just look like they are the most precious locations in the world. And they're going to be here forever.

There are other locations that, as I run through that reel, they have been the same and not used, not productive, in some cases fenced off. And each time I look at one of those sites, I can imagine little asterisks over the years where we've tried to make changes.

Some staff member, some enterprising business, somebody has come forward to try to make a change. And I reflect on each of the times we've been stymied. Sometimes, we've been stymied by ourselves, by our procedures, by our community or political process, by us not having the time to walk people through what needs to be done in order to be successful here.

And as I think of each of those moments, I've learned that every milestone we reach is one that meant we got over a whole lot of barriers to reach that milestone. And as we turn to this sort of opportunistic phase of us chasing opportunities down, I want us to think of each of those barriers and where we can reduce them.

I think of diffusing or directing the energy of partners who might come to us. If we can direct or diffuse their energy to be in San Francisco, to be in this incredible place and we can do that where they're advancing something we want, they're improving our property.

They're helping us with climate mitigation or resilience. They're helping us with our racial equity goals. If they can do any of those things, we've got to work with them and move forward because we have so many great places that can be even better if we use those great partnerships that we have today or that we'll have in the future.

I've been really fortunate to see some changes. I'm going to leave with a little quote, basketball oriented because all my fingers and toes are crossed for the Warriors and their challenge ahead. When I think of our work, I think of John Wooden, "Be quick, but don't hurry."

Time is not on our side. We have to be quick with trying to improve our property and activate it. But we can't hurry because, when we hurry, we miss something. And any one thing that's missed on our property could be the thing that knocks it over. And we don't get the lease. Or we don't get the development. Any one thing can knock us off where we're going.

So to my fellow Port staff members, to the Port Commission, to our community members and the folks who watch the Port and root for the Port, if we rely on each other like we always do, we try to bring things to one another and try to identify any barriers. Keep doing that. And you guys will be as successful as you have been. And I'm super excited to watch you over the next year. And I appreciate you all. Thank you.

President Brandon: Thank you, Becca. Thank you so much. Commissioners, any comments? Commissioner Gilman?

Commissioner Gilman: Rebecca, I just wanted to say thank you so much. I've worked with you now for almost five years. And when I first came on, you just had so much grace and patience for me, particularly walking me through Pier 70 and Mission Rock and translating what I knew only from an affordable-housing context into a commercial context and one where actually profit matters, which it does to us as an enterprise department.

So I just wanted to thank you for your patience and your grace. And you've built a very strong team and a legacy. And I wish you and your family nothing but health, happiness and, like me, learning five words in seven languages.
[laughter]

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, Rebecca, I'm kind of upset actually because, you know, when I met you -- and you know, part of the thing is we've got to work with our tenants. And like you say, it's opportunity now. I remember when we did the little tour in Fisherman's Wharf there.

And you guys were appreciative out there, trying to think of some new out-of-the-box ideas. And I think -- I can see it that you wanted the Port to really prosper. And hearing you today, which is exactly how I feel about now we're here to give opportunity and be partners with our tenants and new people and not that -- you know, I'm hoping that your staff has the same gut feeling because now I lost a partner here, I think.

But anyway, good luck to you because a person that works so much as -- I've never been to Europe. So do it now while you can especially with your family. Don't do it when I'm so old. [laughter] Good luck to you.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Just no chance to work with you yet, Becca. But your nice adventure sounds so exciting. Have a wonderful time.

President Brandon: Becca -- I'm getting emotional. And I don't know why, probably because it's been 17 years that, you know, you have been working with the Port in some fashion. You have always just been so kind, so considerate, so knowledgeable, so bold and stern but always with a smile on your face.

And you have just created such a legacy here at the Port. You've touched almost every project that we're s -- we've worked on and are still working on. And you do it with such grace. And you've built a great team.

You've mentored so many people. And you are truly going to be missed. I know it's a wonderful opportunity. And I wish I had that opportunity. [laughter] But I do hope that, when you return in one year, you think about us, you think about us really hard. We're really going to miss you. But thank you for everything that you've done. Shoot. I forgot Vice President Adams.

Vice President Adams: That's okay. [laughter] I like it like that. First, Rebecca, I want to wish you a happy Mother's Day. It's coming up Sunday. And I know what your family means to you. And in the words of the late Muhammad Ali, he said, "Service to others is a rent you pay for your room on earth."

Clearly, you're a servant. And I can say that by your actions. And to have Mike Martin get up -- Mike's a man not of a lot of words but of a lot of action. He got up and spoke. That speaks to who you are.

You have ushered in a new change in the Port. And I know maybe today it seems like we're grieving or mourning or something like that. But I'm very happy for you because this is the first day of your life of a new experience.

And you were meant to be here for this length of time in history. And there's other things in life to experience because life is very, very short. But I want to say that your class, your poise, your understanding goes without saying.

You have a patience. Not everybody has that. And I have watched you push back on the commissioners. And that's a good thing because, in your position, you catch it from all sides. But you were able to balance it. And not everyone can do that and have that.

And you had a vision. I very seldom ever saw you raise your voice. You were always prepared when you came in here to make a presentation whether it was the tenants, the developers to the commissioners. You understood. And you grasped all the questions and everything that was said.

So I'm very happy for you. And it was the late Anthony Bourdain, who I really liked, that says that, "Travel changes you. It leaves a mark on you. It makes you a better person. It embraces you. It helps you to grow."

You're one hell of a person. And this experience will even make you more of a person because a lot of people never get to travel. Some people never even get to leave the neighborhoods they've lived in. You're going to get a world view of how it is outside of the Port, outside of the United States and the world.

And you'll come back a better person. And whether you come back to the Port of San Francisco or not, you've left so much behind. And those of us that are still here, we will continue to push forward. And that's what leaders do.

Leaders lead. And then, when they have to leave, they're kind of like the wind. They move on. And someone else comes in. So thank you. And I know all the commissioners feel this way but even the City and County of San Francisco and everyone in this room and even those that don't know you.

We all owe you a debt of gratitude. Thank you so much for punching above your weight and giving us everything that you have in your tank. Thank you very much. [applause]

President Brandon: We're going to miss you. Okay. Is there any public comment in the room other than on Becca? [laughter] If not, we will go to the phone lines and see if there's any public comment there.

No Public Comment on the Executive Director's Report

Commissioners' Discussion on the Executive Director's Report:

Commissioner Gilman: Sure. Thank you, Director Forbes, for a great report. And I'm very excited to partake in the Juneteenth celebrations. They've been such a watermark activating our beautiful plaza here. And thank you to Foodwise and the other nonprofits who help make that happen.

You know, I did just want to sort of highlight two things that you mentioned in your report. And I know that we will be covering some of them particularly when we have an informational item on our vacancies along the northeast waterfront.

You know, being nimble in this time of day and really looking at how -- I've said this before -- how we utilize new and creative things whether that's our pilot for using broker services or direct leasing, I think we'll hear more about that in the item that comes up.

But it's just very important to me that we activate these spaces. And we understand that we are at a time where we don't have people knocking down our doors. And our old way of doing business is incredibly labor intensive both for staff and for applicants, as someone who has seen us issue RFPs for commercial, restaurant and beverage space, see people be awarded and then see those deals crumble and fall apart and be back at square one.

I really think -- it gives me pause. So I'm excited for the item we're going to hear coming up. And I hope we look towards innovation in other ways for doing business. And then, I did just also want to note that I stand with our statement that we hope that no one is displaced and that everyone currently living in temporary shelter at Pier 92 finds a place to lay their head either temporarily or permanently.

But that is industrial land not meant for housing, not meant for long-term use. And finding those individuals a home rests in our sister department of the Department of Housing and Homelessness. So while the pier can be an ally and we can support, I just feel compelled for the p -- you know, it is the responsibility of that department to find those people a home.

And we did a great service by stepping in during a worldwide pandemic to offer relief just like we did testing sites and other things to help our city as a whole. But now, we need to get back to the business of the Port, maritime and the industrial uses. That is what we're for. So I just wanted to add that as well. Thank you.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Yes. Elaine, thank you very much for your report. If I could just echo what Commissioner Gilman has said, thank you for continuing to work with the folks on the homeless thing at Pier 94. We need to find a solution.

It's not the Port's solution to find by itself. But thank you for being able to be cooperative and patient and trying to work it through. I appreciate that. And also, my appreciation for that next step that you're putting in for the Fisherman's Wharf unsolicited proposal. I think it will strengthen whatever we end up with. So I appreciate that very much.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Elaine, I think doing what you did on the process is kind of going a different direction. And it helps a lot. It gives us kind of an opportunity to see what direction we have to go to a lot quicker. And I think, as long as it's transparent and the public knows what we're trying to do, especially the leaders in city hall -- we're not trying to cheat anybody.

But we want to make sure we move because time is always against us. Right. So who knows -- knock on wood -- when the next earthquake, whatever. But it's great that the staff has thought of different ways of trying to get the process through. And thank you so much for that.

I echo the rest of the commissioners on the rest. But I'm looking forward to all the other informational stuff on Fisherman's Wharf.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: Director Forbes, it's really nice to see that even the meetings and even your report, everything is kind of streamlined. And it seems like you and your team at the Port are running on all cylinders. And as the other commissioners said about the homeless problem, I mean we're not the only city.

You look around. Seattle, Portland, Sacramento -- you look around. It's at our doorstep. And I know we're doing all that we can. But we are stepping up to our civil and social responsibilities doing the best we can. And then, your report on the Fisherman's -- I think that we're coming out of COVID in a way that the Port is changing.

And change is one of the hardest things that people have problems with because we like things how they are or how things used to be. But nothing ever stays the same. We don't grow unless we change. And change is sometimes painful.

So I really appreciate the work that you're doing. It's painstaking. And not everybody is going to be happy with it. But we need to worry about all those that are in favor of what we're doing. And I think we're in the majority of trying to do what's right for this Port and the City and County of San Francisco.

So I like what you're doing. And then, the equity piece -- I know you've worked with that with President Brandon. You've been working on that, and it continues to get better and better every time. As I've said, I think now that you and your team are at your peak.

And you've hit the ground. And we're in May already of 2023. We're going to blink, and we're going to be in 2024. That's how fast time goes. So I just want to thank you and appreciate all the work to you and your team. I know it's over 200-some members on your team here at the Port. And just keep it moving. Thank you.

President Brandon: Thank you. Elaine, great report. I also want to wish everyone a Happy AAPI Month. Regarding the Fisherman's Wharf sole source, I'm glad that we're taking a step back. And I'm glad that we're following the waterfront land use plan recommendations and being more transparent about the process and making sure that, you know, it's a good project. Or if not, we'll know that too.

So I appreciate Commissioner Harrington asking us to take a step back and further evaluate the sole source in Fisherman's Wharf and that, since we have such limited staff, we are focusing on things that we can do now in Fisherman's Wharf to activate, beautify, make it safe. So I really appreciate the staff's direction at this point.

I think it's wonderful what's going on at Pier 70 and Building 12. It's great to see Pier 70 coming alive. And hopefully, we can get Pier 70 back on track, and more buildings will be opening up soon.

I wish Team USA better luck [laughter] next time. But I'm so happy about all the people that this event has brought to the waterfront. I'm sure it was an amazing weekend for so many people. I've attended the Juneteenth at the Plaza for the last two years. And it's always a great event. And the vendors always sell out. So if you're going to go, get there early because they really sell out. They have great food.

And it's not surprising that we are a leader in the resilience effort. And we'll be able to offer so many other communities and states, you know, help and recommendations because we're so far ahead because of our great staff that started on this five, six years ago and knew that it was something that we really had to focus on.

So I think it's phenomenal that we're recognized as a leader and that our efforts are so valuable to so many. I want to congratulate David and the team on moving the Pier 30/32 legislation forward on your birthday. Congratulations, and belated happy birthday.

We have a lot going on here. And regarding Pier 94, I do think that we need to work with HSH to make sure that these residents are not displaced. And

they do have some type of housing. And I look forward to them coming back to us with a complete plan of how that will happen.

And it would also be great if you could share the Board of Supervisors resolution with us so that we're aware of what they're asking. But I agree. We do need to support HSH in helping them come up with options for these residents to not be displaced. So again, Elaine, thank you for your report. Jenica, next item, please.

7. CONSENT

A. Request Approval of a Resolution Consenting to an 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. (Resolution 23-23)

B. 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 23-24)

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

No Public Comment on the Consent Calendar.

Resolutions 23-23 and 23-24 pass unanimously.

8. REAL ESTATE & DEVELOPMENT

A. Informational presentation regarding proposed award of a sole source grant to the Fisherman's Wharf Association of San Francisco also known as the Fisherman's Wharf Community Benefits District and waiver of Port license fees to create a safe and vibrant Fisherman's Wharf.

Meghan Wallace: Good afternoon, President Brandon, commissioners, Executive Director Forbes. I am Meghan Wallace, the Port's economic recovery manager. Today, I will be presenting alongside Amy Cohen, our new business generation manager.

And we also have Randall Scott from the Fisherman's Wharf Community Benefit District will be saying a few words. And Alysabeth Alexander-Tut from our

contracts team is here as well in case there are any questions about the grants process.

So before I get into the details of the grant, I just want to speak for a moment about my role as economic recovery manager, which really has a pretty broad scope, thinking about, how can we take on initiatives that will help our business lines, particularly in real estate and maritime, recover from the economic impacts of the pandemic as well as grow for the long-term financial benefit of the Port?

But I'm also looking at internal operations. How can we streamline how we work as a Port staff to be happier and more effective in our work? Am I not on?

Rebecca Benassini: You sound great. Just a little closer.

Meghan Wallace: Wonderful. See. What are we going to do without Ms. Benassini? [laughter] So I'm both looking at our business operations internally as well as expanding our business lines. But one of the first things that really stood out for me when I first came back on board with the Port in November was really the fact that Fisherman's Wharf is a very active place that needs some love right now.

Between talking to our maritime teams about expanding off-the-boat fishing to looking at our vacant facilities to development proposals and resilience initiatives, we're doing both near and long-term planning.

But this item before you today really is to get the wheels turning on our near-term work, which really does need to start now. And it will buy us some time as we do that longer-term work particularly for development and resilience.

So what is the item? Again, we are seeking -- first as an informational and then we'll be back in June for a request to award a \$2,188,446 sole-source grant to the Fisherman's Wharf Community Benefit District.

These funds would be expended over two years. And as part of the proposal, we are seeking a waiver of Port fees on activities that would be implemented through the grant really so that Port funds wouldn't be spent on fees then collected by the Port. So that way, the funds can be really put to non-Port uses.

In terms of the grant scope we are looking for a program that develops and implements a multifaceted public-space activation and stewardship program. So that gets to the clean and safe beautification, events, food, music, you know, all in Fisherman's Wharf really with a focus of rebuilding a durable visitor base, supporting our current tenants and trying to attract future tenants.

And the funding source for this grant will be federal stimulus dollars as awarded in 2021. The program budget will fall under the attraction and retention project, which is really perfect for this line of work, which really is focused on supporting our tenants and rebuilding the Port's revenue base.

So what really got us here wasn't that I showed up, and we're like, "Yes, Fisherman's Wharf. There's a lot -- you know, of course, that's where we need to spend our money." No. We actually saw data that pointed us very clearly in this direction.

And it started first by looking at pre-pandemic information and comparing it with where we stand today. And it's very clear that there are differences. You know, Fisherman's Wharf historically has been one of the top destinations in California where 65 percent of visitors to San Francisco come to Fisherman's Wharf.

And that was about 16 million people annually in 2018, clearly high revenue generation both for restaurants as well as in hotels, very high job support system, 8300 jobs just in Fisherman's Wharf directly or indirectly at Port facilities, Port spaces.

And then, of course, with our fishing community -- we had 185 active vessels as well as commercial fishing production facilities. If you look today, you start to see a lot of that foot traffic returning. But it's not at the numbers that it had been.

We're estimating about 80 percent of visitors have returned to Fisherman's Wharf. But unfortunately, we're seeing that it's not the same environment that it had been. The chart on the left, albeit a little bit small -- I do apologize for that.

But the main thing I want to highlight circled in red is that, of all the businesses on Port property all along the waterfront, Fisherman's Wharf full-service restaurants are far behind in recovery compared to everywhere else and other business lines for the Port.

That's really driven by six closed restaurants, three of which are in Port control. The other three continue to be with our tenants but aren't operating fully. So the reality is that we're just not generating the same level of revenue that we had been pre-pandemic.

Also, talking with tenants and other visitors in the area, we know that facilities aren't in the condition -- I apologize -- the last point -- the tenants are citing poor business conditions. You know, we all know we're struggling to address illegal vending.

We are taking it on. But it continues to be a challenge -- and also, just trying to do things to beautify the conditions and make it welcoming for tenants.

In terms of seeking new tenants, we know that we do need to invest in our facilities, that they vary in their conditions.

Some of our biggest sites such as Alioto's would require the greatest amount of investment in order to re-tenant that space. So we know that the Port is engaged with long-term investments and conversations with potential development partners. We're also working on strategies for leasing our facilities, as staff will present in the next item.

But it will take time to get through all of that work. We know that there are needs now. So staff took time to do some groundwork. We walked the halls so to speak. But we'd walk the grounds of Fisherman's Wharf both outside visiting, you know, spaces, you know, along the waterfront and outdoor spaces to walking through stores and restaurants and talking with a variety of partners from Pier 39 to the CBD, to all of our tenants and Port staff.

They gave us a lot of really good insights about what steps we might take. Some very common themes that we found were really make the wharf safer. You know, I mentioned about illegal vending. But there are homeless needs out on the street.

There are people who need additional support. Port staff, particularly maintenance, does their best to keep the wharf clean and safe. But they do need some additional support. And then making it more vibrant -- thinking about, in front of vacant restaurants and sites, ideas of music and additional food, things to really make it more vibrant and fun, trying to create a space that can connect people to the waterfront, not just on the land side but particularly on the water side, really celebrating our fishing culture and community.

And then, thinking about rebuilding our hometown visitor base that, if we're really going to recover and restore along the waterfront and in San Francisco, we need to build upon that hometown base and make people want to come down to the wharf.

But the reality is that, in order to move all of this forward, we need more support than just what staff can provide. We're a lean, mean group. We do our best. But also, one of the best ways for us to deliver on our work is to look around and find competent partners who are experienced in this type of work.

And as I've described, there's a wide range of different types of needs from keeping places clean and safe, helping visitors in the area to putting on events. It's really hard to find a particular partner who can do all of those things.

But what we found in looking around is that we think we actually did find a really good partner in that work. And that's where staff has come to this conclusion of recommending a grant to the Fisherman's Wharf Community

Benefit District to be able to deliver and support this effort. I apologize -- dropped my pen. With that, I'm going to hand it over to Ms. Cohen.

Amy Cohen: Hi. Good afternoon, commissioners. It's my first time. I just came to the Port in January. I know a couple of you. I haven't met some of you. I'll be quick. I was at OEWD for more than 15 years. And I kind of do specialize in the opportunism that was discussed by Becca.

I'm sad to see her go since I have barely gotten all the wisdom. But I'm working on it. The ideal partner when you're working in a neighborhood that needs help is who knows the most and who cares the most. And my experience in government working in either buildings or blocks or neighborhoods that need help is go find those people really quickly.

And the community benefit districts are not only who know the most and care the most. But they also have capacity to partner with the city and to work with us on even the smallest things which you guys know are super complicated.

So that's why I reached out to the CBD. There's a little bit of a history. The Port had a business-based community benefit district that dissolved in 2020. So our proposal on the table is to work with them because we share the same vision for Fisherman's Wharf and everything you just heard from Meghan really.

The CBD provides cleaning and safety services. They provide beautification. They do a lot of marketing. And they would like to do more. And they would be happy to do it on the Port side. So that's what we're proposing. It's a really robust scope of work. It's -- the two-year program -- the idea is to start with cleaning, safety-related items.

But it's really using their unique service of community ambassadors. It's not duplicating Port staff. It's really having folks who are in uniform with eyes and ears who can go spot and respond to issues they see in the public realm. That's one of the biggest challenges right now especially with vacant store fronts.

So those ambassadors will be on the Port side seven days a week with this grant. They'll even go down to Pier 27 from the wharf five days a week. They will also provide some bathroom monitoring, which is something that I think would really help us with visitors and locals.

The items that are best to refer to Port staff, that's what they'll do, large trash dumping, you know, painting jobs, repairs, etcetera. So again, there's not duplication. In addition, the CBD is going to initiate some work that nobody's been doing around beautification.

So you're going to see hanging flower baskets that are made of artificial silk. But they are going to be beautiful. They're going to be maintainable. Trust

me. We're going to try it. Nobody except for our neighbor Pier 3 and 5 has hanging flower baskets in San Francisco at this point. So it's bold. [laughter]

There is going to be string lighting, murals on boarded-up storefronts, decorative wraps on the big [bellies], etcetera. And I think the most exciting is really the outdoor events. And we're going to start by doing it in front of the closed Alioto's because it's a big gaping hole.

It's the first thing people see. And so how do you create a kind of seamless, singular visitor experience on restaurant row? You start by activating that space and working with all the neighbors. And the goal is really to support those businesses.

So the idea to start with will be a Friday afternoon happy hour kind of time with appetizer and drinks but that will not compete with dinner. It'll help bring people in, send them to dinner. The goal of that is to ultimately bring in pop-up shops or people who do performing or art projects and who might be able to bring their communities with them and draw locals.

So this is the budget. Again, it's a two-year work program. It's a little bit bigger in the beginning. It ramps down in the second year. As a requirement of the grant, the CBD will provide quarterly programmatic and financial reports to the staff at the Port. We'll monitor their work really closely.

This is going to be a major part of my work plan. And any grant or contract we have, we have the right to terminate if it's not going well. But I believe it will go well. And I am offering to provide progress reports to the Port Commission twice a year.

So with that said, this is just a summary of the item. Our intention is to start work as soon as possible this summer. It's practically summer. So we'll return on June 13th with the action item. Thank you for the opportunity to present.

And I would just like to invite Randall Scott up here for a few minutes. He's the executive director of Fisherman's Wharf CBD. And I'd like him to say a few words. And thanks to him and his team for coming today.

Randall Scott: Thank you, Amy and Meghan. President Brandon, Vice President Adams, commissioners, Director Forbes, thank you for this opportunity and big thanks to Amy and the team to work with us in putting this together and seeing the need of Fisherman's Wharf and how this can positively impact the neighborhood.

It's something that, you know, in my 10 years working in CBDs around the city, it is something that we do really well. So I know it'll have a positive impact.

And the beauty of what we do is we can pivot on a dime to address the changing needs of what we interface with out on Port property.

So if we find that something is not having the impact we want, we can easily use those same ambassadors in a similar capacity to still meet the terms of the grant but also meet the terms of what we're supposed to do. So I look forward to the opportunity to work with you. And I'm also available if you guys have any questions.

President Brandon: Thank you. We really appreciate you being here today.

Randall Scott: Thank you.

Meghan Wallace: I just wanted to come up and say thank you so much, commissioners. That does conclude our presentation. And we look forward to your questions and feedback.

President Brandon: Thank you. Informational -- okay. I would like to open it up to public comment. Is -- Tom Creedon? This is the item you wanted to comment on, right, Tom?

Public Comment on Item 8A:

Tom Creedon: Excuse me. I don't hear. [laughter] Commissioners, my name is Tom Creedon with Scoma's Restaurant. I've been there forever it seems. And I was an original player in creating the CBD. We had terrific success, I think, at the beginning.

Unfortunately, when it came time to renew, some of the Port-side people voted out because they weren't happy with what they were supposed to be getting. It kind of bothers me a little bit that the CBD has chosen to administrate this grant when the side that's supposed to benefit is the Port side.

I've spoken to a couple of the other tenants who didn't bother to come down. Paul Capurro -- you're lucky he's going to Italy tomorrow, and he couldn't make it. But I think that it's really important that this is handled the right way.

It was -- I'm so disappointed in the Alioto family for leaving. The place has fallen apart. We're in a war zone. Even though it looks like people are coming, walking up and down the streets. But the people walking up and down the streets don't bring a family of three kids and come in and sit down at Scoma's. It's just -- they can't afford it.

We have, fortunately, supportive -- we've been supported by people that have been coming for years. People come from across the country and can't wait to get to Scoma's. We try to keep things going. We're hanging on by our fingernails and keep hoping that things will pick up. We're hoping this summer.

And I think it's great that there's an opportunity to spend some money at Fisherman's Wharf. I'm just not sure that the CBD are the right entity to handle that. And I'm sure that you've looked into it deeply. But I thought you should hear my feelings anyway.

I think that, about now, I should try to get out and beat the commute across the bridge. I hate coming to the city. But I usually leave early. See, I made the buzzer.

President Brandon: Thank you, Tom.

Tom Creedon: Thank you very much.

Commissioners' Discussion on Item 8A:

Commissioner Harrington: Thank you, Madam President. Could I ask a question based on that last comment? I'm assuming that this work will benefit everyone there, not just land-side, Port-side. Can you comment on that?

Meghan Wallace: Yes. So the focus will be in actually creating investments on the Port side. Currently, the CBD manages the land side. And there's clean and safe and efforts with the ambassadors program, some beautification and marketing. But these funds are Port dollars that will be creating investments on the water side.

It does support the entire CBD in the sense that the water side is the primary attraction for folks who go into Fisherman's Wharf and would cross the street and go walk around on the land side.

But really, the events will be taking place on the water side. The beautification will be on the water side. So yes. It holistically benefits the entire neighborhood. But these investments will be directly made to Port properties.

Commissioner Harrington: That's great. Thank you. I think this is great. I think it's a very good use of ARPA money. It seems like that's what ARPA was designed to do. The idea that we want it to be done -- it's urgent. And you have an existing partner already you can work with -- kind of does a -- ticks off the boxes for me in terms of a sole-source kind of discussion. So I'm fine with that.

My one suggestion is that -- you have a budget there. I would hope that the grant is flexible enough that you can move the budget around without having a lot of rigmarole even from year to year or from line to line to make sure you get what needs to be done. That would be great.

Meghan Wallace: Yes. We do anticipate monitoring the budget closely but trying to be flexible if we do find that we don't need as much funding for one category versus another, that we would want to be flexible with the uses.

Commissioner Harrington: That's great. Madam President, what I have seen in some other commissions -- I enjoy the deliberative process we have here where you have an information item, and the next month you have an action item. Other commissions try to combine those at times if they want to.

So if there's something like this that you think is rather urgent, what we used to do in another commission I was on -- we would put in -- the item would say information and possible action. And that would give you the opportunity, should there be agreement, to make the decision that day.

But if not, you can have your month to have other questions answered or other changes made. But you might want to consider that in the future as you look at different items that we have before us.

President Brandon: Great recommendation. Thank you.

Commissioner Harrington: Thanks.

President Brandon: Commissioner Gilman?

Commissioner Gilman: Thank you. I'm very supportive of this item and aligned with Commissioner Harrington's comments. I just actually had a couple of suggestions based off -- one, as someone who started a CBD on Broadway and was on the Union Square one as a board member and lives next to the wharf. So I'm there.

So these are just more suggestions for Randall and for the administration of the grant. One is I would hope, with the pop-up activation parts that we're going to do in trying to drive people, particularly as an example what you talked about doing with the happy hour, that there be wide advertising both in -- I think it's still published -- the Marina Times but through the North Beach Neighborhood Association, Barbary Coast, etcetera.

You're shaking your head. So I just want to make sure that we're driving locals to those events because I will just say, as someone who's lived in North Beach for over 20 years, unless you have friends like I do who live and work and make their living on the wharf, you don't think to go there. Right.

You think to go to Grant and Green. So if we're doing these activations, they need to be more than just for tourists. They need to be for locals to drive them down there. I'm wondering, how will these activities be matched with the work that's already being done by the community benefit district? Will you be

leveraging those resources? Could you maybe, Randall, talk a little bit about that?

Randall Scott: [You want me back there? I have a loud voice] [unintelligible]. Yeah. So to your point on the first point, I was at North Beach neighbors last night. So I was speaking to the group about getting excitement building -- you know, we're already doing some groundwork on this hoping that you guys approve it. And as far as for -- the second question? I lost my train of thought.

Commissioner Gilman: How are you going to leverage the activities you already do through the self-assessment revenue that you generate with these activities?

Randall Scott: So the idea behind this -- we don't do a lot of activities. We did Wharf Fest in the past. But because there's very few chowder producers, now we're looking to pivot and doing something else. That was a ticketed event.

We're trying to do all public events to draw more and, hopefully through the pop-ups, generate enough revenue to cover the expansion of those going forward. So we don't currently have activations -- too many activations at the wharf other than like the band from Vegas that came down -- the high school band from Vegas who wanted to do the crab wheel plaza.

And we have a choir that's going to play on June 9th at the crab wheel plaza. So those are more opportunistic. This is actual programming. So we're actually going to program events, different music genres, R&B, jazz, salsa, pop. So we're looking to appeal to a wide variety of people and cultures within the City and County of San Francisco. Those are our target market.

The tourists who come down we're going to get anyway because they're going to pass by. They're going to hear the music. They're going to see it. And they're going to partake. But the local market is what we're really after.

So through these -- social media, print, radio, TV -- we're going to hit all the channels and all age groups because, you know, if you want to do the millennials, you don't advertise on TV. If you want our generation, you advertise on TV. So that's what we're looking at.

Does that make sense? So all of these funds are Port side. So all these activities are Port side. We don't currently run any activations. We are looking at closing Beach Street and activating that space.

Commissioner Gilman: Okay.

Randall Scott: But that's the idea is to pull people up and down.

Commissioner Gilman: Yeah. And I apologize. Maybe I'll reword my question. I guess what I was trying to figure out is, regardless of this grant, the community benefit district has a set of activities it does: community ambassadors, trash clean up. I'm assuming you do all of that. How does this -- sorry -- leverage those existing services for expansion and more impact?

Randall Scott: Sorry.

Commissioner Gilman: I apologize. I probably didn't phrase my question well.

Randall Scott: It's okay. I heard activities. I'm thinking programming so not a problem. It's literally -- we're going to -- all the funding and activities, all the staff that we're talking about hiring through the grant will be dedicated to the Port side because we already got the land side covered.

So there will be no overlap. So when -- the Beach Street programming and activating Beach Street -- that's on land side. Those will come out of very dedicated accounting for the land side.

So as you know, we're overseen by GAO, the GAO at the Board of Sups. So our books have to be tight. This will also trigger an audit. And we will supply that audit at the end of the first year and the second year. So there will be 100 percent accounting exactly how these dollars are spent. But yeah. It's literally two sides of the coin.

Commissioner Gilman: So this grant is enabling you -- sorry -- to duplicate all the successes you're having on the land side and bring them to the wharf side because you already do these activities.

Randall Scott: Correct.

Commissioner Gilman: That was the core of my question. So you already have ambassadors. You already have all these things. And now, you just get to bring them to that side.

Randall Scott: Correct.

Commissioner Gilman: Okay.

Randall Scott: Yeah. We're going to bring the land-side services to the Port side.

Commissioner Gilman: Okay. And then, my only other suggestion for staff just due to the public comment is -- I know this is a two-year contract. It'd be great maybe six or nine months in, whatever is appropriate -- because I'd love to actually have some wins -- maybe do an informational report back.

So we can just see -- or maybe some sort of satisfaction survey to ensure that the folks that have some skepticism, that we're proving them wrong and really helping to activate their sites -- was my only other suggestion. And in that vein, I'd be happy to see this come back on consent calendar because I'm fully supportive. Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, you know what Fisherman's Wharf relied on was tourism, as does Chinatown. And I don't want to compare the two. But Chinatown, you know, basically -- we're way at the bottom. And the only way that we came together was the restaurant owners and the property owners.

And a lot of them don't live in San Francisco, you know, because they're retired. Or their family members are now taking over. And here's an opportunity now. You're getting a couple million dollars to promote the wharf.

But as mentioned in the public comment, you know, whether the CBD has proven track record to make sure this money is spent right, what I encourage is that the restaurant owners that are invested -- is to bring their family members who are still interested in keeping their legacy alive, to help participate.

And also, there has to be somebody in the CBD side, whether you recruit younger people -- because, you know, TV and everything -- it's not only TV. There's social media, Instagram, Facebook where you want to get -- where you're going to be having these concerts or these events to bring in the locals because we decided in Chinatown that we're not relying on tourism anymore.

We have to rely on people -- the residents of San Francisco to come back and start eating at the Port -- at Fisherman's Wharf or -- and even in Chinatown, whether it's parking, whether it's safety. And everybody has to participate. Just because you're getting the money doesn't mean that you'll spend it right.

And I think a lot of the criticism is whether or not this grant will be spent properly. And I think the only way that you will know to do that is the people that are invested, the merchants, the long-term people that have been working there is really -- steps it up and control this money.

Otherwise, you won't get this opportunity again. I'm all -- support it because I'm sure Amy, you know, worked on OEWD. And she's been working with Chinatown. And it's the same thing that was going on when the pandemic first hit because we were the first ones that went down.

So she's bringing that expertise and that funding. And the same model as that OEWD was using for Chinatown is now coming to Fisherman's Wharf. And now, the merchants of Fisherman's Wharf have an opportunity now to take this

grant and do something good with it because who knows when tourism is going to really fully recover.

We've got to get the people from Sunset, the people that used to come and eat at Scoma's to start, you know, parking their cars there or buying crab at the pier because that's the only way that you're going to survive.

Even two million, four million -- if you don't get kind of invested in your community, it's not going to work. But I support this. Again, I hope the CBD will step it up, you know, because I think, regardless of, like he said -- they've been doing some things.

But here's an opportunity you're going to be able to do more. But you need to get the younger generation involved to help you. Okay. But I support this item too when it comes back to us.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: Steve was on point there. I mean, he's totally on point because, if you really think about, it's going to be either b -- 2024 or 2025 before tourism comes back. We've got to get the locals. And you know what?

I'm going to just be honest. And I'll just say it. The city -- they have a perception, a PR problem. People think it's not safe. It's too expensive. And when you've got a PR problem, you've got to correct it. And there's a perception about San Francisco now that it's not safe. It's expensive.

And that's a problem. And with the homeless thing -- so people see in their brain -- especially the younger generation because they talk by these things and everything else, right, and where they want to be. So I'm with Steve on that.

We've got to think out of the bo -- you shouldn't even think in a box. There shouldn't be a box at all. I'm with Steve on that. I think we have to look at that to get the locals. But there's a PR problem and a perception.

And I'll support this. But I don't see anything in there about PR or projection -- how we change the image. And that's -- we live in a world -- everything's about image and perception. And that's missing. So you know, sometime, we -- one thing I like about this commission -- we can beat everything up.

And I'm not going to sugarcoat anything. There's some work that's got to be done. I'll support the grant. But the perception of San Francisco and, like I say, down there that it's expensive, it's not safe -- and how do we change the perception that people can see that?

Because right now you have about 20 to 30 seconds right now to catch people's attention just like that. That young lady shaking her head -- they don't want to hear anything three, four, five minutes. It's like that right now. So I'm with you, Steve, on that.

Rebecca Benassini: Thank you, commissioner. Rebecca Benassini. I wanted to mention one item. Many of us now attend the monthly CBD board meeting. The Port has a seat -- a nonvoting seat. And one thing I will note -- some of the folks who didn't get a chance to speak are some of Randall's staff members who do track social media postings, traffic on their website as well as foot traffic in the wharf.

And they can segment that information by place of residence if I remember correctly. And it's very fascinating to go to their meetings because we don't have that sort of thing. We don't have that sort of data here.

They use Pier 39 tracking as well as tracking at Fisherman's Wharf. So we have a lot of information. And it'll be really great through their data sources to have that sort of baseline information. And then, as we go through this grant process, you know, what are we seeing in terms of event attendance?

So I think we really will have the capability to report back as we come back. Like what has the grant achieved? And how are we seeing any additional traffic either in person or just traffic on Instagram, their Facebook postings as well as their website.

So I definitely think we can have that capability. And it's something that we don't have on staff. So Amy and Meghan, please correct or let me know if there's anything else we want to say about that. But I think we've definitely thought about marketing. We maybe can highlight it even further when we do the action item.

President Brandon: Thank you. Vice President Adams would like to hear from one of the young staff members. [laughter]

Rebecca Benassini: Thank you for coming up.

Kaitlin Thresher: Hi. My name is Kaitlin Thresher. I am currently the digital marketing manager for Fisherman's Wharf. But I have a background in events and marketing. I actually met Randall in New York for the International Downtown Association Emerging Leadership Fellowship Program that I was in last year.

And I was living in Mesa, Arizona for downtown Mesa. And he recruited me I think because he saw the value in having someone that is under a certain age bracket [laughter] in working on the social media. So yes. I am Generation Z. So I do meet that requirement as well. [laughs]

Randall Scott: And she has her master's too.

Kaitlin Thresher: Yes. I do have a master's as well. [laughs] Yeah.

President Brandon: Thank you.

Kaitlin Thresher: Yeah.

President Brandon: Thank you.

Vice President Adams: But I was going to ask you a question.

Commissioner Lee: I want to follow up.

President Brandon: Okay. [laughter]

Vice President Adams: But it is about perception. Right.

Kaitlin Thresher: Mm-hmm.

Vice President Adams: And the perception -- and we have to change that. Right.

Kaitlin Thresher: Yes. Absolutely. San Francisco does have a perception problem. I am entirely aware of that. My entire family is aware of that. Like I said, I think part of the reason that Randall hired me was because I did almost come in looking at San Francisco as a tourist and looking at the wharf like a tourist.

So when I came in to develop the social media strategy, you know, I was looking around like what catches my eye the same way that a tourist would. So -- yeah. It does have a perception problem. That's very, very fair. But I think we can do a lot to change that.

Cecile is really great with PR. She has a background of 15 years in tech PR. So she is great at that. I can handle the social media. I think we really do have the staff for the marketing especially. So -- mm-hmm.

President Brandon: Commissioner Lee?

Commissioner Lee: Okay. Forget the -- you know, the marketing PR stuff.

Kaitlin Thresher: Mm-hmm.

Commissioner Lee: You, as a person --

Kaitlin Thresher: Yeah.

Commissioner Lee: -- as a young person -- what kind of experience would you want when you come to the Port, to Fisherman's Wharf? What do you think your generation is interested in? You know, we have a lot of these little museums and things like that. But does that really turn on people in Generation Z, you know? Is it more the food? Restaurants? You know, what do you think?

Kaitlin Thresher: I think it's all of that experience now. So for instance, Musee Mecanique -- it doesn't seem like something that's going to appeal to younger people. But it's so fun. You know, you spend, what, 20 bucks. And you get to play 40 different games. And it's about how you spend your time.

It's about going to Umbrella Alley and taking selfies. It's about being able to share your experiences after you've had them. You know, my generation doesn't necessarily want to go and sit down at a nice restaurant. I mean, I would. But you know, that's not what we're looking for.

We're looking for fast ex -- like fast food, counter service. And then, we want to go outside, and we want to look at the water. We want to look at the sea lions. And we want to go experience actually the wharf and go on a boat, something like that. So it's about the experience a thousand percent.

Commissioner Lee: [Great]. [crosstalk]

President Brandon: Thank you.

Kaitlin Thresher: Yeah.

President Brandon: Thank you. Any more questions?

Commissioner Lee: No.

President Brandon: Thank you.

Kaitlin Thresher: Thank you. [laughter]

Commissioner Lee: [Find exactly] what we should be focusing on.

Kaitlin Thresher: Thank you.

Vice President Adams: Grants on top of it.

Rebecca Benassini: I think [Kayley] should stay for an interview after the -- [laughter]

President Brandon: Again, thank you for the presentation. I think a lot of my questions have been answered. But I do want to know why our tenants opted out of the CBD in 2020.

Director Forbes: I can give an answer. My understanding is they were not happy with the services. And they felt that the investment was not equal to what they were getting back. And there was a vote out. It was unfortunately right in the COVID time.

So losing that revenue source and ability to deliver services put that hardship onto the Port. So you know, we've been doing extra cleaning. We've been very, very active with -- all of our crews, as you know, have been spending a lot of time in the Port.

But that's my understanding of why folks voted out. We do plan to monitor the grant carefully. We do want to come back to commission with a report on how it's going. And we do want to make sure -- I think one commissioner said to prove the commenter wrong that we are achieving results through this grant.

So we will be carefully monitoring that. And in terms of the media and the communications for the actual approval item, we'll be sure to highlight what we plan to do because the wharf is far cleaner and vibrant and more exciting than you might hear in the media. And we don't want our perception to be different from what's real on the ground.

President Brandon: So how will this grant change what happened in 2020?

Rebecca Benassini: Could you explain a little more? What do you mean?

President Brandon: Meaning what will be different? Our tenants weren't happy with services provided. So with this grant, what are we providing that will be different that our tenants will be happy with?

Rebecca Benassini: Thinking about this -- I mean, I think what's different is we have Amy and Meghan in a way that the CBD -- previously, our seat was a listening seat, not a voting seat on how the CBD operated. In this case, it is our resources. We have a direct claim in terms of making sure those resources go to what we need them to go to.

And I think that having Amy, a very experienced grant administrator, on board to work with the CBD and have those weekly meetings with them, those progress reports and then have that feedback -- prior to this meeting, Amy, Meghan, [Don], [Gabe], several of our staff members made sure that we made phone calls to all of our tenants in the area, all of the interested parties that we think would be interested in this item to let them know it was going forward.

So that feedback loop that we're really dedicated to provide I think will be the difference. When the CBD was on the Port side, that wasn't really how we saw our role. Our tenants were paying that tax themselves. They could give the feedback they wanted to the CBD.

And so our role was really just to monitor and make sure that we were coordinating services with them. I think we're in a really different position as the grantor.

President Brandon: Okay. Can I ask, what is the CBD's annual budget?

Randall Scott: It's [1.3 million].

Rebecca Benassini: Their annual budget is \$1.3 million, for the record.

President Brandon: Thank you. And this is also asking us to suspend fees or waive fees. What fees are those? And what does that equate to?

Rebecca Benassini: Thank you. So the grant requires them to put on events. Typically, when entities put on events on our sidewalk space or, for example, at the crab wheel plaza, they would pay to have that event. In this case, since we're funding them through the grant, we, when we come back in the action, will waive those special-event fees that we would normally charge for a performance or a pop-up events outdoors.

President Brandon: It's just special-event fees.

Rebecca Benassini: It's special events, and I want to clarify outdoors and potentially indoors. If there is an opportunity for a special event to occur outside of Alioto's and they need space, they need electricity, they need water, they need some storage space inside, we want to waive those fees as well.

We would normally charge a storage fee to them. So that would be the fee waiver that would come back to you next time -- only events that are administered under the grant.

President Brandon: Okay. Okay. Well, I look forward to this coming back. And I do look forward to the six-month reporting. And I think, after -- at the year point, we probably need to really evaluate if this is doing what we want it to do and making sure that that our tenants are getting the support that they need and that our spaces are beautified in some way and the wharf is much safer. So thank you. I look forward --

Commissioner Lee: President -- I have a question.

Commissioner Gilman: [I will] --

President Brandon: Commissioner Lee and then Commissioner Gilman.

Commissioner Lee: So will we be able to see a programming report? Like what do you have planned? Like is there going to be like this outdoor concert? Or is

there going to be -- you know, what will you guys be doing in the next six months?

Because here's another thing kind of separate. You know, there's 110 cruise ships coming in. That's a big thing for Fisherman's Wharf. And if you don't take advantage of that --

Vice President Adams: Right.

Commissioner Lee: -- you know, that's -- you guys are really missing out. 3,500 passengers, 1,000 workers -- that's 385,000 people coming to the Port. So you can't blame the Port for not supplying the people. This is really up to the CBD. And it's up to the merchants of Fisherman's Wharf to really embrace that now.

Amy Cohen: I forgot that part of the scope of work. We actually have some funding for outdoor events outside of our little dilapidated building on Pier 27 called the Beltline Building. And we will try to do pop-up coffee, like mobile coffee, flowers, gifts, etcetera with this CBD on cruise days.

And they would have an ambassador parked there directing people down toward Fisherman's Wharf. So that's one answer. In terms of a report on programming, are you talking about what will you get to see after the fact? Like what are we asking them to give to us to document? Or are you asking --

Commissioner Lee: No.

Amy Cohen: -- will you find out beforehand, so you can go?

Commissioner Lee: I'd kind of like to know how you're planning this, you know.

Amy Cohen: We have -- the grant is set up with deliverables. And the first couple of deliverables are like send us all your plans, all your dates --

Commissioner Lee: Yeah. Right.

Amy Cohen: -- all the themes, etcetera. I wasn't planning to come to you with every single deliverable.

Commissioner Lee: No. No. No. I just --

Amy Cohen: But we'll have that. We'll have all --

Commissioner Lee: Yeah. Like a single sheet. I mean, you guys are great on reports. I mean, all the neighborhoods are doing quite well on Fisherman's Wharf. But you know, it's kind of nice just to see what you guys have planned. And we can also -- well, I can -- you know, share those activities to our network of people that come to the Port.

Amy Cohen: You'll be on the distribution list for -- on Kaitlin's Instagram list.

Commissioner Lee: Okay. [laughter] Thank you.

Commissioner Gilman: Yeah. That was actually -- just a suggestion -- similar line. Believe it or not, despite his vintage, Commissioner Lee has quite a social media following. And I think it would be great if there could be a calendar published. And this goes just beyond this too.

I think this a little [tangential] to all Port events. Foodwise is doing great now letting us know about events. But we all have networks. We all have people. We all have associations that we're part of. We have a union hall right at the foot of Fisherman's Wharf.

So it just would be great if we could get advance notice, so we can help push out these events, these things or, ourselves, attend them in advance was what I was going at. I would also hope -- Amy, I know you're new to this department.

But we all know your fabulous, fabulous work at OEWD. It's been my soapbox and Commission Lee's soapbox too to also get those hundreds of thousands of visitors and workers to North Beach and Fisherman's Wharf and the other historical landmarks that used to -- before we filled in the Bay -- make up the shoreline. So we hope we can drive traffic to those neighborhoods as well.

President Brandon: Thank you. Commissioners, are there any other questions or comments? Seeing none. Jenica, next item, please.

B. Informational presentation on Proposed Strategies to Address Food & Beverage and Retail Vacancies.

Mike Martin: Good afternoon, commissioners. Mike Martin, assistant Port director. Just going to make a couple framing comments on this item. In some ways, it'll become an extension of the Rebecca testimonial.

So I wanted to jump on board with a couple comments we've heard already today, first Vice President Adams talk about the box. So we at the Port -- in working outside the box, in moving the box aside, we at the Port for a long time were subject to a ban on working with brokers because, in the good times that Becca described as we both came on at the Port, we could sort of roll out what we had. And people would come to us.

And that was a rule that was sort of a product of its time. And now, we're in a new time. And we sort of began to look at how we work with brokers on a limited basis with some of our more unique available properties like Ferry Plaza East back here and the Butterfly Restaurant up at Pier 33.

Today is an opportunity to think even harder about that, looking ahead about what we need to do. And I think we've heard the comments today about being more nimble, finding those opportunities and grabbing them.

So this was our opportunity to take our thought leader on this, who has worked through this in the detail with the brokers to sort of download that information and get your feedback so that we can carry that discussion forward.

So I just wanted to express my appreciation because, as a short-timer, Rebecca could have said good luck to you on this item. But she's going to take us through it. And we're definitely interested in your feedback and hopefully moving ahead on all fronts, both the short-term front we just talked about and the long-term front of getting more permanent tenants into Fisherman's Wharf and really creating that next chapter and that next inflection point for that important neighborhood. So with that, I'll hand it off to Rebecca.

Rebecca Benassini: Thank you, Mike. This is the fun part. There are a lot of hard times that we talked about earlier where we had a lot of difficulties with tenants. We now have the opportunity to not exactly choose our destiny but kind of set out how we're going to fill the spaces that are now becoming ours.

So I want to go through a strategy with you, hear your feedback. And then, hopefully before I go, I'll kind of queue up the action item, so my team can continue the fun part of filling vacancies.

So just as context, we've already looked at the uneven recovery. This is another kind of similar gross sales chart like Meghan showed. This one is segmented by location: north, Fisherman's Wharf, China Basin and the southern waterfront and then by business line.

And you'll see again restaurants overall -- very location based in terms of how they've recovered or not. We've seen slow return on the northern waterfront, \$10 million versus \$7 million today -- \$10 million pre-pandemic, \$7 million today.

And then, just thinking about how inflation has occurred since that time period, our restaurants are seeing lower sales, more difficult cost environment -- much better in the central and southern waterfront. Those restaurants typically are more -- have a lot of neighborhood-based business. So they have come back better.

Fisherman's Wharf -- big laggard not surprisingly because of a lot of factors I'll talk about in just a moment including large number of vacancies. So we have a difficult economic environment. We also have a very large number of potential solicitations in front of us.

This map shows sites in different sort of circumstances. The blue sites are the sites that we currently control. There are four of them. We have two more that will become ours, Pompei's and Lou's, upon board action probably later next month.

Then, we have one more site coming to us at Bayfront Park, a food and beverage pad. That's seven potential -- that's seven minimum solicitations for the year. In your staff report, I noted that, between 2012 and 2021, we did six for that whole time period.

This is a huge amount of -- this is a huge workload that we really aren't set up to do. Most of our staff are focused on existing tenants, responding to tenants, doing renewals, not running very time-intensive marketing processes.

I also want to note there are three other sites that have been closed since the pandemic. We don't control those. There are tenants in place. But those are other potential sites that could come to us. We have 10 potential sites that could be ours to market and fill.

We've been taking a lot of actions to date to try to kind of fuel our recovery so far. Going way back in time, we did the base-rent relief for percentage-rent tenants. We've been working through workouts. You've been involved in so many of these mutual terminations.

We also have a number of legal actions going on that I kind of continue to update in my monthly report to you. You approved two broker-managed solicitations that are underway right now for Pier 33 1/2 and Ferry Plaza East behind us.

Just today, the Board of Supervisors approved the Chapter 6 exemption for tenant-led projects. That's another important tool. We have a tenant improvement budget in the ARPA stimulus fund that's available. And we also just kicked off sort of a two-month intensive session with a small team of consultants who are going to help us focus in on business attraction, visitor-experience strategy.

And the key purpose of this document is to bring together internal Port folks as well as some of our key stakeholders if they're available to do in a workshop setting. What are the locations that we can focus on in terms of improving our ability to attract tenants and also to just impact that visitor experience and thinking about the segments of different visitors and what they want to experience when they come to some of our key destinations?

I've put together a bit of a strategy document. There are six sort of key steps. And then, I want to go through which we can do just through staff-led processes and which I really need -- we need action from you all, and we need your guidance.

So first, we're going to focus -- it takes a long time to get a new tenant. We signed the contract with the broker in January. They're marketing it. It just takes - - we haven't received any firm proposals yet. We have a lot cooking but nothing firm as of yet.

It takes a long time to get a new tenant. Every day we walk by the Pier 1 former Starbucks site. And I think about how many -- how much foot traffic there is there. And they still haven't filled that site. So in case it takes longer than we want, we want to seek short-term activations now.

This would be an extension of the pop-up RFQ concept where we would put out on our website we have these available spaces. We'd be willing to have a retail tenant come in on a short-term basis so long as there is a small contribution.

Perhaps we get a share of their revenue, some sort of monetary exchange. But they could, on a short-term basis, activate some of our closed sites. We want to reduce barriers for businesses to open at the Port. We're already doing many of these things like I was mentioning with the Chapter 6 waiver, with the tenant improvement budget.

We want to be flexible. And part of the way we're going to do that is by reducing our RFP processes. And we'll keep talking about what that means. We want to use some professional support. I think it's been enjoyable to work with brokers for sure.

I think we want to keep doing that. We can also use other professional support. We've had some of our economic and planning firms help us review financials of tenants. We just need more augmentation of staff time in order to process sort of proposals and potential business ideas.

We want to clearly adopt criteria for any of these spaces. I attached to the staff report the criteria that we used in the previous restaurant locations. It's very flexible and really reflects the values that we want to see in a new partner.

So I'm very supportive of that being kind of the general criteria for all of our retail and food and beverage. Then, we could adopt site-specific. Like for example, you don't want to duplicate the type of offering for any particular site.

We want to integrate flexibility into the process. This is what -- what I mean by this is that, as we, ourselves or brokers, are helping tour potential retailers and we're seeing strong interest in one site, maybe not as strong interest in another, we want to potentially accelerate one and say, okay. We're going to call for proposals on one site.

The other one, we might hold back. We might get proposals. And none of them hit the mark. We'd open it up again. That's something, if we were using the traditional RFP process, we'd have to stop and come back to the Port Commission to open it up again.

We want to be more flexible so long as it's clear on our website and we're clear with all of the contacts the broker or ourselves are making that we can pause and reopen a call for proposals if it turns out we aren't getting what we need in terms of meeting criteria.

We want to have the feedback loop with you all. So I currently use the monthly leasing report to tell you what leases we've signed and what new legal actions we might be taking. We can use this report if that suits you to kind of say, okay, we've had this many tours of this site. We've had this many proposals.

They have or have not met sort of the minimum criteria that we've set forward. So we can figure out the best way to do that. But it's going to be sort of an ongoing process as we look at all of these vacancies. So I want to learn from you how you want to be best informed but to kind of keep you involved until it's time to bring a lease forward.

The strategy -- many of the items we can do mostly with staff authority. But there are key items that we want your input and approval on. First, the criteria -- the criteria that's noted in the staff report hits all of the key areas in terms of: a business concept; the tenants' experience; their demonstration of a commitment to race, equity or diversity, equity and inclusion by them providing in their business plan how they're going to advance that in one way or another.

We also want the criteria to be clear that we need minimum financial capacity and/or minimum experience. That's one key action. Another one would be adopting a new parameter rent or revenue participation for short-term licenses or short-term activations in buildings.

We are viewing those as less than two years. I had a little chart at the bottom that kind of showed in the staff report how long it might take to get somebody in. I think two years is not outside of the realm of possibility. Some of our sites might go faster because they're in better condition.

The last item would be to allow the payment of broker commissions for these new food and beverage or retail spaces that are vacant now or might become vacant in the future. We can alternatively use consulting assistants to augment staff's ability to tour restauranteurs or retailers and to review sort of their criteria and to give sort of feedback to them in terms of how their business plan does or doesn't meet the criteria.

But it would be great to be able to use brokers like we are now and like other landlords do. So those are the key action items that would come before you

as we talk through the strategy. But for now, I'd love to hear sort of feedback. And I'd love to hear if you have other concepts in terms of information you would like to share.

I'm sure Commissioner Lee is going to want to make sure that he knows about these, and he can amplify them out through a social media network. So that's super important. But what else should we include in the sort of strategy to make sure, when we come back, we can then have the ability to take your feedback and then start to either market for -- use the city's consulting contract to get a broker on board or start to put out these solicitations ourselves.

And I say solicitations because they're not an RFP. They're sort of a call for proposals, something a little bit more flexible than what we're accustomed to. That concludes my presentation. I'd love to hear the discussion.
No Public Comment on Item 8B.

Commissioners' Discussion on Item 8B:

Commissioner Lee: I mean, these are great ideas. Again, as I mentioned I think before, there's a lot of brokers out there with a lot of different connections. And it's good to reach out them. But we should have short-term agreements with them because sometimes -- I mean these spaces are very big and very lucrative.

And I've seen brokers just sit on it and don't move very quickly because they got the exclusive. So if we're going to be doing that, I want short term. And what's the process of getting these brokers, you know, because there are so many?

Some have a lot of different connections than others. So I think we should have some kind of say on who these brokers are because, in general, it's all the same practice. They all follow the same marketing strategies and the same conditions.

So I mean, you could hire them as consultants. But it doesn't really serve our part because you don't have the staff or the outreach to bring these people in. So my only comment is to make sure these brokers are on a short leash, you know.

But everything else -- I mean, it falls in line of what we should be doing because they're not going to walk through the door anymore. You know, we're going to have to look for -- I mean, unless we size some of these spaces down -- they're huge. Right.

And you heard our young social media person. They're looking for -- they don't want to sit in the restaurants anymore. They just want to get their food in the counter and explore the environment. It seems like that's the latest thing. So that's my only comment.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: I would defer to Commissioner Lee on these kinds of things. A couple questions -- are there any requirements to get anybody else outside the Port to approve this? Or was this really within our control to do this?

Rebecca Benassini: To do this is in your --

Commissioner Harrington: The strategy you're talking about.

Rebecca Benassini: -- the strategy is our control completely. Of course, if we get a lease, then under Charter Section 9.118, then it would have to go to the board if they're more than 10 years or more than a million dollars in revenue. So we presume most restaurant leases would go to the board as well.

Commissioner Harrington: And the idea is that the items that are on page six, you would come back with these as action items for our commission? Is that the -

Rebecca Benassini: Correct.

Commissioner Harrington: Sure. Bring it back. Or someone bring it back.

President Brandon: [laughs] Love it. Commissioner Gilman?

Commissioner Gilman: So I know we're just talking strategy here. So I guess I -- I think you're off to a great start particularly what you outlined on page six of the proposal in the staff report as well. I guess I would just like to ask the staff -- and I might be the lone commissioner to really push the envelope.

To me, the reason we would engage a broker directly or do direct leasing is to expedite and understand our own staff capacity, what you so noted, that we will have possibly seven or more of these properties up that we need to lease.

And you know, over I think what was an eight-year period, we did seven ourselves. So I think we need to recognize that especially if these are short-term uses or short-term leases that we're offering to folks in a way to activate them while we're looking for more permanent leases.

I just really want us to think about that because we can give the grant to the CBD. We can do everything on social media. But if I as a resident or a tourist walk to Fisherman's Wharf or to this area and I see boarded up storefront, boarded up storefront just like, with all due respect, that I'm seeing in Union Square, it doesn't make me want to shop there. And it doesn't make me want to eat there.

So I think we really need to think about short-term activations and how, when we do this process, it's still going to be speedier. And I say that -- I'm not sure if it's -- I think it's connected to the last item. But as someone who is participating on the review panel for the public art at the cruise ship terminal, it has taken eight months just to get my panel scheduled.

So I don't want to see those kinds of delays for us when we're looking to hop on an opportunity particularly since we're focusing on restaurant and bar and food-beverage spaces. Commissioner Lee can tell you, if they're activation ready, you know, if they're left in a condition where people can just come in with very little TIs and a coat of paint and make it their own, I want to see that activated.

So I'm just really hoping that we try to embrace as much as we can with the efficacy of the public trust and public lands and public -- our obligation to the public, a way to get folks into these spaces, so they can be activated.

And then, my only other suggestion actually was on your attachment-one criteria. If we're really committed to equity and diversity and we're trying to push that out to the private sector or even small businesses which may or may not sometimes have that as a focus -- they might be like, "Wow, that's new."

I would give that more weight than how pretty the place looks. So the fact that it had an equal point value to design -- I would shave off a point there or two and give it to equity if we really want to be an agency that puts that front and forward.

Rebecca Benassini: Thank you. May I make a little clarification just to make sure that I was really clear in the presentation? So two things -- the brokers, we can contract with through Department of Real Estate. So they have a prequalified pool.

I think they're up to seven brokers at this point. The way we did that process to get the one on board for the two sites was we put out a mini request to everyone on the pool. And Department of Real Estate helped us kind of cull through their responses.

We interviewed three. And then, we selected one based on their experience and then the fee that they offered in terms of their commission. So I'm envisioning doing something similar here where we'd go to that pool again and then figure out if we want to do one broker for more than one site or do one broker for one or two sites to start with the ability to extend if they are successful.

And we have been meeting every other week to hear all the prospects so far with the broker that we're engaged with right now, Cushman and Wakefield, all the tours, all the feedback they're getting on each site.

And then, we're strategizing when we're going to call for proposals based on when we think people are ready enough and know enough about the site to give a proposal in particular for 33 1/2. We think that will happen sooner.

Ferry Plaza East -- we're planning open houses and doing a lot more outreach because it's a much bigger site. So that's the way we're engaged so far. But I totally agree. There is some amount of time where we've tried, tried, tried.

And if we are not successful, then we do have the ability in the contract to cancel and terminate the contract and move on. I'll be working with staff who have a little bit more experience with brokers than I do to figure out like how much time is the right amount of time where we kind of call the question.

And then, on the short-term activations, I just want to be really clear that we definitely don't need a broker for that. I think that we can do that ourselves. We have a little bit of exposure. We have existing Port tenants who are asking whether or not they could use parts of our vacant storefronts to do small activations. So I think the short-term activations we can market ourselves. We don't need a broker for that for sure.

Commissioner Gilman: Yeah. I guess like what I -- I'm sorry. What I was trying to say about the short-term activations was part of your staff report, how it might take two years to get someone in. But then -- so I was thinking maybe like medium activation.

So maybe it's -- I don't know -- a food show is coming to town, or something is coming. And they'll use the space for six months. And then, they'll pop it back down or some sort of pop-up dinner club kind of activation.

Rebecca Benassini: Yeah.

Commissioner Gilman: And I do want to apologize actually. I looked at my phone. It's only been four-and-a-half months since they've been trying to schedule my panel. So I take that back for the record. [laughter] And it's no one's fault. It's just there's a bunch of us. And it's been hard to get everyone on the same page.

Rebecca Benassini: It felt like eight months.

Commissioner Gilman: So I just don't want us to fall into that trap which is meant -- to me, Pier 70, huge development projects. But this is -- I walked away from my restaurant. I left you everything. He wants to open up a restaurant. Let's make that as seamless as possible.

Rebecca Benassini: Understood. Thank you.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: I think my fellow commissioners hit it all.

President Brandon: Is that your comment?

Vice President Adams: Yeah. Yeah. [laughter]

President Brandon: Okay. Becca, thank you so much for this presentation. Our fellow commissioners have asked some great questions. So for the broker, what is the normal contract time frame? Is it like a year? Two years?

Rebecca Benassini: Yes. It's usually the same amount of time that they have on the panel. So we want to make the contract as flexible as possible. So for example, it might be a year or three years that they have on the bench. So we make the contract equal to that term. But we can terminate it any time --

President Brandon: Okay.

Rebecca Benassini: -- based on lack of performance and inability to find a tenant. So we have that ability to terminate. So far, we are pleased with just the availability that they have to respond to tenants who can quickly do tours, respond to questions, you know, help us with the drawings that we need to do of the building and supply those.

So they're giving all the information that we need. We're hoping to get proposals in the next two months for Piers 33 1/2. So knock on wood that we get one there.

President Brandon: Thank you. Well, I agree with the overall strategy that you're proposing. And I think that the feedback can be a part of the reports. I think that's a great resource. Any other questions or comments, commissioners?

Commissioner Lee: One question. The brokers that the city have -- is there a lot of them? Or is there just a small amount?

Rebecca Benassini: I think there are seven. Somebody might remember -- I don't see any of my real estate staff here right now. But there is a pool of seven I think that were qualified. City real estate uses them for -- city as landlord and city as tenant. So they do both of those services.

Commissioner Lee: So any new brokers that are interested -- they would go to the city and apply or do an application and get screened by the real estate division. Is that right?

Rebecca Benassini: Correct. But that's a competitive process. So they'd have to -

Commissioner Lee: Okay.

Rebecca Benassini: -- go through that competitive process in order to get on the pool.

Commissioner Lee: Is that an open call? Or is that a certain amount of time that they have to res -- you know, that they're looking for new brokers?

Rebecca Benassini: I think they're typically two to three-year contracts. And they just formed a new pool recently. So there's a pool in place for the next two to three years. So another broker wouldn't have the opportunity until that pool is up again.

Commissioner Lee: Okay. I'm only asking because I believe in competition --

Rebecca Benassini: Yeah.

Commissioner Lee: -- you know. So --

President Brandon: Thank you. Thank you, Becca.

Rebecca Benassini: Thank you.

President Brandon: Jenica, next item, please.

9. FINANCE & ADMINISTRATION

A. Informational presentation on the Port's 10-Year Capital Plan, Fiscal Years (FY) 2024-2033.

Nate Cruz: Hi, commissioners. I'm Nate Cruz, the acting deputy director of finance and administration. I'm here to present the 10-year capital plan for fiscal years 2024 through '33. Before I get started, I want to thank Yvonne Collins on our staff.

She is our new capital budgeting manager. We poached her from the PUC up in Hetchy. And she's been a real asset to us and already made contributions. So we're lucky to have her.

So today, we're going to go through sort of an overview of how we do capital planning at the Port, hit some of the highlights of our accomplishments. And then, we'll get into the numbers. Like any good finance report, this has a lot of tables. I'm going to focus on some of the highlights that I really want you to -- or provide as a takeaway.

So we'll get into the need over the next 10 years as well as the funding that's available. We'll talk a little bit about the emerging needs and opportunities. And then, we're going to kind of shift away from the 10-year capital plan and

focus on how we actually deliver some of the capital projects because the 10-year capital plan is sort of a high-level look.

So to give you a full look at the process, we need to talk about implementation a little bit separately. So to get started, this is why we're here. The 10-year capital plan is a requirement of the code. The city as well as the Port prepares a 10-year capital plan in odd years.

The Port provides its own capital plan, which we're presenting to you today. But we're also -- we also roll up into the citywide plan. This diagram is sort of an overview or a way to visualize the total process here at the Port.

So when we're thinking about capital, we start with sort of the foundational planning documents that we have, the strategic plan and the waterfront land use plan. So using those documents, we think about sort of what we want the Port to look like, what our goals are. And we think about the projects that'll help advance us towards those goals.

The next filter and the most painful one unfortunately is how much money we have to get us there. And the available funds we have come from both internal to the Port -- you know, we have our own sources. And then, we have external funds.

The internal funds are largely just what's left with net revenue at the end of the year. We do have a goal provided by the Port Commission of investing 25 percent of our revenues into Port capital projects each year.

And the external funds are basically anything other than that. They could be from the City and County of San Francisco, the state or private developers, which actually is a big contributor here. So once we sort of look at what we want the Port to be and the project it takes to get there, we filter the money we have.

Then, we actually have sort of a real capital-plan approach. The documents that form the overall capital work we do here fall into a couple of different pieces. And they're staggered. So it's a little bit unusual. Today, we're here with a 10-year capital plan.

Again, that's that sort of high-level look at the need and the funding available over the next 10 years that we do in the odd years. In the even years, which aligns with our biennial budget process -- in those even years, we come to you with a five-year capital improvement program of which the first two years is actually the budget. Right.

That's where we put real dollars into specific projects in specific years. I'm going to loop back to how we do the implementation at the end. But I wanted to give you that overview first.

Some challenges and opportunities that go into every version of the 10-year plan but especially this one -- we always struggle with precision of the data, accurate cost estimates for our facilities. Right. We have seven-and-a-half miles of waterfront.

We've got 20 million square feet of commercial real estate. Some of that's over the water on facilities that were built 75-plus years ago. So the precision of the data is not what I would like it to be. But I think we do a really good job of getting a sense of the scope and scale of what we're trying to tackle.

So cost estimates are a challenge. The pandemic and the economic uncertainty that comes with that or any economic cycle doesn't really impact the condition of our facilities. But it really hits our ability to fund those improvements. Right.

Like our own net revenue, as we've learned through COVID, is incredibly dependent on tourism as well as what private developers want to do on the waterfront. So the economic uncertainty that we face now is probably unlike we've seen in a number of cycles. So that remains a challenge.

Sea-level-rise risk and seismic risk -- we've made a lot of progress on getting a clearer picture on what our resilience projects are going to look like. But at this point, they're not reflected on a project level. Or there's no row in the capital plan that speaks to all of the seawall or resilience projects that we anticipate in the very long future. That's a generational project that's going to take a lot of work.

So those are the challenges. But on the opportunity side, all of this need and all this investment that we're going through presents us with a really wonderful opportunity to make some impacts on race equity.

You'll see race equity come up a lot through this presentation. But I'll speak to it a little bit more in the next slide. But that's definitely an opportunity as well as creating revenue-generating projects. One of the founding assumptions in the math that underpins these tables is that a lot of -- the facilities will basically be replaced with similar facilities with a similar function.

And we know that's not true. Some of the most transformational projects we've seen on the waterfront totally changed the nature, right, of what was an empty shed into a world-class science museum that draws now hundreds of thousands of visitors a year at the Exploratorium.

That's not something anticipated in the plan but can really be transformational. And finally, we have a really near-term opportunity to finally expand ferry transportation in the Bay Area. So that's an exciting opportunity too.

So on race equity, I wanted to just pause on this a moment to provide some more detail. We have had some big accomplishments here. We've hired our first diversity, equity and opportunity officer and delivered the first phase of the Port's race equity action plan.

On the capital budget side, we actually are using race equity as a scoring criteria when we select capital projects. It's a new thing we started doing the last capital improvement program. And we're dedicated to continue using those very precious capital funds that we have to continue investing in affordable housing and improving the resilience of the southern waterfront and protecting the infrastructure and jobs all up and down the Embarcadero and the waterfront.

Some accomplishments -- you know, we finally put some finishing touches on Crane Cove Park with Building 49 as well as its connection to the Pier 70 development. That's that 19th Street project.

We did a lot of safety investments, which is a big category of how we select projects, for Pier 1, Pier 26 and the police berth improvements at Hyde Street Harbor. I already mentioned the race equity consideration. We select projects.

A huge capital accomplishment wasn't actually in the ground. But we got \$117 million of stimulus of which the lion's share is going into capital. So that's a big win for sure. And lastly, the progress we've made on the waterfront's resilience program, right, we've got -- we're still working closely with the Army Corps of Engineers to identify what sort of the adaptation strategy is going to look like.

There's a lot of early conceptual work that's gone into that. We're hoping that becomes clear very soon. While we're waiting for that, we've also advanced just near-term Embarcadero, seismic and resilience projects.

So we're working both on the big vision as well as the near-term needs. Now, we'll get into sort of the numbers in the plan. The charts in this presentation are not in the staff report. But the numbers that are in this presentation all tie to table one in your staff report if you're trying to connect them.

So the 10-year capital need, we fundamentally separate into two categories. There's state of good repair. That's just keeping things in good condition, the things that we have today. And then, there's enhancements. Those are improvements that we know we need over the next 10 years.

So the state-of-good-repair need that we've identified for the next 10 years is \$2.24 billion. Okay. The enhancement on top of that is another \$1.9 billion. So we're in the neighborhood of about \$4.2 billion of total need over the next 10 years.

Now, that's an increase from the prior plan for sure, which was closer to \$4 billion. Those changes reflect not so much any massive change in the condition of our facilities. But we get better data every cycle.

We're really working to improve the precision. We also do a lot of work. The maintenance crew and the engineering group are constantly completing projects. So we adjust the numbers according to that.

The passage of time relates to -- so the 10-year window that we're looking at in any given plan advances every two years. So sometimes, that picks up new projects. And that can drive the number up.

Finally -- and this is the most frustrating one -- is the cost of construction inflation. Right. The escalation cost just keeps pushing this number up every year faster than we can bring it down with our own work.

Okay. So a little detail now on the state of good repair and the funding available to pay for it -- and this is really, I think, one of the most important things that this report shines a light on is the funding gap.

So with that \$2.24 billion need, we've identified \$590 million that we think we can pull together and appropriate to meet that need. So that leaves a significant gap, right, \$1.7 billion over the next 10 years.

The enhancement side is better -- still has a big gap -- with the \$1.9 billion in enhancements. We've identified roughly \$1.2 billion in funding that's available. A lot of that comes from external funders and private developers that are invested in those improvements. But it still leaves a significant gap of \$660 million.

So I also wanted to pause for a moment on where the money comes from. So again, the internal funding that comes from the Port totals roughly \$386 million. That comes from basically Port appropriations every year from the net revenues that are left after we pay for our expenses.

External funding largely overshadows that. You see the pie chart. That orange piece of the pie is certainly much larger and represents the lion's share of investment. This is sort of a list of the examples of the type of funding that comes in from external sources.

There's obviously federal and state grants, some stimulus money. MBFL refers to Mission Bay Ferry Landing. We've got a couple of external sources there that are critical to that project's success. We've got IFD and CFD revenues coming in, private developer investment. We're also using GO bonds.

I will say -- before coming to the Port, I worked for the -- Washington D.C., the district government. And I was the treasurer of economic development

finance. So we were in charge of all the different tools we could deploy to spend on economic development.

And this little Port pulls all the same levers that we did. We were using every tool available to try to bring money in. And I'm wildly impressed by the work that we've done at every level to bring money to the Port. But there's still a lot of work left to do.

So there's a couple needs and opportunities that are worth exploring. As you look at these numbers, I mentioned that some of these transformational projects that really change the use of a facility and that are so important to our future aren't reflected in the numbers that are here today because we don't know what those new projects are going to look like. Right.

We issued a request for interest in historic Embarcadero piers. And we're working on advancing what those projects are going to look like. But we don't know what the backlog is or the amount of assessment -- I'm sorry -- the amount of investment that will be necessary to bring those up to a good state of repair.

And so that can swing the numbers pretty significantly in what that investment number might look like. Conditional seismic costs -- we do have an assumption in here about what that costs. Conditional seismic work is -- if you make a significant amount of investment in an existing facility, if it's big enough it triggers a requirement to bring that facility to comply with current seismic code.

And in some cases, that can be almost as much as bringing the facility -- to upgrading the facility all by itself. So it can be a significant cost. We don't actually know what that cost would be because it depends on the individual facility and the improvements that are going to be done.

So that's a big source of variance in the numbers. And as I mentioned earlier, waterfront resilience also presents a large source of variance. Currently, the numbers that are in this report reflect resilience to the extent that it is funded.

We have a certain funding source with GO bonds -- that's the 2018 bond that was so overwhelmingly approved by the voters -- and also another one that we're assuming is coming in 2027, I believe. But all that money that we're hoping to win from the federal government with the Army Corps of Engineers and external sources -- that's a little too speculative at this point to bring in to the report.

But obviously, when that comes in, that's going to change the scale of this report dramatically. You know, we all know that the resilience cost exceeds almost the entire Port's need at this point. So that's going to change the look and feel of the report substantially once we get some real numbers to include.

Okay. So that was the 10-year plan, the high-level look. So what do we do with this information once we have this plan? So basically, right now, starting -- well, maybe a little bit later in the summer -- we start working on the capital improvement program, the five-year capital improvement program.

We start gathering project submissions from all the divisions. We look at any projects from the last round that were not funded. We also look at -- we have a facility database that has an algorithm that predicts when you might need to do large projects.

We look at that. And we try to get sort of the universe of projects that we need to consider to advance our goals. Then, we put cost estimates on those projects as best we can. And we rank them. And the ranking is a substantial process.

It's probably a full week of work. The deputies get together as a committee and do that ranking. And we consider things like whether or not this honors a prior commitment. Right.

Sometimes, we do projects where we commit to providing bay-fill removal or public access. We want to make sure we're honoring those commitments. So the next time we ask for something, we make sure we've held to our word.

Health and safety is always paramount. That's health and safety of the staff, our tenants and the public at large. Leasing needs -- leasing needs sometimes has to do with health and safety. And it sometimes has to do with return on investment below it.

But as we learned in the pandemic, an empty facility not only creates a revenue gap. It also creates this public-perception problem. Right. There's boarded up businesses along the Embarcadero. That's a perception problem. It can also be a safety problem.

So any leasing needs that help address those non-quantitative needs of the leasing team can be considered in the project-selection process. And the last thing we consider is whether or not this will attract outside dollars.

We've clearly identified there's a funding gap here. So if a project fits really -- fits criteria of a federal grant opportunity or some other grant opportunity, that's one that we'll invest our own dollars in in hopes to attract that outside money.

Once we get those projects ranked, we bring that result to you for approval as part of the biennial budget submission. And that's where we take the first two years of that five-year plan. That becomes our budget. And we, with your approval, go to the full Board of Supervisors for implementation of that budget.

So this is what that CIP looks like. This is an excerpt from the staff report for the last budget process. You can see it's got individual project names categorized by geography as well as the year funds were appropriated in.

So it's got some real specificity. Right. This talks about specific projects and specific uses. I'm happy to talk about any of the projects if you have specific questions. But I wanted to just give you a sense of what the CIP looks like when you see it.

Finally, there are still things we need to work on. Integration of resilience -- I talked about the long-term economics of given facilities, right, that empty industrial sheds out over the water might not pencil as well as the Exploratorium or some other use might.

We have to start considering that in the numbers we put in this plan. And the last thing I think it's really a privilege to work on is this equity component. All the investment that's going on on the waterfront presents a really immense opportunity for us on not just where we spend the money like in which geography or what the project looks like but who we spend it with.

All of those are the levels of equity that we're trying to consider as we look at all these capital investments. That's the 10-year plan. I'm happy to take any questions that you have.

President Brandon: Thank you, Nate.

Nate Cruz: Thanks.

No Public Comment on Item 9A.

Commissioners' Discussion on Item 9A:

Commissioner Harrington: Thank you, Madam President. Just a few kind of simple questions to start with -- on page six of your presentation when you talked about the equity issues and you said, "The Port will continue using capital funds to support affordable housing," how does the Port do that? I assumed we made agreements in terms of using space that we own. But you actually use capital funds for affordable housing?

Nate Cruz: I think I'm going to have to get back to you on that.

Commissioner Harrington: Okay.

Nate Cruz: I know -- yes. I think certainly we've invested capital assets.

Commissioner Harrington: Sure.

Nate Cruz: But the funding itself, I'm going to have to dive into it. Sorry. I don't have that detail.

Commissioner Harrington: That's fine. In the report, we talked about the IFD and the CFD. You want to comment on that?

Director Forbes: I don't think we invest capital funds in housing. We definitely contribute and are part of housing developments. We require land value -- fair market land value on our housing deals. But we work very carefully with the city to bring more affordability, etcetera. But we don't invest our capital dollars in housing.

Commissioner Harrington: That makes sense. That's what I thought. That's why, when I saw it, I thought that's an interesting thing I hadn't heard of before. The IFD and CFD money -- I guess, when we did that, I thought it was going to be big money for the Port.

When I look at your 10-year plan, it's like \$27 million all together. Is there a -- is it just not happening the way we thought it was going to happen? You weren't here maybe. But is that less than what we thought was going to happen? Are we thinking it's going to grow dramatically? Or is that really that kind of relatively small dollar value?

Nate Cruz: The IFD/CFD funding that you're seeing in the table on --

Commissioner Harrington: It's in --

Nate Cruz: -- [it was like] --

Commissioner Harrington: Sorry.

Nate Cruz: That's okay.

Commissioner Harrington: It's in the report on page three. And it talks about external funding sources of the \$1.45 million -- billion.

Director Forbes: Yeah.

Commissioner Harrington: And it shows Orton IFD tax increment of \$7.9 million, Pier 70 shoreline CFD \$5.5 million and Mission Rock CFD \$14.3 million. Do we think other things will come on board that will expand that in any kind of dramatic way? Because this is looking at the next 10 years. There's just not much there. I thought it would be more.

Nate Cruz: This represents the portion of the IFD and CFD funding that comes to the Port.

Director Forbes: Right.

Commissioner Harrington: Right.

Nate Cruz: It does not include the CFD/IFD revenue that is dedicated to paying debt service on bonds that reimburse developers for their investments. So that debt-service component is the biggest component of it. So what you're seeing here -- and I can't speak to how it aligns to prior expectations because I wasn't here. But what you're seeing here is not the full IFD.

Commissioner Harrington: When you get a chance, would you mind just sending us a note about how much total is generated by those and then where it goes? That would be handy.

Director Forbes: Absolutely.

Commissioner Harrington: One of the last pages of your report, page 15, the 2023-24 column only adds up to like \$9 million. Am I missing something? Or is that really the extent of the money in CIP for the current -- for this next fiscal year?

It's the 2020 -- [crosstalk] it's always helpful to have a total as opposed to just multiple subtotals. But I was just running through it quickly in my own mind.

Nate Cruz: I'm sorry. I'm not seeing the [crosstalk] you're referring to.

Commissioner Harrington: The 2023-24 column only adds up to about \$9 million. And that's saying the use of funds for CIP in this next fiscal year. And I'm just wondering if I'm missing something there.

Nate Cruz: The 2023-24 column in my --

Commissioner Harrington: Yeah. On page 15.

Nate Cruz: -- presentation? That one?

Commissioner Harrington: Yeah.

Nate Cruz: That is correct. That does not reflect all the geographies of the Port. This is just sort of an excerpt of the table. It doesn't include Fisherman's Wharf or Port-wide projects.

Commissioner Harrington: Okay.

Nate Cruz: But the magnitude is not far off. I think the sticker shock you might be experiencing here is real. You know, the amount of funds that we have to

appropriate in our budget is not significant. Right. It's a good year if we put \$20 million of capital in. So --

Commissioner Harrington: In 2022-23, looked like a much different year. That's what I was --

Nate Cruz: Yeah. Yeah. No. That's real. Some of that is stimulus money.

Director Forbes: Mm-hmm. Much different.

Nate Cruz: We tried to appropriate that out as fast as we could. So we put that -- frontloaded it where it was available. But your point is right. I can get you the full 2023-24 total that includes all the geographies if you'd like.

Commissioner Harrington: That'd be great.

Nate Cruz: Sure.

Commissioner Harrington: Thank you. You have done an amazing job -- you, collectively, have done an amazing job with so little revenue to meet such a big part of the total program. I'm totally amazed and in awe that you've been able to cobble together all that.

But then, there's this big gap still that's there. And we're not really talking about real sea-level rise, real construction work on a long-term. I've been doing a bit of work lately on intergenerational equity. And it's starting to make me crazier and crazier all the time that we are letting things go for our children to take care of.

This is not a good year to be walking around and saying we need more money for things. But I'm wondering whether -- maybe this is already in a plan. Or maybe you do this on an annual basis anyway.

But I'm wondering whether maybe in six or nine months we could put together kind of a more informational presentation and discussion, bring in other city departments or whatever, but talk about what are we going to do about climate change and particularly climate change that affects the Port but all climate-change things that affect the city.

The Port seems to be in the middle of so much of it that it directly affects us. But it would be great to have a better sense of how the city is planning on really dealing with that issue. So far, it's been very much in the deferral mode like it's far away. And it's not really far away.

So I would love to get just more information or more of a discussion. You know, again, when you have time in the future, that would be great.

Director Forbes: Mm-hmm.

Commissioner Harrington: But those are my questions. Again, I applaud you for being able to put so much together with such a fairly small resource here. Thank you, Madam President.

President Brandon: Thank you. Commissioner Gilman?

Commissioner Gilman: Well, thank you, Nate. And thank you, Commissioner Harrington, for all those questions. I just had actually two questions. Going back to page 15, section 15, the chart, your sort of excerpt. I've always been struck -- and I know this is not -- some of this is seismic. Some of this is sea level.

But you know, this isn't the Army Corps of Engineers study and sort of the bigger picture. This is more our capital improvements. I've always been struck over the five years I've been on commission how much of our improvements maybe -- I don't want to infer because of historical neglect.

It might have just been because it was more maritime or more industrial -- how much of it really sits on the southern waterfront of where our investment needs to go. So I guess this might just be a theoretical question to look at.

I wonder if some of the innovations we're looking at like offshore wind and other things, if that would generate enough revenue or excess revenue that we could pull off as dedication to that, sort of like the southern waterfront fund for the southern waterfront so that we can really get to these repairs since that section of the waterfront doesn't have right now at least the kind of revenue around parking, restaurants or other things where we have participation where we get money that we could dedicate like that we're generating money and making money sort of on the northern waterfront maybe pre-pandemic.

So I'm just wondering if we c -- when we look at things that are going to be happening in the southern waterfront like the offshore wind exploration, which I know is still in its infancy, or other kind of venues like the music concert that's coming back to Pier 80 -- which I was super excited to read about in the newspaper -- if there's a way we could look at dedicating more money from a capital perspective to the southeast waterfront.

That was my only sort of aha when we're trying to cobble together all these resources. Thank you for your report.

Nate Cruz: Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: A question on the priorities -- since we have Alioto's and all these restaurants are empty right now, wouldn't it be better and more economical

to start -- if there is some sort of priority for underneath those restaurants, since they're empty to address them?

And then -- because, who knows? We might have to go in there and change the whole structure of the building anyway -- rather than wait, you know, to figure out what the other priorities. I think, in order for us to get more revenue, you know, we need to address these empty spaces.

And they have to be repaired anyway. Instead of displacing a tenant and say, "Let's decide to fix it now," and then we have to displace a tenant, wouldn't it be better to set those priorities as well rather than, you know, we owe this guy because we didn't do it last year or something, you know.

Director Forbes: I can respond a bit to that question --

Commissioner Lee: Yeah.

Director Forbes: -- and then turn it over to you, Nate. The restaurants and the vacant spaces are not in this capital plan. They're actually probably assumed as tenant responsibilities in that pie chart that you saw, which has more funding than we do for capital improvements.

This plan is looking at longer-term improvements, safety improvements, public-realm improvements, park improvements, etcetera. The restaurants -- we did allocate TI budget through the American Rescue monies.

So that was new for us to think about investing in TI. We do not have an investment plan or program to rehabilitate or reinvest in those restaurants ourselves in a very large way. We're talking about smaller-scale tenant improvements.

So that's where we are right now in our thinking and our budgeting and our capital planning. But as we work through the brokerage and the restaurants, we may come in with other recommendations for capital spending and our capital budget as it relates to those facilities. But we're not in a position nor do we have funding to take on those facilities in the way you're describing.

Commissioner Lee: So I'm not talking about the above-ground part because underneath these -- they sit on piers. Isn't that part of infrastructure though?

Director Forbes: Absolutely. That's part of our infrastructure. And we're doing assessments and letting --

Commissioner Lee: Right.

Director Forbes: -- future tenants know about its condition. And we're doing obvious inspections --

Commissioner Lee: So that's what I'm saying. Since --

Director Forbes: -- before termination.

Commissioner Lee: Since they're empty -- kind of empty now, wouldn't that be a good time to think about doing those infrastructure repairs? If we're going to -- I don't know what the strategy will be in the future, whether the new tenants are going to be responsible --

Director Forbes: Right. Right.

Commissioner Lee: -- to fix those piers. But in today's economy, nobody is going to take our leases if that's going to be part of the deal. So I'm just saying, are we going to wait to decide whether that's a priority? Or you know -- I know the above ground, until we figure who that tenant is.

But I'm really concerned about, is that part of the infrastructure underneath, you know. It could be years before we get somebody to rent. And who knows -- I mean, so -- I'm kind of confused what's -- I know above it is retail. But below is infrastructure too. So I see there's a gray area.

Director Forbes: I see everyone, all the leadership team coming up to help respond to your questions with me. [laughter]

Commissioner Lee: I'm new, you know. I -- [crosstalk]

Director Forbes: So we'll start with Michael Martin.

Mike Martin: So it's something we've thought a lot about. So the 66-year leases for all of those restaurants in Fisherman's Wharf, because they were so long, they allocated responsibility for the substructure to the tenants, kept it off our ledger. And that's a big expense that we don't like to take.

Now, I think we've got the challenge of the -- we know more about the resilience program. And we're looking at, for example, the seawall underneath Taylor Street. And we need to do more thinking about it because those buildings are not only on their own piles. But they're sort of resting on the land side.

And any improvements to address seismic risk in the street would necessarily sort of undercut improvements we did now on the piles on the water side. So I think we need to have a coordinated look at that when we look at that Taylor Street project which right now is more than we can afford with the dollars we have under the Prop A bond.

So I think it's an idea that makes sense. Unfortunately, the imperative for now means that I think we need to figure out a way to get tenants in there to

generate revenues while we work out that plan and then try to negotiate it from there because this -- I mean, right now, that Taylor Street project, because we don't know exactly what the design is, has a really wide potential cost.

And we're not sure how to necessarily pay for it ourselves. So I just wanted to add a little bit of that color to those specific restaurants. But it's an idea that makes sense because you're absolutely right. In this economy, no one is taking the deal that the prior tenants took to take that responsibility because they won't have the term or the revenue-generation capability to pay for that.

Director Forbes: Right. And another thing to consider when we think of projects of this size, they totally eclipse our ability to pay. So a project on Taylor Street would be much larger than we have every annual cycle.

So many of the projects that we fund are more capital maintenance projects that are less -- they're smaller scale essentially to keep our facilities up and running and away from a red tag or a yellow tag.

Commissioner Lee: Right.

Director Forbes: But when we go into these big, big transformational investments, you'll see it's not resting on the Port's balance sheet and our ability to generate our small capital budget. It has lots of different funding sources to pull it off.

Commissioner Lee: Okay. Yeah. I'm just saying, if we happy to get a guy that wants to take that space, I think it would be a bummer that we say, "By the way, we've got to start fixing underneath you." And then, your business has been disrupted. And then, we have to pay them for the disruption, you see.

So sometimes, I'm thinking, well, what's the point of hurrying up and renting these spaces out when eventually we have to fix the piers? So I mean, it's a big problem, you know, that we have to figure out. So I'm just asking how the priorities are set because I don't understand that.

Director Forbes: I think it's an absolutely excellent conversation to launch into. With the capital plan and where we are with COVID and what's happening in Fisherman's Wharf and the opportunities in the southern waterfront for investment and potential offshore wind and other project cargoes, we are creating strategies for each place.

But it's not changing something like the 10-year capital plan because we don't have a durable plan for Taylor Street yet. We have -- we know it needs help. We know it needs resilience work. It's in one of the 23 projects -- the early projects. And we know it costs more than we have even in the Prop A bond to repair.

So we're looking at near-term activation, short-term leasing. And our lawyers will get us all the right language in there that describes that, as a public sector, we may come in for public project purposes. So we have that in the lease. But we are developing strategy by strategy. You will see things roll out in the capital plan when we have a plan for a project.

Commissioner Lee: Okay. Thank you.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: Nate, that was an awesome report, very meticulous. You know, one thing that's good about you is that you lived in D.C. You understand how government works. And I wanted to say something about what Commissioner Harrington was saying.

He was right on point about sea level. But the one good thing about tomorrow will be a special day for the Port of San Francisco because you're going to have the White House here in the Port of San Francisco. And the Port of San Francisco is going to be front and center.

You've got the maritime administration, Department of Transportation and all the things about infrastructure and things like that. They're going to get to see our Port. The administration is coming to us. We're not having to go to D.C. They're coming here to San Francisco.

They'll be here tomorrow. They're going to get to see all this land. They're going to be on the water. They're going to get to see this. So this is a good thing for us. Going back to what Commissioner Gilman said, we know that they're looking at the Port of San Francisco, Port of Long Beach and Eureka for offshore wind. It's going to be big.

And I know Mike Martin in maritime and Andre, they've been working on that. That is going to be big. And Commissioner Gilman is right. That is going to some revenue. And that's going to be huge.

And also about our commitment to sea-level rise, as Commissioner Harrington was saying and explaining, they're going to understand that. And the monies that we've gotten -- I think we've done pretty good as far as the investment.

Our governor invested several billion dollars in infrastructure for Ports just in the State of California alone. And the president -- his infrastructure bill -- I was at the White House when he did that for -- and we have to get these shares of the money because Commissioner Harrington is right.

I mean, we're a very small port trying to compete with L.A. Long Beach, Oakland. Right. So we've got to get our share because we need more. And he's

on point about that. But tomorrow, I think we really showcase San Francisco. We're going to be front and center tomorrow in the eyes of the nation.

But I will also say -- I also realize that there's an issue maybe with the debt ceiling that can be a problem too. And that's a reality because of politics. And I'm hoping that will work out. So there's a lot of variables and a lot of things that are [intertwined] in what we're trying to do.

But this is a great report. It was very well thought out, very methodical. You had all the answers. I know some of the commissioners wanted you to get back to them. But I think you did good. But tomorrow will be a big day. And let's take advantage of that.

We don't get this opportunity very often. We usually have to go to Washington to lobby or go up to Sacramento to beat the drums and to have our voices heard. But they're coming on our home turf tomorrow. We've got to be like the Warriors. We've got to win three in a row. So let's do what we've got to do. So thanks, Nate.

President Brandon: It's four in a row.

Vice President Adams: Four in a row. No. We won one. We need three more.

President Brandon: We [have to] win four games. [laughter] [crosstalk]

Vice President Adams: Three. Three.

Commissioner Gilman: Three in a row.

President Brandon: Going forward. [laughs] Nate, thank you so much for the report. This was great conversation. I think the commissioners hit on a lot of items. But I just think the common thing is our unfunded needs go up every five, 10 years, you know.

But I think that the staff has done an incredible job of finding resources, like you said. All the tools that we're using for bringing in revenues is what the federal government is using. And we're a small shop with a small budget.

But we're -- in the last five, six years, we've been really, really good at finding opportunities to bring in revenues to the Port. And with resilience, that's going to be a huge project and take a lot of resources. So we've got a lot on our plate.

It's great to see this. I think Commissioner Harrington asking to understand, you know, the overall capital plan, the five-year plan, the two-year plan, how resilience fits into all this and to be able to see a full budget of Port and resilience together because it is all the Port and so to really understand, you

know, what our long-term goals are, what our resources are and what we're going to need going forward. This is a great start.

Nate Cruz: I'm working on it.

President Brandon: [laughs] Thank you so much for this presentation.

Nate Cruz: Thank you, commissioner.

10. PLANNING & ENVIRONMENT

A. Informational presentation on the proposed Public Art Program that establishes a process to select and place public art along the Port's waterfront, including selection of artist and outreach to artist.

Ryan Wassum: Good evening, President Brandon, Vice President Adams, other fellow commissioners and Executive Director Elaine Forbes. My name is Ryan Wassum. I'm a planner with the planning and environment division.

And I'm here with my colleague, Dan Hodapp, who helped draft this art program with me and will be available for questions after. We'd also like to recognize and thank Tiffany Tatum, Toni Autry, David Beaupre and Ming Yeung for their contributions and help in drafting the program.

So as part of the presentation, we're going to go over the overview and purpose, the artist-selection process, the outreach for public art, artists and our work-selection criteria and also maintenance and ownership.

Before jumping into the presentation though, I did want to highlight that the Port currently does not have a dedicated public art program or staff resources to implement a comprehensive program. But again, this is kind of the first overview of the program.

Public art aids in celebrating the Port's history and diversity while demonstrating a vision for the future and a commitment to culture values. Through public art, the Port hopes to educate, inspire discussion, delight residents and visitors and add to the waterfront's sense of recognizable place.

The purpose of the Port's public art program is to describe the process for selection of artists and public art and guide its placement along the Port of San Francisco waterfront.

As part of this, you know, the program is a guide essentially to guide how and where public art can enhance and enliven the Port's network of parks, public spaces and natural areas, administer a transparent and inclusive process for the selection of diverse artists and artwork and also expanding opportunities for

indigenous people and people of color to display art inclusive of local and regional artists.

So I don't know how detailed you guys got in the staff report. But the staff report covered essentially kind of the three artwork and artist-selection processes. As part of that, we're going to review open-call, direct-selection and artist-sponsored proposals.

It is important to note that any project that requires project management or assistance from the San Francisco Arts Commission, a memorandum of understanding would be required with the Arts Commission itself.

And the asterisk here -- just want to let you guys know these processes are based off of the San Francisco Arts Commission's guidelines and policies.

Open call is a local, national or international competition, open and professional practicing artists that meet minimum eligibility requirements per the Arts Commission guidelines and policies. This is applicable to permanent or temporary art proposals that utilize city's funds for the city's art enrichment program or other major public art on Port property as directed by essentially the Port Commission.

The open-call selection process consists of distributing a publicized request for qualifications to professional practicing artists. An art-selection panel is formed to -- of representatives from the Port and community groups, potentially BCDC staff and the Arts Commission to narrow down to a few potential artist proposals.

And then, the selection panel's final recommendation and maintenance plan is then presented to the Port Commission and, when applicable, to the Arts Commission for consideration and final approval.

For direct selection, this process is typically used for temporary and/or permanent artworks of limited budget consistent with contract threshold requirements for professional services under chapter 21 of the admin code.

It's applicable if proposal or the project budget is less than the minimum competitive amount. That's currently set at \$129,000 per admin code. If the budget is under \$10,000, there's no RFQ or RFP required. However, it's encouraged to solicit at least three written bids or proposals if this is a direct-selection process that is chosen.

And if the budget is between that 10k to \$129,000, informal solicitation is required per rules of the contract management department. And what distinguishes this differently from open call, in addition to budget and kind of schedule, is that only one artist or artist team is chosen to move forward versus,

if you do open call, it's usually narrowed down to at least three to four final artist proposals.

And the third selection process -- this is basically artist-sponsored proposals occur when artists or art organizations approach the Port requesting permission to temporarily display their art on Port property at the sponsor's own expense.

Artist-sponsored or basically unsolicited proposals will be evaluated by Port staff up to three times a year or as directed by the executive director. Proposals will be reviewed by Port staff for consistency with criteria outlined in the art program and also in the staff report.

The Port staff may present final proposals as an informational item at the Port Commission for review and comment prior to consideration of approval by the Port's executive director. And here's just two images of artist-sponsored proposals that were popular at the Port. You have a polar bear on the left. And to the right, you have the rocket ship.

And then, also, for outreach for artists, an artist will play a critical role in developing a comprehensive public art program along the Port's waterfront. As part of the outreach strategy, we kind of broke it up into three key strategies of develop, promote and enhance.

So for developing, it would be -- we want to develop a website and content by the end of Q3 of this year. We want to promote the program and any future opportunities by the end of 2023. And then, we want to revisit and enhance the program towards the end of 2024.

And I'm going to go into a little more detail on the following slides of each of these outreach strategies. So staff would like to develop a transparent Port public art program webpage with an overview of program that includes but not limited to -- we would like to outline the requirements and processes for using Port property for public art such as licenses and encroachment permits.

We'd like to establish a review process for large, small-scale and temporary art, also have locations and sites suitable for large-scale art installations and also have opportunities for involvement all on a webpage.

And after kind of creating that, then the second phase would kind of be publicizing the Port's public art program and promoting those opportunities for artists and artworks through established Port communication channels and partners.

That could include Port newsletters and social media, the Port website, partnering with SF cultural districts and applicable city agencies and then utilizing and/or creating an email distribution list within the nine-county Bay Area region

for outreach and promotion opportunities. So we can kind of get the word out there that we actually have a program.

And then, lastly, as part of kind of the three-prong approach would be kind of enhancing that outreach strategy, evaluating and improving the art program over time.

So by the end of Q4 2024, sometime in that year, we would again reevaluate the program, which would include continuing to update the webpage, to promote new and diverse opportunities, expand outreach channels and partnerships as they become available or are developed, update those distribution lists to maximize artistic diversity and opportunities for involvement and then also learning from those successes and failures of the program and kind of adjust and pivot where needed.

And again, here is just some artist and artwork selection criteria that's kind of outlined in the draft program. I won't go into any of those in detail. But they do range from kind of, again, your artistic qualifications to your ability to maintain. Is it something that can be built here to withstand kind of the marine elements, etcetera?

And then, depending upon the selection process which, you know, there's open, direct or artist sponsored and the use of city funds, ownership and maintenance are different -- kind of fall under different buckets.

For open call and direct selection, through negotiation with the Arts Commission, ownership and maintenance for public art involving city funds would transfer to the city under the jurisdiction of the Arts Commission.

For public art not involving city funds, the Port may request the Arts Commission to accept the art into the city's civic art collection pending the Arts Commission's ability for acceptance. And sometimes, they do have temporary moratoriums where they're not taking on new art.

And then, for artist-sponsored proposals, ownership and maintenance for artist-sponsored public art shall be the responsibility of the sponsoring artist or arts organization unless the Port chooses to accept the public art and maintain it.

That concludes the informational presentation of the program. I also have Dan Hodapp here along with me. So if you guys have any feedback, input or questions, we are more than happy to address.

No Public Comment on Item 10A.

Commissioners' Discussion on Item 10A:

Commissioner Lee: So the overall process just to get this going -- I mean, Q3, Q4 and even Q -- I mean, we're talking about a year. Right? How long from solicitation to finally picking the art? What's the process? About a year?

Ryan Wassum: So it really depends. What we have kind of outlined for this is kind of the initial structure of -- we have to -- so we don't really have a current program. Right. So we're trying to draft content for a website and then also start pushing out any opportunities we might have.

Right now, the only art opportunity that I'm aware of is Pier 27 which you heard Commissioner Gilman speak earlier. It's taken some time to work with the Arts Commission to get the selection panel solidified.

But there is -- for other opportunities per se -- so if we had an actual budget for public art, then we would probably move forward w -- something like the direct-selection process. But we don't know how long that would take because we haven't really gone through this process yet.

Commissioner Lee: I see.

Ryan Wassum: But we would -- and there's really no dedicated staff too, as I said at the beginning of the presentation. We really don't have this comprehensive art program.

Commissioner Lee: Kind of new. And then, let's say -- I mean, I went through this process before I built the statue for Chinese railroad worker laborers, which is at Sacramento right now. We were supposed to put it on Caltrans property.

And they said, "Okay. You can have it for a dollar. You can have the land. But you have to carry the insurance. You have to carry --" and then, they said, "Well, then it has to be a property of State of California or something. Right. So do we have to go through the same process for that as well for public art?"

Director Forbes: We do. So we require the insurance, the liability, the transfer of risk --

Commissioner Lee: Wow.

Director Forbes: -- the maintenance. We require all of that. And sometimes, the artist comes through an arts organization that picks up those fees and responsibilities. That does occur. But we don't take on any of that as a port.

Commissioner Lee: So how long does that art get to stay there?

Director Forbes: It depends. It depends.

Commissioner Lee: Because what happens if they can't support the insurance anymore, or the foundation falls apart? Do we tell them to remove it off property then?

Commissioner Lee: We haven't had that particular circumstance in my tenure. But the time does depend. We've had different times for Hyphae art at Pier 27, the polar bear, Pier 14. Dan Hodapp, you can probably help us out with the range of times that we've provided.

Dan Hodapp: Sure. Dan Hodapp with the Port's planning and environment division. And always a pleasure to be here. Have to go back and just remember we don't have an arts budget. We get art in two ways. When we have city funds involved in a project, we go through the public -- the art enrichment program, which requires 2 percent of the budget for that program -- for that hard construction cost to be used for public art.

Examples of this were the 2008, 2012 parks bonds that the Port got about \$34 million or \$35 million from each of those. And we're spending the very last of that on the Pier 27 art that Ryan described briefly here and that -- Commissioner Gilman as well.

The other way we get public art is when it walks in the door. Artists come to us because it's such a wonderful place to display their art. And they see that as furthering their life as an artist in getting a benefit as such.

The Port does not finance that. But we have not -- in the past, we have not had a process for who gets to do that. We've been very grateful. And we've gotten some wonderful art. This program sets -- it defines how we're going to do all these different processes.

And then, it's going to make it transparent and public so that we convey this. We have no plans unless the commission tells us to start paying for art. We don't have a budget and don't think you saw a line in the capital plan for that.

Yet we will continue to get art because we are responsible for this wonderful waterfront. So now, this is a way that we are consciously and transparently going about and doing this and also -- and increase the diversity of who gets to do it here. So we make sure we represent all the communities around us.

Commissioner Lee: Yeah. I just wanted to know the process because, if you're carrying the insurance every year, you know, I mean you want to have your thing up there, which is great. But then, eventually, you're going to run out of money, you know, to pay for this.

So at that point, does the Port say, well, if you're not taking care of it, do they start proposing that it will become city art, you know? Or we just say, well, you have so many days to remove the art?

Director Forbes: We don't have th -- go ahead, Dan.

Dan Hodapp: Okay. So the art that we've seen, for instance, on Pier 14 or the polar bear that was out in front of the Ferry Building, we allow that for a temporary period of time --

Commissioner Lee: I see.

Dan Hodapp:-- when someone comes in. And they generally only want to be here for a temporary. And they have responsibility for installing -- for entering into a license to use Port property, which this commission has waived the license fee.

But in that license, it describes the insurance, the indemnification and the maintenance responsibilities and the responsibility to remove it and return the site to its original condition. So they've got to generate that -- all those funds to do all that.

And it has a finite date. The time periods range from six months to about 24 months generally. That has not been an issue for us on the timing on the past where we've been -- the commission and Port staff have been flexible about that.

Commissioner Lee: Yeah. I just think, you know, people should know, I guess, when they're really serious -- is the bow and arrow -- is that public art? Or is that a Port property -- [laughter]

Director Forbes: That's a whole different situation. That's public art. It was redevelopment art. And the Gap made huge contributions to maintain and repair. And it's now ours. Yeah.

Commissioner Lee: It belongs to the Port.

Director Forbes: Yes.

Commissioner Lee: I see. So eventually, it could be part of the Port if they like it - - the commission likes it, I guess.

David Beaupre: If I might just say -- David Beaupre, deputy director of planning and environment -- so essentially, we have two types of art. We have three types of art on Port property today. We have temporary art like the polar bear or the rocket ship where they come in for 12 to 18 months. They take on all the liability. But we know it's going to go away.

Then, we have permanent public art, which goes through the Arts Commission through the art enrichment program. That becomes a part of the civic art collection. The Arts Commission and the city carry the liability for that. So it's permanent.

Commissioner Lee: Okay.

David Beaupre: And then, we have -- in one condition, we did retain an artist and go through a selection process for Bayview Rise. It was meant as a temporary art program on the silos. We took on the liability for that. We permitted it.

So those -- it kind of breaks down into those three silos: temporary where it's the artist's responsibility; Port-sponsored temporary or permanent if we want where we took on the liability; or the Arts Commission through the civic art collection where they take on the responsibility and liability. Thank you.

Commissioner Lee: Okay. That's very informative. I just want to know.

President Brandon: Thank you, Commissioner Lee. Commissioner Harrington?

Commissioner Harrington: Thank you, Madam President. So it's great that we're setting up a process, so it's obvious what's going on. My one concern, I guess, is the open call says local, national, international competition. And often, when you work with the Arts Commission, they like that world-renowned artist kind of discussion.

I actually prefer to have local artists. So when I built the PUC building, we had \$5 million that we could put for art, which was kind of fun because we had so many other projects happening that weren't going to be public.

So we had to take the 2 percent. We put it all in one big building. And we spent all \$5 million with local artists as far as local artists being in the watersheds and in the part that the PUC serves. And it really made a big difference being able to really open that up to local people.

And so I would encourage you, as you work through this -- several things. One, don't let the Art Commission take it over. They have their own ideas sometimes that aren't necessarily the same ideas that we might have.

You're also planning, I guess, on them -- you're saying ownership and maintenance of public art involving city funds would transfer to the city. They have no money for maintenance of this stuff. So transferring it to them, you still get stuck with the maintenance because, otherwise, they don't do it.

They have, you know, \$10,000 a year for maintaining all the public art we have in the city. So I would encourage you to do a lot more local if at all possible.

And I would encourage you to obviously follow the charter requirements. But you should expect that you will need to maintain if you do artwork because they don't typically do it.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: I enjoyed the presentation. Yeah. I kind of like Commissioner Harrington's about we can make it local as much as possible. Being on the commission, I've seen some of the art here. And this is a good part about the Port that we're still able to do something like this that's artistic.

And it shows a diversity in our Port. So I'm very supportive of it. Also, it's good for local artists to get exposure. So yeah. I'm supportive.

President Brandon: Thank you. Ryan, thank you so much for this presentation. And thank you for the art program, for putting together the art program. And I think it's great that we'll have a transparent process for whomever wants to bring art to the waterfront. So I'm just wondering, how does this differ from what we're doing now?

Dan Hodapp: Dan Hodapp again from Port's planning and environment. How does it differ from what we're doing now? It will inform the public of what we're doing now. We'll put it on our website. We'll define the requirements for it. We'll make it easier for a broader range of artists to become involved.

We will open it up. We will advertise it in that respect. So I think that's one of the big differences. The other is it spells out when we use the art enrichment program with the city. So it becomes transparent. And it defines that.

It doesn't say we're going to do more of that type because, at this time, we don't have the funding associated with that. But we may on projects, as they come forward.

President Brandon: So what are we advertising?

Dan Hodapp: We will be putting up on the website what an artist has to do. They need to enter an encroachment permit. They need a license to use Port property. It will define the sites that can handle large public art, which are some of the obvious ones, the cruise terminal plaza, Pier 14 and Brannan Street Wharf and whatnot.

And it will also look at -- there are other types of art opportunities, smaller art that could reach a broader community. It could help with our diversity on this. It could be sidewalk painting. It could be small sculptures at corners. It could be things on glass. It could be -- you tell me the range of possibilities.

So it'll transmit that we are open to these types of ideas as well. And then, we've said we will look at these three times a year and see which ones we want - see if these artists are capable of taking on these responsibilities that are defined.

So it's meant to be more open. It's meant to attract art and not just the 30 or 40-foot-tall sculptures but other ways that make the waterfront fun and interesting and the 30 or 40-foot-tall sculptures.

President Brandon: And then, for most of these, other than the ones that go through the Art Commission, our staff will do the selection process?

Dan Hodapp: Yes.

President Brandon: So that's kind of how it is now?

Dan Hodapp: Yes. For the open-call ones, it puts the approval at the Port Commission level for the direct selection. It puts it with the executive director as well -- with a presentation to the Port Commission. And for the artist sponsored, it also puts it at the executive director level for approval.

President Brandon: Okay. But at this point, we don't have any funds. And we don't have anything to go out and say we're looking for something at this site. Or we would like to do this here. Or --

Dan Hodapp: We don't. But some of the other improvements being done in Fisherman's Wharf, as an example -- there might be opportunities that come up, as when Ms. Cohen presented the program there. So opportunities could arise where we do increase opportunities on some of these other activities going on along the waterfront.

President Brandon: Thank you. No. I appreciate you putting the program together. And I appreciate the transparency. I look forward to visiting the website. Thank you. Jenica, next item, please.

11. NEW BUSINESS

Director Forbes: I recorded a couple of items. On the sole source to the CBD, we're going to come back with a six-month report on how we're doing. And we will be discussing -- we'll probably do an informational item at the one-year mark to ensure we're in good shape. That's what I think is the will of the commission from the conversation.

We're also going to let you know what the plan is. So you'll see that in advance as well. I also noted that we will be getting the resolution from Supervisor Walton related to the Pier 94 trailers to the commission and a full look at IFD, CFD.

And in six to nine months, we will schedule an informational item with our city partners about what the city is doing to address sea-level rise. Is there any other new business?

Commissioner Lee: You know, the tour that I went on the Princess Majestic was great, how they grind up all their raw material. [laughter] And it doesn't smell. You know, it smells really good down there actually. But my question is, how do we tap into that? You know, with all the cruise ships coming in, they have 1,000 workers --

Director Forbes: That's a lot of people.

Commissioner Lee: -- and 3,500 passengers. Is there a way that we can help our tenants get more involved when they come in and maybe offer discounts to their employees when they have some kind of ship ID? And then, those people on the pier, you know, they say, "Hey, come and enjoy some clam chowder or something." And they get a discount, you know, because I think it's really an untapped market that --

Director Forbes: We will have Ms. Cohen look at that with the CBD. We have a stevedoring company that manages the events and the cruise ship terminal and engages with marketing with other interested parties. So we have -- there is work linking the cruise --

Commissioner Lee: Okay.

Director Forbes: -- ship passengers to the economics of the city right around it. But there's always more work that could be done. And you're right. We have a banner year of cruise ships.

Commissioner Lee: Right.

Director Forbes: I mean, we have really -- that has been like leading recovery for us is these cruise ships. So we will look at that and see about putting an informational item on or a report to you about what we're doing.

Commissioner Lee: Or is there a point of contact on the Port staff or no? That's pretty much --

Director Forbes: It would be someone in the maritime division.

Commissioner Lee: Maritime. Yeah.

Director Forbes: We'll look at it and get --

Commissioner Lee: Okay. Yeah.

Director Forbes: -- back to you.

Commissioner Lee: I think that'd be very encouraging for our tenants to help them out.

President Brandon: I would like an update on Pier 70 and what's going on out there. I understand there's a new team in place. That would be great.

Vice President Adams: I would like an update on the vendors that are on the waterfront selling hot dogs and clothes down there by the cruise terminal. I'm running out there in the morning. They're just out there. Has there been any -- I'd like an update on that and where we are with that. Thank you.

Director Forbes: Absolutely. Thank you.

President Brandon: Any other new business? If not, can I have a motion to adjourn?

12. ADJOURNMENT

ACTION: Vice President Adams moved to adjourn the meeting. Commissioner Harrington seconded the motion. All commissioners were in favor.

President Brandon: The meeting is adjourned at 6:22 p.m.