



**Public Meeting of the Port Northern Advisory Committee (NAC)
July 19, 2023 (5:30 to 7:30 pm)
In-person at Pier 1 and remote via Zoom**

Meeting Notes

NAC Attendees

Katy Liddell, (Co-Chair), South Beach/Rincon/Mission Bay Neighborhood Association
Jane Connors (Co-Chair), Ferry Building, Hudson Pacific Partners
Ted Choi, City Kayak, Pier 40
Shani Krevsky, Exploratorium
Bruno Kanter, North Beach Neighbors
Stewart Morton, San Francisco Heritage
Bob Iwersen, Gateway Apartments
Alec Bash, Alternate for Bob Iwersen
Mahesh Katwani, Alternate for Ritika Puri
Stan Hayes, Telegraph Hill Dwellers

NAC Members Absent

Marc Dragan, Brannan Homeowners Association
Carol Parlette, Golden Gateway Commons Resident
Flicka McGurrin, Pier 23 Café
Vivian Perez, Metro Events
Bob Harrer, Barbary Coast Neighborhood Association
Diana Taylor, Alternate for Bob Harrer
Ritika Puri, Watermark Homeowners Association
Al Fontes, Alternate for Stan Hayes

Port Staff

Patrick Foster, Planning and Environment, NAC Coordinator
David Beaupre, Planning and Environment, NAC Coordinator
Ming Yeung, Planning and Environment

Presenters

Andre Coleman, Port Maritime
Meghan Wallace, Port Economic Recovery

Audience

Suni Petersen, South Beach Yacht Club
Greg Giachino, Telegraph Hill Dwellers
Wendy M.
Jean Allan
Alice Rodgers

1. Announcements and Introductions (5:30 - 5:45 pm)

- Activities along the waterfront
 - Off the Grid at Pier 27 Cruise Terminal
 - Pier Parties at Fisherman's Wharf
- Teatro Zinzanni
 - Development partner TZK remains in good standing with the Port and is aiming to close escrow as soon as possible sometime in 2024.
- Embarcadero Navigation Center
 - There was an HSH-led community meeting to discuss a new MOU on July 13th, with another meeting scheduled for mid-August and an informational hearing at the Port Commission in September. The MOU will be on the agenda for our next NAC meeting.
- Next NAC meeting is tentatively scheduled for September 20, 2023
- Roll call for committee members

2. Approval of Draft Meeting Notes: NAC March 22, 2023 meeting (5:45 - 5:50pm)

- Meeting notes were approved by Katy Liddell and Jane Connors

3. Port Maritime Update: Presentation on the Port's current maritime portfolio and operations. – Andre Coleman, Port Maritime Deputy Director (5:50 - 6:20pm)

Q&A

- Stewart Morton – The Maritime portfolio has changed a lot due to the pandemic. How do you see trends going forward?
 - Andre Coleman – The biggest change is on the aggregate import side and commercial fishing due to environmental regulations (delayed crab seasons to allow for migration of whales, commercial salmon season canceled due to lack of supply). On the excursion side we are still not quite at pre-pandemic levels due to less visitors from Asia, as that comes back we expect excursions to increase. Aggregate imports will depend on market conditions.
- Stan Hayes - What percent are we at overall for maritime operations compared to pre-pandemic levels?
 - Andre Coleman – We are performing well overall though I don't have an exact percentage at this time. The 18-month pause in cruise was an impact but we've seen a very strong rebound and we have opportunities ahead including offshore wind. New business is out there and needs to be accommodated with a focus on maintaining and improving infrastructure.
 - David Beaupre – We can ask Port CFO Nate Cruz to present more budget details at our next meeting.
- Stewart Morton – Where are crabs currently coming from and is the prohibition done?
 - Andre Coleman – Crabs are coming from Zone 3. There was a delay to the season due to fish and wildlife regulations. The season typically opens November through June, this year was February through April. Some fishers were able to continue through mid-June with modified equipment.
- Alice Rodgers – Curious about wind turbine opportunities. Does the existing temporary trailer shelter affect the wind turbine program?
 - Andre Coleman – There is no impact yet, we are years out from the California turbine project and design prep work needs to be done ahead of that. A near term demonstration project will include a joint venture between offshore wind developers. This is targeting

late 2026 and is currently going through the EIR process with the Port of SF named as site for deploying wind turbine projects.

- 4. Economic Recovery and Growth Plan:** Overview of the Port's Economic Recovery and Growth Plan, including presentation of a \$10M Economic Recovery project expenditure plan prior to seeking a release of reserves from the Board of Supervisors. – Meghan Wallace, Port Economic Recovery Manager (6:20 - 7:20pm)

Q&A

- Stan Hayes – What is the overall perspective on funding needs of Port? The impression is \$2 billion needed for maintenance and of that 75% is not currently affordable. How can Port close the gap on funding needs for maintenance? On waterfront adaptation strategies I've seen \$5 billion needed over many years.
 - Meghan Wallace – You're right the needs are very large. The Port has an unusual capital plan in that it represents costs to replace everything as-is. It's important to recognize that cost while we are looking at strategies for the future of the waterfront. Development at Pier 70 and Mission Rock are additions to the portfolio. We'll continue to need to look at segments of the waterfront that leverage external funding, development partners, Army Corps of Engineers, etc. because our operating budget won't be able to cover it all. We are trying to allocate more funds each year to the capital budget which reflects the importance the Commission is placing on recovery.
- Stan Hayes – What are the biggest opportunities for income growth, i.e. real estate vs. maritime?
 - Meghan Wallace – There is a significant gap in revenue generation in Fisherman's Wharf, including legacy restaurants like Alioto's which is now in Port control and requires significant investment to generate similar revenue to what it did before. Our hope is for longer term leases, especially on Jefferson Street. On Taylor Street we are looking at shorter term lease opportunities. For real estate it's more of an uphill battle, maritime is really showing up with increasing revenues. For the shipyard we are looking at how to increase deep water berth opportunities and generate revenue in that area again. We are looking at both portfolios, maritime has some more tangible opportunities with cruise and upcoming offshore wind.
- Jane Connors – Regarding direct loss of revenue for the restaurants including three in Port control, is there still a lag of the other properties still operating? Are you working with brokers or restaurant consultants?
 - Meghan Wallace – Loss of revenue is primarily due to the businesses that are not operating. Those still in business are doing quite well. Good indications that people are coming to the wharf.
 - David Beaupre – We are working with brokers, currently at the ferry plaza east building, and likely at more locations going forward. Fisherman's wharf has additional issues with resilience and aging building stock.
- Katy Liddell – Is the unsolicited proposal at Fisherman's Wharf still happening?
 - David Beaupre – We brought this to the Port Commission but they were not comfortable with the sole source approach, so we developed and issued an RFI and received one substantive response. Port Commission is now recommending we move forward with sole source, and this will likely happen in August.
- Alec Bash – Thank you for the presentations, appreciate getting into the economics to see how interconnected everything is including land use, capacity, ongoing maintenance. It may help to have additional members on the NAC with financial acumen.
- Alice Rodgers – A couple years ago I sat in on a presentation regarding Pier 40 including an outdoor marketplace. What is the status of that?

- David Beaupre – We are still in an exclusive negotiating agreement with Pacific Waterfront Partners. The project use concept has not changed, but the slowdown in the economy has affected the speed of development. The plan also includes rehabilitating the shed, maintaining uses in the shed, creating a plaza in the front with pop up retail, perimeter public access, and retail/restaurants along the Embarcadero.
- Stewart Morton – For Piers 30/32 and seawall lot 330, what has been the reception of the redesign?
 - David Beaupre – Legislation for the project has gone through through state senate and assembly. We are hoping this will be signed by governor in the fall. As that happens the project will ramp up. We want to take a term sheet for fiscal feasibility to the Port Commission this fall. Most folks liked the redesign, some in the community are still frustrated but there are some new ideas on how to improve further. Overall folks are happy with the reduced number of units/massing.
- Alice Rodgers – What is the status of the density bonus dispute?
 - David Beaupre – The legislation is only addressing uses on the pier. Developers still believe the state density bonus can be used for the project.
- Ted Choi – Does new development such as Mission Rock affect investment projections?
 - Meghan Wallace – Yes this is very true, we will be adjusting our baseline assumptions.
- Alice Rodgers – E-bikes and scooters continue to use the embarcadero. Is this being monitored?
 - David Beaupre – We will check with SFMTA as they are tracking numbers, they did some soft enforcement and have seen good progress so far.
 - Alec Bash – In my experience the changes have been successful, overall many more bicyclists in the bike lane and I hope this can be extended on both the north and south sides.
- Stan Hayes – Would value a big picture look at Port’s revenue sources, that will give better perspective on the dilemma the Port faces and how to close the funding gap.
 - Patrick Foster – I’ll reach out to Port CFO Nate Cruz about presenting an economic update at our next meeting.