



SAN FRANCISCO PORT COMMISSION

**November 14, 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, COMMISSION AFFAIRS MANAGER**

CITY & COUNTY OF SAN FRANCISCO

PORT COMMISSION

MINUTES OF THE MEETING

NOVEMBER 14, 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, Ed Harrington, and Steven Lee. Commissioner Gail Gilman was absent.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – October 10, 2023

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

3. PLEDGE OF ALLEGIANCE

4. ANNOUNCEMENTS

A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for the ringing of or use of a cell phone or other similar sound-producing electronic device.

B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

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, members of the public and Port staff. I am Elaine Forbes, the director of the Port. I'd like to start with APEC. It's a very auspicious day and week that we're having this Port Commission meeting.

I hope that you and everyone, all members of the public, are getting a chance really to come here and see the celebration and feel the excitement of APEC. The waterfront is very much on display this week not just because the waterfront is arguably the most beautiful place in the world but also because we represent innovation, addressing with innovation and partnerships the most pressing problems like sea-level rise, as one key example.

Our Port team has been working around the clock with many last-minute pivots and requests, working over the weekend. And they have risen to the occasion. Last night, a SkyStar Ferris wheel opened to the public in Fisherman's Wharf and just in time.

I have a full report and update for you and for the public. We will host dignitaries and heads of economies at our Exploratorium tomorrow. The production for the event and the heightened security for the event has and will cause impacts.

We have maintained great partnerships with our tenants through this process. And our tenants have remained flexible. North and southbound Embarcadero lanes will be closed beginning tomorrow morning early and up to 24 hours around the event.

This has been communicated with our tenants and to the public through the Port, Secret Service, SFPD, SFMTA and the mayor's office. We are trying very hard to get the word out about impacts to travel. We have a team on site this week. And they will continue to be here for our tenants and our public during this disruption.

And on a happy note, APEC has already benefitted the Port because it has accelerated our economic recovery. Bringing the Ferris wheel to Fisherman's Wharf to try it out is a wonderful opportunity. And I am really tremendously thankful for our skilled Port, city, state inspection teams who made this possible.

You will see signs of sprucing up everywhere. There are hanging flower baskets, string lights on trees, murals, refreshed pylons for the new city

campaign to highlight innovation. You'll see new water-taxi signage at the Embarcadero. You'll also see new wraps on the Bigbelly trash cans. And the Ferry Building has brought the clock tower scaffolding down.

We also have more officers and ambassadors. SFPD is at full force. Port engineering and state officials, again, deserve special recognition. In addition to the Ferris wheel, they have permitted a light show and Exploratorium major work and in record time.

Tomorrow night, we have a CAPA event, the California Association of Port Authorities. They will be hosting a discussion about the ports and, more importantly, a network opportunity to welcome APEC partners. Lieutenant Governor Eleni Kounalakis, secretary of CalSTA Toks Omishakin, director of Go-Biz Dee Dee Myers along with executive directors of major ports in California, L.A., Long Beach, Oakland and Hueneme, are expected to attend. I will be there. And I'm honored to give opening remarks.

You are more than welcome to attend, commissioners and members of the public. We hope you can make it. It'll be right here in this hearing room starting at 3:30.

I do want to recognize that this whole week I've been getting compliments about our staff. People have been calling me to say, "You have the best -- Port staff are the best. They're so responsive and dedicated." So I just wanted to share that I've been getting calls this week. And it makes me very proud.

More news on economic recovery, to maritime -- unfortunately, crab season has been delayed. Commercial Dungeness crab fishery south of Sonoma, Mendocino County line was scheduled to open November 23 in fishing zones three, four, five and six. However, the season opener has been delayed in those zones because of the presence of a high number of humpback whales.

The California Department of Fish and Wildlife said it anticipates that the next risk assessment will take place before November 17. To positive maritime news, the Pier 20 -- 52 boat launch -- the public boat launch has been returned to full service of this facility.

It has been closed following some major storms earlier this year. I want to thank our Port maintenance team who got it back up and running. Now, San Franciscans can get back out on the water and enjoy the bay.

In other news, Thursday, November 2nd, the Port hosted an assembly select committee on ports and goods movement here in the Port Commission room, the committee chaired by Assemblymember Mike Gipson, who is tasked with overseeing California's seaport operations and good movements.

It was a very panel discussion and was followed by waterside tours of Port property. We're grateful to share our unique and diverse business lines with state's primary decision makers on policies affecting the California supply chain.

And in big news for resilience, this last week the city and the Army Corps agreed it was time to put our pencils down and get ready to release the draft adaptation plan. This is six years of work that is culminating in this moment where it's time to show the public the work.

We were able to come to that agreement because we work very closely with our city agency partners to understand the moment we're at with the study, understand what that federal interest means and to understand the commitments we're making in moving forward.

We're very comfortable that we're in a good place with the Army Corps of Engineers in this partnership and that they're -- finding a federal interest is going to be incredibly beneficial to us creating an earthquake sea-level rise resilient Port.

Turning to equity, November is national Native American Heritage Month. The Port is excited to celebrate Native American Heritage Month and indigenous peoples' history, resilience, culture and achievements this month and throughout the year.

The U.S. Congress officially recognized November as Native American Indian Heritage Month in 1990 stating, "American Indians are the original inhabitants of the land that now constitutes the United States of America." Today, Native Americans sadly represent less than one percent of the population in California.

The Port is committed to combatting native invisibility. We recognize that our workforce is lacking in Native American representation. And we are developing strategies to correct this deficit. We look forward to the Port staff's participation in this month's quality Port equity programming. And I thank our equity champions for making this important programming available.

To two key projects, Mission Rock and Pier 70 -- both are approaching major infrastructure milestones. As you know, both of these neighbors require very intense new public infrastructure that is significant investment and very complex.

The city staff is working with the Port and the developers to advance the city acceptance of this public infrastructure. These are roads, utilities, sidewalks and other improvements the neighborhood requires. At Pier 70, Brookfield has completed the construction of utilities and surface improvements serving phase one of the project, which will support anticipated 588 residential units, more than

100,000 square feet of maker/PDR/retail space and up to 460 square feet of commercial space.

In addition to the public infrastructure needing to be accepted, these approval processes also reiterate maintenance and liability commitments. Staff is striving to complete this work. And we anticipate Pier 70 before this commission as early as December followed by Board of Supervisor action next year. And for Mission Rock, acceptance is expected to occur in 2024.

Commissioners, consistent with the write-off policy adopted pursuant to Resolution 22-11, Port staff provided a report summarizing two recommended write-off accounts this month. You'll have 30 days to review them. And we will process. If you have any concerns, please do contact me. And I will schedule a future commission item.

And in closing, we thank you, commissioners, for your leadership and your advancement of our bold strategic plan priorities. And happy APEC week. This concludes my report.

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Harrington: Thank you. Thank you again, Elaine. Wonderful report. Congratulations to all the Port staff for all the work on APEC. I'm particularly excited about the Army Corps announcement coming up in full detail. So thanks very much. Back to you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, again, great news on the Ferris wheel because, even though that we have all these programs to try to boost morale and everything else, that Ferris wheel will bring us so much motivation to that area. Hopefully, it will help our empty storefronts there and also just more motivation now.

You know, I think the whole neighborhood is getting excited. So I'm happy for that. That was a great move. I'm glad the Corps of Engineers are ready to release because, as you know, in Los Angeles, their seismic -- a new dam there. And it's been going on for -- it's on the books for like a few years.

And now, their costs have doubled. And they're saying labor and cost of products are going to be going up. So I'm glad it's finally going to be out there, so we can start, you know, getting on the ball and raising some money and get this stuff started as soon as possible. So good news on that.

President Brandon: Thank you. Vice President Adams?

Vice President Adams: Director Forbes and staff, it's good to hear, once again, that someone is singing your praises. I know sometimes you think the commissioners are kind of tough. And we know Christmas is coming. So we're not the Grinch. But I just wanted to say thank you again for the shout out and the work that you do do.

And we know your commitment goes way beyond the call of duty. And you work way beyond just your 9:00 to 5:00 here at the Port. You take your jobs home with you. Sometimes, you work weekends. And you go to these community meetings. So we definitely know how far you go way beyond the call of duty.

And definitely, Director Forbes, I know you're out there swimming in the ocean and doing all kind of other things up at 5:30 in the morning out there. And I worry about a great white catching you or something. [laughter] But you're out there and driving hard.

I'm like the rest of the commissioners, very grateful. I'm glad the Ferris wheel -- and to speak about APEC, this is a boost in the arm, I think, for the City and County of San Francisco. And I definitely, definitely want to thank Lieutenant Governor Kounalakis, Mayor Breed and all those that were involved to raise the profile because a lot of people felt we had an image problem here in San Francisco.

And I think people are seeing that it's safe to come back to San Francisco. And anything's going to take time, right, as we push the pause button and restart. So thank you, thank you again. And once again to the staff, thank you.

President Brandon: Thank you. Elaine, great report. It's so exciting that APEC is here. And it's just wonderful to see how much the Port is benefitting from it being here and how it's showcasing and highlighting our waterfront and, along the way, investing in the Port and our economic recovery.

So I think it's just wonderful and want to congratulate the staff and congratulate you for getting all the compliments that you do because I do think we have the best staff in the city. So thank you, guys. I really appreciate all the work because I know it has not been easy these past few weeks. Everyone has like worked overtime. So thank you.

It's great to hear about the Army Corps, six years, and here we are. That is so exciting. And we're going to look at one of the projects today. So I think it's wonderful that we have such a great partnership with the Army Corps and that they, too, are going to make a big investment in San Francisco. So we have to seize this opportunity.

It's so wonderful to hear that Mission Rock and Pier 70 are moving along, creating new communities. I think it's wonderful. Just again, really have to thank Director Forbes and the staff for all the work that you do that nobody really knows

about, all the behind-the-scenes meetings and permitting [etc.] that you do constantly and with a smile. So really, pat yourselves on the back. Thank you.

Vice President Adams: And real quickly now, President Brandon gave an eloquent speech. Check your stockings at Christmastime and be looking for those packages under the tree. [laughter]

President Brandon: He's the gift giver. [laughter] Thank you, Elaine. Next item, please.

7. CONSENT

- A. Request approval of a proposed amendment to the Port Commission Rules of Order to allow the Commission to adopt a calendar which sets dates outside of regular meetings previously held on the second Tuesday of each month, and on the fourth Tuesday during the months of February and April. (Resolution 23-48)**
- B. Request authorization to accept and expend a \$50,000 grant from the California Department of Parks and Recreation, Division of Boating & Waterways, Surrendered and Abandoned Vessel Exchange (SAVE) Program to allow for removal, storage, and disposal of eligible surrendered and abandoned vessels within the Port of San Francisco. (Resolution 23-49)**
- C. Request Approval of Updates and Clarifications to the Fiscal Year 2023-24 Parameter Rental Rate Schedule. (Resolution 23-50)**

President Brandon: Thank you. Can I have a motion to approve?

Commissioner Harrington: I would like to pull an item off.

President Brandon: Okay. [laughter] Which item?

Commissioner Harrington: Thank you, Madam President. If we could pull item 7A off and make an amendment.

President Brandon: Okay. So we're going to pull 7A off and have a discussion. But we're going to move forward with 7B and 7C.

ACTION: Vice President Adams moved approval of Items 7B and 7C on the consent calendar. Commissioner Lee seconded the motion.

No Public Comment on the Consent Calendar.

Resolutions 23-49 and 23-50 passed unanimously.

Jenica Liu: Going back to item 7A, requesting approval of a proposed amendment to the Port Commission Rules of Order to allow the Commission to adopt a calendar which sets dates outside of regular meetings previously held on the second Tuesday of each month, and on the fourth Tuesday during the months of February and April. Resolution 23-48.

President Brandon: Commissioner Harrington?

Commissioner Harrington: The dates that were given to us for next year, I noticed that November 5th is election day. And some of us are glued to a TV to the commission meeting hours on election day or out doing get-out-the-vote campaign work. So if we could move it to a different date -- and the staff had recommended November 19th. So I would move an amendment to that schedule to make the November meeting to be November 19th.

ACTION: Vice President Adams moved approval of Item 7A as amended. Commissioner Lee seconded the motion.

Resolution 23-48 passed unanimously as amended.

8. WATERFRONT RESILIENCE PROGRAM

A. Informational presentation and possible action to approve request to advertise for competitive bids for Construction Contract No. 2861, WRP Wharf J9 Replacement Project, Phase 1 – Float & Gangway. (Resolution 23-51)

Wendy Proctor: Good afternoon, President Brandon and fellow commissioners. I'm Wendy Proctor, acting deputy director of the Port engineering and previously the project manager for the waterfront resilience program's early projects. I'm supported here today by Steven Reel. He is the deputy program manager for waterfront resilience program project delivery.

Thank you for the opportunity today to present an informational presentation and possible action for approving the request to advertise for competitive bids for construction contract for the Wharf J9 project phase one float and gangway.

A previous informational update was presented by Steven Reel when he covered the list of waterfront resilience program early projects. This is one of seven that are advancing into the -- one of seven of the seven that are in predesign.

The replacement of the Wharf J9 and adjacent seawall were identified in 2021 as a potential early project. And the predesign is well underway. And the delivery is anticipated between 2027 and [2023].

The list of early projects was developed using the three principles being implementable and reducing the earthquake risk and flood risk. This project is located along the shoreline of the outer lagoon of Fisherman's Wharf, which has high risk of earthquake lateral spreading and has emerging flood risk. And the wharf and the fixed berthing is currently closed due to deterioration of the timber wharf structure and the bulkhead.

Maritime staff have expressed a strong desire to help the area recover from COVID pandemic and accelerating the construction of the float portion of the project as early as possible to support off-the-boat fish and crab sales while the replacement project is being designed.

As a result, phase one float and gangway project was created, which will fabricate and install a new float and gangway adjacent to the closed Wharf J9 in time for crab season opening in 2024 to support the economic recovery of the Fisherman's Wharf and improve customer contact with off-the-boat fish sales and crab sales.

The goals of the project and objectives are to create a resilient shoreline, include a floating dock, which provides ADA accessibility for the fishing industry and improved disaster response capacity along with an improved connection for the public and -- through the fishing industry and create an experience that attracts and connects visitors to the waterfront.

This illustration is from the predesign needs-assessment phase for the project, which shows the benefits of the basic safety improvements, which will provide a new resilient structure and then potential open-space benefits, enhancements.

The project-delivery plan is to construct the float and gangway in advance with the end design in mind. The float and gangway are designed to be functional in both phase one and phase two. The float and gangway is planned to be in place for roughly three to five years.

And it will be moved out of the way during construction of the phase two of the wharf and the return to the site for the final location. This is the configuration of phase one. It's designed so that the float will be located along the outer edge of the existing wharf with an entrance from Al Scoma bridge.

In the final design, the entrance will have a landing off of -- to the gangway from the new wharf. The bid documents were prepared by Port engineering division's as-needed consultant, Moffatt and Nichol, with [NOLMM] joint venture. This is a snip of what those construction documents look like.

The request to advertise includes an 8 percent LBE goal, which was established by the city's contract monitoring division. This percentage is lower than some recent projects due to the specialized nature of the work. Materials

are also specialized to be able to withstand the maritime environment and excuse the typical ratio of material-to-labor costs, resulting in a relatively low percentage.

If approved, this will be the first use of the 2018 seawall generation obligation bond funds for construction. The bond funds will be used specifically for the construction of the float and the gangway that will be part of the final design.

Federal stimulus money will be used to support the balance of those contract expenses, which are not bond eligible. The final amounts will be based on the actual costs resulting from the selected bid. Port staff is prepared to seek bids for the waterfront resilience program Wharf J9 replacement project phase one float and gangway contract and, therefore, respectfully requests the Port Commission to authorize advertising the competitive bids for the construction contract 2861. I'm available along with Steven Reel for any questions on the project.

ACTION: Vice President Adams moved approval of the resolution. Commissioner Lee seconded the motion.

No Public Comment on Item 8A.

Commissioners' Discussion on Item 8A:

Commissioner Lee: Well, I'm glad that finally we're going to address this situation because, when I look at it every time I walk by, I think it's going to fall down. So I have a question on -- of course, the engineering part, when we have to bring it up to date and -- but on the historical look, you know, I really like how the picture of the back of the warehouses, how it kind of looks like a Fisherman's Wharf of the '50s -- '40s f -- is the design going to keep this in place so that it becomes it's only little tourist attraction where we kind of preserve, you know, kind of the back of the warehouses?

Because, you know, even -- without looking at the damaged part but just at the back of the warehouses with the lanterns and everything, are those going to stay in place? Or do they have to be upgraded?

Wendy Proctor: The design of the public realm is not finalized yet. Originally, we were working with -- there was a fish alley character district, which now they have updated the waterfront plan. They have determined that that character district has been -- when they removed J10 years ago, that actually degraded that character district. So it's no longer in place.

But they have determined that there's two key buildings on Al Scoma Way that are still significant to -- because they were used for boat repair and boat manufacturing in the late 1800s or early 1900s. There used to be a boat slip

where they had the repairs -- where they queued up the boats underneath Castagnola's.

So all the public realm will be following basic principles that we have in place with Port planning as well as maintaining those buildings. But there may be some modifications to some areas that are along the wharf itself that can make that more beneficial for being able to engage with the water and the fisherman and activate that area. Some of those buildings may change. Some may stay the same. But it'll progress in the phase two.

Commissioner Lee: Yeah. I think, if we can try to keep that theme -- I mean, it's kind of like Santana Row in San Jose. You know, people kind of go there. They feel like they're walking through Disneyland. And since -- you know, Pier 45, they have this idea of a museum and -- a working museum and things like that.

I think it would go hand in hand if we can have like that little fish alley so actually highlighting that little boat repair place. I mean I think, for Fisherman's Wharf to add another place where people can come visit, it's an added plus. So we should take advantage of that.

Yeah. Everything that's underneath, we don't see it. But we always see everything above ground. So that would be my only recommendation. So I'm glad it's being done.

Wendy Proctor: Yes. Thank you. We completely agree. We're hoping that this project will benefit those older buildings that are there.

Commissioner Lee: Okay. Thank you.

Wendy Proctor: Thank you.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thank you, Madam President. Great point, Commissioner Lee. Thank you very much for raising that. I had a question on page 11 where you're talking about the concrete float and gangway is almost \$3 million and then all other work is about \$2.5 million.

But I'm gathering that all the work really is the float and gangway. It's just that it's really more of a matter of what can be paid for by different sources. Is that true? Or is there really other work?

Wendy Proctor: The manufacturing of the float and the gangway and any utilities that are embedded in it that's going to be part of the final design can be paid for by the bond. But anything that's going to be related to the temporary phase-one construction such as -- there's going to be a temporary platform --

Commissioner Harrington: Okay.

Wendy Proctor: -- that's going to be constructed. Where the gangway will sit, that's going to be there for three to five years. And then, that'll be taken out.

Commissioner Harrington: Okay.

Wendy Proctor: There will be guide piles that are going to be put in temporarily that probably cannot be reused. So those will be taken out. So those are the items -- types of items that would be paid for by the additional funds.

Commissioner Harrington: Got it. That makes sense.

Wendy Proctor: Great.

Commissioner Harrington: And one point that I -- I don't mean to open up a whole new thing. And it's not related specifically to this project. I don't expect a response from you. But whenever I see things like 8 percent LBE participation, it's always a bit disappointing because those goals tend to end up being caps in many ways.

If someone could take a look, get back to us at some point in the future of whether there's any way to give additional points or additional credit if somebody goes over and above what that minimum guaranteed kind of LBE participation is, I'd love to see. I'm sure it's been discussed many times.

But if you could take another look at it and see if there's any way that we can kind of give people credit for doing better than just this minimum, I'd appreciate it. Thank you.

Wendy Proctor: That makes sense.

President Brandon: Vice President Adams?

Vice President Adams: That was the question, Commissioner Harrington, that I was going to ask about the 8 percent. And how is this process going to work? I'm like Commissioner Harrington. I think we have to continue to build upon it. And we just came up with this 8 percent.

Why couldn't it be 15 percent or 12 percent? And if you go down to 10 or 11 -- but if we said 8 percent, then it's going to wind up being 4, maybe 3 percent. And I think we ought to raise the expectations. That was the question I was going to -- when I look at, it's always pretty much the same.

I never seem really to get the answer that I need. I know they said there's federal laws. There's always something. But I've kind of learned in politics and a lot of things, people have a way of getting things done. And for some reason, it

seems like we're boxed in on certain things. And we can't get beyond that. And I think we could do better. So thanks.

Director Forbes: I can make a couple of comments. It's the contract monitoring division. It's a different division from the Port that determines what that LBE requirement is, that subcontracting goal. And it's typically 20 percent or above. And as you've seen from our quarterly reports, we hit 50 and above percent to LBEs often in quarters.

And we've been monitoring our data really carefully. And when we started, we weren't doing that well with diversity. But we've come a very, very long way. Here, it's the in-water construction. It's the manufacturing of the float. It's the availability of the LBEs that they're studying. And we don't have a lot of registered LBEs or maybe none in some of these areas, which is why they came up with the 8 percent.

However -- and I'm going to lean on my city attorney -- asking for additional points if you go above and beyond 8 percent or find other ways to engage LBEs, I think is an excellent concept. And we have looked at it before. And we'll look at it again here. And if we can add that to the bidding criteria, I will do so and report back on that if that pleases the commission.

President Brandon: That would be wonderful.

Vice President Adams: Yeah.

President Brandon: And I think my questions were answered also because I was going to ask about the LBE and about the [non-eligible] expenses. But now that we're talking about the LBEs, it seems like we have a multibillion-dollar project here that most of it's going to be in water. So what are we doing to prepare the workforce or minority businesses or small businesses to be able to participate?

Director Forbes: Yeah.

President Brandon: And so I think it's something that we really have to look at because this has been going on for the 26 years I've been on the commission. And not much has changed. So now that we have this huge project with more projects coming, what are we doing to make sure that we're able to get more LBE involvement?

Director Forbes: Absolutely. And if I can just speak a little bit to that, this is a big issue in the REAP, in the racial equity action plan. And staff have been coming at this in two ways. One is to introduce young people to maritime. So there's been the maritime academy. I believe I brought a video for you to see the interns and the work that we've done in developing the pipeline.

But also, it's in the relationship building and demystifying in-water work and kind of breaking it apart. And Tiffany Tatum has led with the maritime division those kinds of explanations. But this is a serious issue. And we are striving to be part of a solution to it.

So I'll continue to report mostly through that REAP and the work that the maritime division has been doing in this regard. Is there anything, Andre Coleman, that I missed that you'd want to add? Or Dominic Moreno? Okay.

President Brandon: Or Wendy?

Director Forbes: Or Wendy? [laughter] Wendy, please.

Wendy Proctor: I learned something today that I think would be nice to share on this topic, which is we had a bid opening recently for another maritime project and learned that one of the bigger companies that's in the local area is mentoring a smaller company that just bid on that project. So that's going to be coming your way soon. It's all still in the works. So there's nothing official there, but I was very pleased to hear that.

President Brandon: That's great. Thank you for sharing. Okay. Any more c --

Vice President Adams: What is this maritime school you were talking about?

President Brandon: Academy.

Director Forbes: It's an internship program we put together for kids that go to Sala Burton High School. And it was a very hands-on, go to the maritime academy, get certified for various skillsets related to in-water safety and learn other mariner trades.

It was a really wonderful experience for the kids. And then, they did a presentation at the end to all Port senior staff. And a lot of Port staff joined to hear what they learned over their time and how they will take that forward. It was just a very good opportunity that staff put together.

Vice President Adams: I guess that question may be to Andre. But I know Cal Maritime costs a lot of money to go. And a lot of these maritime schools cost tons of money. And a lot of inner-city kids can't afford it. And I haven't heard anybody talking about the program that the IBU has up in Oregon.

And it started under Lyndon B. Johnson through Job Corps. And what happens is, in this program, you go to this school and have all the trades and maritime. You go to school for 18 months. And the Department of Labor pays you. It's a class of about 100. And a lot of these kids are from inner-city schools all over the country, 18 to 24.

And I know some people say, well, I went to Job Corps. It doesn't seem as prestigious as saying I went to Cal Maritime. Well, Job Corps is free. They give you a stipend. They teach you four months how to cook. They give you four months in the wheelhouse. They give you four months on the deck. And then, once you get done with your 18 months, they will get you a job out with one of these shipping companies actually either with the IBU, MMP, SIU.

And it's right up outside of Portland. It's probably about an hour outside of Portland. And it's through Job Corps -- because some of these maritime schools can cost up to \$100,000. And there are several kids that I know that went through this program. They are actually now pilots down in Houston making about \$400,000 a year.

And what happened when they got out of that, they went to sea. And then, to become a pilot, you've got to become a tugboat pilot. And they got all their certificates. And they will continue to pay you while you're going to school to get your certificates. So I would ask that you would look into that too.

President Brandon: Any other questions or comments? We have a motion and a second. All in favor?

Resolution 23-51 passed unanimously.

9. MARITIME

A. Informational update to the Port Commission on staff's efforts and paths to support offshore wind energy deployment off the California coast in federal waters.

Andre Coleman: Good afternoon, President Brandon, Vice President Adams, commissioners, Director Forbes. My name is Andre Coleman, deputy director of maritime. I'm joined by Simon Betsalel, the capital projects manager with the Port engineering division. This is an informational update on staff's efforts to date to support the offshore wind energy deployment off of the California coast.

Earlier in April of this year, staff provided the commission with a general overview of the nascent U.S. offshore wind industry and California's goals to deploy offshore wind, as detailed in Assembly Bill 525. Today, we're here to update you on staff's efforts and to identify some next steps.

Before I continue, I just want to note -- and I know Simon will cover some of this as well. But since that April meeting, we've been involved in several offshore wind conferences, both locally and other areas of the state and outside of the state, a lot of engagement from offshore-wind developers.

I think Simon, and working with Moffatt and Nichol as well, the Port's on-call consultant -- we've fielded a lot of and held a lot of discussions with offshore-

wind developers both domestically and internationally, a lot of engagement with government agencies as well. So the engagement continues.

We've met with local labor unions from longshore to carpenter's unions to other trades as well, the local metal trades and, additionally, some early engagements with the southern advisory committee, all of which have been fairly positive.

So just for a refresher on offshore wind, again what is it? Renewable-energy source. Offshore-wind energy generates electricity through wind farms in bodies of water, usually at sea. The sea, of course -- there are higher wind speeds, which generates significant load of electricity per amount per capita of wind farms installed.

West Coast -- of course, we have deeper waters. So that will require required floating turbines in comparison to the traditional fixed floating turbines. Offshore wind installed globally -- there's approximately 123 megawatts of floating turbines and, as of June of 2021, 42 megawatts of installed offshore-wind operating capacity in the U.S.

And I'll note on the East Coast, they are ahead of the West Coast and the Gulf in their offshore wind deployments. But they currently have two projects that are under construction off of the coast of Massachusetts and New York with challenges, but they are in the works.

This next slide is just an illustration of the offshore wind ecosystem. So you can see the floating turbine then feeding a transformer with transmission lines to landside and then to communities. But the little circle in red -- that's the illustration of ports. And that's where we play our part in this ecosystem of offshore wind, which includes staging, integration, manufacturing and assembly of offshore-wind components for them to then be towed out and deployed for at least in the California coast off of the two call areas that I'll speak to a little bit later in the presentation.

Large components -- I believe, in 2016, the scale was around 330 feet. And by 2035, if I'm not mistaken, they will be somewhere around 500 feet. So these are very tall structures and wide in diameter as well. So Federal Bureau of Ocean Management -- that's the -- they manage the federal level of planning for offshore wind.

Again, the national goal is to deploy [30] megawatts of offshore wind by 2030, creating a pathway for up to 110,000 megawatts by 2050. The designated call areas off the California coast are again to the north off of Humboldt Bay and to the south off of the Morro Bay.

Earlier this year, there was a lease auction, if I'm not mistaken. And I believe there were five successful bidders for those lease auctions. Lease areas

-- they have a potential to produce up to 4.6 gigawatts of offshore-wind energy, enough to power more than 1.5 million homes.

CEC, California Energy Commission -- so they're in the works of developing a strategic plan for installing offshore wind and floating turbines off the coast of California. In that strategic plan, they are tasked with including port availability for new and existing ports, required port investments, economic and workforce development potential and impacts to coastal resources, fisheries, Native American and indigenous peoples' lands, national defense and strategies for addressing those impacts.

The map to the right identifies current port locations in California. The two that are -- or at least the one that is advanced in their preparation for offshore wind is the Port of Humboldt. You'll see in the Bay Area there are a host of ports that may play a role in offshore wind.

Of course, the Port of San Francisco, we're working to position ourselves to have a piece in the chain of economics for offshore wind. And then, to the south, I believe, the Port of Long Beach has increased their efforts for offshore-wind support as well. And with that, I will turn it over to Simon.

Simon Betsalel: Hello. My name is Simon Betsalel. As Andre said, I'm a project manager with the capital projects division within engineering. I've been with the Port about a year. So I'm excited to be in front of you for the first time with such a big potential project.

Andre left us off at CADEMO. It stands for California Demonstration Project. This is intended to be a pilot project before those large federal projects get underway. So they're proposing to install four turbines at a medium-size scale in state waters so closer to land.

This is near the Vandenberg Air Force Base in Southern California. So it kind of starts a transition into an actual project because they have a shorter timeframe since they're trying to do something smaller. We've had conversations with them. They're in their permitting process right now.

They've named the Port of San Francisco as a potential location for fabricating their foundations. And through our initial work with Moffatt Nichol, we've determined that Pier 94-96 has the capacity today to be able to serve their needs. But those are very preliminary, early conversations so to be determined if anything happens there but still an exciting opportunity.

So through our work with Moffatt Nichol over the last six months in preparing our concept report, we tasked them initially with looking at Port jurisdiction to determine what sites within our portfolio could be of use to offshore wind. They identified: Pier 70, the former shipyard; Pier 80, the breakbulk terminal; and then Pier 94-96 in the upland area.

Pier 94-96 is where we focused our efforts because it's the largest contiguous portion of land and potentially has the greatest benefits for the industry. To quickly touch on Pier 70 and Pier 80, Pier 70 could potentially be used as operations and maintenance facility. That's smaller vessels to go out to the wind farms on a more regular basis for maintenance and some repair activities.

So they need a lot of work space but smaller vessels so could be accommodated within Pier 70 as well as potentially administration offices. And that would be beneficial because of the proximity to kind of the more urban San Francisco area, restaurants, shops, housing, also potential to use some of the formerly industrial property there for component fabrication of smaller components.

And then, Pier 80, which we use as breakbulk, kind of in line with offloading off offshore-wind components for fabrication into larger components, and then with that large surface area, potentially indoor and outdoor storage of components to help aid in the capacity of the supply chain.

But the majority of the work did focus on 94 and 96. So the green area and orange area here are areas of a conceptual study. There are current leases there. So nothing is set in stone here. We're not telling people to leave. But this was kind of viewed as what it could be potentially, kind of the largest area.

Offshore wind needs a lot of space to fabricate these things. They're huge, as you've seen in some of the renderings. But this site also is kind of exciting because it's an opportunity to leverage two objectives, one being offshore wind, the second being FEMA and emergency preparedness.

Pier 96 is currently designated as an emergency-response site. So there's an opportunity to improve this land for both uses and leverage multiple funding streams. But eventually, an expanded wharf would be kind of the largest asset here so expanding it from 50 feet of width to 150 and creating about a five-acre area with very high-capacity soils and lots of new piers or piles to support heavy-lift cranes and those big components coming on and off of vessels and then potentially the large upland area up to 90 acres, doing soil strengthening as well for the machinery and the fabrication that might happen there as well as providing updated utilities and improved drainage.

So that was the kind of conceptual work that Moffatt Nichol prepared kind of leading in to this larger concept of how this could be used for the industry. So the rendering here shows how it could be used. This is not work that the Port of San Francisco is proposing that we undertake.

The work that we are looking at is everything below grade, kind of preparing the site for eventually a developer and operating partner to come and start creating those foundations you see in the rendering. But the Port of San

Francisco has some real benefits in this site, one being that the water directly adjacent to 94-96 is very deep.

It's self-dredging, or it's self-scouring, meaning we don't need dredging. That's a huge advantage in terms of permitting as compared to other ports in California. Also, because of the eco-maritime-industrial district, there's adjacent concrete-production plants.

That's a very valuable resource that's just right next door that could be used for creating these foundations, also, availability of workforce not only in just San Francisco overall but, because of proximity to Hunters Point and Bayview, potential for LBE requirements, local-hire requirements, potentially community-benefits agreements, capturing some of that economic benefit locally.

And then also advantage both for supplies and for personnel is just very good transportation connectivity, both the public transit, the adjacency of the highway and the intermodal container terminal for rail just to the south of this site.

So for next steps, engineering, maritime and legislative affairs staff are continuing to engage with offshore-wind stakeholders. In developing our concept report, we spoke to over 20 different industry partners, whether that was state-level operators both international and national as well as specific equipment manufacturers. They helped us determine the site use here.

We're also pursuing state and federal grant opportunities. Two weeks ago, I and Boris Delepine, with legislative affairs, went to Sacramento to talk about AB209. That's a state bill that is putting together a grant opportunity for funding of offshore-wind design.

So we kind of pitched our case. We showed them what we were thinking about and offered some feedback on how a grant might be structured and how we might be eligible for that kind of work. And then, we're very early in preparing an RFP for design and -- very early as in we're kind of just beginning to structure the document.

We're kind of seeing what kind of funding we have. There's an opportunity to potentially use a hazard-mitigation grant from FEMA to inform this work as well as seeing if funding shakes out through our capital-improvement-project process. So this was all for your information.

We propose to continue down the path that we've talked about, and I'm interested in your comments.

No Public Comment on Item 9A.

Commissioners' Discussion on Item 9A:

Commissioner Harrington: Thank you, Madam President. And thank you, Simon and Andre, for your report. It all sounds very exciting. The last couple of pages of it talked about about a billion-dollar price tag for doing this. Can you talk any more about where you think that comes from or when we might know more or what your assumptions are even?

Simon Betsalel: It won't come without help. Federal government most likely is what we're thinking. Right now, we're trying to piece together design. We're looking at significant design costs as a percentage of that overall budget, potentially \$10 million just for design work alone.

We have a coming FEMA grant that we're hoping that can be the seed money for that and then potentially capital improvement dollars as well. So it's going to be piecemeal. We're hoping to initiate at least enough design that we can begin permitting.

This effort is a very long effort. So there's plenty of time hopefully for funding to fall into place. But we want to be able to position San Francisco to begin permitting so that we're competitive when viewed against the other ports within the state.

Commissioner Harrington: And that makes perfect sense. I'm just -- I'm always surprised when the federal government and state say they have this great new plan. They'd love to do all this work. But they don't provide kind of seed money to get it going. But good luck.

President Brandon: [laughs] Commissioner Lee?

Commissioner Lee: Yeah. I'm looking at your proposal. So Pier 70 -- you said you want to -- are you currently looking for a tenant? Or is that just a proposal?

Andre Coleman: So for the Pier 70 location, that was just a site that was evaluated in us working with Moffatt and Nichol to look at available sites that can accommodate some component of offshore-wind development. I think, for Pier 70, there's potential for wet storage and some of the other pieces of the puzzle that Simon outlined.

But I think a lot of the focus is going to be Pier 94-96. This is -- you know, there's -- this is several years out. So I'll just say, for Pier 70 specifically, there are near-term objectives here that we're working towards which include continuing interim leasing, etcetera. But --

Commissioner Lee: Okay. I'm just curious because there are people out there looking for space for something like this. And they're already going to Oakland. So I didn't know if this is available, that you guys want to open it up to start opening discussion before they make a decision to go to Oakland.

So I'm just curious because, when it says currently, I thought we're currently looking for a tenant. So that was just one question. And after they get the funding or whoever funds this, I'm just always curious. Okay. We generate all this electricity. Who gets all the power? And who is making the money?

You know, like does the Port get a cut of this power? Or are we charging them rent for the -- I mean, I don't know exactly. We all like to have wind shore power. But at the end of the day, what corporation is getting the cheese, as we say?

Andre Coleman: So we haven't gotten that far out just yet. But power purchases -- power-purchase agreements, etcetera, that's all still on the table. But again, for where the Port plays a position, we're not going to be a distributor of power, a generator of power. I don't see that's where we -- the path that we're going down at this point.

Commissioner Lee: So just basically offering space, as what we usually do.

Andre Coleman: For manufacturing of --

Commissioner Lee: Right.

Andre Coleman: -- offshore-wind floating turbines and other ancillary uses, yes.

Commissioner Lee: Okay. Thank you.

President Brandon: Vice President Adams?

Simon Betsalel: I think, if I could add one thing to that, I think that was kind of the intent of this slide around the offshore-wind ecosystem. There are a lot of open puzzle pieces in this offshore-wind thing. And the ports are really the only part that we can influence. There's transmission. There's the actual wind farms themselves. And there's the power purchase.

Hopefully, other people are working on those problems. I think the Port is probably a big enough problem for us to focus on. But it's all part of this overall question.

Commissioner Lee: Okay. Thank you.

Vice President Adams: Thanks for the report. I just wanted to add a couple things. This is a signature project of President Biden and also Governor Newsom. Now, a lot can happen next year in these 2024 elections. And another thing -- this thing could take five to 10 years. This is a long-term project. This is not something that's going to happen overnight.

ILWU -- we've been engaged with Congressman Garamendi on this issue, Senator Cantwell, who is the chairwoman of transportation, and Congress and the U.S. Senate. And of course, you talked about different ports. San Francisco is lined up. But also Long Beach is putting aside 1,000 acres.

You've got Port Hueneme. You've got Humboldt. So there's different ports that are looking at this. And Andre had made mention -- I'll just be straight up about this. There are issues on the East Coast in several ports because Orsted, who is one of the biggest in this offshore wind -- there's a big rift right now between the maritime unions on the East Coast -- maritime trades and then the maritime unions.

And Orsted is a lot responsible for that. And I know that we here on the West Coast -- we support the building trades, and they support us. And there will be enough work for everybody. But it's going to take -- especially when you're talking about putting legislation -- there's a lot of bills that are in the next session up in Sacramento.

And collectively, the unions need to be working together on this legislation moving forward, all the stakeholders. We don't need division among somebody going to one lawmaker and then having a feud between unions and lawmakers. There's enough work for everybody. And we need to respect that and move this thing forward because California can be leading the nation in this offshore wind.

And I think we're strategically positioned right now especially here in San Francisco to do some big things. And I'm glad you said what you said because the way this thing would go is that, you know, the maritime unions would bring the material in and then take it to a point of rest.

And then, the constructions and the trade -- they will put these big things together. They're huge. They're like a big missile like a couple football fields. They're huge. And then, we've got to load it back in and take it out to sea. So it's a very complex thing.

And I just hope that the elections will work out next year. But as I said, I know it's a signature. I've had several conversations with Governor Newsom about it. And California -- this would be an advantage to us to be leading the nation on these offshore -- so I appreciate the work that you're doing and understanding.

And also having a stevedoring company that will come in here and take up that risk is going to be so important. So all the parties know they can work together because one thing I do know at least here in San Francisco -- we had the shipyards. You had about 11 unions working in those shipyards.

So we can work collectively together if we respect each other's jurisdiction and look at the big picture. And I think this would be a great plus for us in this offshore wind for the Port of San Francisco. Thank you.

President Brandon: Thank you. Andre and Simon, thank you so much for this report. A lot of work has gone into this. And this is a great opportunity for the Port. So just for my sake and trying to understand this process moving forward, we've done this intensive study.

We have a 140-page report. We have three sites that could possibly be used. So what are the next steps? And what do we do in order to prepare us to really start spending money on this effort? Does that make sense? Just trying to understand -- how do we best move this project forward? And when we will know that, if we spend \$10 million, that we will get an investment from that \$10 million?

Andre Coleman: So I'll start, and Simon can fill in any gaps. So for us, I think one of the -- this was our first step, following the last engagement, to review the conceptual plan that is attached to the staff report and to understand, you know, what role that we play. What can our facilities do in this whole chain of offshore-wind economics?

From my perspective -- and I know Simon has been involved a lot more in the weeds -- but I think it's still that CEC strategic plan that has a lot of analysis or assessments that need to be made and determine and outline those next steps, not just for San Francisco but for ports in California.

And I think it's CEC's readiness plan that was published in July, which will inform the strategic plan, will give us a little bit more guidance on how to proceed. In addition to that, there's the ongoing engagements with offshore-wind interests. So there are developers that are established and under construction on the East Coast that have reached out to us that we have meetings scheduled with, I believe, in the forthcoming weeks in understanding what opportunities are there for us in moving down that path.

And then, another thing that I'll just mention is the demonstration project is, you know, still prelim. But if there is an opportunity to advance that demonstration project here in San Francisco, then I believe that will definitely give us a roadmap to the longer, bigger project. But Simon, anything to add to --

Simon Betsalel: I think our next steps are really talking about it. Just even speaking about it in Sacramento last week has led to interested developers reaching out to us proactively, furthering these conversations. And to your point, this is like a multi-decade potential project. So it's a very slow process.

Director Forbes: Mm-hmm. Slow process.

Simon Betsalel: In terms of confidence in spending money, I think that's why it's a great project in that it accomplishes offshore wind potentially. But it's also seismic stability of Pier 94-96 in the short term.

Director Forbes: Yeah.

Simon Betsalel: So there are concrete wins to pursuing a design and to spending some money here. Those improvements will benefit the Port regardless of whether it's offshore wind or another use. So I think there is some value in that in that short term.

Director Forbes: I can add a couple of comments as well. The CEC report is critical. And you were talking about the ports collaborating and cooperating with each other. And that's what we're doing through the State Lands Commission. So our team is preparing us and getting us ready, understanding our assets and facilities.

So when that infrastructure work in the plan the State Lands Commission CEC completes, we'll see how we fit in. And I think that that structure is really helping us be far less competitive in this space, which is spectac -- really important here, especially for ports like ours.

We do think we have the waterway and the location. And we have rare competitive advantage here that we haven't seen in other maritime opportunities. So we feel really positive about that. But it is a very long lead. We don't know the financial terms that Commissioner Lee was asking.

We don't -- you know, it really is -- we're stepping into an opportunity and taking each step as it arrives, if that makes sense.

President Brandon: It makes a lot of sense. And have we studied what, if any, environmental impacts are associated with this?

Andre Coleman: At this time, we haven't. But of course, any -- that was a question from the SAC committee. And we've made it clear that all necessary studies, whether CEQA, NEPA and any other environmental regulations that are required, that require permitting, we definitely are going to continue down the path of compliance and ensuring that all of those concerns are met --

President Brandon: Thank you.

Andre Coleman: -- if there are any.

President Brandon: Thank you. Any other comments? Questions?

Vice President Adams: Real quickly, President Brandon, Andre, I know we had a group over here fr -- and I've spent time over in Rotterdam in Holland. And

they're really big into this with the windmills and stuff like that. Even going down to Palm Springs, you'll see a lot of the windmills and that type of energy.

So this is the f -- I mean, this is going to be big. And if California is successful and especially if our port is successful and all the ports, then you will see this in Oregon. They're already talking about it in Oregon. And they're talking about it in Washington State. And so if something really happens here, the governors from other states have already talked to our governor and saying, hey, we want to do the same thing in Oregon.

They're talking about Coos Bay, Oregon. And then, they're talking up in the Seattle-Tacoma area. And if you know the Port of Tacoma, most of the Port of Tacoma is on tribal land, the Puyallup Indian tribe. So this is something big that a lot of stakeholders -- and as I say, this is maybe a 10-year project.

But I'm glad you're laying down the groundwork and having developers reaching out to you if -- has Orsted reached out to you?

Andre Coleman: We have not spoken with Orsted. I'm f --

Vice President Adams: But you're aware of them, right?

Andre Coleman: -- familiar with their challenges on the East Coast right now.

Vice President Adams: Yeah.

Andre Coleman: Yeah.

Vice President Adams: Okay. Thank you.

Andre Coleman: Yeah.

Vice President Adams: Thank you, Madam President.

President Brandon: Any other questions or comments? Thank you. It's a great opportunity. And if we can help in any way, please let us know.

Andre Coleman: Thank you, commissioners.

President Brandon: Next item, please.

10. NEW BUSINESS

Director Forbes: I have recorded one piece of new business, which is to consider that LBE 8 percent requirement and see if we can have bidding that would give points to going above and beyond that 8 percent. Is there any other new business?

President Brandon: And to figure out how we're going to engage our LBEs with the long-term --

Director Forbes: Yes.

President Brandon: -- projects we have going on at the Port.

Director Forbes: Yeah. Absolutely.

Commissioner Lee: I've got one. Can you fix the clock? [laughter] I thought time sure flies. You know, I was looking at that thing. It threw me off. That's my new business. [laughter]

11. ADJOURNMENT

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

President Brandon: The meeting is adjourned at 4:23 p.m.