



SAN FRANCISCO PORT COMMISSION

**January 23, 2024
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

**HON. KIMBERLY BRANDON, PRESIDENT
HON. GAIL GILMAN, VICE PRESIDENT
HON. WILLIE ADAMS, 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 JANUARY 23, 2024

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

Port Commission President Kimberly Brandon called the meeting to order at 2:00 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Willie Adams, and Steven Lee. Commissioner Ed Harrington was absent.

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – December 12, 2023

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

3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

4. EXECUTIVE SESSION

A. Vote on whether to hold a closed session and to invoke the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

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

(1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Item)

(a) Property: Pier 94, Pier 92, and Seawall Lot 352
Person Negotiating: Port: Andre Coleman Deputy Director, Maritime; Demetri Amaro, Maritime Business Development
Negotiating Parties: Martin Stratte representing Martin-Marietta
Under Negotiation: ___Price ___ Terms of Payment XBoth

Port staff has been approached with a proposal from Martin-Marietta for a new lease of port property at Pier 94 and Seawall Lot 352(Pier 92). Port staff are evaluating the proposed terms including the proposed price and terms of payment for such new lease and the executive session discussion will be an opportunity for the Port Commission to provide negotiation direction regarding price and terms of payment, improvements, rental rate resets, participation in sale proceeds and other factors affecting the form, manner and payment of consideration for a possible new lease, and which in turn will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City, and the People of the State of California.

Present: President Kimberly Brandon
 Commissioner Willie Adams
 Commissioner Gail Gilman
 Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
 Michael Martin, Assistant Port Director
 Jenica Liu, Commission Affairs Manager
 Andre Coleman, Deputy Director, Maritime
 Dominic Moreno, Assistant Deputy Director, Maritime
 Demetri Amaro, Maritime Business Development
 Manager
 Michelle Sexton, General Counsel
 Annette Mathai-Jackson, Deputy City Attorney

(b) Property: Piers 30/32 and Seawall Lot 330

Person Negotiating: Port: Mike Martin, Assistant Port Director, Josh Keene, Assistant Deputy Director, Development, and Wyatt Donnelly-Landolt, Waterfront Development Manager

Negotiating Parties: Jesse Blout, Strada TCC Partners, LLC

Under Negotiation: Price Terms of Payment Both

In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing, and other factors affecting the terms of payment of the proposed Piers 30/32 and SWL 330 Development project. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City, and the People of the State of California.

Present: President Kimberly Brandon
Commissioner Willie Adams
Commissioner Gail Gilman
Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Scott Landsittel, Deputy Director, Real Estate &
Development
Josh Keene, Assistant Deputy Director, Development
Wyatt Donnelly-Landolt, Waterfront Development
Manager
David Beaupre, Deputy Director, Planning and
Environment
Michelle Sexton, General Counsel
Grace Park, Deputy City Attorney

5. RECONVENE IN OPEN SESSION

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

No Report.

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

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

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for the ringing of or use of a cell phone or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make public comments on each agenda item unless the Port Commission adopts a shorter period on

any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction that is not an agenda item. No 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.

9. EXECUTIVE

A. Election of Port Commission President and Vice President

President Brandon: Thank you. I call for nominations for the Port Commission president.

Vice President Gilman: I would like to nominate Kimberly Brandon for Port president.

President Brandon: Are there any other nominations? Hearing no other nominations, nominations are now closed. Do we need a second?

Commissioner Adams: Second. [laughter] That's what I was getting ready to do, right, getting ready to second that. Yeah.

President Brandon: Okay. We will now take public comment on commission president nominations. Is there any public comment in the room?

No Public Comment on Election of Port Commission President.

President Brandon: Thank you. Public comment is closed. So we have a motion and a second. All in favor?

Vice President Gilman: Aye.

Commissioner Adams: Aye.

Commissioner Lee: Aye.

President Brandon: Any opposed? [laughter] The motion passes. Thank you so much. I look forward to continuing the work that we're doing with our staff, with our phenomenal commission and all that we have going on this year. So thank you for continuing to support me. Thank you. Okay. I now call for nominations for Port vice president.

Commissioner Adams: I nominate Gail Gilman.

President Brandon: Are there any other nominations? Hearing no other nominations, we will now take public comment on commission vice president. Is there any public comment in the room? Lucinda, do we have anyone on the phone?

No Public Comment on Election of Port Commission Vice President.

President Brandon: Thank you. Public comment is closed.

Commissioner Adams: Second. [We need a second for the nomination].

Vice President Gilman: We need a second.

President Brandon: I second that motion.

Vice President Gilman: You did. Okay. [laughter]

Commissioner Lee: Second.

President Brandon: We all second, hmm?

Commissioner Lee: Yeah.

President Brandon: [laughs] Okay. On the nomination of Gail Gilman for commission vice president, all in favor?

Commissioner Adams: Aye.

Vice President Gilman: Aye.

Commissioner Lee: Aye.

President Brandon: Any opposed? Congratulations.

Vice President Gilman: Thank you. [applause] So I just want to really thank my fellow commissioners. And I really want to thank Commissioner Brandon and Commissioner Adams. For the last five-and-a-half years, I've gotten to watch your leadership on this commission in various roles.

And I've learned so much from each of you, particularly your leadership style, how you've navigated tricky situations, how you've always listened to the staff and the public and done what's in the best interest of the Port and the public trust. I will live up to those values. And thank you so much. I look forward to working with everyone.

President Brandon: Thank you. And I, too, want to thank Commissioner Adams, who has been extremely supportive over the last -- how many years did you say you've been here? Twelve?

Commissioner Adams: Yeah.

President Brandon: Over the last 12 years, he has done so much to push the Port forward especially on an international and national level in bringing lots of resources and attention to San Francisco and the waterfront so really want to thank you for your leadership and all that you've done. I know you're not going anywhere. And I know you're still going to continue. But I just want you to know how much we appreciate you.

Vice President Gilman: Yes.

Commissioner Adams: Commissioner Brandon, I want to thank you for your steady leadership. And I know we've got a tough year ahead of us. And with Vice President Gilman, I know that the Port is in good hands. And I also believe that these jobs up here -- at times, you need a different set of eyes. And we should rotate. You need different people.

And I'm glad now that, with President Brandon and Vice President Gilman, it's a new look and a new energy. And I look forward to them taking us in the future. And I look forward to working under you. Thank you.

President Brandon: Thank you.

Commissioner Lee: Well, here's to 2024. [laughter] We're going in the right direction.

President Brandon: Thank you.

Commissioner Lee: Congratulations.

President Brandon: Thank you.

Vice President Gilman: Thank you.

President Brandon: Thank you, everyone. Next item, please.

B. Executive Director's Report

- **2024 Lookahead**

Director Forbes: Good afternoon, President Brandon, Vice President Gilman, members of the commission, members of the public and Port staff. I am Elaine Forbes, the Port's executive director. First, everyone welcome to the first Port Commission meeting of the year. Happy 2024.

I would like to congratulate our leadership that was elected today. President Brandon, I'm very excited to continue to serve under your leadership. We do have a hard year ahead. But we also have a very exciting one. And we've paved the way through much work.

And I cannot tell you how much I appreciate your dedication, devotion, preparedness, grit and support of all we do here so excited to serve. Commissioner Gilman, congratulations, and welcome as our vice president. We're very excited.

You've put lots of time into this organization with great ideas, interest, analysis, great questions, great energy, as former VP Adams said. So we're very excited to serve.

And finally, to outgoing Vice President Adams, you have served as either president or vice president to me the entire time I've been the Port director here, for seven years. I want to thank you so much for your early mentorship of me, for showing me around about ports, explaining what I was getting into, telling me who to call, what relationships to have, bringing important people here, so we would get on that international map -- national map.

You've done so much for this organization, and you've done so much for me as a leader. I cannot say thank you enough. And I'm excited, of course, you're still a Port commissioner. But I wanted to say thank you for that time. Okay.

I'd like to talk about Kayaks Unlimited and give a very good update. As you know, they're a Bayview nonprofit. They operate a cooperative paddling club. And they've been serving the community now for 14 years. On August 25th last year, there was a terrible fire that destroyed the boat storage containers.

Very happily, Pasha Automotive -- Pasha Hawaii, a sister company to Pasha Automotive, donated two large containers. And we were able to remove the burned-out ones and put the new containers in. So we're really happy to have a positive impact to our tenant. And they are up and running.

Now, I'd like to move to a presentation that I'll give right from here if I could move to the slides. So you'll remember at the December meeting I gave a look back, really taking into stock what we'd accomplished last year. So we could have a look at how we were doing implementing the strategic plan and also think about areas where we need to pay more attention.

Today, I'm going to look at -- describe where we want to be this year, what we want to accomplish this year. And these goals and objectives come right from the leadership team and from Port staff. So I'm representing their work proudly today. But I'd like you and the public to have a sense of what we're trying to accomplish and where we're going to be putting our focus.

So now, if I could move to the next slide -- okay. So I did want to tell you that you will be hearing more about the specifics of these initiatives today in the economic recovery update -- that's 11A item -- and also, importantly, in your budget presentation because some of what I'll be talking about here you'll see as resource allocations in the budget.

So first and foremost, we want to continue our strategy of clean, safe and vibrant. We believe that it has been of utmost importance to keep the Port looking and feeling safe and clean and inviting people to it. We think we've been very successful last year.

We had some of the cleanest, most welcoming public places in the city that we maintain. But we want to invest even more heavily in this area. We would like to invest in security -- more security so kind of pushing on the safe side of the clean and safe.

We're moving to four officers in our waterfront. They have great relationships with our tenants. These are dedicated officers. And it really helps our visitors stay safe. We also will be having cameras that are in targeted locations that connect directly to our 911 system.

On clean, we will be doing again what we did last year but with new strategies of hiring people and providing enhanced evening and weekends repair and maintenance for the entire waterfront. And we are going to be using public servants to provide our security and to provide our clean and safe work because this last year we found that our employees were the best employees to do the work. So that's what we are going to be recommending.

We have been on the forefront of economic recovery. We've done really well in terms of taking our ARPA funds and targeting our staff to the important economic recovery efforts. And our bounce back has been really impactful to the city's bounce back.

So we're not just doing it for ourselves but our entire community. And we're going to continue to make really bold investments so that the Port

continues to be just a great, great place to be. So we will be investing in the wharf. And we will be investing in Port-wide programs and wayfinding.

We put an economic recovery plan together last year. And this year, we get to implement that economic recovery plan. So again, in 11A, you'll be hearing much more about this. But this is going to focus tremendous efforts on the southern waterfront and on Fisherman's Wharf.

The southern waterfront deserves more focus because it's an area where we have opportunity to grow our maritime business and with really forward-facing businesses such as offshore wind. And this is where we have an opportunity to create very, very good jobs and give the economy the diversity it needs.

So investment in the southern waterfront is critical here. And we plan to focus and make a lot of accomplishments in this area. The southern waterfront is also a jewel in our necklace of public places. But we haven't given it enough attention. So here this year, our Port staff plan to turn this around.

We will also have upgraded maritime operations. And we will be talking about some improvements there for the southern waterfront. So we will be working on operations for our materials businesses while also making air-quality improvements this year.

We have a large portfolio of capital projects that we are going to need to get going. We're extremely lucky that we've gotten federal and state funding. But now, we have the hard job of delivering the projects. Our team is looking at the entire resource chain in our organization that we need to see these projects through.

And we are continuing to have a strategy of assessing our facility conditions and what we need to do for these facilities, so we can be ready to apply for grants. This year, we'll see Amador Street project going. And this, of course, will be an important improvement to the community.

We will be developing grants in support of the southern waterfront for resilience planning, for evaluating our infrastructure, for doing the legwork we need to one day get to a zero-emissions truck fleet for our industrial operations, which is so critical to achieve.

And importantly, we're going to be looking at Pier 80 as a cruise berth. Our cruise business has grown, grown bigger than we have facilities to accomplish. And we want to look at good locations for full turns and make sure that we have durable facilities. Pier 35 is not forever. And it's not a modern facility that's large enough to meet the demands of today.

In addition to expanding these maritime operations, we're actively looking to beautify our spaces with things like the Portola Music Festival, Sail GP, the

Crane Cove Park market, the planned park enhancements. And we are now dedicating a staffer to looking at cleanliness and tenant compliance in the southern waterfront, full-time dedication.

For Fisherman's Wharf, Fisherman's Wharf is a very important historic location. And we aim to make it a symbol of our revitalization. We did a lot of work in 2023 to make sure that the Fisherman's Wharf did not suffer and become derelict after the COVID pandemic.

And we did so much groundwork that we feel very confident in what we'll achieve this year. Of course, just to reflect, we have the SkyStar Ferris wheel. Our CBD is having its grant and doing events and beautification for us. And we have done Little Embarcadero activations.

The wharf has remained a great public place through this process. But it didn't happen by accident. In '24, we are going to focus more on clean and safe, an ambassador program partnering with maintenance and security teams. Off-the-boat fish sales has been an excellent program. And we want to continue to see it successful with signage and promotions, etcetera.

It really will be a lasting program here in San Francisco, I'm quite certain. Crab season is open now. So we'll continue to see improvements. We have a project supporting Hyde Street Harbor. Our commercial fishing industry are scheduled to proceed through design. These capital projects will repair the fuel dock, replace the aging ice machine and install a new dock at J9. So these are all important maritime improvements to support the wharf.

Additionally, we have instituted -- we've reinstated the Fisherman's Wharf advisory committee, an important voice for stakeholders in Fisherman's Wharf to engage with our staff as we work through these projects.

For waterfront leasing, you just received the financial statement. You know that our revenues are recovering faster than expected. And this is because of our leasing and our leasing teams. They owe us -- we owe them a huge debt of gratitude.

The real estate development division supports -- is going to support existing tenants as they've done but really also bring in the new tenants we need. We have our several vacancies. And you know they're out for brokered managed solicitation. And our team is managing that process.

We do expect success from this process. And we hope to have filled Pier 33 1/2, the old Butterfly space and the Ferry Plaza East building. Getting new tenancies and offerings in the wharf and throughout the Port's portfolio is very important to us.

For development projects, we continue to see a waterfront renaissance from these projects. We are getting -- our projects are getting predevelopment projects where few others are. We're able to do building where few others are. And this is our fortunate public-private partnerships that are so carefully crafted and the majestic waterfront we manage.

We'll have Piers 30/32 on the agenda today for a term sheet. This project has exceeded expectations in terms of what we may accomplish here. And we continue to work diligently towards its success. We will also be working with Piers 38 and 40, wonderful locations that offer so much opportunity for the waterfront, and for Pier 45 and the triangle lot for Fisherman's Wharf revitalized.

These are three transformative potential projects that we will be engaging in and seeing through success this year. We will also oversee over \$10 million in construction between our CalSTA and PIDP, ARPA, resilience money and our own capital.

Heron's Head Park, Islais Creek signage, the [Belt I --] building, Roundhouse 2, Hyde Street Harbor and many more. This will be a year where your staff does well and executes on these big construction projects.

I have exciting news for our Pier 70 development. We were awarded the 2023 Governor's Historic Preservation Award for the rehabilitation of 20th Street historic buildings. And we know that -- when we go into those buildings, just how wonderful they are. So congratulations to everyone.

Real estate and development will also be pursuing a number of internal improvements to bolster transparency for the Port's leasing and special events permitting, improved technology tools for information sharing within and outside the division and maximize the effectiveness of the collections process.

Now, that paragraph may have seemed banal. But these are very important improvements to really push us forward. And Commissioner Lee, you've been front and center on pointing out some of these challenges we have working a modern leasing program on very, very antiquated technology.

I'm also excited to bring in our new real estate and development director, Scott Landsittel. He began yesterday. He has a wealth of expertise in strategic office leasing and development with leadership positions for two decades with premier companies like Boston Property in Jamestown, which gives him direct experience for our waterfront. And we're all very excited to have him join leadership and to get his perspective and expertise and contribution.

And of course, we will continue to work on Mission Rock and Pier 70, which have seen success. But we are in the middle stages of both of these projects. So we will see some improve -- we will see progress this year at both sites.

On resilience, this will be a very significant year for the resilience program. You're going to see the draft flood study next commission hearing. This is six years of work that has come to the point where the Army Corps of Engineers and our team is showing us how to build flood defenses for the entire seven-and-a-half miles of waterfront, where, how high and how much space to adapt.

This is an incredible step on our journey for a resilient shoreline. And we will be working with the publication of this plan, public comment on this plan, modifications, etcetera. We will also be working on a concept of phasing and an implementation strategy of how to deliver these important projects over the span of decades.

So that will be a very interesting process for us all. We continue to be way out front on sea-level rise. And we'll have another year of exploration and advancement as we take on this role of leaders in this space. We will also be implementing our early projects, our safety program from our Prop A bond, 84-point-some percent of the voters saying yes to reducing our seismic risk on this waterfront.

We will see the first Prop A project go in this year if all goes according to plan. And we will continue to push forward on construction projects that will make our waterfront safer.

We will also be working on our Ferry Building, doing seismic analysis of the building and paving the way one day to lift the building and have a new design for the public that welcomes the public in the way the building -- is befitting the building and the location.

So we will be advancing that work and reporting to you as we move along. I see this as us paving the future for the project. So we'll make the important steps to do so.

On equity, we are continuing an internal and external opportunities. We are focusing on youth and youth opportunities in our organization through programs we have set up, Rising Tides and a mentorship program. We also are going to continue our Pop-ups on the Plaza to support African-American-owned businesses at the Ferry Building's markets throughout the year.

We have been working on our REAP 2.0 update. And so staff has been really seeing, how did we do with our implementation? And what impact did it have? And what do we want to accomplish this year? And I just want to say how dedicated the team is in all of the divisions to doing this work and have -- everyone has good assignments, folks that really -- you know, take -- put a lot of energy and optimism into the work.

And I'm really -- you know, I get updated by the divisions. And it's just really impressive. And I look forward to you seeing REAP 2.0 and the work that we plan to do to continue to advance an antiracist organization.

Staff has asked us to focus on the areas of psychological safety, data and hiring and promotions this year. So for psychological safety, this is ways in which to allow and support people in having difficult conversations and getting through those conversations into a place where there is growth and continued community.

So we are working hard on that. We had a very good racial equity training. And this year, we're going to do a gender-bias training. It's one of the tools in fostering our culture of inclusion and belonging. But Toni Autry will continue to think of programming to support psychological safety as we go deeper into this work.

In terms of data, we're looking to data to understand what are our pay-scale and promotive opportunities in our organization by race and gender. And once we have the good data to understand those things, we want programming and effort -- intentional effort to change any disparities that we see and to do things like you'll see in the maintenance-division budget where I'm proposing adding manager positions, supervisor position, team-lead positions throughout the organization, so there is more ladders in which to promote.

There has always been more ladders to promote in certain classifications than in other classifications. And we want to see this clearly and address it clearly and then have the transparency to talk with you and our staff and whomever wants to talk about it about how we're doing.

So the data goes with the transparency. There's also a call for more equity, more diversity in leadership. And that will continue to be an endeavor. For promotion and hiring, I jumped the gun on maintenance. That's the strategy in order to create more promotional ladders. I think this is very, very important to our success. And I'm hoping you'll support me on the budget.

I made it mostly cost neutral. So you'll see the proposal. But I think that is extremely important. We're also working with our engineering division. They're going through a leadership change. So we're looking at ways in which to develop -- support transparency, collaboration from the great work that the engineering team does and needs to do this year.

You've heard me so far talk a lot about what engineering has to do in project delivery. So we want to support the team for the very, very, very vital role that they play. And with that, that concludes my update. Thank you very much.

President Brandon: Thank you. Great report. We will now open it up to public comment. Is there any public comment in the room regarding the executive director's report? Seeing none. Lucinda, do we have anyone on the phone?

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Lee: Yeah. Great report, Elaine, especially -- you know, 2024, I was looking up -- I just hope we get more tourists. But just on the economic level, the stock market's going up. I mean, I think there's going to be more investment. I'm looking at 11A. It shows that, yeah, most of -- I mean, southern waterfront has recovered more than northern.

And I guess I'll talk more about that at that time. But I think you're correct and focusing on the right things that you talked about. Again, I want to go into some of my ideas on the next round but great report. You're kind of right on. And I'll just wait for my next one. But thank you. It was very good.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: Very ambitious report, Director Forbes. You accomplished a lot of your goals and what the team and where the Port is going. And we know that the City of San Francisco -- you know, our image has taken a hit in the last several years. And it's good that the work that's going on here at the Port -- I want to thank my labor family that's sitting out in the audience.

When you were talking about jobs, jobs, jobs, jobs, me being a labor person myself and a layman, it's important. And the economy is doing better. And I know we can really brag about what's happening with our cruise ships. But I think the building -- the seawall -- and if you really looked at what happened during COVID, construction really didn't stop.

They were continuing to build and build and build. And I want to thank the union brothers and sisters that was out there working around the clock. And it really is refreshing for me to hear you say the Port needs to hire more people. That is a good thing.

We want to do that because there was a time that the Port seemed to be in dire straits. And Senator John Burton and others, Boris and others really worked hard, President Brandon. And we were able to keep this thing on track. And it's amazing about -- I always say about San Francisco.

We have a way of bringing things back to kilter and putting it back in the center where it needs to be. And we always use the word we and us instead of the word I and me. And I think that that's important. Right. And we've shown that we can work harmonious. We're going to have our differences. Right.

Having differences is a good thing and different points of view and perspectives. Right. And we should always listen to that. But I want to say that, under your leadership, Mike Martin and others, I really appreciate the enthusiasm -- the Port.

And I know sometimes the commissioners we're -- but we also understand that we're servants of the public. We have no power. We work for the public. We're their eyes and ears. And we're their voice. And we have to speak truth to power. And we have to scrutinize things. That's our job.

I always say, you know what, I want a nice guy to take my sister out and watch my house when I go on vacation. But I want my leaders to be tough. I want them to be thorough. But they also can be courteous and respectful. But I want to be that tough. And you've shown that leadership, you and your team.

And I just want to say, Director Forbes, I really appreciate your leadership and where you've taken the Port and your vision. And I know you. And I know what you stand for. And I know your principles and what guides you. So thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you, Director Forbes, for a great report. I want to associate myself with Commissioner Adams. Everything he said was spot on in his comments and how ambitious this is. I have some comments when we get to economic recovery around safe, clean and stable.

But I think it's really great to see both the southern waterfront and the northern waterfront activated, bringing people back and truly being the tourist destination and with cruise and also seeing locals come out for so many initiatives that we were trying to start before the pandemic, like off-the-boat fish sales. So I'm really happy to see all that.

Great report and want to say I will always support as much laddering opportunities as we can. Folks can't go fr -- usually jump from line staff to top management. You need those laddering steps along the way to cultivate talent and diversity. I'm a big fan of that. And I'm really excited to see that in the budget and see how we're doing that with the maintenance department. Thank you for your report.

President Brandon: Thank you. Director Forbes, this is a great look ahead. I mean, when you did the report last month about what we accomplished in 2023, it's like, my gosh. But this is even more aggressive and more impressive. And I'm so happy that we are leading the road to recovery here in the city, here on the waterfront and doing it from the southern waterfront to Fisherman's Wharf and using our funds wisely with our investments in beautification of our waterfront.

So we have a lot of work ahead of us this year. But we have a great staff. And I want to welcome Scott. We look forward to working with you in all that you're going to bring to the Port of San Francisco and the waterfront with all of these wonderful development deals that we are working with.

But I think 2024 is going to be a great year. And thank you so much for your leadership. Next item, please.

10. CONSENT

- A. Request for approval to amend and restate Lease No. L-16997 with the Young Men's Christian Association of San Francisco for Building 49 located within Crane Cove Park. (Resolution 24-01)**
- B. Request authorization to accept and expend \$7,800,000 in grant funds from the California Coastal Conservancy for the Southern Embarcadero Resilience and Enhancement Project (between Harrison Street and Townsend Street) and allow the Port's Executive Director to execute the grant agreement, subject to Board of Supervisors' approval. (Resolution 24-02)**
- C. (1) Acceptance of certain Phase 1 horizontal improvements, (2) approval of a proposed amendment to the Disposition and Development Agreement between the Port and FC Pier 70, LLC related to maintenance of those improvements, and (3) an update on the overall status of Phase 1 of the Pier 70 28-Acre site project, roughly bounded by 20th Street to the north, San Francisco Bay to the east, 22nd Street to the south, and Michigan Street to the west (the "28-Acre Site"). (Resolution 24-03 and Resolution 24-04)**
- D. Request approval of conditional, no-cost transfer of abandoned property (historical artworks) to cultural institution for preservation, study, and public display at no cost to the Port. (Resolution 24-05)**
- E. Request authorization to accept and expend a \$200,000 grant from the Metropolitan Transportation Commission (MTC) for the acquisition and installation of multi-space parking pay stations approved by the San Francisco Municipal Transportation Agency (SFMTA) on certain Port-owned motor vehicle parking facilities. (Resolution 24-06)**
- F. Request authorization to award Construction Contract No. 2796R, South Beach Marina Repairs to Yerba Buena Engineering & Construction in the amount of \$2,117,010, and authorization for a contract contingency fund of 10% of the contract amount (or \$211,701), for a total authorization not to exceed \$2,328,711. (Resolution 24-07)**

G. Request authorization to award Construction Contract No. 2788R, Hyde Street Harbor Repairs to Yerba Buena Engineering & Construction in the amount of \$1,558,275, and authorization for a contract contingency fund of 10% of the contract amount (or \$155,828), for a total authorization not to exceed \$1,714,103. (Resolution 24-08)

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

No Public Comment on the Consent Calendar.

All Commissioners were in favor.

President Brandon: Any opposed? Motion passes unanimously. Resolutions 24-01, 24-02, 24-03, 24-04, 24-05, 24-06, 24-07 and 24-08 are adopted. Next item, please.

11. FINANCE & ADMINISTRATION

A. Informational presentation on the Port's economic recovery and possible action to approve the Economic Recovery Project expenditure plan and the release of funds from Budget and Finance Committee reserve. (Resolution 24-09)

Meghan Wallace: Good afternoon, President Brandon, Vice President Gilman, commissioners, Executive Director Forbes and to my community. I am Meghan Wallace, the Port's economic recovery manager. I'm here this afternoon to provide an update on the Port's economic recovery efforts with a particular focus on sharing our economic recovery strategies and investments as well as talking about metrics that the Port is starting to track to monitor the overall wellbeing of the city, the Port as well as the outcomes resulting from our investments in economic recovery initiatives.

I'm also here today to request your potential approval of an expenditure plan for the Port's \$10 million economic recovery project. To begin, I'd like to take a moment to review the Port's timeline for planning and implementation of our economic recovery and growth plan.

Back in November of 2022, I came back on board with the Port and began the process working with Port staff as well as our partners -- internal and external partners along the waterfront to develop economic recovery initiatives. As that plan started to develop around February of 2022, we began the process of allocating funding to those initiatives.

And then, most recently, in June of 2023, I was here before you and presented an overview of that economic recovery and growth plan. I did receive

really valuable input on wanting some more insights about the overarching strategy around how -- you know, we're focusing funds.

And I'm going to be talking more about that today and, I hope, provide some additional clarity to our overall approach to allocating funding. So first and foremost, I want to highlight that we have a lot of wonderful resources going into our economic recovery and growth work, over \$64 million when you take into account a variety of funding sources and projects that the Port has allocated to this work.

First, you know, speaking of the economic recovery project, that's \$10 million of harbor funds that's dedicated to helping the Port recover from the economic impacts of the pandemic. The tenant attraction and retention fund -- that's actually a \$10.4 million allocation of stimulus funding that was really dedicated, as the title indicates, to both attracting and retaining tenants so very, very real estate focused.

We can look at maritime as well. But ultimately, the expenditure plan focuses on allocating funds to really improving our real estate portfolio. The Port infrastructure grant represents the CalSTA -- the California State infrastructure grants -- as well as the Port infrastructure grant -- PIDP, Port Infrastructure Development Program, funding.

Together, those grants and the Port's approximately \$5 million match comes to \$36 million. And then, \$8 million of southern waterfront beautification funding that hadn't been previously programmed really is coming up at a time where it's -- there's a dire need for us to invest in our southern waterfront. It's time to put those funds to work.

So I really looked at all of these funds together to help us think about what -- moving forward a strategy on recovery and growth. And ultimately, what you'll see if you look at the allocation of these funds regionally along the waterfront is there is a very strong regional theme.

Fisherman's Wharf is not the largest allocation of funds. But when it comes to one of the most important in terms of the potential for rebuilding the Port's revenue base, it is the first one that emerges out to me. With six vacant facilities, one office and five restaurants that are now coming back in Port control and needing to be released, it's really critical for the Port to lean in on a theory of action around investing in activation, beautification, improving our public-realm spaces all in the goal of trying to rebuild retail in Fisherman's Wharf.

And that's what I believe the expenditure plan using a combination of economic recovery funding as well as the tenant attraction and retention funding will deliver. As you can see in the slides, I mentioned activation, beautification, improving facilities.

So we have \$1.9 million of tenant attraction and retention funds set aside for improving the likes of Lou's, Pompei's Grotto, Alioto's, really with the intent of getting those facilities ready and marketable and then, very notably, supporting our commercial fishing.

Economic recovery funds are set aside to improve the Pier 45 west apron. We have other capital dollars going into improving the sheds along Pier 45. We're going to be installing a new ice machine. And very importantly, we are doing a resilience program early project at Wharf J9 that will install a gangway and float.

And that's just going to do wonders for improving the public's access to off-the-boat fish sales as well as get the process going for looking at how we're going to stabilize the seawall along Wharf J9.

Then, the southern waterfront is so exciting because, as you can see from this chart in blue, we have a whole lot of other people's money to put to work. And that is the CalSTA and PIDP funding. So kudos to staff that chased that money down. Now, we're trying to put it to work.

That really represents improved fendering at Pier 80, improving operations and facilities on Amador Street. That includes beautifying Amador Street. So now, there's going to be not only real maritime activity, but it's going to be beautified with improved landscaping and roadways.

And then, the southern waterfront beautification funding and tenant attraction and retention funding really is a game changer in terms of the Port matching our work on expanding our maritime operations and activities with ongoing maintenance, as Director Forbes mentioned, dedicating staff in the southern waterfront for ongoing cleaning and maintenance but also looking at ways that we can improve the edges of our roadways with additional greening and getting into our parks and finishing up some of that critical work for the Blue Greenway to make the community experience in the southern waterfront better.

So really, these are two ends of the waterfront that have such different stories but I think are so Port of San Francisco. And we're really leaning in on trying to make those our major areas of focus for recovery and growth.

I wanted to take a little bit of time to help you visualize how this work is going into action and tell you a little bit about how staff is trying to go from having an expenditure plan and dollars and descriptions on paper to actual implementation. And that comes down to having work plans.

We have developed work plans for staff to follow both for Fisherman's Wharf and for the southern waterfront. And to tell you a little bit more about what these images help convey, Fisherman's Wharf -- we've really focused on three

major nodes, if you will: first, the gateway, which is right where the SkyStar Wheel is -- we see that as a really critical moment to capture the public.

Previously, they weren't necessarily drawn into the wharf. They might turn back and go back to Pier 39 or think to go to the Ferry Building, which was great for the Port. But we want people to experience Fisherman's Wharf. So now, we have that amazing Ferris wheel to attract the public and draw them in.

But now, we're looking at other ways to activate the area, particularly along the Little Embarcadero and at Pier 43. We really want to engage the public and want to pull them further in to Fisherman's Wharf. Then, that's where Taylor Street and the inner lagoon come into play.

We need to continue to activate and beautify that area. The Fisherman's Wharf Community Benefit District did an amazing job of putting on 19 events this summer, Pier Party, drawing up to 3,000 people for their largest concert. And that activated the area, created vibrancy.

But now, we need to pair that with facility improvements and trying to get tenants into Alioto's and into Fisherman's Grotto and draw them into the inner lagoon. We have a lot of debates among staff about where the heart of Fisherman's Wharf is. A lot of us think it's the inner lagoon, FYI.

So we're thinking about things like lighting the lagoon and trying to draw people in to really experience the waterside of this area of the wharf. And then, for Jefferson Street, I mentioned the gangway float. That's going to be such a multi-benefit project.

It's a resilience project. But it has -- you know, draws people to the waterfront. It connects our fishers to the community. But we really do need to pair that with getting our restaurants improved and filled. So those really are the priorities in Fisherman's Wharf. And I'm happy to say that work plan is our way of organizing staff's work to hold ourselves accountability to delivering these activities.

And then, for southern waterfront, I think I've drawn out the themes already where we have maritime growth and operational improvements paired with Blue Greenway, you know, public-space, open-space improvements. You can see looking at the expenditure plans in the staff report that those investments are really drawn in those different ways.

The grants really go to maritime facilities whereas the southern waterfront goes to a combination of investments in our parks and open spaces but as well as investing in things like the Pier 90 grain siloes or Pier 96 cranes, hoping to get those removed so that we can prepare for future maritime operations in those spaces.

I'm not going to go into a lot of detail here. But I want to let you know that staff is working on a work plan for something called the Waterfront Walk. And it's really a Port-wide strategy that looks to connect the work in southern waterfront to Fisherman's Wharf, creating a connection of all the different destinations that we know are amazing and wonderful along the waterfront but aren't currently pulled together in a cohesive way.

So we're looking at wayfinding, activation and enhancements as well as art as ways that we will be investing along the waterfront but also trying to build together a cohesive narrative around the Port's identity so more to come on that.

I've talked quite a bit about the different funding sources and how they're being invested. I do want to do a little bit of business in terms of thinking about that next step of going back to the Board of Supervisors. We have \$10 million of economic recovery funds currently on budget and finance reserve.

I'm seeking Port Commission approval of the expenditure plan so that staff can then return to the Board of Supervisors and request that release of funding. And I just want to highlight the specific investments here just in case any questions come up in the Q&A. But all of these fall right in line with all of the thinking around these regional investments as well as the specific ways that we're hoping to improve our retail, real estate and maritime portfolios.

And then, finally, I just want to touch base on some progress on our thinking around metrics. I'm not going to share the trends at this point. My hope is to develop a report that staff can share out to the commission on a regular basis. And maybe in the next presentation, I'll provide more details.

But really, just -- we've been looking at ways that we can monitor citywide trends, Port trends not only to look at the economic wellbeing of the city such as with hotel room reservations. You know, that'll give us a sense of how many people are going to be coming to the waterfront.

And talking about SkyStar ridership -- I know the real estate team will be sharing out more on that next commission meeting when they come before you. But I think the main point I want to hit home is just how important it is for us to deliver on leasing in order to support our financial forecast.

I know that our chief financial officer, Nate Cruz, will go into more details around the financial projections built into the budget. But this work to get our facilities released really is critical to those financial projections.

I take it very much to heart that there are real outcomes that we're trying to get to by putting forward this work in Fisherman's Wharf in the southern waterfront to make sure that we're building up our revenue base so that we're able to meet our financial obligations of a balanced budget as well as setting aside sufficient funding to meet our capital needs.

So main points -- really just want to hit home -- we do have a good variety of funding sources, over \$64 million that we're dedicating really to this thinking about recovery and growth. We do have a very strong regional approach at Fisherman's Wharf, southern waterfront but also wanting a Port-wide layer.

I think wayfinding is something that the commission has really highlighted. We are working on it and trying to build a holistic approach, not piecemeal. We want to make sure we do it right. So we'll be talking more about that at the next update along with sharing more details about our metrics.

And with that, I look forward to your questions and would love an approval on the expenditure plan for the economic recovery project. Thank you.

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

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner Adams: Yeah. I think -- first of all, Meghan, I'm glad that you came back. And Director Forbes and -- this is good work. The recovery plan, I think, and the expenditure plan to me, it -- in the budget is that -- been very well explained with Nate there and where we're trying to go.

I just hope that, you know, we're going to have enough funds because I know that we are -- we've got a lot of places that have closed and stuff like that, restaurants. And I want to make sure that the Port has the stability that, you know, we will be okay. So I'm going to support it. I know it's going to go to the Board of Supervisors. So I'm good. Thank you.

Meghan Wallace: Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Meghan, this is right -- perfect actually the way it's split up. Can I make some suggestions? Because it's pretty interesting how the northeast has jumped so high compared to -- and I understand Fisherman's Wharf because rentals and abandonments.

But it's just encouraging how much already that the southern waterfront, Mission Bay and even South Beach has kind of grown. But there's more room. So I just have a few things that I think that would maybe -- you know, if you can spread the budget a little bit. [laughter]

So like southern waterfront -- you know, part of it is -- if we're starting to make some improvements -- and I think I talked to Dave about this before -- you

know, the dragon boat races. You know, that's kind of worldwide. And I think they've been talking about building a floating dock to accommodate these long boats.

But those will bring in a lot of people around the world and give us kind of some kind of notoriety again. And it fits perfectly around the southern waterfront, Crane Cove. So that's something to put on your radar. But the thing is -- what I'd like us to do is, when you have these activations, that there's small business around there. But right now, there isn't.

So maybe there's an empty space or parking lot that we could create a food truck park. You know, so when there's these events, we can actually rent out these spaces to the food trucks who can accommodate these events. Okay. So that's kind of something there in real estate part of it.

Another thing I always kind of -- and part of our mandate is an EV parking lot where electric cars can park at a discount. And there's EV stations there where people can plug in, and we can get a percentage of revenue from that.

As far as the fish market area, you know, my thing, when I first came here, I kind of wanted -- like to do what Seattle does and have this big sign that says public fish market, which will help the crab people and the fishermen because they're having a hard time.

So that would kind of like -- see from a distance where exactly they can walk to. So that was kind of -- if we could spend a little bit of money for some kind of big signage over there.

Commissioner Adams: Pike Place.

Commissioner Lee: Right. I think, as far as, you know, Pier 90 and the further waterfront, since we are looking at making that a green area, what I'd kind of like to see is maybe another industry like recycling bottles and plastics because now there's a new law that, even our liquor bottles, you have to pay a CRV.

And the closest place to get any money back is in South San Francisco. So South San Francisco and southern waterfront is not that far. So we can make some money from that and also become a convenience.

And then, that whole area anyway is kind of a recycling -- you know, with the resource center and all that until we can really get the offshore manufacturing. But that's going to be a while. But I know we have spaces down there.

And I think -- yeah, basically, advertising more to these outside green recycling and try to get some new tenants to -- you know, maybe there's a temporary four or five years, you know, something, just to take up the spaces.

I want to kind of bring up that, you know, we should also invest a little bit of money on these abandoned buildings, okay, that are sitting around empty while we're waiting. They should be really secure because they're -- you know, I just got an email from somebody in southern waterfront that kids are going in there and exploring.

And there's open holes in the floor. And somebody broke into one of the buildings. There could be another fire. And I'd hate to be spending all this extra dollars on either tearing it down or medical bills. I'm sure city attorney don't want to go into any kind of lawsuits.

So I think we should spend some of those operation dollars and check out the security at these abandoned warehouses and things because that's already been brought to my attention. But other than that -- maybe that's too much already. [laughter] Sorry.

But that's kind of what I'd like to see in 2024. I think you have some good money here to back it up. So I look forward to your progress report.

Meghan Wallace: Those are all great. Thank you for all that.

Commissioner Lee: Okay. Thank you.

President Brandon: Thank you.

Vice President Gilman: That's a great idea.

President Brandon: Vice President Gilman.

Vice President Gilman: Meghan, thanks for the report. I'm supportive of the item. I think, similarly, just for things to think about, I really, really love this concept of the waterfront walk. I think there is such -- you have missing links for activation.

I've always felt there has been sort of this gap right around the Hi Dive going towards the southern waterfront, as someone who walks that promenade. And I know my fellow commissioners do too. So I really love this idea.

But I think it has to go with -- and I know we're tight for funds. So as creatively and as cost effectively as possible, you know, wayfinding and signage have been like my soapbox for the last six-and-a-half -- five-and-a-half years on this commission.

Commissioner Lee is right. Even with the little stickers and the crab person, it's still very confusing if you don't follow the off-the-boat folks like on Facebook or on some other social media channel to get to their boats. And I think we need to do much, much better with signage.

And when you do your report back and your metrics, I would love to also intertwine a metrics with safety. And this is just more a public comment for the record. We can do all the activation we want at the Fisherman's Wharf, Little Embarcadero area.

But on MLK weekend where we had lots of families visiting us, seeing the Ferris wheel, which I think is all incredible and phenomenal, we had open-air alcohol, cannabis and -- I don't know even know what they call them -- [psilocybin] sales happening right in front of kids buying soda pop and a corndog.

So we have to get the Little Embarcadero -- and it's not just illegal vending but the illegal sale of alcohols and drugs under control if we really want a family-friendly zone. We can do all the investment we want. If can't get that under control, it's just, I think, a combination that's going to have a disaster.

I don't want to read in the press of some young person overdosing on things they bought illegally on our waterfront. So if there's any way we can build in a matrix of how this is tying for public safety, maybe working with the new team at the Port -- and I will definitely, to your report, Director Forbes, be supporting increasing our funds even if it's on a temporary basis, to law enforcement.

We have to do that. You know, we may not like, you know, a hot dog being made wrong or something selling sunglasses. But that's not -- hopefully, neither of those could kill someone. But drug and alcohol sales can when minors get a hold of them or, you know, other people do.

So I just think that's something we really need to focus on around the whole entire waterfront to make this activation work. But I'm really excited to hear more about the art walk and signage and your plans.

Meghan Wallace: Thank you. I do want to say I couldn't agree more about incorporating safety. I think that that perception of like, if I want to go to an event, it's an exciting activation. But I don't feel safe going there or bringing my family. Then, I'm going to make the decision to do something else. So if we don't improve that perception, then -- I agree with you -- it's going to detract from the activations. Yeah.

Vice President Gilman: And I think, just always keep that in the back of your mind particularly when you're talking about the lagoon activation. On the back side even during the day --

Meghan Wallace: Mm-hmm. Yeah.

Vice President Gilman: -- I would say, if you're not pretty urban savvy, it's not the most attractive place to walk around right now. So if we're going to do an activation, we're going to need to make sure there's lighting, that there's not vandalism, graffiti.

And unfortunately, it can't be a refuge for our unhoused brothers and sisters to be because that, unfortunately, makes people r -- whatever your commentary on that is -- makes people feel unsafe.

Meghan Wallace: Yeah. I agree. And one other point about the Waterfront Walk, actually Commissioner Lee you'd spoken about food trucks. You know, I think that that is an element -- I don't want to give too much away about the Waterfront Walk. But I do want to say Amy Cohen, our business generation manager with real estate, has really been instrumental in helping get our thinking going about that and thinking about hubs of activation.

So we would definitely want to have a hub or two in the southern waterfront just as we would in Fisherman's Wharf and somewhere central along the waterfront. So looking at these strings of opportunity for bringing people out and having amenities like food and some sort of entertainment but certainly pairing that with making sure that we're working -- we are working with our security team thinking about that holistically.

We can't just do activation on its own. Security on its own hasn't been working. We do want to bring them together. Hopefully, this will be the silver bullet, so to speak, in really trying to get things moving in our recovery work.

Vice President Gilman: Yeah. I'm sorry. That just raised one question. How do you identify -- I mean, there's anecdotal evidence. But how do you identify sort of the dead spots or dead zones because, on the weekends in particular -- MLK weekend was a great example -- you had hubs of activity like the Ferry Building.

You had the Ferris wheel. You had a little bit by the stadiums. But how do you identify the dead zones to make a more cohesive waterfront for visitors?

Meghan Wallace: I think that's actually where the work needs to happen. Looking at a combination of where it feels like -- maybe the dead zones -- maybe they aren't actually areas of opportunity maybe. But by creating a hub, some sort of activation near those, they might get people to explore those areas.

So I'm not entirely sure that it's the dead zones that will be the place that's activated. But that's the type of work that needs to happen at this point of looking along the waterfront, you know, having our teams evaluate what's going on in different areas of the waterfront and then making some decisions about where to move those investments.

Vice President Gilman: Okay. I look forward to seeing what you come up with.

Meghan Wallace: Thank you.

President Brandon: Thank you, Meghan. Great report. And really want to thank the staff for, over the past three years, really focusing on our economic recovery

and the plan and implementation. It's so phenomenal that we've been able to come up with \$64 million in funding sources. So the staff has really been working hard at economic recovery for a few years now.

So I just want to be clear on what we're voting on today. [laughter] And today, we are asking for the release of \$10 million from the Board of Supervisors and the release of \$8 million from the southern waterfront beautification fund?

Meghan Wallace: The formal action in the resolution is approval of the expenditure plan for the \$10 million.

President Brandon: For \$10 million?

Meghan Wallace: Yes.

President Brandon: Okay. So only the \$10 million?

Meghan Wallace: Yes. Because we are seeking commission approval of that expenditure plan to -- that we want to be able to demonstrate to the Board of Supervisors that we've had this conversation, that we've developed a strong plan because that was what was missing when we brought the budget forward originally.

It was just a programmatic budget with no details about the specific investments. So generally, we aren't seeking formal approval of other areas of the expenditure of other funding sources. But certainly, your input is warranted. But I think, Director --

President Brandon: So what --

Meghan Wallace: -- Forbes, did you have a comment? I --

Director Forbes: These funds were from COVID 2020 when I said we're going to need money to come back. [laughs] I think it's about \$10 million. And you were kind enough to put it in the budget. And the Board of Supervisors said, "What exactly is this for?" And we said, "We have no idea. It's COVID, and we'll figure it out. We'll figure out the right investment strategy."

So Meghan is asking to go to the board and get those funds released and show you how we plan to spend them before we go to the board and show them how we plan, if there are any changes. The other funding like southern waterfront beautification money and these budget -- those are coming through the budget. So you will see those expenditures in the budget. Right?

President Brandon: So we will see \$54.4 million in expenditures in the budget? Or have we already seen some of these?

Director Forbes: Maybe Nate can clarify. But I believe these will be allocated in the budget process, right, two specific projects.

Meghan Wallace: So I can clarify. So maybe just to run through it -- so the \$10 million was previously appropriated. So this is just detailing the exact expenditures within them. The tenant attraction and retention funding is stimulus dollars so also previously appropriated. I'm just looking for [these] nods.

Director Forbes: Yes. Yes.

Meghan Wallace: So previously appropriated -- so again, this is more providing detail --

Director Forbes: Detail about where it goes.

Meghan Wallace: -- of how we're programming the funds out. The Port infrastructure grants -- you're seeing them a little bit piecemeal in the accept-and-expend process. I believe the next one is coming through at the next meeting. Sorry. Right?

And then, finally, the southern waterfront beautification funding -- this only represents the \$8 million that has already been appropriated so -- through the current fiscal year. So again, it's programming.

Director Forbes: I see.

Meghan Wallace: Yeah.

President Brandon: So when --

Director Forbes: It's not new money.

President Brandon: -- was it appropriated?

Director Forbes: I guess it was appropriated in prior budget year? Nate, can you help with that? Thank you.

Nate Cruz: Hi. Good evening, commissioners. Nate Cruz, the CFO. The \$10 million was appropriated in 2020. It was initially, at the request of Director Forbes, in a hard attack for finance when she asked for this large appropriation to --

President Brandon: That's the one I remember.

Nate Cruz: Yeah. [laughter] I'll never forget it. [laughter] But in a very wise move --

President Brandon: Yes, definitely.

Nate Cruz: -- realized we needed to set as --

President Brandon: Mm-hmm.

Nate Cruz: -- you know, set aside funds to reinvest in the recovery. We did so but without any specific programming. We went to the Board of Supervisors. They put that amount on reserve pending some specific details. Those are the details we're presenting to you today.

The southern waterfront beautification fund -- the annual appropriations to that fund are included in the biennial budget each two years when we bring it to you. And so at the next hearing, I'll be requesting appropriations for the next two years. The funds that Meghan is referring to today have been appropriated in prior years.

President Brandon: But have not been spent. Or have been spent?

Nate Cruz: They have not been spent. No.

President Brandon: Okay. So they --

Nate Cruz: But they have been appropriated.

President Brandon: -- are appropriated. So when do you come back to us -- or are you asking us now, is it okay to spend it on these particular things? Or are you coming back at a different time?

Nate Cruz: We're only asking for approval for the \$10 million.

President Brandon: This, I understand.

Nate Cruz: Okay.

President Brandon: I'm just trying to --

Nate Cruz: Yeah.

Director Forbes: We're asking for your feedback on the way we plan to spend the funds that have already been appropriated. So that's -- and apologies for thinking there's a new appropriation there on the southern waterfront. So we're asking for your feedback and comment on the plan Meghan has laid out, which is our economic recovery plan. And then, request -- we're moving on to the Board of Supervisors for the release of reserve --

President Brandon: For \$10 million.

Director Forbes: -- just for the \$10 million. [crosstalk]

President Brandon: So forget the \$54.4 million that will come back to us later? Or --

Director Forbes: It's already budgeted. So if you say I love this plan, we'll move forward on our economic recovery plan. And we can report to you how it's going. We can give updates on how things are going. But it's not -- the funding is already in place.

Vice President Gilman: So I just want -- because maybe my understanding is wrong. My understanding is \$10 million was put on reserve by the Board of Supervisors --

Director Forbes: Correct.

Vice President Gilman: -- because we didn't know what we wanted to do in the world because we had to figure out stuff out --

Director Forbes: We didn't know yet.

Vice President Gilman: -- which was smart.

Director Forbes: Mm-hmm.

Vice President Gilman: And we're voting on that.

Director Forbes: Yes.

Vice President Gilman: And then \$54 million has already been programmed. And we've already approved that in prior-year budgets?

Director Forbes: That's what our finance director is telling us and Meghan is telling us as well. Yes.

President Brandon: I think what I heard is it's been appropriated.

Meghan Wallace: Yeah. So all of --

President Brandon: I don't know if it's been appropriated to certain uses --

Director Forbes: Well, that's what I was curious --

President Brandon: -- exactly. And that's where --

Director Forbes: -- about like w --

President Brandon: -- I'm confused.

Director Forbes: -- how was it appro -- that was -- that's exactly what I was curious about was like appropriated to what? Nate, is it an overall project that the southern waterfront beautification was allocated toward? I think that's a missing piece here.

Nate Cruz: Yeah. The appropriation authority for the southern waterfront beautification fund happens at the fund level. So it's similar to a dredging project. The specific berths which are dredged according to need over time are not individually approved at the commission level.

So similarly, the beautification fund is a total appropriation amount. The individual projects are selected by staff according to the policy guidelines you've given us. And we're giving you that context and the specifics today. But they're not subject to individual approval.

President Brandon: Okay. I'm still a little confused. And I guess my confusion at this point is we have \$64.4 million in recovery. Some of these funds have already been appropriated and spent. No?

Meghan Wallace: They have not yet been spent. So --

President Brandon: None of the \$64.4 million has been spent.

Meghan Wallace: Correct. So we have done a lot of budgeting at the program level without having the detailed plans for how to deliver. And that's what a lot of the work that I've been doing with staff has entailed is having conversations about how do we make sure we're delivering work with these funds that align with our strategic goals.

President Brandon: So when will we see how the \$64.4 million is being spent?

Director Forbes: I think we can do that through the economic recovery updates. I think that we do plan to have continual economic recovery updates. And staff can describe how it's going and how spending is happening during that time.

Meghan Wallace: Yes.

Director Forbes: And I think we plan probably twice a year at this point.

Meghan Wallace: Yes. [crosstalk] Every six months or so. Sorry, Director Forbes. I was going to share that -- so all of the details are in the staff report about the individual projects -- you know, sub-projects. So the tenant attraction and retention was a pot of funds without the specific details about which facilities

we're investing in. And now, we're getting more and more granular with those details within the staff report.

Commissioner Adams: I think, going back to what President Brandon said, what are we voting on? I think we need that clarity because I think there's this pot of money out there. And as things have been allocated, they've been approved. Do they have to come back? I mean, where are we at?

Commissioner Lee: [Unintelligible] hurry.

Director Forbes: You're voting on encouraging me to ask the Board of Supervisors to release \$10 million in reserves. That's it.

Commissioner Adams: That's it.

Director Forbes: That's it.

Vice President Gilman: That's it.

Commissioner Adams: Nothing else?

Director Forbes: Nothing else.

Vice President Gilman: For what's on the sheet.

Commissioner Adams: What's on the sheet.

Director Forbes: Correct.

Commissioner Adams: And then, for anything else -- what President Brandon was talking about -- they've got to -- you've got to come back to us?

Director Forbes: No.

President Brandon: [They said] --

Director Forbes: Opposite. We already have been to you. But we have agreed to come back, and we want to come back twice a year to talk about how the program is going and how the spending is going from the \$64 million.

Commissioner Adams: Okay.

Vice President Gilman: Okay. And the \$64 million is the compiling of the -- for everything from Port infrastructure to economic recovery, to etcetera, etcetera, etcetera. Okay.

Commissioner Lee: Well, I say hurry up before they take it away. [laughter] They keep talking about cutting back, cutting back. They might cut that -- they might take it --

Vice President Gilman: Yeah. I would get them released before --

Commissioner Lee: -- you better hurry up.

Commissioner Adams: So it's all our money, right?

Vice President Gilman: Yes. They can't claw it back.

President Brandon: Okay. Yeah. This is a confusing item. And I totally support economic recovery. And I totally support investment of our waterfront. I understand that you're asking for \$10 million to be released. And I understand that. And I see where it's going. I think that, soon, you should update us on the other \$54.4 million and how it's being spent. Okay. I --

Meghan Wallace: To clarify, President Brandon, all of the details of the expenditure --

President Brandon: I heard you.

Meghan Wallace: -- of the \$64.4 million are detailed in the staff report.

President Brandon: I see it.

Meghan Wallace: I'm -- that's the framework.

President Brandon: I just don't remember us --

Meghan Wallace: Yeah.

President Brandon: -- allocating it. And I didn't understand that the southern waterfront -- we had no conversation about. It's just whatever the staff feels that they want to do with it. I didn't understand that part either.

Director Forbes: I actually didn't understand that either. That it's allocated at the project level is -- would be an easier way to use those funds to respond to project needs. I think it is an issue of reporting -- disclosure and reporting. And we want to make sure you have both.

Vice President Gilman: And I think also, too, if you're including our advisory groups on those expenditures -- don't we have to -- I thought we had to, for the southern waterfront fund, go back to the southern water -- advisory group for input. No?

Director Forbes: I don't think that's the case.

Commissioner Lee: Not for -- I don't think -- [crosstalk]

Vice President Gilman: I just wasn't sure.

President Brandon: I don't think we do.

Director Forbes: I don't think that's the case. But what I'd like to do is I'd like to work with Nate and Meghan on a suggestion that we'll bring in February related to the southern waterfront beautification fund and reporting back on these expenditures for our economic recovery program, so you have visibility into how they're being spent.

And just because we've allocated at the project level in the past to the southern waterfront -- from the southern waterfront beautification fund does not mean we need to do so in the future. We could certainly allocate with project detail. So that is -- I'm going to speak with the team. And we'll make a proposal to you if that satisfies President Brandon and members of the commission.

President Brandon: Okay. So for today, are we agreeing to \$10 million release from the Board of Supervisors and nothing else? Or are we approving anything else?

Director Forbes: We just want the \$10 million and the Board of Supervisors --

President Brandon: Got it. Let's do it. [crosstalk] Let's do it.

Commissioner Adams: Just 10. [laughter]

Vice President Gilman: Yeah. Just 10.

Commissioner Lee: And everything [on the list] --

Director Forbes: Just 10. Just 10.

Commissioner Adams: You better get this done. Right.

Commissioner Lee: Yeah. Everything on the list and maybe more.

President Brandon: We have a motion and a second. All in favor?

Resolution 24-09 passed unanimously.

12. REAL ESTATE & DEVELOPMENT

A. Informational presentation and possible action to request (i) Endorsement of the Proposed Term Sheet and (ii) Amend and extend the Exclusive Negotiating Agreement, both with Strada-TCC Partners, LLC, for the proposed Piers 30-32 and Seawall Lot 330 project generally located along the Embarcadero between Bryant and Beale Streets. (Resolution 24-10)

Wyatt Donnelly-Landolt: Thank you, Jenica. Hello, President Brandon, Vice President Gilman, commissioners. Thank you for having me this afternoon. I'm here to speak about an informational presentation with possible action on the Pier 30-32 and Seawall Lot 330 project requesting endorsement of the term sheet and approval of a couple ENA amendments.

Just to provide an overview of what I'll be speaking about today, I'm going to: provide some background on the project itself, talk about the project concept for both the pier and seawall lot sides, talk about the financial and deal structure, talk about the specific ground leases -- there will be three to four at the site -- the performance schedule, Port participation in the project, the DEI plan and those ENA amendments.

So to set the stage, I just want to talk about where we are in the development process, which is a very long process in the best schedule. So we're requesting -- where -- we've negotiated a term sheet and are requesting an endorsement of that term sheet from the Port Commission.

After this, we will move to the board. This is following extensive community outreach. So this process took a little longer than originally anticipated due to additional community and state-agency outreach and the need for state legislation.

And then, we will move on to the next phase after the board approves the -- endorses the term sheet and approves fiscal feasibility, which is negotiating transaction documents and moving into the CEQA process. So there is still much work to go after this before we have a final development agreement and construction can start.

And I'll talk about the specific timelines and the schedule of performance as part of the presentation. So to just set the stage, I want to go back to the original RFP goals. First, we wanted to: preserve and improve the existing maritime uses of the site; upgrade the infrastructure at the site to be resilient against sea-level rise and seismic issues.

We wanted to include public trust and public-oriented uses for the site and generate revenues for the Port through an economically viable project. So that was what guided us here today to this project, which is a two-to-three-phase

project. The first two phases, which could be done together as separately as phase one and two, are two residential buildings with 15 percent inclusionary affordable housing and a land dedication for 100 percent affordable housing building that would be funded through the entire project.

So fees from the entire project will go into that building funding it. At completion, it will be 713 units total with 25 percent affordable throughout the project. The next phase, phase three, on the pier side is the: reconstruction of the existing pier into a single resilient pier with vertical improvements on top; strengthening of the seawall -- and in the foreground, you can see an aquatic center and deep-water berth to the left.

So to get into the specifics on phase one and two, the first two buildings would be -- are projected to be 619 units including 92 BMR, ground-level retail, open community space on the ground floor -- they could be done together or in phases, as I mentioned -- and the land dedication, which would then be constructed through sources as available including fees from the project.

So that brings us to the total of 25 percent affordability for the project as a whole out of 713 units. Phase three starts with demolition of the existing piers and then reconstruction of the single resilient pier you see rendered here. Strengthening of the seawall would be done through that.

There's the aquatic center with the pool and a deep-water berth for both excursion and emergency access. The vertical improvements include 375,000 square feet of office with the potential for an additional 55,000 square feet through the existing building footprint -- it would be done through a mezzanine space -- and then 70,000 square feet of retail and a market hall, the aquatic facilities and accommodations for Red's Java House.

I think, as I mentioned in the RFP, one of the most important goals for this project is investment in the Port's asset and reconstruction of the infrastructure there. So the projected cost of that, all told, the horizontal improvements alone is \$460 million.

So there's a huge investment in the Port's assets here. The infrastructure and all the vertical improvements, the buildings on top, would return to the Port upon the expiration or early termination of the lease.

To talk about the project financing a little, I won't get too into the details here. But the term sheet proposes both a CFD, or a community facilities district, and an IFD, infrastructure financing district, at the site. It's similar to the financing mechanisms we've used for the Mission Rock and Pier 70 projects.

Based on the current pro forma and market, the project requires an additional \$125 million to balance or pencil. This can be filled through multiple

options. The first we will look to is the market itself. As the market improves, that gap will close.

So the hope is that the market improves, and there is no need for additional funding. However, if that does not occur, we can look at additional sources including public sources such as adj -- some of the ones we've seen across the city are: adjusting impact fees or delaying their collection; utilizing additional tax increment; adjusting or waiving transfer taxes; or federal or state grants; and potential revenue sharing from the east berth.

So the deal itself -- this is what will be negotiated over the next couple years -- will be a lease disposition and development agreement. There's the potential for a development agreement and/or a master lease as well. These will kind of govern how construction is done, how the city governs the city and the Port's relationship with the developer.

This will be done based on the term sheet. It's a non-binding term sheet. So we'll continue to -- this will continue to evolve over the couple years. That will be the final contract between the Port and the developer. There will also be three to four ground leases.

The Piers 30-32 ground leases will be 66 years. And the Seawall Lot 330 ground leases will be 75 years. That's capped by the state legislation that authorizes the projects on both sides of the Embarcadero.

So to get into the specific lease terms, the Seawall Lot 330 -- the market-rate buildings -- this could be one or two leases depending on how it's developed together in phases -- again, 75-year term. The total ground rent would be \$600,000 per year with a CPI adjustment every five years.

During construction, there would be reduced rent until a TCO is received. The tenant is responsible for all maintenance and repairs. One caveat here is we recognize this is probably a below-market rent to facilitate the construction of the entire project.

So if any time Pier 30-32 milestones are not met, that rent increases to \$1.8 million. And there is that option to develop it in two phases. And the rent would just be split 50/50 between the two parcels.

The Seawall Lot 330 affordable site would also be a 75-year term. The rent would be \$0 there, as it's an affordable site. The tenant would be responsible for all maintenance and repairs there as well.

Finally, the Pier 30-32 lease would be a 66-year term. Ground rent there would be \$900,000, again CPI adjustments every five years, reduced construction rent. The tenant is responsible for all maintenance and repairs with

one caveat being the Port would be responsible for the dredging of the east berth if necessary. It has not been necessary to date.

So one of the things I promised to come back with is the performance schedule. This is the official performance schedule. It is impossible to follow because it's based on prior dates. So I'm going to skip ahead to a project performance schedule, which has years and months that we can follow.

I will note this is illustrative because it's based on when that final LDDA execution occurs. This assumes that we execute an LDDA in July 2026. That's the current target date. And I think it's very feasible. So this would put phase-one construction, the first residential building starting in January 2028 -- or so the current issuance in January 2028 with construction starting in July 2028.

The first building would be complete in July 2030. The second residential building would be complete in July of 2031. And then, the construction permit for the pier side would occur in July of 2032 with core and shell complete in July 2035 with the goal to be tenant improvements starting shortly thereafter.

The Port also participates in the project itself. So in addition to receiving these base amounts through ground rent, the Port participates in the upside of the project. So that's 20 percent of net proceeds above an 18 percent IRR, internal rate of return, on the first transaction.

So this means, at the first sale, the Port gets essentially 20 percent of the profits above that 18 percent threshold, the 18 percent threshold being a key threshold we've seen on other Port projects. In future transactions, the Port would receive 1.5 percent of net proceeds on those transactions.

And again, if the Piers 30-32 performance benchmarks are not met, the Port would receive an additional tier of 10 percent of proceeds above 15 percent IRR. And those last two are additions since the original proposal.

To touch on the DEI plan -- so we're still at a conceptual level with the DEI plan. But there's five different concepts here, the first being swim and water sports access. The site would be -- the pool would be managed by a nonprofit aimed at addressing racial, gender and economic disparities related to water sports access so really trying to improve swim proficiency for children across the city.

Second would be a BIPOC artisan retail program. This would be an effort focused on BIPOC entrepreneurs. It would be along the piers building. There would be spaces for artisan, retail and maker spaces. And these would be targeted, and the leases would be structured to support the success of the entrepreneurs.

Third, on the affordable housing side, the developer is going to look for a partner to do the affordable housing development. And they would place a heavy emphasis on BIPOC leadership in selecting that partner.

Fourth, LBE and WBE participation in the project -- so we will, through the transaction document negotiation, set goals there. But that will be a key part. And then, workforce development -- as we talk about jobs, developer is committed to working -- doing the project under a project labor agreement, or PLA, and intends to work with the CityBuild program on a pipeline program to help people get into the construction and trades work.

Finally, there are two ENA amendments. These align to timeline. As we hit the term sheet, this is a major milestone. So we're kind of revisiting where we are. So this updates the ENA term. So it's an 18-month extension. That is essentially how much later we are in bringing the term sheet to you than originally planned.

And that is due to the need for community and state agency outreach and especially the need to get state legislation and SB273 so to request that extension. It also, as they enter this new stage of the project, allows the developer to transfer to another investor without Port Commission approval so long as Strada Principals -- Strada retains control.

So long as just Strada is in control, they can transfer and bring in new investors into the project. This allows them to look for investors as they're moving into this later stage. So they can be ready to hit the ground.

Finally, next steps -- so in February or March -- February and March, we'll introduce the term sheet and a fiscal feasibility report to the Board of Supervisors to request their endorsement of the term sheet -- this is assuming your approval today -- and to find the project fiscally feasible.

And then, following the board approval, the developer, once they hit the milestone, the developer can submit the environmental application to planning to start the CEQA process and will begin working on those transaction documents.

I also have Jesse Blout from Strada here who would like to say a couple words. So I'm going to give him a couple minutes. And then, we'll take questions.

Jesse Blout: President Brandon, Vice President Gilman, commissioners, Port director, you guys are amazing. I was just really enjoying the economic development presentation and the work that you guys are doing. I have to say it's just remarkable how well run this agency is and, to that point, really have had an incredible experience.

We're coming up on our three-year anniversary of entering into the ENA, which is not easy when you're investing capital in a process that takes longer

than you expect. But I think it has been well worth the time and effort not the least of which is -- we were able to forge a pretty important agreement with the regulatory agencies that are partner to the Port, BCDC and State Lands Commission.

That took a long time. I will admit they weren't happy with our first proposal. But we were able to work through all that and come up with, I think, a version two that's even better than the first version. And also working in close concert with the community over the last couple years has taken some time. But I think it's all worth the effort.

I'm excited to answer specific questions that you may have on the specifics of the proposal. We're committed to all phases of the development including, importantly, the affordable housing parcel. I just don't want to lose sight of the fact that, while some of the fees on the future phases and especially the piers would be important for funding the affordable housing, we think there's an opportunity to move that forward ahead of some of that work anyway.

We're looking forward to working with you to pick the right affordable housing development partner through that process as part of our overall DEI strategy. So here to answer any questions you might have, and thank you very much.

President Brandon: Thank you. And thank you, Wyatt, for the presentation. Can I have a motion?

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

Public Comment on Item 12A:

Dan Torres: My name is Dan Torres. I'm a business agent for Sprinkler Fitters, Local 483. I represent the men and women that install, test and maintain life-safety fire sprinkler systems. I'm also a trustee on the San Francisco Building Trades Council. And I'm here to speak in favor of this project.

As a native San Franciscan, when I was younger, we used to have to cross a bridge to go over to Heather Farms over there in Walnut Creek. Having this -- having the pool there and everything is going to allow somebody that grew up in the city to have something available for them at a time where there's not too many families in San Francisco anymore. Right.

And then, as a business agent, you know, having a project under a project labor agreement is phenomenal. I mean, it's going to be putting -- it's a project that we need to put the members that I represent to work during a time right now where there's not a whole lot of work out there.

So let's revitalize San Francisco. Let's move this project forward. I'm here to support it. Thank you very much for your time.

President Brandon: Thank you.

Alan Dundas: Hello, commissioners. My name is Alan Dundas. I live down on Beale. And so this project -- it quotes the state bonus density law. And in particular, that law requires a base density project. And we've not seen that. Because you have to add a bonus on -- you have to add it onto something.

And so that base density project needs to be fully compliant with Prop C. We take a look at it. We see how much extra you've put on top of that. How much extra you put on top of that depends on very low, low or moderate income. And we've not received any information. We've just got information about below market.

Unfortunately, you need to get down to the specifics of how much of each category in order to find out how much extra you can build. Additionally, the concessions, which are very important -- this lets you build taller than Prop C. Those concessions -- you get one, two or three. And the current proposal would not meet three concessions if it was all moderate.

So there has to be a certain percentage of very low and low specified in order to actually get the three concessions that I believe this needs. Thank you.

President Brandon: Thank you.

Mike Gougherty: Good evening. Mike Gougherty with the San Francisco Bay Ferry, also known as the Water Emergency Transportation Authority -- and just want to begin by expressing my thanks for the great partnership my agency has had with the Port over the years.

We've delivered several successful projects in the past, our administrative building on Pier 9. We're one of your tenants. We're also one of the transit operators along the waterfront and recently completed the downtown San Francisco ferry terminal expansion project.

I also want to express my thanks for the partnership, also express our thanks as an agency for Port staff as well as the commission for finding a solution to rebuild a really important facility from our perspective in 30-32. It's a deep-water berth. It's centrally located along the San Francisco waterfront.

And in our own emergency response plans as the Water Emergency Transportation Authority, we think it's really important to be able to, over the long term, provide emergency access at this facility as the project scope is proposed to do.

So you know, the news came out last week, 95 percent chance over the next 100 years of a damaging earthquake happening in the Bay Area. It's going to happen. We've known that for generations now. And my agency is committed to making sure the region and San Francisco is specifically prepared.

This is an important facility, again really excited to see that there's a strategy in place to ensure its long-term resiliency and availability for emergency response services. Thank you.

President Brandon: Thank you.

Zac Monsees: Hello. Thank you for your time. My name is Zac Monsees. I'm a Bay Area native, long time SF resident. My father was an all-American water polo player at San Jose State and swimming and water polo coach for nearly three decades.

I grew up in San Jose. Swimming and water polo was my life, got me into Cal Berkeley and where I won back-to-back national championships and, following my collegiate career, played a lot of water polo representing the United States.

Once my career ended, water polo got me a job in the commercial real estate business. My partners there are still water polo players to this day. We office on Market and Second. Naturally, aquatics has opened all the doors in my life.

I have decided, since 2021, that it's been my opportunity now to give back to the community. I'm the commission of Olympic Club Water Polo, the varsity and JV coach at Tam High School. And I run San Francisco Water Polo Club here locally, all this to say I've got a very good pulse on the Bay Area aquatics community. Aquatics culture is my first love.

Pier 30-32 represents a phenomenal opportunity to dramatically enhance the San Francisco waterfront and create an exciting new landmark, which would become a major destination for tourists and locals alike. The pier is currently deteriorated and is projected to become unusable in 10 to 15 years.

The project would remove the existing pier and replace it with a new, smaller pier and build a floating pool complex. The complex includes a 50-meter pool, which would be the only one of two in San Francisco currently. The facility would allow water polo matches, tournaments, recreational activities, competitive swimming events, life guard training and family aquatic activities.

San Francisco has woefully inadequate outdoor swimming pool space currently to support aquatics and athletic pursuits within its borders. Additionally, a purpose-built learn-to-swim pool is included to help address the shortage of learn-to-swim water-safety programs in the Bay Area.

The mission of the sponsor's nonprofit operator of the aquatics complex is to introduce aquatic sports to underrepresented populations of the Bay Area. And the proposed program provides unique opportunity to draw on an entirely new demographic to water polo and swimming.

Imagine being a child in San Francisco's inner city, being surrounded by three sides of water and not knowing how to swim. Drowning is the leading cause of death -- injury-related death for children under five. And water safety is a life-saving skill that one makes for lifelong relationships and friendships.

As a commercial real estate professional, I can also assure you that San Francisco desperately needs more housing at all income levels. The Bay Area added 3.5 times more jobs for every housing unit constructed since 2010. And ABAG determined we need 441,000 new units by 2031 for the entire Bay Area to curb housing costs.

Our supply-and-demand imbalance, jobs versus housing -- [beeps] thank you very much for your time.

President Brandon: Thank you.

Vice President Gilman: Thank you.

Greg Hardeman: Good evening, commissioners and staff. My name is Greg Hardeman. I'm a born-and-raised lifelong resident of San Francisco. And I'm also the business recording secretary for the International Union of Elevator Constructors Local 8 and a proud graduate of a skilled and trained apprenticeship.

San Francisco, right now, has a shortage of construction. We have a lot of workers out of work. And this project, although it's a few years out, it's something that we can count on. Plus, the city needs things that people want to go to. San Francisco has been losing families like my brother Dan mentioned.

And this will be a great place. If I was a kid and I had this, it would have been amazing. And something else that needs to be said, it's going to fix the seawall. We all know global warming is going to be raising the water heights. And that needs to be addressed. This covers that.

It will also provide a deep-water berth for a cruise ship. San Francisco could use more cruise ships. The revenue it brings in from the passengers when they go off the ship or when they come in and stay in a hotel because they're flying from across the country -- it's something that will be much needed in San Francisco.

We'll also be able to have -- it looks like -- it doesn't say anything about fishing. But as an avid fisherman, it looks like a great place to be fishing, a public

pier. You don't require a permit. So for our residents that don't have the funds to buy a fishing license, they'll be able to go out there and fish, possibly produce food for the family.

And when you have people out in the morning early, it also reduces crime because the people that are out there up to no good usually tend to stay away from areas that are heavily populated or have people doing activities. And swimming is a great activity. San Francisco doesn't have enough pools. Our schools don't teach swimming.

It'd be a great place. And we could have community outreach to help our children learn how to swim. And it's something that I can't see why there would be any reason to not support this project. Thank you very much.

President Brandon: Thank you.

Rudy Gonzalez: I was waiting for your beep. Good evening, Madam President, Vice President Gilman and esteemed commissioners and staff. Rudy Gonzalez with the San Francisco Building and Construction Trades Council. I have to say that we build a lot of cool things.

We built the Golden Gate Bridge. We built Chase Center. And we continue to build along the waterfront and all across our city from affordable housing to complex medical hospitals. Just in a few months, we'll be kicking off a new built at Parnassus Heights with UCSF.

But I have to say, of all the projects that we're working on and forecasting and all of the apprentices that we're thinking about bringing into our unions from San Francisco, from our high schools, from our jails, from foster youth, from our armed services, this one is really, really exciting.

There's not many projects where we get to work with developers that have a track record like Strada and their joint venture here where they're not only committed to the built environment, but they're committed to the community impacts.

With the project labor commitment comes a commitment to a local workforce, comes a commitment to a contractor base that I believe is key to our economic recovery. But it's also the long game. A lot of the decisions you make and that you have made will bring future economic vitality to this waterfront for decades to come.

And it's in that long-game spirit that we're really excited to support this project. The staff recommendation before you we believe should be adopted without hesitation. We think that the negotiations have been really thoughtful and ongoing.

And if there's any testament to the integrity and character with which this particular developer brings to any negotiations, that you can navigate the state legislature and the dynamics of BCDC earn the goodwill and support of community members and labor alike I think speaks to the kind of approach they take to a project.

But that's not the -- although it's one of my favorite renderings, that's not the only rendering. One year ago, I saw a different one. Two years ago, I saw a different one. And with each iteration has come really a more dynamic and exciting project. That's all taken place because of community input, because of regulator input, because of contractor input.

So we appreciate the project. We think the scope is right. We're also very excited about the affordable housing component. We can't bring enough of that online fast enough frankly. So we're excited. And we urge your support respectfully. Thank you.

President Brandon: Thank you. Is there any other public comment on this item? Seeing none. Lucinda, do we have anyone on the phone?

Lucinda: Yes. There are five callers for public comment. Opening the first line now. Caller number one, you are on the line.

Alice Rogers: Good afternoon, commissioners and Director Forbes. This is Alice Rogers from the South Beach community. I don't have anything substantive to say about the detail of the presentation. I just am glad to see that the project is back again in the public forum and moving forward.

And I want to just express appreciation for the extended period of time that was invested in the community outreach that resulted in some redesigns of the project.

President Brandon: Thank you.

Lucinda: Okay. Caller number two, you are on the line.

Julia Rome: Good afternoon, commissioners and Executive Director Forbes. My -- [audio cut]

Lucinda: Caller, you are on the line.

Joe Reilly: Good afternoon, commissioners and Executive Director Forbes. This is Joe Reilly. I'm a long-time emergency manager on the San Francisco Bay. And in -- [audio cut]

President Brandon: Are we having problems with --

Lucinda: Caller, you are on the line.

Joe Reilly: Good evening. This is Joe Reilly. I tried to introduce myself a few seconds earlier. Can everybody hear me?

President Brandon: Yes.

Vice President Gilman: Yes.

Joe Reilly: All right. So I'm a long-time emergency manager on the San Francisco Bay and in the City and County of San Francisco. And I want to express my strong support for the Piers 30-32 project proposed by the Port. Piers 30-32 are undeniably a vital maritime asset that holds significant importance with all of our local, state and federal response plans.

And those are plans that we've exercised every year during Fleet Week. But more importantly, the unique features of Piers 30-32 make it exceptionally well positioned for emergency response. Its large deep draft berth, all of the space that's available are crucial assets.

Additionally, its central location along the San Francisco waterfront and proximity to major infrastructure including [San Francis --] transportation and utilities further enhance its emergency response capabilities. So in conclusion, I offer my support for this project as a critical initiative for the safety and wellbeing of San Francisco.

The proactive approach of the Port team aligns with the urgent need to safeguard this essential maritime asset and enhance its capabilities for emergency response. That concludes my report.

President Brandon: Thank you.

Director Forbes: That's awesome.

Lucinda: Caller number three, you are on the line.

Julia Rome: Good afternoon. Good afternoon, commissioners and Executive Director Forbes. My name is Julia Rome. Hi there. My name is Julia Rome. Can you hear me?

President Brandon: Yes.

Vice President Gilman: Yes.

Julia Rome: Thank you. I currently serve as the director of public policy for San Francisco Travel, representing over 700 organizations in San Francisco. We are pleased to support this project. As we look for exciting developments to revitalize

the city coming out of the pandemic and in the midst of a struggling economy, we should advocate for initiatives like this which bring jobs and economic opportunities to the city and the region.

This project will be a huge benefit for the tourism sector by providing a fully functioning cruise ship berth on the east side of the newly rebuilt pier. This ensures that San Francisco will be able to accommodate the increasing demand for cruise berthing in the city and, in turn, will mean tens of thousands of new visitors to San Francisco every year, meaning millions of dollars spent on local restaurants and retailers, something we all can agree we need more than ever.

With the market hall, swimming pools and public promenades, this will also become a must-visit waterfront destination attracting new visitors from around the Bay Area in addition to tourists from further afield. This will bring life and vibrancy to what is currently a bit of a sleepy stretch of the Embarcadero.

Doing a major project at this pier has been discussed for decades. But this is the first plan that seems to balance all of the objectives: a significant commitment of private funding to pay for public infrastructure, the Port maritime activity, public access and activation and removing fill from the bay.

With thousands of people coming and going from the ferry and BART to see the Giants or the Warriors, we have a unique opportunity to really increase the public access of the project and celebrate our area. Commissioners, on behalf of SF Travel, we strongly recommend that you approve this term sheet and advance the proposed project on Piers 30-32 and Seawall Lot 330. Thank you for your time and all that you do for our beautiful city.

President Brandon: Thank you.

Eddie Reyes: Good afternoon --

President Brandon: Good afternoon.

Eddie Reyes: -- commission -- hello.

Lucinda: Caller, yes, you are on the line.

Eddie Reyes: Yes. Good afternoon, commissioners and staff. My name is Eddie Reyes. And I'm a proud San Francisco native. I have been a journeyman ironworker for over 30 years. I am also an officer in the San Francisco Building Trades Council and elected president of Ironworkers Local 377 in the Bayview/Hunters Point area.

We are glad to hear of the progress moving forward to realize the development of Pier 30 and 32 and Seawall Lot 340. The project will privately

finance hundreds of millions of dollars in public infrastructure which will help us address rising sea level.

It will also add resiliency to the Port and city with seismic strengthening work. All of these important investments will create good union careers in construction and opportunities for local apprentices. Thank you for your time. And we strongly support this project. Thank you.

President Brandon: Thank you. Lucinda, is there anyone else on the line?

Lucinda: Yes. There is one more caller.

President Brandon: Okay.

Tyson Bell: Thank you. My name is Tyson Bell. I'm a board member of Tsunami Swim and synchronized swim team. We're a U.S. masters swim team representing the LGBTQ community here in San Francisco. Our 100-plus members want to express their backing of Pier 30-32 facility.

As has already been expressed, the proposed Olympic-sized 50-meter pool will be one of only two in San Francisco and greatly expand our potential to host competitive swim, synchronized swimming and water polo events. Additionally, the facility's prime location, with core public transit in the area will greatly enhance access to safe aquatic activities for all San Franciscans.

Finally, the mission of this sponsor's nonprofit operator of the aquatics complex is to introduce aquatic sports to our greater underrepresented population between programs that will draw on a new community of swimmers, which San Francisco Tsunami wholeheartedly supports.

Commissioners, on behalf of San Francisco Tsunami Swim and synchrono, I urge you to approve this term sheet and advancement for this project for Pier 30-32 and Seawall Lot 330. Thank you.

President Brandon: Thank you.

Commissioners' Discussion on Item 12A:

Commissioner Lee: Well, I really don't have any comment other than, you know, it takes a lot of guts for anybody to do a development that's this big. I mean, even in the small business, you know, when you have to deal with just local stuff for a couple years, you just kind of want to give up.

But you know, Strada, for taking the chance to do all this and go through all the hurdles, I mean you have to give them a lot of credit. Now, obviously, it's been back and forth with the public. And I know it's not perfect. But we have to start somewhere.

And things are not getting any better. And the more we talk and we can't get going on it, it just seems that, you know, time will either make a project happen or the person might go away. And I think what I understand is this is the fourth go round.

So I don't have -- I mean, so much has gone into it I don't think I have much to say about anything else. But let's get it going.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: This is awesome. This is -- been on the commission all this time. I remember the Warriors tried to go in there. They were thinking about the Lucas Museum. They were thinking about the cruise terminal. Unions and working class people built San Francisco. It was working class.

And I think it's so -- that Delancey Street is right across from where this project would be. And we know what Delancey Street stands for: Mimi, the late Jimmy Herman and the opportunities. But for Strada to go out where they're going to -- there's a missing piece when you walk past that.

I run past that every morning. And you see that area out there. We need to make it complete. Something needs to go in there. And I believe this is it. And you know, I agree with Steve. We've got to have patience because I'm going to tell you something. We could talk about target dates. Things never get done on time.

There's always overrun. Shit just happens. I'm just keeping it real. And that's just how things go. Right. I mean, sometimes things will be -- but I remember this commission -- I don't think Steve and Gail was on here when we were talking about affordable housing.

And people lined up to come here and say policemen, firemen, other people that have lived in San Francisco their whole life and no longer can live in the city of their birth because it's so expensive to live in this city because of housing.

And I remember those people that have put their time and effort to me. So that affordable housing complex is a big thing. The strengthening of the seawall - - whether we like it or not, we are going to have a big one. We have to be prepared.

The greatest thing you can do is to prepare somebody for something that's coming. And that's what leaders do. They tell you the hard time is coming. So I support this. I think this will transform our waterfront. I think it will once again make the waterfront a beacon of light.

But we're going to have some obstacles. I've seen a lot of them. But I think, in the long run, it will be worth it if we're patient and the hard work. And we have someone like Strada that's willing to put it all on the line. And what they have shown me is go big, go home. I support it.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you, President. Wyatt, I just want to remember just to level set. This is a non-binding term sheet that's going to the board. So then, we can continue the rest of our negotiations that you discussed in earlier slides.

Wyatt Donnelly-Landolt: Correct. Correct. This term sheet will guide the negotiations as we move forward into the transaction documents including a lease disposition and development agreement. But there could be changes in the future. Yes.

Vice President Gilman: Right. So there could be multiple changes just like there's been multiple iterations. So I support the item. I just want to express just - when we're coming back with future documents, I just wanted to call out a couple things on the DEI plan.

I really would love to see at some point more of a market study or at least talking to the Ferry Building -- and I say this with absolute respect to the operators of the Ferry Building. But they have tried hard with their BIPOC artisan retail program. And there's been a lot of great success. And there's been a lot of pretty bad misses.

So either talking with Foodwise or other community members of how you do that well and right so it doesn't just come off as being optics I think is really important. And then, I think settling on the affordable housing component -- I still remain -- and I really appreciate you, Jesse, addressing it upfront when you came for your comments.

But since it relies on financing from the piers, we're looking at other affordable housing parcels like Pier 70 that even has affordable developers selected that are not moving because there's not public financing. And if the bonds do not pass in November, I'm very, very concerned about that not being built.

And also maybe, more publicly once you've settled on it -- there's two -- I just also want to say to the public there's two components to make this 25 percent affordable. There's on-site inclusionary, which I think is at 15 percent. And then, there's this parcel.

So those will have also vastly different AMI levels. It's very, very likely that the standalone will go from zero to 60 typically with a carve out for people below 30 percent of AMI. And that might balance out the inclusionary.

So I just want to let the public know, just like Mission Rock and others, it's going to be a project that basically goes from extremely low-income housing to workforce housing from an AMI level, which meets our state goals. So those are just my comments. And I support. Thank you.

Wyatt Donnelly-Landolt: Thank you.

President Brandon: Thank you. I think most of my comments have already been said. But this is a huge, exciting project. And we are so happy that we are at the point that we are even though it took three years.

Vice President Gilman: Yeah.

President Brandon: We're moving forward. And we've made a lot of progress. And I'm glad that the community has been engaged. And you've been open to comments and changes. And here we are. So good luck with the Board of Supervisors. Look forward to you coming back.

But hopefully when you do come back, we are really, really focused on the overall project, not the phases but the overall project that we do affordable housing, that we are able to do the piers, that we are able to have a comprehensive, phenomenal project. Yes. [laughter] Thank you. Next item, please.

Vice President Gilman: We have to vote, don't we?

President Brandon: Shoot. I'm sorry. [laughter]

Commissioner Adams: Vote. Forgot the main --

President Brandon: Bye. No. [laughter] All in favor?

Vice President Gilman: Aye.

Commissioner Adams: Aye.

Commissioner Lee: Aye.

President Brandon: Any opposed?

Resolution 24-10 passed unanimously.

13. NEW BUSINESS

Director Forbes: Commissioners, I have recorded that we are going to come back with the budget to describe the southern waterfront beautification fund allocation process as well as the overall tracking of the economic recovery plan. Are there any other items for new business?

Commissioner Adams: Director Forbes, I'd like to propose to you and to President Brandon and to Vice President Gilman that every year, you know, the mayor does a state of the union address. I would propose that the Port do a state of the Port. Most ports do that where they have a state of the Port.

And you talk to the community. You have a press conference. And the commissioners are there. And we talk about who we are because nobody can see us. But we need to -- I would like to ratchet up to another level. But I would defer to our president here and the vice president. And I would ask you to consider it. Thank you.

Vice President Gilman: [I love that].

President Brandon: Mm-hmm.

Commissioner Lee: Okay. I've got one -- one more. I just want to make sure on maritime -- can you check these properties that have been abandoned and make sure that they're secure? I'd like to get a report, you know, making sure that somehow they're all boarded up and secure, so nobody gets hurt.

I know it's kind of remote out there -- especially we're talking about beautification of southern waterfront. But you know, kids are kids. They're going to go out there and try to mess around and do their skateboarding on buildings and stuff so just want to make sure it's okay if we can get a report on that. Okay. That's it. Thank you.

President Brandon: Thank you. Is there any other new business? If not, can I have a motion to adjourn?

14. ADJOURNMENT

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

President Brandon: The meeting is adjourned at 5:23 p.m.