



# **SAN FRANCISCO PORT COMMISSION**

**March 12, 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

MARCH 12, 2024

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

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

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

**2. APPROVAL OF MINUTES – February 27, 2024**

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

**3. PLEDGE OF ALLEGIANCE**

**4. ANNOUNCEMENTS**

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

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

**5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA**

Public comment is permitted on any matter within Port jurisdiction that is not an agenda item. No Port Commission action can be taken on any matter raised other

than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

No Public Comment on Items Not Listed on the Agenda.

**6. EXECUTIVE**

**A. Executive Director's Report**

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

Michael Martin: Good afternoon, President Brandon, commissioners, Port staff and members of the public. I am Michael Martin, the assistant director of the Port of San Francisco. And I'm happy to present you the executive director's report on behalf of Executive Director Elaine Forbes, who is out of the office today.

Happy Women's History Month. The Port is fortunate to be led by women trailblazers including our director and our two Port Commission officers. The waterfront has a rich history of women leaders from the women who led the save the bay movement that became a watershed moment in the management of the bay shoreline to the leadership and advocacy of women through our citizens advisory committees.

The Port has seen the impact of women throughout its long history shaping our waterfront into what it is today. In honor of Women's History Month, I'm excited to share two initiatives that showcase the Port's economic recovery and equity strategies.

First, just last week, our business generation manager, Amy Cohen, and our economic recovery manager, Meghan Wallace, organized a fun and informative waterfront walk event for Port staff and other Port stakeholders with various points of interest highlighting women change-makers.

The engagement was intended to bring staff together as part of the equity and internal engagement strategy to create a culture of inclusion and belonging. But this event also served as a wonderful opportunity for Port staff to further refine and develop the concept of a waterfront walk where members of the public would be invited to discover similar points of interest along Port property.

This is one of many strategies we are developing to bring even more people to the waterfront and showcase our unique and diverse waterfront to visitors and residents. Once available to the public, the waterfront walk will use an app and door signage to string together disparate businesses, open spaces, points of historical and cultural interest, establish routes and public art into a

more singular experience with a streamlined Port identity for the public to understand and engage.

We hope to continue to have Port staff be the first audience to help pilot this concept as we roll it out to the public sometime in the future. Also, we are so excited to be planning for our second event in the Pop-Ups on the Plaza series for 2024. The second event will be celebrating black women makers for Women's History Month, which will be held on Saturday, March 30th at the downtown Ferry Terminal Plaza.

The Port will table at the event. And we look forward to celebrating our successful pop-ups, this time continuing the celebration of the month and celebrating black women makers. Resilience efforts have been at the forefront this past month.

The Port, the U.S. Army Corps of Engineers and our city partners have been continuing public engagement and outreach following the January release of the draft plan. At the end of February, we hosted four community workshops in partnership with the U.S. Army Corps of Engineers team and saw almost 300 members of the public across those four events.

We hosted two Port tenant webinars, a dozen presentations to community-based organizations and two webinars for members of the public. We also hosted four walking tours, one in each area of the waterfront.

Later this week, we'll be hosting two workshops in language on the draft plan, one in Spanish and one in Cantonese. All of the materials shared at the four U.S. Army Corps of Engineers workshops have been translated and will be shared with these audiences for their feedback.

We are in the middle of our S.F. Fellows project, which is a partnership with the San Francisco Unified School District to engage climate action fellow high school students, inform them about the draft plan and showcase career paths in climate adaptation.

We're also offering online engagement. The Port's website offers a beautiful story map for the public to learn more about the draft plan and has seen nearly 3,000 views. The draft plan is on display at the Center for Architecture and Design.

The public can engage with the information in person and provide their feedback through comment cards. The exhibit is open 8:00 a.m. to 4:00 p.m. Monday through Friday at 140 Sutter Street in San Francisco. As you can see, we're working hard to get public comment on what is a really sort of enormous plan.

So we're doing all we can to sort of get that productively so that we continue to work with the commission and with the Army Corps of Engineers to really refine what San Francisco wants to see as part of its future. The public comment period closes on March 29th. And we look forward to reviewing this feedback with the Army Corps as we continue this work.

Project manager Kelley Capone leads coordination with the U.S. Army Corps of Engineers. Her efforts have been vital to cultivating our partnership and aligning our successful community engagement efforts. And as part of Women's History Month, we thank her for that work.

Turning to key projects, the construction on the Roundhouse 2 office building is underway. And it is scheduled to be completed in March 2025. Continuing the theme of Women's History Month, I wanted to note that this project is managed by a woman project manager at the Port.

And I'm happy to report that our engineering division and the project management office in the engineering division are both led by women. So thank you to Erica Petersen, Wendy Proctor and Shannon Cairns for their hard work in improving Port property.

The Roundhouse 2 project will revitalize and create more leasable space in one of the Port's commercial-office-building properties across from the Pier 27 cruise terminal. The top-floor space has wonderful views of the Bay but is currently unleaseable due to water-intrusion issues.

When the roof is replaced and the solarium structure and windows throughout the building are installed, the existing tenants will enjoy the benefits of energy-efficient windows. And the upper floors will become revenue generators again.

Finally, for the write-off policy, commissioners, consistent with the write-off policy adopted pursuant to Resolution 22-11, Port staff provided a report summarizing nine accounts which are recommended for write-off this month. You will have 30 days to review before we process.

If any of you has a concern, please contact me within 30 days, and we can schedule a future commission item to discuss. That concludes my report. Thank you, commissioners, for your steadfast leadership of our strategic priorities. Have a great rest of the month and Women's History Month celebration.

President Brandon: Thank you, Mike. Great report. Is there any public comment on the executive director's report? Seeing none. 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: I'm first? [laughs] Great report. When they do the feedback -- there's a lot of it -- do we get to see kind of a summary of what the public has said? Or is this just going to be reviewed by the Corps of Engineers?

Michael Martin: We're going to be preparing that and posting that for public consumption. We want as many people to understand what we heard as possible.

As we enter this sort of next step of the engagement, as we continue to refine the plan towards the agency decision milestone, I think we're going to try to find the themes that are important to sort of incorporate now but also to think about the strategies for getting at the other comments that maybe we'll be able to do in the design phase or further along. So we'll definitely be summarizing that back for you and for the public to understand what we've heard.

Commissioner Lee: Okay. That's great. And then, the walking tours is great. I could picture, you know, with the AI and stuff maybe this would be a future self-guided tour like they do at the zoo or things like that so good news on that. We have a lot of history here.

Michael Martin: I'm excited for that one. That was an idea we actually had back for the America's Cup in 2013. But we didn't get it together. And the Port is the place that's going to get it together with all of our knowledge about the waterfront. So I'm really excited about that.

Commissioner Lee: Yeah. I look forward to that too.

Michael Martin: Yeah.

Commissioner Lee: Thank you. Good report.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thanks very much for the report, Mike. And thank you to the women for Women's History Month. We appreciate it -- your leadership. The walking tours -- yeah. Sign me up. Let me go. On the resilience stuff, it is amazing how much work is going on.

I realize that I think right about now they're having a hearing on this at the SF Public Utilities Commission too. And the idea that it's all in multi-language availability is great. But it's good to hear. Thank you so much.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: Mike, excellent report. I also say congratulations to all the women from our Port director to our president of our commission, vice president, all the women that work here at the Port. Definitely, you're shining. And I think, with the resilience, I -- with my fellow commissioners, I agree. And I'm really excited about this project. Thanks.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you, Mike, for the report. Happy Women's History Month, everyone. And just want to echo my fellow commissioners. Sign me up for the walking tour. And as someone who's been to most of the Pop-Ups on the Plaza, I really encourage people to come and come early because they sell out.

It's an amazing event and an amazing way to uplift women of color, both whether we do crafts or food. So I'm really excited to see that happen again. Thank you.

President Brandon: Thank you, Mike. Great report. Happy Women's History Month to everyone, especially the women here at the Port who are doing a phenomenal job. I just want to commend whoever is doing the outreach for the draft plan because I see it everywhere.

I see it on social media emails. And there are so many opportunities for people to get engaged. So I really want to commend the team that is really doing a phenomenal job on the outreach. And I'm looking forward to the comments that we receive regarding this wonderful effort. So thank you.

Michael Martin: Thank you.

## **7. REAL ESTATE & DEVELOPMENT**

### **A. Informational Presentation for Port to Enter into Multiple Land Rights Agreements for China Basin Park and other Port-accepted Areas of the Mission Rock Phase 1 Project Site at Seawall Lot 337, Bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay.**

Phil Williamson: Thank you. And good afternoon, commissioners. My name is Phil Williamson, Port project manager in our real estate and development team. I'm here today with Josh Keene. Justin is here as well representing Port counsel, Paul and one more person, [Kari], is on our team. So we're all here to pitch in on this item if needed.

I also want to introduce members of our development team that are here. The Mission Rock Partners team is represented by Jack, [Chris], lowayna and

[Yennga]. So we have a good crew here today should you have any questions following our presentation.

Briefly here, the items we'll be covering today -- I'll be doing a project update touching on construction and leasing efforts, an LBE update and a project budget update. I'll then hand over the microphone to Josh to take over on the acceptance and land-rights aspects of the presentation.

Mission Rock phase one is, as you know, well on its way to completion. When complete in the near future, it will include: 537 apartments for rent in two buildings; 550,000 square feet of office space -- a good chunk of that is Visa's future global headquarters in Building G, which I'll talk about in a minute -- 52,000 square feet of retail, mainly on the ground floor -- and I'll have an update on that in a moment -- district energy system in Building A for the whole project; and a district non-potable blackwater recycling facility in Building A for the whole site.

On the horizontal side, again we're very near completion of the horizontal improvements. We're calling it substantially complete. But we'll have an update, as you'll hear from Josh, on the exact timing of that or [at least the] forecast timing for that. But streets, sidewalks, utilities, the public open spaces are all very near completion.

If you've been down there, you've seen them. And it looks beautiful. China Basin Park itself, on the north side of the project, is anticipated to be open to the public next month. You'll be hearing about ribbon-cutting events for that in the very near future.

On the vertical side of the project, we've got four buildings, four leases that have been executed. So we have four tenants in place. Building A, the Canyon rental apartment building is open for business, if you will. It's been leasing units since last June, below market rate and market rate. They're doing well and leasing up that building.

Building B, the life science building, has a TCO issued. And right now, they're leasing that space and looking for tenants, actively marketing that beautiful building. And Building G, as mentioned, is the Visa global headquarters building, again TCO in place, tenant improvements underway with the occupant moving in sometime in the next few months.

The last building, Building F, is -- actually, I'm not sure if this is public knowledge. But it's called the Verde now. It has a name, a brand if you will. If you've seen the building, you understand Verde. It's got a green cladding. It's a very beautiful building. TCO for that building is anticipated sometime in the middle of this year.

So on the retail side, the team has been actively leasing the retail spaces at the bottom floor of the building. You may have read about these five leases



executed with Ike's Love and Sandwiches, Arsicault Bakery, Proper Foods, Quick Dog. And Back Home Hospitality was just recently announced. There's also a fitness facility called LuxFit in one of the building spaces.

The project continues to actively engage with the LBE community. To date, the project dollars spent -- approximately 18.57 percent have been spent and awarded to LBE firms. And of the 415 vendors that have been on site, approximately 24.5 percent, or 102 of those, have been LBE vendor firms.

The project's goal is 20 percent. It's been increasing. This 18.5 percent has been growing since the project started. And we're striving to reach that goal as we continue phase one. Horizontal project budget -- you remember we were before you recently with a revised phase one budget, which now stands at \$218 million.

And as of the end of the year last year, we're on budget. And we have a healthy contingency to get us to the finish line. On the city-cost portion of that budget, it's approximately \$19.6 million. And we're currently on target to meet that budget as well. Currently, we have about \$72,000 of a cushion. We anticipate that cushion to grow as we near the finish line.

Just want to share with you a few images of the project. We started off -- if I could go back really quick to this image, which you can't really see the background. But this is a rendering of the site. And as we've moved forward, the rendering has been replaced with what you see here, which is, on the right, Building A, the rental Canyons building, and Building G in the white cladding, the Visa office building on the left.

In the front of this picture, you see China Basin Park. This was a few months ago, I'm guessing, Chris. So a lot has happened since then, as shown in the next slide where you can see the sod has been laid for the great lawn in the park. And most of the other improvements of the park are in place and ready for that ribbon cutting to occur next month.

Another image of the project from South Beach Harbor looking at Building G, the Visa building on the left, Building A on the right -- and you can see Building F and Building B in the background. And one final update -- one final progress image showing some of the units in Parcel A, the Canyons rental building -- and that continues its lease up as we speak.

I'd now like to bring Josh to the mic to talk through the acceptance process and the land-rights agreements that you'll be hearing about. Thank you very much.

Josh Keene: Thanks, Phil. Good afternoon, commissioners. Josh Keene, assistant deputy director of development. I'll kind of start off by saying this is not a lot of new information here. A lot of this is recapping -- part of it were previous

years' commitments to stay more in touch about -- similar to the LBE -- how we're doing with the project budget, always giving you a status.

But also, this is really about letting you know what's coming forward this year. It's a little bit behind on the Pier 70 as far as it goes. You heard that last year. We were going through an acceptance process. This one has a companion association with a lot of -- because of where the vertical development is, a series of land rights and other documents, which we've shared through the recycled water agreement and over time.

And we just really want you to know, without a date certain over the next calendar year, we've got a lot of work to do, a lot of successes where you're going to be seeing us more and more often. And I wanted this to be kind of an omnibus presentation. So you can see how acceptance works and how all of these kind of land rights and management agreements that were actually ordained by the Port Commission in a resolution in 2019, how they're all intended to fit together.

So we are, as Phil was indicating and I'd mentioned before, we are fast and furiously moving towards the phase-one acceptance process at Mission Rock, which is a series of improvements. The largest of the Port owned is going to be China Basin Park. But there's also a series of, outside the park, public spaces including the street rooms, which is a public art component, and also the paseos, which are pedestrian walkways, and a series on the other side of city improvements, some within the project site itself, such as some of the through passes but then right outside the project itself.

These are all being delivered by the developer under the master lease with -- between the Port and the developer. There will be two simultaneous processes led by the Port first. The Port will be going through its own acceptance process of improvements. And we expect it -- and I'll give you a timeline later. But we're expecting that to happen this summer.

So you'll get an info and action more detail specific to what those improvements are. As you can see on this flowchart here, the first real action that the developer is intending to take as soon as May will be submitting an SOP compliance. And what that is is basically confirming that the street permit and the improvements are -- they're basically saying we're ready to go.

We think these are here subject to maybe a few outstanding items. We're almost tendering these for your consideration as an acceptance. This is a prescribed process under our development agreement. And this is what happened with Pier 70 last year around this time as far as it goes.

So we expect that to happen soon with a series of punch-list items maybe to be outstanding and a couple other conditions here. And some of those have to do with the land rights but not all of them. This next item is going to be CHE,

which is the harbor engineer. That will actually be the person from the Port that actually formally signs off and says, from an engineering side, these are good to go from an acceptance side.

Promptly upon then, we are obligated and looking forward to coming back to the Port Commission to present to you for your consideration acceptance of the Port-improved items. So this is a pretty straightforward path not dissimilar to what we did last year.

Kind of tied up to this top part, you'll see this Port Commission land-rights-approval hearings. It's a little more complicated here on this is -- and it's not so much complicated, I guess. There's just more to it. And these are happening in parallel. There's going to be a series of agreements that need to spring into place for the management of these parks post acceptance because we intend for the developer's affiliate to manage.

And these are complicated agreements. And I'm going to preview some of these today. So these are happening in parallel. So you're going to see an acceptance process. And then just know, on the side, a lot of work is going on. That's why we have a lot of people here from the development team and from the Port staff that are working on these land-right agreements.

In parallel, a city acceptance process is happening for the city side, which is Public Works and the SFPUC as an example. That will follow ours behind ours. So unlike Pier 70, which was a little more right on top each other, these do have to follow sequentially. But that is intended to happen this year as well.

So we have less of an active role here as far as the Port Commission goes. Some of the items that we require for the land rights will require Board of Supervisors' approval though. So there's a -- those kind of three factors are all playing against -- playing with each other, not against each other.

So what we're talking about from an acceptance side and what triggers all the need for these land rights is -- essentially, what we're showing here is the phase-one improvement-acceptance area. So it's outlined by the solid boundary - - phase-one boundary.

That is essentially akin to the phase-one master-lease premises as well. You will see that there are four highlighted-in-blue parcel leases. So those are the four buildings. Those came out of the master lease. Everything else that's highlighted there is the acceptance area.

That's what's coming to the Port and Public Works. And I'll differentiate that a little bit later. But these are all kind of going out of the master lease to the Port and the city through the acceptance process.

So a quick timing on this one -- and some of these don't pertain to the Port Commission directly, just want you to know what's happening on the side. This expected NOC determination -- that is a city process between the developer and the city for their acceptance.

That starts the formal process of the city acceptance. That's happening next month -- as soon as next month. On the side, our expected SOP-compliance determination -- we expect the developer to submit in May. Assuming everything looks okay, we will make a finding as soon as early July which kind of ties into the fact of part one.

We expect to be at the Port Commission as soon as early July for the acceptance. There may be some conditions associated with that if some agreements are trailing, just like it was with Pier 70. But plan on seeing us in July for the acceptance of these items.

Right after that, as soon as that occurs, the Board of Supervisors process will happen. So we would likely introduce legislation to the board as soon as end of July goes through its process. Happy to answer any questions on acceptance - - technical, no different than Pier 70. And we will be back on that.

Probably what's of most interest as we start to refine this is -- and why we're presenting these kind of as a collective package -- each of these will be coming back to the Port Commission for its own -- for the most case, we expect an info/action item to occur for each of these.

Some of these are more complex than others. The way we group these -- and some of these are in order of priority as well -- is there's kind of an overall management of the open space, which is through the developer's affiliate. And that's what was prescribed in the 2019 Port Commission legislation to have this managed through the project itself.

That will be encompassed by the parks lease, which is the majority of it, which is the management of China Basin Park, the adjacent paseos. And then, there will also be Port improvements that are going to be accepted on top of city streets and city right of way.

And what we're trying to do is there are going to be two to three separate agreements. And there's a reason for that. Some of this is for bond -- tax-exempt and taxable purposes that need to be managed different. So there will be separate agreements that will have some intersection as far as it goes from an operating side.

So we'll be bringing those forward. The parks lease agreement at least for sure will require Board of Supervisors' approval as well. And the reason for that is the term is much longer. And the volume of work being done there is much larger. The other are TBD as far as that goes.

There are some other agreements that are required for utility purposes. There is some PG&E gas and electrical agreements that are required. And just to say this one -- the reason those are required is, in the Public Works right of way, there's a franchise agreement with PG&E. And they just can go into all the streets as far as it goes.

There's no direct agreement between the Port to allow that same function to happen. So we have to create the land rights to allow PG&E to have its facilities in the Port areas. So it's going to come from the street into a Port-owned area through its own agreement.

We could con -- typically most people do an easement as far as it goes. But it's disfavored policy because, obviously, for the state trust and our property, we just typically don't do easements. So those will be coming. Those will also require board action.

And then, there's a separate one, which is this is a little more of a arm's-length trans -- or less arm's-length transaction in the sense that the MRU, which was the recycled-water plant that was built -- there are facilities owned by that entity that are running in the public right of way. And they're also running in the Port particularly through the park.

And we need to make sure they have the land rights to be able to stay there. We obviously want MRU to be there. But those are their facilities. And then, there's a series of less interesting agreements that may or may not require Port Commission approval just depending on the term.

I just want to let you know we've got to make sure we're able to have these utility conduits that are outside those main ones have a right to be there. There is a series of bollards -- retractable bollards throughout the property for safety reasons. They require some agreements.

And then, as we work towards the subleasing of these spaces, how do we accommodate outdoor dining? They may fall through there too. Obviously, we want to be a steward in that regard.

So this is kind of the next step from the acceptance area. It's color coded a little bit differently based off those three areas so the same perimeter that we were talking about. But the green area up top, which is China Basin Park, you can see that this nearly five-and-a-half-acre premises is the majority of this.

Right to the south of that, those are the connecting paseos in gold, the first portion of those. Those are going to be Port owned even though they tie directly into -- right to the south of that is Toni Stone Crossing, the other portion of Dr. Maya Angelou Way.

Those blue areas are actually going to be city accepted. And then, actually down further even south, you've got another series of gold areas that will be managed there. So all three of these are separate agreements most likely. But they all kind of tie into the overall management of the areas.

So we look at those as the three primary agreements. And then, if you go to the next slide here, you'll start to see -- and this is kind of squiggly lines. But what they really are showing is there's a lot going on within those land-right agreements from a utility side.

So we've got the PG&E lines, the MRU lines. Those are going on underneath of those other master agreements and really just wanted to put this out to you to see like there's this acceptance area that's happening. But then, there's really a series of land rights that really are flowing through there that need to be approved, need to be negotiated, which is the next step on here, as we're moving towards them and then approved.

So we expect -- while this is kind of a singular meeting, these agreements will likely come to you all for consideration as they come available and are negotiated. So we're doing kind of a general one. And then, we'll dive into these individually when the time comes.

So we're going to continue negotiating these throughout the summer on different pathways. The first items could be before you as soon as May. I don't know which agreement that is. But just from a timing side, it could happen then. We expect the final ones would be done through September. And that's to align -- at the latest -- that would be to align with the acceptance process.

Tied into that, all of our items obviously will go first. There will be a series of these that may require Board of Supervisors' approval throughout the fall. So that's kind of our -- this is our target timeline to make sure, as we committed previously, that we want to have acceptance. And to stay on budget, we really need to have everything negotiated and accepted and transferred over by the end of this calendar year.

We have a series of meetings in front of us. I do want to clarify some of these land-rights agreements may be negotiated prior to this acceptance process. And they may just lie in wait. We just may have them there, and they're not -- like we could negotiate this park -- in an ideal world, we'd have this park lease approved. And it just hangs there until the acceptance process.

And then, it kicks into gear. However, the show does not stop there. We are opening the park in April. And the developer is able to maintain -- or to operate the park as intended under the master lease. So we still are going to have a park that's going before this lease comes into place.

The purpose of the lease, instead of using the master lease, is that, once acceptance happens, it comes out of the master lease. So you don't have an ability to operate the park. So we're kind of replacing it there. But from everybody's perspective, business will -- and the operations will go on starting next month.

These are all kind of behind-the-scenes technical things. But we intend the park to operate similar in April as it's going to next April is our thought. So that's kind of what we have, again not a lot of new information setting the stage going forward but happy to answer any questions. Staff report has a little more information than we presented here. But turning over to you all.

President Brandon: Thank you so much. We will now open it up for public comment. Is there any public comment in the room? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 7A.

Commissioners' Discussion on Item 7A:

Commissioner Harrington: Thank you. Thanks very much for your report today. And it's exciting to think this could be kind of done. [laughs] These things seem to go on forever and ever. So it's nice when they look they're there. And then, phase two, who knows, right? So I'm hoping your occupancy rates are working out and things are going well.

A couple questions -- I'm a little confused about the timing of the acceptance and then the management agreements. I'm assuming, in a perfect world, you said they would happen together. Is there a possibility that we could accept something without any way to manage it appropriately? How does that work?

Josh Keene: Yes. And it's kind of how we did it with Pier 70, which is we actually went through the acceptance process. But because we d -- we didn't have the ability to manage it or the special taxes in order to be able to fund it. We negotiated with the developer that they would.

So we actually did the Port Commission -- and it's actually been approved by the Port Commission. It's going to be at the Board of Supervisors next week to approve the management agreement. So it's kind of lying in wait, so it's effective. Now, theoretically, we could accept and elect to manage all of this on our own.

Beyond the resolution itself, there's -- it's kind of -- at least from Port-staff level, it's heavily disfavored because of the cost to manage. The way that the developer -- I think the harbor fund would probably have to appropriate some annual funding in order to do this. So there's a real financial benefit --



Commissioner Harrington: Right.

Josh Keene: -- to the Port to push it over. I would expect, if acceptance happened and let's say we were waiting on the parks lease, my recommendation, I would expect, is we would do conditional acceptance that it's we're through here subject to the following agreement. But we would put that forward for your consideration at that time. But yes.

Commissioner Harrington: That sounds good. I was -- I know we have good will going. But it's nice to also have paper besides good will.

Josh Keene: Yes. No. I mean, if we can't come to an agreement, that's kind of, I guess, the default anyways is we would manage it ourselves. I think we're -- I don't think. We're confident that we're going to get there on the form of agreement. It's just it's complicated to manage that park and --

Commissioner Harrington: Sure.

Josh Keene: -- making sure we have the protections we need as the underlying property owner. But yes.

Commissioner Harrington: So I guess that's my other question. When I was reading through the documents, it talked about -- it seemed like there was a lot of events planned for the park as a way of paying to operate the park. I'm used to our parks not having a lot of closed-off things.

Josh Keene: Yeah.

Commissioner Harrington: And people can access the park. Is there some assumption that there will be like weddings and things there that will be blocking off the park to public access on a regular basis? Or what does that mean by having all these events?

Josh Keene: Yeah. I may need to turn it over to the developer to clarify a little bit. But I can start by saying everything is in accordance with what's allowed by BCDC. So this is governed by BCDC permit requirements. So we have the same rights as the Port if we were to accept this and not just rights, limitations on the number of events and having to set aside portions -- majority portions of the park so that the whole park isn't closed down, as an example.

So it's under BCDC requirements. That's an issue there. Yes. There will be private events and ticketed events as far as they go. But we're also negotiating to keep those -- a very public aspect to this. It is still a city and Port property. We do believe the overall regulations kind of prevent it from being too closed off and shutting down entirely.



Is that helpful? Or would you like to hear a little more from the developer how they intend to do that?

Commissioner Harrington: Sure, if they feel like talking about it if you're ready to go on that.

Josh Keene: Yeah. Jack, if you just want to maybe say briefly [unintelligible].

Jack Bair: Yeah. The vast majority of the events would be public and open to the public. And BCDC and part of the negotiations with them and the Port have established fairly strict guidelines with respect to when we can actually close off part of the park.

And I believe we can do that 18 times a year within defined locations within the park. So that's been very carefully negotiated to make sure that this park really lives and breathes like a very, very public space. So we're talking about movie nights and concerts and art shows and those types of things that are open to the public. That's the majority of events.

Commissioner Harrington: That's great to hear. Thank you. And is that going to be part of our agreement with them to enforce this too or to --

Josh Keene: Yeah. So there's -- basically, they have a BCDC reporting requirements that already exist to report out on the number of events and to show compliance. And that flows into our relationship there from a reporting side. Yes.

Commissioner Harrington: Great. Thanks so much.

Jack Bair: And I just wanted to add, you know, as part of this whole planning process, the community has been very interested in us activating the park on a regular basis, so the park maintains itself as an asset to the community. So they very much were interested in the operation of the park by us and trying to activate it as much as possible. It's part of the overall strategy for the park.

Commissioner Harrington: That's understandable. Thanks so much.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: Appreciate the presentation. I just wanted to say that I live in that neighborhood. So what I have seen -- this is good medicine, this project. It's good medicine not only for this community but for the city. The energy -- even right now, Cirque du Soleil is right down by what's happening.

You've got the [LUMA] Hotel. You've got the newest police station, fire station. But it's brought life to the community. And I remember when this thing

was building. I run past it every day. And they worked every day during COVID, the workers, the union people. They worked.

And this is something that the city needs, the Port needs. This is a shot in the arm. And this is history that's coming before us because we need a vibe. We need to get our mojo back here. And I think about Macy's maybe closing and stuff in the city and things like that.

And I know everybody's working hard. But this is something that's good. And it's positive. And it's added life to that community down there where I live at. Right. And this is good. And you can see people moving in and out and the sandwich place getting ready to come in. And you can just see it down there, people down there walking their dogs and stuff like that.

And they're feeling a part of something because there was just a silence there for so long. And as people, right, with COVID right, we're like -- we're social beings. And what the Giants and this project is doing -- it's bringing a new vibe and a new interest into the city.

You're right there with the Giants. But also, you're a couple blocks down there is the Chase Center. And then, that area has kind of come to life. UCSF -- and I'm feeling that -- this vibe, the apartments, the affordable housing. And I'm glad Brother Harrington, who was a former controller who asks the best questions, asked those things about things being free to the community and people coming out.

We've got to start congregating together again because we're so kind of like distant. And what the Giants -- this project here is bringing everybody back in together and wrapping arms and stuff like that. And we're like socializing again. So I really like it.

I'm really excited about it. I've talked to some of the people that have lived down there. I see them walking around. And I see them talking and stuff like that. And they're just excited. It's a -- man, it's like they're giddy about it. I'm giddy about it because I'm living down in that neighborhood. And there's something about it.

So I just want to say thank you. Continue to keep it up. And I am very, very supportive. And like I said, this is good medicine for our city because we need this because I kind of felt like we were dying a little bit. And we lost our mojo. And we've got to regain that energy that San Francisco has had, that leading edge that we've always had of being out in front of the pack. So thank you.

President Brandon: Thank you. Commissioner Lee?

Josh Keene: Thank you.

Commissioner Lee: I just want to follow up on some of Commissioner Harrington's -- so on the park, were you going to have say spaces for, you know, like barbecues, you know, for -- there's a lot of residents in there. So you know, some of the parks in other cities, to help maintain it, they rent out like sections of barbecue spaces or places where -- because this is a pretty big park.

You know, I would think that it would be an area where people can have little birthday parties and barbecue and have a lot of -- because it's very sunny there. So it would be nice, if there's no plan yet, to try to maybe put that to be inclusive of the people that want to come out.

Like I think they mentioned in Crane Cove Park we're missing a few picnic tables and things that people want to kind of have their little party. So I thought, if that could be part of the plan, you know, for the public use -- and my question too is parking. Obviously, there's parking in the building. So are there going to be parking available to the public?

Because when there's big events like this, especially if you're going to be doing this out in the park, you know, where are these people going to park? Are we going to just rely on public transportation? Or are the streets that are in gold going to be designated for, you know, even people that just want to bring their families to the park, they can park there? That's something I'd kind of like to hear.

Josh Keene: Yeah. Well, one clarify -- I'll start in reverse order from the parking side. And if anybody from the MRP team needs to correct anything, please let me know. But actually, the way that this project was entitled and designed for purpose was there is no parking within the individual buildings themselves.

So it actually relies upon two things. One, there is the Lot A, as we all know it, which has been the Giants -- this is what the premises has always been. As each phase comes on, those get removed, and they're developed. And they come out.

So really, the parking is facilitated in two areas, which is Lot A, which is the larger future phase two and three. Currently contemplated now, just so we know, there's a little bit of a chicken and the egg that, in phase two, a parking garage would actually be built. So that starts -- as you take out that area, it replaces it.

So my understanding is the parking would be through Lot A and then also the existing portions of Pier 48, which is kind of the overflow for the Lot A. We are working with the developer on that to look at the parking there but no dedicated parking. I do think it's kind of a transit-oriented design site that was purposefully built to not have the parking in there.

I will also say we're probably likely evaluating for future phases what is the need of parking in this world, as far as it goes -- just letting you know how it's kind

of contemplated. I don't think that there's any -- there's the Lot A and the Pier 48. It will probably be quite crowded, the parking and attending the park during a Giants game as an example, as it already is. But that's general public parking there. But there is not dedicated parking to my knowledge for the park. It'll just be that.

Commissioner Lee: I mean, because I'm worried that, just like downtown, you know, there's not much parking. And then, when businesses rely on people in the building, if they don't come downstairs to eat at their restaurants and things, they have to rely on people to drive in who wants to see them.

And I'm just afraid that, if there's no parking -- like, for example, I was going to ask too, how much more commercial lease spaces are available? Are they a lot more? Because you've got give good ones coming. But you have room -- like say other people want to come in and rent space.

And what happens if, you know, forbid, you know, things are so seasonal that we don't get any walk-in traffic? And then, there is no parking for people to come in and enjoy the park to help sustain the businesses.

Josh Keene: Yeah. So a couple points maybe in tying back to your first question -- the MRP -- the developer is working on an [FF&E] package now for the park, which is contemplated to include a series of seating and potential picnic-table-type situations in different areas of the park as they look at programming it.

Commissioner Lee: Okay.

Josh Keene: Those are intended to be licensed or leased under their master control, not under BCDC permit but for -- whether it rises to the level of a special event or just a one-off kind of thing, those are entirely contemplated for both residents of the buildings and for the general public and actually for the Port and the city.

The individual buildings will have their own amenities. But otherwise, Mission Rock is a planned community, not a series of individual buildings. So it is intended to integrate that way. But with respect to -- so there are going to be opportunities for residents and otherwise to utilize it.

The private -- maybe the roof deck at Parcel A, that would not be open to the public. That's an amenity there for the residents. But the rest should be considered very public and accessible.

Regarding the commercial space, there's still available ground-floor retail space open. I don't think that anything is contemplated as such as a pop-up per se, which would be more seasonal in nature. I think, overall, the retail success has been -- considering there's not actually any -- what right now we currently have is Parcel A residents, which is great.

We're going to have a flood coming in starting in April and May once we actually have workers down there. It's going to change overnight by having Visa and then actually a public park. Right now, it's a pretty looking park. But it's still kind of a construction park until they turn the corner on that.

So we expect the I -- I mean, I think the retail actually -- in a very challenging retail environment in the city, I think it's been one of the s -- when we've talked to the brokers that are representing the developer, it's kind of a home -- I think there's been exceptionally strong interest from the retail side. So I don't think we're seeing huge headwinds that are challenging on the retail. It's just some time.

Commissioner Lee: No. I don't think there -- I think there's going to be more people interested in the retail.

Josh Keene: Okay.

Commissioner Lee: But what I'm saying is, when --

Josh Keene: [Is there enough space]?

Commissioner Lee: -- you want to open a business, you want to have parking, you know. Otherwise, they're going to think, well, my gawd, parking is going to be tough. You know, they have to rely on the public transportation or residents.

Josh Keene: I think the site is inherently a little bit of a transit-oriented dest -- it's a destination, as far as it goes, which is part of how I think we're operating the park. It's not just a general -- don't want to dispartate Crane Cove Park because Crane Cove Park serves its wonderful function right down the road.

Commissioner Lee: Mm-hmm.

Josh Keene: But it's a little more of an open park rather than setting planned destinations o -- they have wonderful businesses and everything. But I think a lot of this is intended to create a destination for people to get to. Parking may be a challenge. And I think it's something we will likely evaluate how the parking works in phase one --

Commissioner Lee: I mean -- yeah. I think --

Josh Keene: -- in how we design phase two.

Commissioner Lee: I think, because everything is kind of on paper now, you guys are just kind of discu -- I'm just bringing ideas to you that, in the future, you're going to have people that wanted that space. And they're going to want parking as an option.

I mean, we've dealt with no parking, of course. But places like Waterbar and EPIC with the beautiful waterfront -- you could get tenants like that in those facilities to help you pay for infrastructure.

Josh Keene: Yeah.

Commissioner Lee: So if you could plan it now than trying to figure it out later, I think this is the opportunity. So anyway, I don't want to take up any more time. So --

Josh Keene: Well, I will say that there is -- it may be complicated during special-event days. But as I was mentioning, the Lot A is pretty robust parking area --

Commissioner Lee: Okay.

Josh Keene: -- that's open that would be available. And those certain days that are critically busy, yes, that would be challenging. I think that there's some lessons to be -- we will learn a lot on how the parking demand works not just for the general public but even for occupants of the buildings on what do they require as far as it goes. We're likely to have to evaluate that.

And I think the best thing we can do is -- I think we've got the parking available now for phase one. Absent a parking garage or moving into phase two, how do we balance that in the future? I think that's what's key. If the Giants think there's any concern from there and want to share anything beyond what I'm doing, feel free to --

Jack Bair: We've spent an extraordinary amount of time planning the parking, as you can imagine, since we have the ballpark there. And we need parking for the ballpark. We have about 80 percent of our fans that come to the games come from outside of the city.

And many take public transit, but many do drive. So we're very concerned to make sure that the parking works for the ballpark. So what will happen is we have a large reservoir of parking on non-game days. So it'll be perceived as a very easy place to come and park and go to the park, go to retail establishments and so forth.

On game days, when the parking is largely utilized by people going to the ballgames, the retail businesses will benefit from those coming to the game. So we have about 1,900 spaces right now with Pier 48 and Lot A. And then, we'll be building a garage.

And that garage -- the number of car counts have not been determined yet exactly how many spaces we'll build because we're going to key off the lessons and the learnings that we've done now. That garage is actually entitled for 3,100

spaces, which we don't think we're going to get anywhere close to that number of spaces when we build it out because it's expensive to build parking.

So parking is very much in the front of our minds because of the Giants business. We also are attracting, you know, residents, commercial office tenants and folks visiting the retail establishment. So I think we're in pretty good position to accommodate anybody who wants to visit on a non-game day.

And on a game day, you're competing for parking with people going to the events. But that all creates the vitality that's necessary for the retail tenants. And we didn't put parking in each of the buildings because then you have entrances and exits that take away from the retail environment.

And if you look at the best retail streets in San Francisco, you don't have a lot of the space taken up by that. You want the retail -- you want the pedestrians to walk past the retail and have this interesting experience on the street. So it was very much part of our planning effort with the planning department and the Port staff to pull the parking and put it in a nearby structure largely so as to have a really vibrant street experience and more efficiency really.

Commissioner Lee: Yeah. Okay. Thank you. Yeah. Makes sense. I just had a friend that had a restaurant on Second and Brannan. And when the Giants were doing really well and winning the games, he was making money, lots of money. But then, when the season was over, he had no customers. So that money he made, he had to save to hold him through the next three months.

So I kind of hate to have that happen to those businesses out there where it's great on game days. But then, on the regular days, there's no access. Or it becomes seasonal again. And then, they're stuck paying the rent with no customers.

Jack Bair: Yeah. It's one of the benefits by having the Visa world headquarters there with up to 2,000 employees and the residential towers being occupied by people because it'll create an environment on a non-game day that will help sustain those businesses better.

As Commissioner Adams talked about, that whole area is filling out. And it's the submarket in the city that's perhaps the most desirable now because you're seeing critical mass on the street with Chase, the ballpark but UCSF and all the other buildings that are going in. So we suspect that, as we build out Mission Rock, we're kind of filling in the gap of that area that hasn't had activity.

Commissioner Lee: Yeah. It sounds good. I just want -- I'm all about pre-planning.

Jack Bair: No. No. You're right to be concerned about parking.



Commissioner Lee: All right. Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Well, thank you for the report. I think a lot of my fellow commissioners sort of dove into things that I was curious about. And my understanding is the Canyon is leased up. I don't know if it's fully leased up. I was just curious.

I took a tour of it a couple of months ago. And there were residents active. And there was also actually just -- so it was a question for the Giants -- or for the Mission Rock staff. I was just curious how the leasing is going in the residential.

Josh Keene: Well, I could also say --

Vice President Gilman: Or you can tell me too. Anyone can tell me.

Josh Keene: I actually don't have the technical data on that. But actually, we are tentatively planning as soon as next April -- or the 9th if not the 30th to actually do some form of a recap at a prev -- we committed to do that last year, to give you a lease-up after we had had some success on there. So we are actually planning on formally presenting that data. But if you want to have any qualitative feedback more so now, we'll be --

Vice President Gilman: Sure. [Come on] --

Josh Keene: -- we didn't forget about that request, [I guess].

lowayna Pena: Hi. Good afternoon. Sure. So currently for the Canyon, we're at about 60 -- just about 60 percent of occupancy. And like Josh mentioned earlier, [steadily we've seen] -- our leasing team was at the ballpark for our FanFest event this past weekend, which brought another 10,000-plus folks through the area and where they were highlighting the opportunities that are currently available through the Canyon but also those that we will have in a couple of months at Verde.

Vice President Gilman: Okay. Great. Thank you. So my only other clarifying question is -- because I saw the aerial of the park versus last time when I was there it was a complete construction zone --

Josh Keene: Yeah.

Vice President Gilman: -- but it's still not open to the public yet. Correct?

Josh Keene: That's correct. I think around a month from now we're intended to do a formal opening --



Vice President Gilman: Okay.

Josh Keene: -- which you all will be invited to when that happens. But early April, subject to the actual completion date -- it's close. But early April is when we're looking to open it to the public. I don't know if we're going to have the -- it's called the full-on activation that we're going to have versus maybe some more strategic opening. But it's going to be -- there will be an event a month from now -- [crosstalk]

Vice President Gilman: Okay. I was just looking more for it to not look like a construction site and not have the barriers up and not have all this -- I mean --

Josh Keene: No. You'll ac --

Vice President Gilman: -- [I think it was] great last time I was there, but it was not welcoming because it still looked like an active construction zone.

Josh Keene: No. Absolutely. We were there actually last Monday. And you really start to see the different zones are now coming into shape including the beach, which has its own area, which was an intended benefit from BCDC discussions. And then, you've got now the lawns out. We do not have things like furniture. And those are kind of the finishing touches that will really make it feel open.

And yes. There will be some removal of barriers. But as of now, the current plan is early April. And we will be doing something event-wise there.

Vice President Gilman: Well, thank you. Super excited and look forward to getting the further briefing next month about the rent up. And also, I think you're going to report back on how the affordable housing rental --

Josh Keene: Yeah.

Vice President Gilman: -- the rent up of that's going on --

Josh Keene: Same thing --

Vice President Gilman: Yeah.

Josh Keene: -- so it's just looking at that. And as lowayna was stating, that's all tied into us moving forward on Parcel F. Yeah.

Vice President Gilman: Yeah. Thank you.

Josh Keene: You got it.

President Brandon: Thank you. Thank you, Josh and Phil, for the report. It's great to see all the progress that has been made on this project. It's amazing,

you know, where it started and where we are today and where we have to go. I'm just wondering, so how was it decided what part would be city right of way and what part would be Port?

Josh Keene: Yeah. It's a good question. The park itself is a little bit clean -- let's call that a cleaner version because the Port wants to maintain it as a -- have it maintained under a Port requirement and an ownership rather than dedicating it to the city as like a rec-park argument, which keeps it there into perpetuity. So it's a little cleaner there.

And there is not really any question about that the Port owns the whole thing. What ends up happening is, through the acceptance -- the design and the acceptance process, the city has certain standards and requirements for its infrastructure, for its finishings, for its paving that are under city standards.

So you can't -- as an example, like street lights need to be procured through a certain mannerism. And if you have unique street lights or unique pavers or something that adds character to the neighborhood especially, as Jack was mentioning, these paseos are -- they have pedestrian access. But they're not -- they have vehicular access, but they're not vehicular friendly.

They are pedestrian friendly as far as they go. So you have different pavers and different finishes that Public Works typically does not want to own those kind of things because they don't have access to the materials. It's different from their standard street.

So you will actually see a real clear transition between a Public Works street and a kind of Port street. So if we were to have similar finishes, it would be there. But it's essentially that the standards of design are different for what we've designed in some of these areas versus designing to Public Works standards.

That's kind of the short answer. In an ideal world, it would be one owner as far as it goes. But we wanted certain design elements on this project.

President Brandon: So those are enhanced? [laughs]

Josh Keene: I would say they're enhanced. Like things like -- as an example, things like the street rooms are actually part of the -- they're outside of the vertical parcel themselves. They're actually going to be accepted by -- and these are the art rooms that open to the community.

Public Works doesn't really have any ability to manage or maintain or handle those from their own infrastr -- without owning the property, it's -- so you'd have to contract -- Public Works would own it. And they'd have to contract with somebody -- a specialist to do it versus the Port owns these assets itself.

So the same thing is happening at Pier 70. When we look at Building 15, you know, the big -- the steel frame that we redeveloped the entire and kept it -- Public Works does not accept that. So the Port owns that as part of the acceptance process because Public Works doesn't maintain that.

And I'm not saying they couldn't learn how to -- it's just not part of their code and their operating procedures as far as it goes to maintain this steel structure. So it's similar in nature to that.

President Brandon: I'm just asking because the Port has a lot of unaccepted streets. And it's not always for the best. So I was just wondering how, you know, we decided who was going to have what and if the Port can maintain on a higher level than a city-owned street.

Josh Keene: Well, the question on that one would be -- at least in this instance as an example, we're intending to not maintain any of it. We're going to have the developer do that through using the special taxes and through their own funding. So the level of maintenance and care will be directed kind of by them and the budgeting that they put on there.

We end up with Port streets, let's call it, including at Pier 70 we've got one. And a lot of times, it's because the right of way -- the turnaround radiuses aren't wide enough for emergency vehicles to go through and, as I was saying, non-standard improvements or non-standard facilities within there including some of the -- like the SFPUC infrastructure sometimes in these smaller streets is not designed to their street standard as far as it goes to serve it.

So I guess the question of does the Port maintain it better than Public Works, I guess I mean we could. I don't want to disparage them. But I think it's going to -- at the end of the day, it's going to be kind of we set our own standards for what we want --

President Brandon: Yeah. And regardless of how it's being paid for, it will be our responsibility.

Josh Keene: It is our responsibility and the one that we are trying to confer a lot of that obligation and liability over to the affiliate. So we're hoping to not have to appropriate a dollar in any given year from the harbor fund for any of this is the point of what we're doing.

President Brandon: Hopefully.

Josh Keene: I'm saying that. But that's the plan.

President Brandon: Thank you. Thank you.

Commissioner Lee: That's the plan.

President Brandon: Thank you.

Commissioner Lee: Yeah.

President Brandon: Thank you. Yeah. I appreciate the response. Are there any other questions or comments? Thank you so much. We look forward to you coming back in April.

Josh Keene: Thank you all.

## **8. FINANCE & ADMINISTRATION**

### **A. Report on Local Business Enterprise and Workforce Development Programs applicable to Public Contracts for Fiscal Year 22-23 (July 1, 2022 through June 30, 2023).**

Alysabeth Alexander-Tut: Good afternoon, President Brandon, commissioners. My name is Alysabeth Alexander-Tut. And I'm the contracts and procurement manager. And I'm here for our informational item to report on the impact of contract equity requirements and the Port's own initiatives during fiscal year '22-'23.

I am joined by Tiffany Tatum, senior community developer, who will focus on the Port's initiatives to create a workforce pipeline to maritime and Port jobs and strengthening our relationship with small businesses.

Today's presentation will be broken up into three sections: first, the contract and payment activity for fiscal year '22-'23; we'll highlight newly awarded contracts. We've awarded over \$10 million to LBEs. And 68 percent of the new contracts have gone to LBE primes.

The total dollars paid to LBEs on active contracts during the fiscal year are \$30.4 million. And we'll also discuss workforce requirements. And we'll review the private developments. We do have a look ahead into fiscal year '23-'24 for the first two quarters. And we'll end discussing the Port initiatives and our equity strategies.

This report provides the Port Commission with comprehensive information regarding the equity program impacts as applied to the Port's public contracts through fiscal year '22 and '23.

First, we have the mandatory city contract requirements or benefits that are applied to public contracts and enforced by the city's regulatory bodies through the city administrator's office such as: the local business bonus -- rating bonus and the discount, which is assessed and applied by CMD; the LBE subcontracting requirements, which are calculated, monitored and enforced by CMD.

Then, we have the workforce requirements that are applied and enforced by the Office of Economic and Workforce Development, which are: the First Source Hiring program, a requirement that entry-level, non-construction services jobs are advertised first to San Franciscans through OEWD's workforce link; and local-hire requirements, which require 30 percent of construction workers by trade be San Francisco residents unless the contractor receives an exemption from OEWD.

These hiring mandates come from the city's administrative code chapters 82 and 83. We will also discuss the Port initiatives to maximize the impact of mandatory city contracting projects, equity requirements through our own variety of programs, activities and strategic choices.

The information included in this presentation has been sourced from the contract monitoring division, the Office of Economic and Workforce Development, Port accounting and the contractor's self-reporting.

So first, we'll talk about what was awarded last fiscal year. In fiscal year '22-'23, we doubled the number of contracts awarded from the previous year. We awarded 19 contracts valued at \$29.5 million. In terms of workforce requirements, 15 of these are subject to the First Source Hiring program only. And three are subject to First Source Hiring and local hire.

In terms of LBE participation, 68 percent of the contracts were awarded to LBE primes or LBE joint ventures with an LBE partner, far exceeding the Port Commission's goal of 20 percent of our contracts being awarded to LBE primes or joint ventures. Over \$10 million of newly awarded contracts is dedicated to LBEs.

For the next two slides, I have broken down the 19 newly awarded contracts into two groups: first, contracts with LBE subcontracting requirements; and second, contracts without LBE subcontracting requirements. This slide shows a breakdown of the six contracts that have LBE subcontracting requirements.

In this table, you can identify the prime contractor, the type of contract, the value of the contract, the LBE status of the prime or JV partner and the total LBE award amount per the CMD forms that are received at award and the applicable workforce requirement.

As you can see, five of the six have LBE primes or an LBE JV partner. And about half the dollars awarded will go to LBE primes and LBE subcontractors. This slide shows a table of the 13 contracts that do not have LBE subcontracting requirements.

There's an additional column labeled justification for no LBE sub requirement. And where it says under 50 percent of the MCA amount, this means

that the dollar amount was too low for CMD to apply a subcontracting requirement.

Sixty-two percent of these contracts went to LBE primes that listed no subcontractors. This means the full value of the contract will go to the LBE prime. I would like to draw your attention to the smaller-dollar contracts with an asterisk next to the dollar amount.

Eleven of these contracts were awarded through delegated authority, which allows us to move more nimbly and quickly to advertise and award contracts or utilize existing prequalified pools. This also fulfills an equity initiative of breaking up larger contracts into smaller contract opportunities to seek out LBE prime opportunities especially for micro LBEs, which are our smallest LBE category.

The delegated authority allows Port to more than double the amount of LBE prime opportunities last year and triple the amount of contracts we entered into fiscal year '22-'23.

This slide provides an overview of all contracts that were active during fiscal year '22 and '23. We had 67 active contracts. And about two-thirds of them have LBE primes or LBE JV partners. As you can see, 59 of these contracts are subject to First Source Hiring only. And six are subject to local hire and First Source Hiring.

One is subject to the SBE goal, which is a state requirement for small business inclusion. LBE prime contractors were paid a total of \$2.6 million, or 12 percent. The LBE primes to LBE subcontractors totaled 6.2 percent. And the total payments made to LBE contractors were \$8.8 million, or 40 percent. And I realize I had those in a different order than on the slide. I apologize.

This slide shows the breakdown of LBE participation by contract type. The contract types are divided into: as-needed professional services contracts with LBE sub requirements -- these are your as-needed engineering contracts and as-needed environmental contracts; followed by project-based professional services contracts with LBE subcontracting requirements -- these are your project-based contracts that cover one specific project.

An example is the architectural and engineering design at the Mission Bay Ferry Landing boat berth. It's followed by professional and construction services without LBE subcontracting requirements and finally construction contracts with LBE subcontracting requirements.

You can see the breakdown how the LBE subcontracting requi -- overall LBE participation and subcontractor LBE participation in both. Not surprisingly, the highest LBE participation is in the project-based professional services with

LBE requirements and professional services without LBE subcontracting requirements, the two middle lines.

This is because, unlike as-needed contracts, which are rather unpredictable, project-based contracts can be divided up predictably at the beginning of the contract. And LBE participation is a known factor. In contracts without LBE subcontracting goals, you have a greater number of contracts being awarded to LBEs through -- where an LBE prime lists an entire project and team of other LBEs.

You have micro set-asides where a larger percentage might be going to LBEs. And through delegated authority, you have a greater number of primes g -- where the full dollar amount might go to an LBE. You also have waivers in there, which is why it's not 100 percent to LBE.

While we do not have complete data yet for the first two quarters of the current fiscal year, you can see that the Port has awarded seven contracts for a total of \$27.6 million. Four contracts were awarded to LBE primes or joint ventures with one LBE partner.

Five have First Source Hiring requirements only. And one has a First Source Hiring and a local-hire requirement. Again, we do not have complete data for the first two quarters. But what we can show so far is that LBEs were paid a total of \$4.4 million. And that's 30 percent of the total dollars paid.

This breaks down to \$1.2 million going to LBE primes and \$3.1 million going to LBE subcontractors. As you can see from this slide, Pier 70 has awarded 29 percent of total dollars to [SPE] small and micro and SBA-LBEs. And Mission Rock for the last fiscal year was at 17 percent. But we just heard with the new data that they're at 18.57 percent and have grown in the last two quarters.

The remainder of our presentation will highlight some of the equity initiatives sponsored by and executed by Port staff with the goals of increasing and diversifying LBE and small-business participation on Port contracts and building a pipeline from our communities of concern to Port maritime jobs. At this point, I'm delighted to hand this over to Tiffany Tatum to talk about her great work.

Tiffany Tatum: Thank you, Alysabeth. Good afternoon, commissioners. My name is Tiffany Tatum. I'll be highlighting the Port's contract workforce data as well as our contract equity initiatives. Please note that, in future presentations, the workforce data will be presented alongside of the LBE data.

In the next few slides, I will briefly walk you through our workforce data [with staff and examining]: to better understand who is working on our projects; to highlight the Rising Tides, maritime internship program launched in the summer



of 2023; and lastly, covering our continued efforts to strengthen our relationship with the small-business community.

While data is not particularly sexy, it is necessary to develop baselines and metrics by which we can measure our growth and success. With the help of our partners at the Office of Economic and Workforce Development, we created a report that shows who was working on our public works projects and where they are from.

We can see that the numbers for women working on Port projects is extremely low, which is pretty on brand for the industry but doesn't mean it is something we have to accept. Staff is motivated to enter into spaces where we can meet, inform and encourage more women to enter the trades.

Percentages for African American, Asian and Native American or Alaskan workers are also numbers we want to see improved. And while we can't control who the contractors hire, we intend to regularly communicate the Port's goals of increasing the diversity of our project teams and their staff to the contractors that do business with the Port.

Last summer was the inaugural year of the Port's Rising Tides maritime youth internship program. We hosted seven juniors from SFUSD's Phillip and Sala Burton High School to a weeklong on-campus experience at Cal Maritime and an additional five weeks immersed in Port maritime culture and operations.

During our stay at Cal Maritime, the students participated in water and fire safety training, completing the first of two weeks required to gain a U.S. Coast Guard certification. I am also happy to report that, as a result of this experience, one of the students applied and was accepted to Cal Maritime for the '24-'25 school year.

During the five weeks at the Port, the interns explored all the Port's maritime facilities and developed a presentation of creative uses for the Pier 68 shipyard.

Port contract staff continue to seek ways to strengthen our relationship with small businesses. We aim to be a resource and trusted partner. My joining the LBEAC has offered me an opportunity to listen and to be heard. As a vocal member of the advisory committee, I do not back down from challenging the status quo in an effort to inspire conversations that might bring about more equitable contracting citywide.

Deepening our partnership with the Office of Economic and Workforce Development and the Office of Economic Empowerment allow us to bring resources to our LBE community as well as our tenants about available resources such as: OEWD-sponsored hospitality training program that trained local San Francisco residents to become qualified restaurant staff; and the SF



Lends program, which is an initiative of the Office of the Treasurer and Tax Collector and the city administrator's office that aims to connect small businesses to affordable loans and lines of credit for their day-to-day cash-flow needs; and of course, the contract open house, which is now in our seventh year and has grown exponentially since our days in the Bayside Conference Rooms at Pier 1.

This year, we are expecting 250 attendees, an amazing keynote speech by [Joyce Guy], a retired military veteran and ironworker and a diverse panel of maritime industry experts, who will share their thoughts on ways to increase women and minorities in maritime. I will now turn it back over to Alysabeth to speak to positive changes in the RFP process.

Alysabeth Alexander-Tut: Thank you, Tiffany. Your work is very inspirational. It's always nice to hear about. Most of these structural changes to increase efficiency and equity in contracting have been reviewed in previous reports and presentations. So I'm just going to highlight a few. But I'm happy to answer any questions.

The Port continues to find creative ways to increase the number of contracts and LBE opportunities for prime contracting through: simplification and standardization of the RFP responses, which eliminates the need to have a marketing firm design your professional services submittals and decrease the cost about \$20,000 per proposal; by creating prequalified pools; and the strategic use of delegated authority to increase the number of contracts the Port could enter and double the number of LBE prime opportunities.

This is also fulfilling a goal set for the city by the LBE community by breaking up work into smaller contracts to increase the number of LBE prime opportunities. These contract improvements make it easier and cheaper to propose and bid on Port projects.

This saves contractors money, builds good faith amongst the contractor community and tears down barriers that small businesses face in doing business with the Port. We demonstrate that, by leading with equity, the entire contracting process is improved. Here at the Port, the expression surely applies. A rising tide lifts all boats. We look forward to your comments and invite your questions.

President Brandon: Thank you so much for that report. Is there any public comment on this item? Seeing none in the room. Do we have anyone on the phone?

No Public Comment on Item 8A.

Commissioners' Discussion on Item 8A:

Commissioner Adams: Yes. Thank you, President Brandon. Tiffany and Alysabeth, thank you. You know -- and I want to thank the champion, President

Brandon. But my eyes are hurting me when I go to page 13. And I look at the total hours for African Americans, Asian and Pacific Islanders. And then, I look at Caucasian and Hispanic. The disparity is just so lopsided.

You know, it's difficult for me to look at that and think -- and we're in 2024. And the disparity -- I mean I -- it's completely out of balance, [unwhacked]. It's just -- and I know we get -- look like we're doing better. But some kind of way, those numbers have got to come up tremendously, got to come up.

I don't see a lot of fairness. I always believe in life there should be an equal playing field. And if people are qualified, they should have an opportunity. But it seems as though that, when you look at this African Americans and Asian and Pacific Islanders aren't getting their fair shot or Native American or Alaskan.

And then, I look at the total women. And then, I look at the total minority. I'm just looking at these numbers. And I know numbers don't lie. And I know sometimes we [congeal] numbers and things like that. I expect -- I mean, for me as a commissioner -- I'll just speak for myself.

I expect the Port -- that we have to raise the bar. We do. I expect the Port to be leading the city and [every place]. I mean, it's just the right thing to do. People should have a fair and equal playing field. And I'm just not seeing this in the numbers.

And I know sometimes people can fudge numbers. You can play with numbers. You can do whatever. But this is very glaring. So I'm a little disappointed. And I'll defer my other comments to President Brandon, who's had a better handle on this than I have. But yeah. I'm just kind of not happy. Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Just curious -- follow up on that -- is the number low because there's not enough in the pool or not enough, you know, labor applying for these positions to make it that much of a slant?

Tiffany Tatum: So these are not Port jobs. These are Public Works contracts. So these are the GCs that are hiring. I assume there's the factor of who lives here because the local-hire requirement is for residents of San Francisco. And if you compare the number of African Americans, if you compare the number of Native Americans that live in the city to what we see in the spreadsheet, I'm sure that there is some similarity.

It still doesn't feel good. So I'm glad that the commission shares the passion that something has to change. And I think we're just getting into the sandbox of playing and trying to figure out, how do we do that? What are the conversations?

We've done such a good job with LBE. In my time here -- I've been here nine years -- that has been like what we do, what we talk about. And we're doing a great job. And I would like to see a lot of that energy shifted to talking about how do we bring that same energy towards our workforce.

Commissioner Lee: So do you think it's kind of in the rules maybe, the restriction or the requirements a little bit more difficult? I'm just -- you know, I'm just curious. It is a big number, you know. It's a big slant. We just don't live here anymore? I mean, that's what you're kind of telling me.

President Brandon: I mean, you could say that if it weren't also low on Asians. We have a high Asian population.

Commissioner Lee: Right.

President Brandon: So there's something disconnected here.

Alysabeth Alexander-Tut: So that's why we've -- I don't know if you've noticed that we changed the structure of this report and of this presentation to be -- to hold the full equity scope. We always used to kind of gloss over workforce and not have the conversations that I'm so delighted that we're having now even though it's painful.

These numbers come from OEWD. This isn't a program that the Port enforces or oversees. The initiatives that the Port is looking at is how can we increase these numbers through the programming that we do? And that's -- and we know that just reporting another city department's numbers is not enough.

So that's why we're looking at -- Tiffany has been doing work to try and develop more of a relationship with OEWD. How can we leverage our relationships? What can we do to increase these numbers? Just like we do with CMD and the LBE community, we think strategically about how we set the table, so to speak, for success.

Unfortunately, we don't run the programs that feed workers into these programs. There is a whole OEWD infrastructure. But we're trying to get smart about that and to look for opportunities. And part of that is being transparent with where we're at with you and, you know, having you challenge us. So that becomes -- that brings the attention that it needs to this issue.

Commissioner Lee: So I mean, that's all I have. I'm just curious. There's got to be --

Alysabeth Alexander-Tut: Yeah.

Commissioner Lee: -- you know, I mean, if it's construction maybe, there's more Hispanics in construction. I don't know. But yeah. I think the policies have to be looked at. So --

Alysabeth Alexander-Tut: Yeah. And we can come back with our next presentation with more information on that.

Commissioner Lee: Okay. Thank you.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thank you. And thank you, Alysabeth and Tiffany. I agree with the comments that are made. I also realize that we're not in a place to kind of shoot the messengers here, so to speak. I'd like to back up a minute and just talk a bit -- I know preaching to the choir and all.

But it's hard to collect and organize and report on all this. So I do really appreciate all the work that it takes for both the vendors, the contractors and you folks to put it all together. So I think that's really important. And I think it's -- you know, the city decided a while ago that it's not just what we spend money on but how we spend the money and how we're going to change behavior to benefit communities of San Francisco and others in how we spend the money.

So without these kind of reports, we don't get a chance to even talk about it. And without having the breakdowns that you're coming up with, we don't get a chance to really drill down and say, but what about, but what about, but what about and how to make those things work.

So I think it is -- you know, we admit the old racist, sexist way we did business -- we admit that we have to change it. So you're giving us the opportunity to make those decisions about how to change it. And I really do appreciate that.

I think it's also hard when you don't have -- I'm not sure how we define victory. So coming with these reports and like, well, what's good enough? It really is, in my way in my thinking, it's much more, are we progressing? And I haven't been here long enough to know that. So I'm going to turn it over to people who have been here longer to see. Are we progressing?

President Brandon: It doesn't look like it. [laughter]

Commissioner Harrington: But thank you again.

Commissioner Adams: Ed, that was quick. [laughter]

President Brandon: Well, [at least not last year] -- thank you. Vice President Gilman?

Vice President Gilman: Well, first of all, Alysabeth and Tiffany, I wanted to say the same thing. I'm really appreciating this report. The transparency and the way you reorganized it is -- so I just want to say I really appreciate that. Even when you go back to slide six on the page -- unless it just -- I'm a little tired today.

It seems like the area where we might be doing well with LBEs and on a professional-services basis, even if it's project-based or as-needed, seems like construction is still what's dragging us down. So even on that slide, the last contract that -- I might be saying it right -- the [Dutra] Group, which is construction services, which is also the largest contract, is also still -- it's like where we're having the problem is that maybe we've gotten to a point -- and I don't know if there'd be similar workforce data on the professional services side.

I think that could be an interesting thing to also just sort of look at but that where -- on this slide where we're having sort of the least partic -- you know, lower participation of even LBEs and then when you go back to the other page with the employment data on page 13 -- and that's all construction. Right.

I just want to make sure I'm reading it right -- that where we're getting dragged down is the construction sector. So besides First Source and local hiring, I'm assuming there's also labor requirements also layered on here, which I think begs the question of a conversation with OEWD but also possibly a conversation with the Building Trades Council so how they get apprenticeships in, how they recruit those folks to qualify for those jobs -- I just need to say this as someone who builds affordable housing -- plays into these numbers no matter what we do.

If we can't get apprenticeship programs for people of color, for our BIPOC community and if we can't open that up for women, we're still going to be sitting on these numbers no matter what we do. So I think maybe -- I really want to empower both of you and I want you to hear it from -- I'll just say it for myself but I would hope for the whole commission -- to really empower us to start the dialogue with OEWD for their feeder programs.

We've got to go to the Building Trades Council. And we've got to talk to Rudy Gonzalez, who heads it. And we need to be pushing the trades, electricians, not just laborers -- which actually have a higher percentage of women and BIPOC employees are in the laborers union -- electricians, plumbers, carpenters, etcetera.

I don't know enough about them, like all the trades -- to be really promoting and bringing inside communities of color and women, which with all due respect to our labor brothers and sisters in like the 1900s weren't really doing that. So I just want to say I really want to encourage you to start opening up those conversations. And I know, as a commissioner, I support that dialogue. And thank you for the report.

President Brandon: Thank you. Alysabeth and Tiffany, thank you so much for the report. And I know you guys -- it takes a lot to make this report happen and really appreciate all the time that you put into it. And congratulations on the Rising Tides pilot program. I think that's great, a really wonderful new initiative. So thank you.

And so I guess, you know, a lot has been said. And yes. We are doing phenomenally with LBE. But what is the ethnicity breakdown with our LBEs? How well are we really doing? And I would like to see that in the report if you can add that next time for contracting, how we're doing, you know, with women, with minorities, with everyone. That would be a great addition. Do you happen to have that information?

Alysabeth Alexander-Tut: We do not. We have the LBE prime information generally here. In the -- we have their LBE status so if they're minority, women or other [where] the nonprofit is labeled in a table and in -- for the new contracts. And for the old contracts, they're in the last couple --

President Brandon: Yeah. I can see --

Alysabeth Alexander-Tut: -- but we don't have -- yeah. But what you're --

President Brandon: I'm just wondering if, outside of this report, which it's not in --

Alysabeth Alexander-Tut: I don't.

President Brandon: -- do you have those numbers? Because I know I've been asking for that for years [laughs] because I really want to understand --

Alysabeth Alexander-Tut: We don't. But -- I --

President Brandon: -- you know, the ethnic --

Alysabeth Alexander-Tut: -- total -- yeah.

President Brandon: -- breakdown also as we did for the jobs.

Alysabeth Alexander-Tut: Yeah. I think we can [figure] --

President Brandon: That would be a great addition -- but really want to thank you but really want to know -- because this is not new. This has been going on for a long time. So what are the initiatives? What are we doing to try to change these numbers?

Alysabeth Alexander-Tut: For workforce?

President Brandon: For workforce, for contracting, for everything to make the Port a fair and level playing field. Or how can we help you? What can we do? How can we help the Port to be able to increase these numbers?

Commissioner Harrington: If I could jump in a bit too -- you know, I think the Port has been considered a fairly small player. And it doesn't matter what you want from OEWD. [laughs] Sorry. But when I was at the PUC, we actually paid for internship programs. And we paid for the training because we had such a pipeline of things.

And you're getting there. You're going to be doing this resiliency program. And you're going to be a huge player in San Francisco. So it is time to start throwing your weight around. And it is time to start saying, hey, we're the next big job creators in San Francisco. And you need to listen to what we want. So I think we will have a different level of power and authority to make some of those changes.

President Brandon: Exactly. And we have to start now. We have to start that planning now.

Vice President Gilman: And that's why -- I'm sorry. It's my soapbox today. [laughter] So we have to talk to the Building Trades Council because, as someone who just was with them Sunday night, they're so excited. And they cannot wait.

And that's why we need to start the conversations with them now I think [with the house of labor] of what our expectations are for them. So they can start planning and recruiting and apprenticeshiping or whatever they do.

Tiffany Tatum: Yeah. I'm going to respond to both President Brandon and Commissioner Harrington. So yes, Commissioner Harrington, you're right. We are small and inconsistent in our work. And sometimes, that's difficult for our small business owners because they like to do the same thing over and over.

And so when they can't kind of guess what the work is going to be, they just don't apply. They don't bid. And then, they're like, marine, the insurance -- it's too expensive. So really thinking about how to support -- how to inform them that it's not all over water -- you don't always need the longshore insurance.

And you can do this. Right. It's sort of like making them comfortable with the idea of working around water. To both Vice President Gilman, and President Brandon, yes, WRP is coming. And those conversations are happening. And I think you're going to get a little bit of that in just a second.

But the world knows -- you know, you said you see it everywhere in the email, in the social media. So they know that it's coming. How do we prepare them to do so --



President Brandon: Exactly.

Tiffany Tatum: -- are the questions that we're -- the conversations that we're having now. We don't want to train them now and then work is, you know, way out there. And they've forgotten or whatever. That's both for the workforce and for the small business. You want to time it in such a way that they feel like they can use that training right away. So it's not a use it or lose it. So it's been a timing conversation.

President Brandon: Well, hopefully, hopefully, we're thinking about apprentice programs and ways to help small businesses --

Tiffany Tatum: For sure, [always].

President Brandon: -- engage in the phenomenal opportunities that we're going to have.

Commissioner Adams: President Brandon? Tiffany, something -- I think Gail just said it. I've learned a long time ago sometime you've got to get comfortable being uncomfortable. And it's time to have a conversation with the building trades. Not all unions are diverse. Not all unions are as diverse as the ILWU is. Right.

And if you go back and you look back in the history of a lot of the trade unions, they were the last of the unions to integrate. I'm just being honest about it. The ILWU was the union when Harry Bridges started. And they died here on the streets here, longshoremen in the 1930s. That union came together. And it was integrated.

And the other unions in this country weren't. But the longshoremen were. And they weren't going to be divided by race. And some of the other unions, you know, especially in the trades, they're very conservative. And so we've got to have that very painful conversation with them because this city and what we believe in as a Port and what we stand for and our mission statement, right, is that it's supposed to look like everybody.

It's supposed to be a melting pot. And if you're qualified, you need to have an opportunity. And Gail is right. Sometimes, people don't want to talk. They say he's my buddy. No. You've got to bring it to him, have that painful conversation because I know President Brandon's been talking about this way before [I -- like] 20-some years.

But we've got to step it up. And I appreciate your work. And you might not want to say it. But me and Commissioner Gilman, we know Rudy.

Vice President Gilman: [laughs]



Commissioner Adams: We need to go talk to him --

Vice President Gilman: Yeah.

Michael Martin: Commissioners?

Commissioner Adams: -- and have that conversation with him.

Michael Martin: I'm sorry to jump in. And I really appreciate the work of Alysabeth and Tiffany on this item. I do want to say we are talking with the building trades and Rudy Gonzalez in particular not only about the resilience program but also offshore wind and getting ahead of those potential job opportunities.

Commissioner Adams: [Thanks, Mike].

Vice President Gilman: [Yeah.]

Michael Martin: But you're absolutely right in pointing this out. And also, I think one of the dynamics here is, as a public agency, we have to work indirectly to try to find ways to create that supply, to create that pipeline. So our biggest strength is persuasion.

And I think, as observed, we're not the big player that we'd like to be in construction but that we will be. But I think there are also a lot of other opportunities. And I think Commissioner Harrington's comment a few meetings ago about how the water agencies got together to start training -- having a training -- a regiment, a sort of community college education opportunity -- I know Andre Coleman in maritime is looking at that.

How can we bring maritime training to the Port? So I think what you're going to see as these reports go on in the future is trying to pull those threads together. And I think one of the biggest conversations is the building trades absolutely because they are very much looking at this work.

But I think what we want to do and I think what Tiffany embodies is her energy in sort of finding those opportunities where we can't do it directly. And we have to find ways to bring those people to the table and have this conversation the way you want to see it happen.

So I think -- I really appreciate this. And I think we want to bring this data back to you and keep having this conversation because we know you will hold us to it. And I think this is the work. So we appreciate that.

Vice President Gilman: Sorry, Mike, just on that point -- and I don't know if this is possible or if it's allowable. So I will accept that maybe it can't be. But the second -- I mean, I can't speak to Public Works or PUC. But from a construction

perspective, the Mayor's Office of Housing would be, I would think, the next big player at that table.

I would love to know if we're allowed to see data like this reflecting on their contracts. And maybe we go in together or we try to group some other city departments to have the conversation with the building trades because I would be surprised if our data is not reflective of other city departments that are contracting.

So maybe it's not just us as the Port standing alone. But maybe it's with our other city departments. And the only rea -- I'm just familiar with the Mayor's Office of Housing and their contracting process. I don't know who the other likely folks would be but particularly also with, you know, everything we're doing around housing, you know, at our big development sites, Piers 30-32 seawall lot, Mission Bay, Pier 70.

Maybe we have the conversation in collaboration. And then, we have more weight with the building trades than just going in by ourselves. That's just a suggestion.

Michael Martin: It's a good thought. You know, a number of these threads run through the Office of Economic and Workforce Development. But you're right that the other Chapter 6 departments and the other departments that have sort of similar relationships to construction as we do -- it would be good to be aligned and having this conversation citywide. Right.

We don't want just the Port to succeed at this. We want the whole city too. So that's a great suggestion. And I think it's something we'll follow up on and try to create that coalition and see if we can advance the ball in a more holistic way.

Vice President Gilman: The last thing -- and I will say, if their data is wildly different, then I think we need to look at that as a Port. I think it might just be a good exercise for us without trying to give you more work at all to either of you, Alysabeth and Tiffany. But if their numbers are wildly different, then I think we need to look at what's happening at the Port level.

Commissioner Lee: Can I jump in for a minute? So on the Asian-American side -- so I'm in the process of remodeling my house. And I have Asian contractors that don't speak English. And I have a hard time communicating. When you have these programs, are there bilingual to actually engage and encourage these people to try to apply for these permits?

Or is everybody just basically English speaking? Because there are a lot of, you know, Asian trades out there. But I think, because there's a language barrier, maybe they just don't sign up, like you were saying. There's their own barriers that prevent them from getting into the construction trade.

You know, we use a lot of both Hispanic and the Asians. And lately, most of the Asian ones -- they all speak -- and I'm born third generation. I don't speak Chinese. But I have to get my foreman to translate what I want. And I'm just wondering, do you think that might be a factor that we're not getting applicants because we don't have the language issue -- language communication to get them involved?

Tiffany Tatum: [Unintelligible] submission for contracts?

Commissioner Lee: Yeah.

Tiffany Tatum: I don't think so.

Commissioner Lee: No? I mean, you have --

Tiffany Tatum: That would be citywide. So we don't have Port-specific processes. The contracting process is the same across. So that would be a good question for us to raise [again] -- [crosstalk]

Commissioner Lee: Because I don't think that number would really increase on the Asian-American side because the contractors are -- construction people usually are immigrants. Right. The ones that have education are going to be more in the architectural or they're going to be in the middle part.

So if we're looking at construction, I don't think -- unless you have the bilingual person or the -- I don't think those numbers will go up on the Asian side unless you're third generation. My uncle was in the carpenter's union. But he was born here. You know, he knew that was part of the whole union thing. But now, I don't think most Asians join the union anymore.

Michael Martin: But I think that's a good point that that is part of our investigation in terms of the apprenticeships, right, to see what are those sort of culturally competent ways to get people to come in. So we'll add that to the list of things maybe to suggest or sort of improve. I think that makes a lot of sense because --

Commissioner Lee: Right. Something to look into.

Michael Martin: -- because we can't just sort of mandate a percentage. But I think what we can do is say, what are the barriers that are keeping --

Commissioner Lee: Right.

Michael Martin: -- the reflection of San Francisco we want to see? And then, that's something that we definitely want to pick up on and try to advance.

President Brandon: Any other comments or questions? Thank you so much for that report. We really appreciate it.

Alysabeth Alexander-Tut: Thank you.

President Brandon: Next item, please.

**B. Informational presentation regarding Waterfront Resilience Program (WRP) Local Business Enterprise (LBE) Subcontracting and WRP Equity Actions.**

Carlos Colon: Good afternoon, President Brandon, commissioners. During the whole conversation, I was sitting there just tapping my foot because I'm going to get to some of this. [laughter] I was just --

Vice President Gilman: Great.

Carlos Colon: -- really excited. So I'm glad you raised those questions. I'll be talking about the waterfront resilience program and our LBE and equity update. First, I'll be talking about prioritizing equity in the program and within the contract with CH2M. I'll then be talking about just specifically CH2M Hill and their LBE participation and what our next steps are.

So right off the bat, what are we talking about? We're talking about jobs and contracting and also the funding required to get this done. But we had a task authorization through CH2M to look at workforce development and LBE support services.

That work has gone on for several years. We had some deliverables at the end of last year, which included a workforce development implementation guide as well an LBE support services guide. And I believe these guides will help us develop a workforce plan and LBE support plan for an upcoming early Embarcadero projects, which we can then use as the Army Corps projects come online towards the end of the decade.

And I will be working hand in hand with Tiffany Tatum. She just left. But Tiffany and I have always been working hand in hand on this. We discuss this regularly. We are going to review these reports, these guides and see how we can work together to implement them not just for the early Embarcadero projects but also just Port-wide.

So I look forward to working with her and presenting you an update in the future. This will also be for LBE support services. I will also be working with Tiffany on this as well. I will have a table at the contractors open house at the end of this month and discussing upcoming contract opportunities.

Within the contract itself, they have been working on an equity plan. They have a discovery phase and summary findings. They have created a roadmap to equity which includes potentially an equity council or equity workshops down the road. They've created an equity evaluation framework.

And currently, they are working on an equity working group comprised of city department staff and CBOs to review the draft plan from the Army Corps and provide feedback.

Now, just to talk about CH2M's numbers -- this graph shows where we are now as far as LBE participation and task authorizations. The yellow line is where they thought they would be at this time at the time of the contract amendment. However, they have pushed to increase LBE participation.

And instead of being around 19 percent, they are at 27.7 percent through the end of December 2023. This is looking at contract payments. So 28.4 percent of total payments have gone to LBEs. President Brandon, you wanted a breakdown of ethnicity. We have the breakdown here.

You will notice that the number of ethnicities is 12.1 percent, which is greater than the 8.2 percent of MBEs. That is because some businesses, minority-women-owned businesses, choose to be designated WBEs rather than MBEs in the CMD certification.

CMD only allows them to choose one designation. We also have several minority-owned businesses which are not San Francisco LBEs. So that is why the ethnicity part is 12.1 percent, but the LBE/MBE is 8.2 percent.

I like visual things. So right here, this shows what's been paid to date to LBEs as well as what's upcoming. If you look at the contract, the \$59.9 million contract value, the blue part of the pie would be what was required by CMD, the 21.19 percent or \$12.7 million.

CH2M has paid that plus the green. So the green is what they paid over the original LBE requirement. And the yellow is what they plan to pay in the future. This is unpaid scope, which will be paid through the life of the contract. There is also about a million dollars of unauthorized work that has not been issued in task authorizations -- I should say unauthorized.

There is [one point million] dollars remaining of contract balance, which will be issued in contract task authorizations. So I project there will be more LBE dollars paid to date by the end of the contract.

So what we will do next -- we expect the CH2M contract to complete its contract capacity by the end of this summer, around that time. We will then present to you the final contract values for LBE participation. We will also, in the

next report, present on Pier 50 and the Wharf J9 float construction project and provide those LBE numbers as well.

I just want to thank you. And if you have any questions, I'm here to answer them.

President Brandon: Thank you, Carlos. I will now open it up for public comment. Is there any public comment in the room? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 8B.

Commissioners' Discussion on Item 8B:

Commissioner Lee: I mean, I don't really have any questions or comments. Obviously, it's the opposite here. The percentage for African American is six, and Asian American is four. Compared to everybody else, that's high, you know. So it's just, you know, how the breakdowns are so different, right, from what we heard to now.

I mean, we're in the right direction. But I think more can be done. I'm just wondering, is -- you know, the requirements to be -- I mean, Latino Americans only 1.2. You know, is it just not enough people applying for it? Or you know, it's just -- I guess it all goes to policy. I guess I really have nothing to really say about that other than this whole conversation today has been very educational for me. But that's it, nothing more.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thank you. And thanks for the report. Just back to Commissioner Lee's question, I think what you're looking at is w -- at least in my history in the city, you have a lot more Latino-owned construction folks and a lot less engineering folks.

Vice President Gilman: Mm-hmm.

Commissioner Harrington: So you're talking about engineering firms here as opposed to [work]. But what is interesting -- and I don't think we collect this. I'm not sure. But do we have any idea who actually gets the money -- I know who gets the profits based on what's here -- but who actually is working for these companies?

So we might have a WBE. But they might have all black workers. I doubt it. But I mean, do we have any idea of how that works?

Carlos Colon: We don't. We don't collect that information. But that's something we can investigate with -- [crosstalk]

Commissioner Harrington: Because not just for your program but the whole program, it would be interesting to see not just the owner but the actual people who are paid doing that work. And again, I don't know if the city collects it or not.

Carlos Colon: I think it's tracked for construction hours.

Commissioner Harrington: For construction -- [crosstalk]

Carlos Colon: Construction but not professional services.

Commissioner Harrington: And a lot of -- let's face it. A lot of the money we're going to be spending is going to be professional services for quite a while until you start seeing construction money rolling out there. So it's going to be hard to see what's happening.

I do get that the owners are what brings wealth into a community and experience. So that's important too. But it would be nice to see the rest of it. But I don't have any other questions. Thanks very much.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: I've got a question, I guess. Commissioner Harrington asked it earlier. Are we succeeding? I really appreciate having these conversations today. And I appreciate Deputy Director Mike Martin pointing out that not only the seawall project but offshore wind and other projects and us starting somewhere.

I guess I'll probably address it more to President Brandon at some point when she makes her comments. Does she think that we are succeeding? And I still look at the num --

President Brandon: Ask Carlos if we're succeeding.

Vice President Gilman: Yeah.

President Brandon: [laughs]

Commissioner Adams: Well, you've been here a lot longer doing this.

President Brandon: But I'm not doing the work.

Commissioner Adams: Carlos -- are we succeeding, Carlos? She put it on me. Are we succeeding? [laughter]

Carlos Colon: No. I mean, if we were succeeding, we wouldn't be having these conversations.



Commissioner Adams: Okay.

Carlos Colon: But I think they've done very well.

Commissioner Adams: Okay.

Carlos Colon: I'm not disappointed in these numbers from CH2M. I think they've done very well. I think the Port, the city, everyone can do better. And that's our aim. And that's why we have these conversations.

Commissioner Adams: I appreciate that. That was about as honest as it can be. It was very direct. Thank you. I really appreciate that. I'm done, President Brandon.

President Brandon: Vice President Gilman?

Vice President Gilman: Carlos, I just want to thank you for the report. And it seems, going to the front part of the conversation before we got to CH2M, sort of the workshops, the vetting, the nonprofits who are going to help you look at the final plan, I really liked sort of that equity framework.

I'd be curious to know who those panelists are, who those participants are when you get to that point, just to make sure we've done a good reach out. I think particularly telling that there's no Arab-American-owned firms, as an example -- just to make sure we're being inclusive when we have that community kind of lens, looking at the front part of the plan that you articulated.

I really appreciate the community outreach. And then, I have no questions or comments on the CH2M component. But -- yeah.

Carlos Colon: I will say that I believe there is Arab-owned businesses working on this contract. But the dollar value is so small that it's 0.0 percent.

Vice President Gilman: Okay. [Got it].

Carlos Colon: But again, we could do better.

Vice President Gilman: It'd be interesting to see what they're working on and how we can lift it up. Right. Sort of like in the professional-service space sometimes, we hear that like the mechanical drawings or these components particularly on architecture are given to the small minority-owned firm where usually the non-LBE Caucasian-owned firm is doing the bulk of the work.

So I think it would be interesting to see what they're working on, how we can boost it. But for the front part of the presentation of how we're going to get equity into our resiliency programming, I really appreciate it.

President Brandon: Carlos, thank you so much for the report. I think my fellow commissioners have said some great things. And I think we've come a long way. We still have a ways to go. But from where we started, we've come a long way.

And I'm hoping that, you know, in this next phase, we can really work with whomever will be leading this project to really let them know how much we really want everyone to be a part of the project. We want to have inclusivity in our contracting, in our hiring, in our leasing, in everything.

So hopefully, in the RFP, we can make it a priority in some kind of way or a statement saying how much we value inclusivity. But thank you.

Carlos Colon: Sure.

President Brandon: Next item, please.

## 9. NEW BUSINESS

Michael Martin: Commissioners, I've noted a few things under new business. W -- going forward, to sort of improve the reporting by ethnicity for the Port LBE contract, also investigating and having these outward discussions regarding how do we improve the diversity of the worker and the LBE pipeline. So I think we had some really good ideas that we'll be following up on. Is there any other new business?

Vice President Gilman: May I add something to that?

President Brandon: Mm-hmm.

Vice President Gilman: Mike, this might just be a refresher for me. Do we get an annual report on our own staff and our own [complement] by division of how we're doing on diversity?

Michael Martin: We definitely have that data. I'm not aware of whether we provide you with that report. But I can --

Vice President Gilman: I think that --

Michael Martin: -- I can look into it and --

Vice President Gilman: -- might be reflective in --

Michael Martin: -- get you that --

Vice President Gilman: -- like this conversation. I would prefer it broken down by division.

Michael Martin: Okay. We're happy to provide that information to the commission. That's a great idea.

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

## **10. ADJOURNMENT**

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

President Brandon: Meeting adjourned at 5:12 p.m.