



SAN FRANCISCO PORT COMMISSION

**APRIL 30, 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 APRIL 30, 2024

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

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

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

2. APPROVAL OF MINUTES – April 9, 2024

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

3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

4. EXECUTIVE SESSION

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

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

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

Port staff has been approached with a proposal from Martin-Marietta for a new lease of port property at Pier 94 and Seawall Lot 352 (Pier 92). Port staff are evaluating the proposed terms including the proposed price and terms of payment for such new lease and the

executive session discussion will be an opportunity for the Port Commission to provide negotiation direction regarding price and terms of payment, improvements, rental rate resets, participation in sale proceeds and other factors affecting the form, manner and payment of consideration for a possible new lease, and which in turn will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City, and the People of the State of California.

Present: President Kimberly Brandon
Vice President Gail Gilman
Commissioner Ed Harrington
Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Andre Coleman, Deputy Director, Maritime
Demetri Amaro, Maritime Business Development
Manager
Annette Mathai-Jackson, Deputy City Attorney
Richard Robinson, Deputy City Attorney

(b) Property: Seawall Lots 323 and 324 and the two adjacent street stubs (Paper Streets), located at Broadway Street and The Embarcadero

Person Negotiating: Port: Michael Martin, Assistant Port Director; Scott Landsittel, Deputy Director, Real Estate & Development; Ricky Tijani, Waterfront Development Project Manager

Negotiating Parties: Jay Wallace and Darius Anderson (collectively, TZK Broadway, LLC.)

Under Negotiation: ___ Price ___ Terms of Payment X Both

The Port and TZK Broadway, LLC (“TZK”) are negotiating a proposed amendment to the Land Disposition and Development Agreement (“LDDA”) between the Port and TZK. In this executive session, the Port’s negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including rental amount and manner and timing of payment of the consideration for the financing required to develop the subject property as indicated in the LDDA. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to reset the price and payment terms that are most likely to maximize the benefits to the Port, the City and People of the State of California.

Present: President Kimberly Brandon

Vice President Gail Gilman
Commissioner Ed Harrington
Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Scott Landsittel, Deputy Director, Real Estate &
Development
Ricky Tijani, Waterfront Development Project
Manager
Grace Park, Deputy City Attorney
Richard Robinson, Deputy City Attorney

(c) Property: Pier 31 (Lease L-16274)

Person Negotiating: Port: Scott Landsittel, Deputy Director of Real Estate and Development

Negotiating Parties: Claire Mooney, Vice President, Golden Gate National Parks Conservancy (Conservancy)

Under Negotiation: Price Terms of Payment Both

The Port and Conservancy are negotiating a potential amendment to the subject lease to address rent obligations of the Conservancy. In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including price structure and other factors affecting the form, manner and timing of payment of the consideration for the potential amendment. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and People of the State of California.

Present: President Kimberly Brandon
Vice President Gail Gilman
Commissioner Ed Harrington
Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Scott Landsittel, Deputy Director, Real Estate &
Development
Sandra Oberle, Senior Property Manager
Richard Robinson, Deputy City Attorney

5. RECONVENE IN OPEN SESSION

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

No Report.

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

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

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for the ringing of or use of a cell phone or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction that is not an agenda item. No Port Commission action can be taken on any matter raised other than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

No Public Comment on Items Not Listed on the Agenda.

9. EXECUTIVE

A. Executive Director's Report

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

Director Forbes: Good afternoon, President Brandon, Vice President Gilman, commissioners, Port staff and members of the public. I am Elaine Forbes, the Port's executive director. I have a long report today. So please bear with me, lots of good things happening.

First, to economic recovery, as was previously reported, we had the Grand Princess alongside at Pier 80 this last weekend, Saturday, April 27th. Port staff, Metro Cruise, Pasha Automotive Services -- they really worked tirelessly to manage cargo in the facility, get the cruise ship in and have a good call for her and then move back to cargo operations.

And they made great improvements for the Grand Princess's arrival as well. She was berthed for 10 hours, disembarking and embarking approximately 4,000 passengers. It was a very exciting opportunity for us to showcase the area to the cruise line and to the operator and to ourselves to see if Pier 80 may be an ongoing location for cruise.

And all signals are positive. So I'm really proud. It was just a great day also to showcase the divisions that worked together so well. I want to thank Port staff of course, especially maritime, also maintenance and engineering for getting the facility ready. They did so in less than eight weeks. And there were capital works that had to be done.

And you know, Metro and Princess Cruise -- they were happy with the location. And they were happy with the way our staff was able to respond to on-time, on-demand requests really throughout the operation. So it was excellent all around. Congratulations, team.

China Basin Park -- last week, we welcomed Mayor London Breed, Vice President Gail Gilman, Commissioner Harrington, the Giants, our private partners and many, many Mission Rockers, staff who have participated in the Mission Rock development for a very exciting opening and ribbon cutting of China Basin Park.

It's not every day we get to open a new park. It's wonderful when we can bring the public to our beautiful shoreline. The park is so well designed and thought through. It's community voice is in that park. It came in on phase one, as you'll recall, from community advocacy.

It would be terrible to have all those buildings up without that park. The community was absolutely correct. We dealt with the budget impacts of that great change. There was a lot of tenacious and wonderful work that went in. And we know that, when the community designs our parks, they really thrive.

We've seen that very clearly in Crane Cove. And we expect this to just be wonderfully activated location and celebrated. And we look forward to telling you more about it as the space gets opened up to the public. Also, we have the 14th anniversary of the EcoCenter, if you can believe it.

We are very focused on equitably connecting our working families and neighborhoods to our shoreline. And the EcoCenter in the far south of our facilities is just a wonderful example of this work, an off-the-grid center that we have programmed with great community programming.

And now, we have the Rec and Park Department in the lead of the EcoCenter just doing a wonderful job for the community. We want to recognize the partnership with Bayview-Hunters Point community, the Department of Environment, Literacy for Environmental Justice and the California Coastal Conservancy and, of course, Rec and Park. We're very proud of the facility.

Next Saturday, May 11th, will be clean-up day at Candlestick Park. We will be there on hand for good stewards of our property and also join for great community impact. So please join us at Candlestick Point clean-up day, Saturday, March 11th.

President Brandon: May.

Director Forbes: May 11th. What date did I say?

President Brandon: March.

Director Forbes: March. I was away. [laughter] And now, I have some great updates and activities in the Ferry Building. We have an artist call. We have an exciting opportunity inside the Ferry Building. It's called Urban Tides, A San Francisco Story. And the program is calling for artists.

There will be group exhibitions that promise to reveal the Bay Area's enchanting essence showcasing the Ferry Building as a beacon where urban energy meets natural beauty. The vibrant showcase celebrates the building's 126th year of historical significance and the city's blend of innovation and elegance serving as a gateway to the heart of San Francisco.

This initiative will feature a curated calendar of selected works for display and four weeks of really large, banner-style visual depictions of the art inside the Ferry Building marketplace. Opening reception in July will showcase the original

artworks. The project aims to celebrate local artistry, engage the public and give back to the community.

Please pay attention, artists, to this opportunity. The Ferry Building will also be hosting an important job fair. The mayor's office, in partnership with the Office of Economic Workforce Development and the Office of Small Business is hosting the job fair in the Ferry Building next Wednesday, May 8th from 10:00 to 1:00.

Over 50 employers will be on hand including our own human resources division that will be participating. So if you are looking for work, please come to this job fair. It will be a great place to find opportunities.

Legislation -- more good news on economic recovery -- this last Wednesday, we got two pieces of legislation through the Board of Supervisors budget and finance committee. The first was on our SkyStar Wheel in Fisherman's Wharf for an additional 18 months. It's proved to be a lovely attraction. And it's really complementing other place-making efforts we're doing in the location.

And also, the committee and the Board of Supervisors just approved a term sheet on the financial feasibility of Piers 30/32 and Seawall Lot 330. We continue to advance this really exciting project that will be transformative if built, addressing housing shortages, resilience needs, environmental benefits and community wellbeing with food and aquatic center. Passage of this legislation represents just another big milestone for us, commissioners.

To resilience -- as Michael Martin, assistant Port director, mentioned in the last ED report, Port staff and the Army Corps of Engineers concluded our public-draft, public-comment period with over 50 outreach events and meetings from January 26th through March 28th.

The outreach included community workshops, walking tours and social media campaign, briefing to organizations, advisory councils, agency and more. We received 150 formal comments on the draft plan, engaged with nearly 1,000 people at events and meetings. And we received over 11,000 website views.

Port staff and the Army Corps continue to revise the plan. And we are making advancements on the early projects too. We have issued a construction notice to proceed for Wharf J9 phase one, the float and the gangway. We expect physical construction to start in late summer after dredging the outer lagoon is completed. And we hope to be open before the end of the year.

We've also begun the seismic-assessment portions of the Pier 50 earthquake improvement project. Assessment work includes physical surveys, geotechnical exploration and needed support for engineering assessment models. The site work is a collaborative effort with real estate and Port

maintenance. And we plan to limit disruption to tenants for both Wharf J9 and the Pier 50 projects.

And in honor of SF Climate Action Week, the Port of San Francisco participated in Sankofa Day at the Bay, a youth event focused on climate action, environmental justice and sustainability. Port staff engaged with students on topics of sea-level rise, climate change and careers in climate adaptation. We continue to engage in our youth, especially on the resiliency program, as they are the future stewards of the waterfront.

In closing, I have a couple of thank yous. I want to thank you very much for letting me be away for such a while to handle a medical emergency and get better. I've never had such an event in my life. And I now understand just how terribly scary it feels to face a serious health condition.

And I'm so deeply appreciative to you, Madam President, and to our mayor for insisting I have nothing to do with this place while I recover, which I did dutifully. And it really buoyed me to help me get better. But I was also supported, of course, by this commission but by the leadership team and all Port staff.

And I really want to call out Michael Martin for his incredible leadership while I was away. I did get to spy a little bit on the organization. And I was very delighted that Mike was able to jump in to all the big events from our breakfast of champions with the mayor to the open house -- contract open house, one thing after another.

And I kept hearing people say, "Did you see Mike Martin? He just jumped up. And he was so fantastic." And I said, "Well, of course he is." And I wanted to reflect because the Port has had a couple of big positions and people move on to the city for positions of bigger citywide impact.

And we've been a little frustrated in the leadership team like we're a recruitment firm. People are looking at our great staff. And that actually shows the wellbeing of our organization. And I've noticed and I think we've all noticed that, when folks that we really depend on leave, folks come right behind them with different and important talent that the organization really needs.

And I just am incredibly honored to lead such a healthy, vibrant organization and one that I can leave and enjoy seeing big trees grow and come back and also be a part of just such a fantastically healthy organization. So thank you, commissioners. And thank you for the opportunity.

I'd like to recognize Commissioner Adams, who was awarded a San Francisco Labor Council award this last Wednesday recognizing his outstanding work and achievements with the ILWU.

And then, that finally leaves me to my final thank you is to Suzette Love, who was awarded the SPUR Good Government Award. It's called the Public Managerial Excellence Award. And it's very, very prestigious. And Commissioner Harrington was there as was a lot of staff in the leadership team and throughout the organization to really celebrate Suzette.

And in closing, if I can, I would like to play the video that they played at the event, so everyone can see Suzette.

President Brandon: That'd be great.

Director Forbes: Thank you. And that concludes my report.

President Brandon: Thank you, Elaine.

[video plays] [applause]

President Brandon: I wish she were here, so we could congratulate her.

Director Forbes: I do too.

President Brandon: She's so well deserving. Thank you. That was wonderful. Okay. We will now take public comment on the executive director's report. Is there any public comment in the room? Seeing none. Carmel, 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: Thanks, Elaine. Good to have you back. It's a testament of how things still move on. Great report. I'm glad the job fair -- that it's coming next week. I just got a phone call today about getting more of the hospitality industry involved. So hopefully, I can find somebody that'll -- because we're really lacking a lot of people to work right now. So I'm hoping that changes. But anyway, thanks for the report. Welcome back. That's all I have.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thanks. And again, yes, welcome back. And thank you, Mike. Thanks, leadership team, for all the work for the last couple of -- last month and a half. The China Basin Park dedication was fun. I was particularly struck by not just the community aspects of it but the environmental aspects of it.

There's so many things that are being done right there. It's such a model for all of that. And finally, yes, congratulations to Suzette Love. It was a fun event. And her speech was perfect. So it's good. Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Elaine, again, welcome back. It's really proof to the organization that you built that you can go out when you're needed. And they didn't miss a clip. So I just really wanted to say that to you and also say to the team. I think it's really great.

And to Suzette in HR, I think the HR vibe of the Port, as someone who went to the breakfast of champions, was really evident there from the trade to what I'd like call like the back-office central staff. The camaraderie was really beautiful at that event. I'm sure the HR department has a hand in setting that culture. So congratulations to you.

And then, just congratulations on the cruise ship and that berth. I think it's great. You know, I don't remember what it was called. But this morning, actually, Channel 2 News had a whole story about a cruise ship that was berthed here. I'm assuming it was at the cruise ship terminal. I could be wrong -- because Chef Morimoto is opening a restaurant on the boat.

And there was an extensive piece on that with the Port in the backdrop and how cruising in San Francisco is back. So I just really wanted to congratulate you and the maritime division for bringing more vessels in, whether it's Pier 80, 30/32 or the cruise ship terminal. It's great business for us. Thank you.

President Brandon: Thank you. I saw that clip also, that segment. It was really -- it was fun. Sal was [with the] -- [laughter]

Vice President Gilman: We should link it on our website -- to the communications team.

President Brandon: Thank you, Elaine. And welcome back. We missed you but really want to congratulate and thank Mike for stepping up. Your leadership really shined during Elaine's absence. And we appreciate both of you and leading the team -- our awesome team. So thank you, Mike.

I think it's exciting that we had a cruise ship at Pier 80. I would love to hear more about how that worked out, how people were -- was the ship here for the day? And the passengers were then like bussed to the -- or did they walk? Or did they explore the southern waterfront? Go ahead. Because, you know, for the future, we have to make these plans --

Director Forbes: Madam President, I'd like Andre to tell you more about the cruise ship and how long she was berthed alongside and how the passengers came in and out because it was a really big event for us.

Andre Coleman: Good afternoon, President Brandon, VP Gilman, commissioners. Andre Coleman, deputy director of maritime. So yes. We had the

Grand Princess alongside at Pier 80 this past Saturday. She was in for a shift so approximately a 10-hour stay.

We had approximately 2,000 guests total dis -- debarked the vessel. Some were transit. So they were -- to your point, they were either shuttled to Union Square, to the northern waterfront, the southern waterfront to visit points of interest. There were 2,000 guests that embarked, which came from the airport, from the peninsula. Some even took the Third Street muni rail to access the facility.

But there are a lot of the benefits to the site just from its, again, proximity to freeway, the airport and just the available acreage at Pier 80 that made it a successful operation. And again, it was on a short timeframe to stand up the facility. So kudos to the team of Metro Cruise.

Princess was very impressed by the Port's ability to stand the site up for an efficient, safe operation. And also to our partners in ILWU, they did an amazing job as well in adapting to that site and then transitioning back to a railroad operation Monday morning.

President Brandon: Thank you, Andre. That is great. I think that's so wonderful. Thank you. Yeah. Exciting. Also, the China Basin Park grand opening -- I think that is so awesome. And I love the term Mission Rockers. [laughter] I'm just so happy that we have another park, another space that people can really enjoy the waterfront. And I know that theirs is state of the art. So I can't wait to visit.

And I will be at the May 11th cleanup day at Candlestick Park. And I think everybody should join. It's going to be a great day with a lot of activity and a lot of city staff. Maybe even the mayor will show up. So it's going to be fun and exciting. And they're beautifying the entrance and painting. There's something to do for everyone.

It's great that the draft plan -- again, the team did such a great job on outreach and getting the word out that the plan was there for commenting. And I think that's great because that is really going to be a 20-30-year project that, if we're getting that much comment now, you know, and everybody's engaged in the beginning, I just think it's wonderful and that we'll be able to work together to strengthen the waterfront.

And last but not least, Suzette is a rock star. She is so wonderful. And she has really changed the culture here at the Port. And she was so deserving of that award. So thank you for your report. Next item, please.

10. CONSENT

- A. Request authorization to amend the Port's Harbor Traffic Code to prohibit overnight parking on Port streets within Pier 70 Project Area.
(Resolution 24-22)

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

No Public Comment on the Consent Calendar.

All Commissioners were in favor.

President Brandon: Any opposed? Resolution 24-22 is adopted.

11. ENGINEERING

- A. Informational presentation to consider a proposed Request for Interest from Maritime dredging and construction firms and possible action to authorize execution of a contract modification to Construction Contract No. 2842, Maintenance Dredging 2022-2024 Project, to increase the contract amount by \$2 million for a total contract value of \$9,962,625 and to extend the contract term for five months, or to May 31, 2025.
(Resolution 24-23)**

Michael Martin: Good afternoon, commissioners. Mike Martin, assistant Port director, here today to present on this item that's really on behalf of an interdivisional group. Dredging is a really critical activity for our marine business, our maritime business.

And it involves a number of our divisions including maritime, engineering, planning and environment and finance and administration. So we've worked as a working group on this. And I volunteered to be the presenter. But if you have questions on any of those topics, I have many people here ready to give better answers than I can.

So basically, the background of this starts with the 2022 contract that we entered with the Dutra Group. So we went out with an RFP for -- seeking a five-year term. And at the time, we included non-cost selection criteria with the goal of attracting more LBE participation in this contract.

And we're also, you know, looking for ways for firms to show that they align with the Port's goals under our race equity action plan. Unfortunately, we only received one bid. And that was from the Dutra Group. And at the time, we were sort of in a quandary because we needed these dredging services to conduct our maritime activities.

But at the same time, it was clear that, as the Port was sort of moving further along in its race equity action plan effort -- and that was sort of two years - - we're now two years past that -- it was not an outcome that the commission really wanted to see.

So the commission approved entry of the contract but only for two years so that we could try to sort of refine our approach and hopefully get a better outcome that would more align with our goals of hiring from underserved communities as well as LBE participation.

So this slide here kind of highlights that. The contract itself expires at the end of this calendar year, December 31, 2024. And we've expended approximately \$5.5 -- a little over that -- \$5.5 million -- excuse me. Take that back. We have a balance of \$5.5 million of authorized spending left in the contract based on what's been expending to date and what was authorized up until now including the 10 percent contingency.

So as we gathered to prepare for this impending expiration of this contract -- and I apologize for the wordy slide. But I think our staff analysis was really that we were worried that, to go down the path of seeking another RFP directly would sort of risk the same outcome that we had two years ago that, in looking around at the dredging market in terms of firms available and firms certified and capable of doing all of the work we need, we did not expect that there would be more competition that would sort of drive outcomes in the direction that the commission wanted to see.

And we also were concerned that the size of our contract, which to us is very large, obviously, in relation to our budget but, in terms of the overall dredging market, wasn't going to be enough to drive firms to sort of move in the direction we wanted them to see without being more thoughtful and strategic about how to do that.

However, at the same time, we are realizing that, as we approach this expiration, we really need a new contract. Or we need to do a number of dredges to continue our maritime activities and our business as we've structured it today. So what I'd like to go through is, first, in this presentation, the strategy of how we'd like to improve the outcome of the contracting and then talk about what we'd request approval of in terms of the contract that exists now so that we can bridge to the end of hopefully the successful end of that contracting process.

So our strategy to improve the contracting [out fold] is really two-prong. First, we've talked with CMD. And they've agreed and are beginning to work on a survey and outreach effort to assess current LBE over-and-near-water-construction-firm availability and what those capabilities are.

In parallel with that, we would like to develop and issue a request for interest that would focus on three key factors. We want to assess the availability

and interest in the offered Port work from eligible firms. Sort of what is the denominator of people that we are hoping to bring into this solicitation?

We want to identify adjacent scopes such as other marine construction activities that could be combined with dredging to make the opportunity more attractive to potential respondents and LBEs.

And part of this challenge is -- you know, part of what we want to see here is potentially ways to sort of offer out specific dredge events to other types of operators that don't necessarily have the soup-to-nuts capability that we would need for every dredge event.

And then, we also want to identify and assess what's happening in the market. Or what are the strategies in the market for small-business inclusion and workforce development that we'd like to incorporate to sort of build in chances for the firms that are already on that path to score well in our solicitation.

But to do this, this will obviously take time. And frankly, that time is part of the strategy is sort of to let the world know we're coming and this is what we care about so that they can start aligning to what we're asking for.

So we've got a sort of notional schedule here of how we think this could play out including issuing the RFI in, let's say, a couple months. This says July. I'd very much like to beat that. And I think we could. And then, give a couple months for it to be out in the market so that responses can be developed and returned later this year in September.

From there, we'd like to analyze those responses and come back to you in the fall, likely October, saying here's what we heard from the RFI. Here's how we'd like to structure the contract solicitation in one form or another to get at the goals of the commission based on what we're hearing is in the community in terms of their -- the contracting community in terms of LBE availability, in terms of what we heard back from the CMD on their survey, in terms of what kind of activities we'd like to sort of encourage through our non-cost criteria and hopefully create a structure that gets us to the equity goals as well as the dredging services.

So if we authorize that at the following meeting in November, we would want to put that out hopefully as soon thereafter as possible, give time for responses to come back, hopefully just after the new year and then come back for approval of the new contract or the pool or whatever that structure is early next year.

The goal would be to complete by May 2025, which is the requested date for the extension of the current contract again for that continuity of services. So as to that extension of the contract, we've -- working with maritime and the team, we've identified three specific dredge events that we really think are critical to

complete this year based on conditions at these berths and also work we're doing in association with the dredging.

The three dredge events are summarized here. One is Pier 35. We'd like to continue using that as a secondary cruise berth in addition to Piers 80 and 30/32. As we continue to increase our cruise business, we want to have that facility and hopefully offer those cruising companies opportunities to come and use Pier 35.

We'd also like to see a dredge at Hyde Street Harbor in Fisherman's Wharf to ensure continued operations and berth access for the fishing fleet and emergency-response activities but also helping us prepare for phase one of the Wharf J9 project, which you authorized us to move ahead on to have that new floating dock installed to hopefully have better berthing opportunities for things like off-the-boat fish sales, etcetera.

So this dredge will sort of set the stage for that project to happen. And then, South Beach Harbor -- that is an ongoing sort of small-vessel marina, has not been dredged in a long time. It is starting to silt up. We want to continue to offer that business and have that business succeed. So we very much want to see that dredge happening in this dredge window if we can have it happen.

The sum of cost is below, just under \$7.5 million for these three dredge events. And therefore, we've constructed a request to increase the current contract to complete those. So adding \$2 million would get us to a total amount to be authorized of \$9.962 million. That would allow us to complete the 2024 dredging activities, which we think can all be completed for the remaining contract amount plus that increase amount.

So that is the summary of our proposal. We're happy to talk to you about the RFI strategy as well as the contract extension. And as I said, my colleagues and I are here for any questions you may have. Thank you.

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

President Brandon: Thank you, Mike. I am going to open this up for public comment. Is there any public comment in the room? Seeing none. Carmel, do we have anyone on the phone?

Public Comment on Item 11A:

Drew Harper: Hello, President Brandon and commissioners. My name is Drew Harper. I'm calling from Spinnaker Sailing in San Francisco. We are a tenant of Pier 40 South Beach Harbor. We were actually the first boat that pulled in to South Beach Harbor in '85 when it opened.

Just a brief bit of history -- the presenter did mention that dredging is required and hasn't been done in a long time. The fact is dredging has never been done in South Beach Harbor. And quite honestly, it hasn't had to be done. The only reason we're having to do it now is there is a deferred Port maintenance project, the baffle wall, that runs into Pier 40.

That was -- it's about a 10-year-old project that the previous maritime manager, Mr. Dailey, promised to get done. And it just kept getting kicked down the road. Here we are 10 years later. And the harbor is full of mud. Prior to that, the depth never changed.

It was actually a particularly well-designed project that just seemed to be impervious to siltation just due to the just [two] small entrances in and out of the harbor. We do need to dredge that harbor. It is -- at mean low tide, the sections in the harbor that are below four feet are right at the entrances of the largest fairways between [alpha dock] and then bravo and Charlie dock.

So boats generally get hung up there and have to wait for tide. And sometimes, you'll see four or five boats sitting in those fairways waiting for the tide to come up. This is particularly important due to all the mayhem that's going on up at San Francisco marina.

South Beach is going to become a much more integral part of the San Francisco -- healthy San Francisco waterfront with the [San Francisco/Marin] County coming under some duress. So I'm highly encouraging the commission to vote in favor of getting this dredging project confirmed as soon as possible.

For reference, it's been postponed -- the dredging has been postponed three years. And also, I would love the commission to look into getting the baffle wall fixed, which will solve the dredging problem. We're spending a ton of money just because we didn't spend the money on managing the baffle wall.

President Brandon: Thank you.

Drew Harper: Thank you.

Commissioners' Discussion on Item 11A:

Director Forbes: I just was going to clarify that the possible action is to increase the contract amount by \$2 million for a contract value of \$9.962625. Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Well, of course, these things need to be done. Pier 35 -- I mean, as new boats come, they're getting heavier. They're getting bigger. So yeah, definitely I'm supportive of whatever it takes to keep the Port moving and

not getting boats stuck. Delays always cost money. I don't want to see that happen. So I'm forward with this.

President Brandon: Thank you. Commissioner Harrington?

Commissioner Harrington: Thank you. And I'm fine with this item. You know, we are going to have a continuing issue like this. I realize [we've had a few years] working with water-related kinds of things.

As we go into the further kind of long-term Port resiliency projects, it'd be great if we could learn from this RFI how we can approach all those as we move forward each time we move forward. So make it not just for this one item but for the whole process of how we do work. So I look forward to seeing how the RFI works out.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: I'm supportive of the contract increase. I just had a question around the proposed strategy, which I very, very much appreciate. I think we have been cutting edge as a city department for how we look at our contracting, how we spend our dollars in LBE participation.

But do we have any sense in the universe of the -- I guess I don't want this to be a full s -- errand where we're just doing this for the sake of doing it. Do we have any data from other ports, from other segments of the country sort of what the ecosystem is?

Because we cannot force minority-owned firms, small business -- you know, women firms, firms of color to go into a space that there's just no interest in going into. So do we have any sense of it? Or is this the exercise to get the sense of it?

Alysabeth Alexander-Tut: Absolutely. I welcome the question. Alysabeth Alexander-Tut. I'm the contracts and procurement manager for the Port. We have one RFI but lots of surveys and a big research project that we're embarking on. The first is to actually do definitely what you just said, Vice President, is to find out from other ports, what do your contracts look like? Do you have equity or inclusionary programs in yours?

We are looking at, do you have workforce-development goals and requirements? And we are also reaching out to the DBE community to find out what kind of marine construction do the DBE and WBE-certified firms provide that could also open up opportunities.

And we will use that information to help -- along with the CMD survey, which I can also talk about -- to inform the RFI structure so that we're asking the

right questions. But we're asking some right questions with research as to what is actually going on in the industry and what other ports do.

Vice President Gilman: Okay. You answered it. And I really, really think this is groundbreaking and commendable. And maybe even we can do a workshop on it or something whenever there is a conference of ports or some learning place where we can share our research. I think it'd be great to uplift it. It was a curiosity question --

Alysabeth Alexander-Tut: Yeah.

Vice President Gilman: -- because I think sometimes we strive for goals on things in contracting or even in construction or in the trades. And if there's just folks not out there who want to do -- who are inclined to do the work, I think we set goals sometimes. And then, we're setting ourselves up for failure. So I was just curious about it. I'm very, very supportive of the item and this research.

Alysabeth Alexander-Tut: Yeah. I don't believe in setting people up for failure. And I don't want to see goals that don't make sense that we don't follow through on. One of the different ways that we're approaching the LBE community is, instead of just looking at the certification categories that are specific to marine construction work, we know that categories such as plumbers or electricians can also perform over-water work with those licenses. But they don't have a specific certification that calls those particular firms out --

Vice President Gilman: Interesting.

Alysabeth Alexander-Tut: -- as doing over-and-near-water work, which is why you see the switch to over-and-near-water work in the language we're using so that we're asking LBEs broadly. We have identified 19 categories by analyzing existing contracts that do near-water construction work.

And we're going to be asking them who, within your license, is either interested or has experience doing over-water work and also tries to identify the barriers in order to build an RFP that addresses those.

Vice President Gilman: Okay. Fascinating. I can't wait to hear the results and see what you come up with. Thank you.

Alysabeth Alexander-Tut: Thank you.

President Brandon: Thank you for this report. You know, I'm very supportive of this RFI. I'm just a little disappointed that we've waited two years to do it and that we're asking for more funds without having done anything.

So two years ago when -- I mean, it's been 50 years that this has been given to a certain segment and that we haven't done anything to try and make

sure that there are opportunities for LBEs because we have so much work coming along that some way, somehow, we have to have LBE firms ready to be able to do this work.

And I'm sure they would invest in it if they knew there were opportunities. But there's never been an opportunity. So I commend you for doing this. But I just -- as Commissioner Gilman said, I really hope that there's some teeth in it and that we're actually doing it.

And as Commissioner Harrington said, you know, we have long-term projects. There's going to be billions of dollars available --

Director Forbes: More. Yeah. More and more.

President Brandon: -- for this work. So we've --

Director Forbes: Mm-hmm.

President Brandon: -- got to do something to make sure we have the workforce and the firms available to take advantage of the opportunities. So thank you. Okay. We have a motion and a second. All in favor?

Resolution 24-23 passed unanimously.

12. REAL ESTATE & DEVELOPMENT

A. Informational presentation to consider and possible action to approve a resolution recommending the Board of Supervisors approve a Second Amendment to the Lease with Golden Gate National Parks Conservancy at Pier 31 and 33. (Resolution 24-24)

Sandra Oberle: Good afternoon, commissioners. I'm Sandi Oberle, senior property manager with Port real estate. It's great to be here. I also want to welcome my colleagues with the National Parks Service and Conservancy, who are here in support of the item, and welcome them to our Port Commission hearing.

So just a quick overview summary of the current agreement and the second amendment -- this is a 30-year lease that was originally executed in late 2018, early 2019. The commencement date was originally -- or is August 15 of 2019. The rent-commencement date is July 12 of 2020.

The original completion date for the phase-one improvements, the café at Pier 31, was October 15 of 2020 and obviously, during that time, had COVID hit, a lot of upheaval. Alcatraz Island was closed and so forth.

We've been working for some time with the Conservancy on the second amendment to move forward, get back rent paid. Conservancy has been paying rent since September of 2022. So we have worked and negotiated a repayment of past-due rents in the amount of \$289,765 that will be paid upon execution of the second amendment.

We've also extended the completion date of the café from the original date of 2020 to December 31 of 2025. Some of the other items in here include an increase in the rent credit from the original \$554,000 to \$800,000. And that's acknowledging the increases in construction costs and so forth since this agreement originally went into place.

We are also looking at a split of excess sublease rents. And that's a change in the second amendment. And we've added upset events that will give the Port some different options in the event that there is: a failure to -- we don't get consent to the sublease agreement from the National Parks Service; there's a failure to execute the café sublease by the middle of next year; or there's a failure to meet the December 31, 2025 café completion and opening date.

Some of those items include: an option to terminate or void the lease; assess a \$375-per-day charge, sort of a liquidated damages, for every day that the upset event is taking place; and reduce the rent credit by \$10,000 per month during the upset-event period.

We're super excited though with the progress that we've made at this point and are looking forward to moving forward on a new café operator there at Pier 31.

Just a quick look -- some interesting pictures of what the bulkhead looks like today -- it's really raw inside. So the Conservancy has agreed that they will take on the work to do the warm-shell improvements inside of that space, which is pretty substantial.

That includes: building envelope upgrades, windows, doors, that sort of thing; accessibility ingress/egress upgrades; utility connections, gas, electric, water, bringing all of that into the space; adding fire-life-safety systems; HVAC systems; and installation of a commercial kitchen hood in the space.

Here's just a quick rendering. Thank you very much, Conservancy, for sharing this -- more photos of the interior and then some elevations of what they anticipate the café to look like just architecturally on looking at elevation views. There's the front looking northwards towards Alcatraz Landing and Pier 33.

And tentative timeline for the development -- so Conservancy has selected Maven Commercial as the broker to help them facilitate selection of their café operator in the RFP process. And that is expected to be complete no later than

the end of this year. And frankly, I know that their goal is to have it done much sooner than that.

Heller Manus is selected. And they're working with them to provide architectural and engineering services for the build-out of the café. Warm-shell construction is expected to be complete by May of 2025. Café operator improvements and installations are anticipated to be done by late 2025 with opening no later than December 31 of next year.

Overview here of just a quick summary and in a matrix format of comparing the changes in the business terms in the sublease agreement that we've kind of covered here -- and I think that pretty much covers everything in looking at the changes that we're planning on making. Questions?

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

President Brandon: Thank you. I'll open it up to public comment. Is there any public comment in the room? Seeing none. You sure you guys don't want to say anything? [laughter] Come on up. Come on up. [laughter]

Public Comment on Item 12A:

Chris Lehnertz: Michael is joining me. Madam President, Madam Vice President, commissioners, I'm Chris Lehnertz. I'm the CEO of the Golden Gate National Parks Conservancy. And my colleague will introduce himself.

Michael Carr: Hi. My name is Michael Carr. I'm the chief operating officer for the Park Conservancy.

Chris Lehnertz: So we just want to take a moment for the most part to express gratitude. The partnership that we've established with the Port of San Francisco, the opportunity for us to move ahead on what truly is a shared vision with one embarkation site for the long term, the National Parks Service and the Parks Conservancy as the nonprofit partner to the National Parks Service, is just a great opportunity for San Francisco.

It's a great opportunity for activation. And we're proud to be a part of this. So we want to thank you for a couple of things in particular. The visitor experience and services that will happen on this side of the Port before you get to Alcatraz, the historic-preservation opportunity that we have at Pier 31 and 33 and also the opportunity that we have because you were very generous recognizing that, when an island is closed for 254 days, which is the lifeblood of our revenue, you allowed us to be able to get to the table and stay at the table with you for the future.

So we just want to thank you so much for that. And also, I mean, we're a national park organization. We're a park organization. Congratulations on the opening of the new park. That is so exciting. So we just thank you so much and appreciate the opportunity to be with you today. Thanks.

Commissioners' Discussion on Item 12A:

Commissioner Harrington: Thank you. Thanks, Sandi. And thanks to the Parks Conservancy. I'm sure it's been very frustrating paying rent on an empty space for all this time. So I'm looking forward to going there and getting something to eat a year from now or maybe a year and a half from now. Thanks very much.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: No, no comment. I'm just glad that another empty space is going to be finally activated and we have more options at the Port. So good luck to you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: I have no questions. I support the item. And this will be my excuse since I've never been to Alcatraz. I will go in 2025 to have a cup of coffee. [laughter]

President Brandon: Thank you. Sandi, thank you so much for the report. Thank you for the partnership. We're all looking forward to the grand opening. And thank you for being a tenant of the Port. Okay. All in favor?

Resolution 24-24 passed unanimously.

13. NEW BUSINESS

Director Forbes: Commissioners, I've recorded learning from the RFI as it relates to the major work that we'll be doing upcoming for resilience, possibly as a new business item. Is there any other new business?

Vice President Gilman: I was hoping maybe sometime this year -- again, because I know we have a lot of things happening -- but public-comment caller mentioned something beyond my scope of knowledge of the baffled wall or something. So I'd love to understand what that is, how that ties into either our sea-level-rise work or resiliency work just to have a better understanding of what that is.

And then, I know we had one last year. I would love also maybe to invite -- it's Hudson Pacific, right -- back to just brief us on equity work at the Ferry Building. It seems like a lot of vendors are changing. A lot of the pop-ups who were in like more temporary spaces that were BIPOC, small neighborhood

businesses -- it seems they vacated. So I'd like to understand what they're doing to truly represent San Francisco and local small business at the Ferry Building.

President Brandon: Any other new business? Okay. Can I have a motion to adjourn?

14. ADJOURNMENT

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

President Brandon: The meeting is adjourned at 4:23 p.m. Thank you, everyone.