



MEMORANDUM

April 21, 2023

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Ed Harrington
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director

SUBJECT: Request approval of proposed development and multi-use lease of Building 49 located at 701 Illinois Street within Crane Cove Park by the YMCA of San Francisco, for an initial term of 10 years plus options to extend for a total term of up to 34 years, and a fee waiver for a companion license agreement.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 23-20

This item was presented as an informational item at the October 11, 2022 Port Commission meeting and is now before the Port Commission for approval. For convenience, substantive changes from the informational staff memorandum are shown in underline and strikeout.

EXECUTIVE SUMMARY

On October 26, 2021, the Port Commission adopted Resolution 21-46 which authorized staff to begin negotiating a long-term lease with the Young Men's Christian Association of San Francisco, a California Nonprofit Public Benefit Corporation ("YMCA SF" or "YMCA") for Building 49 located within Crane Cove Park at 701 Illinois Street. The YMCA SF's proposed program includes a center for the community focused on human-powered watercraft fitness & wellness, food concessions, diverse & inclusive programming, and educational programs. The program will also provide publicly available restrooms.

THIS PRINT COVERS CALENDAR ITEM NO. 7D

On October 11, 2022, Port staff presented an informational item to the Port Commission on the proposed lease terms as negotiated by the parties. Port staff and the YMCA SF then presented the lease terms and proposed program to the Port's Southern Advisory Committee on October 26, which was favorably received. The Committee's feedback centered around minimizing disruption to Crane Cove Park during construction and the historic and architectural significance of Building 49, and the park activation benefits that the project will deliver. Now, Port staff requests Port Commission approval of Lease No. 16997 (the "Lease"). Additionally, Port staff seeks approval for a fee waiver associated with a companion license agreement for certain programmatic activities in Crane Cove Park (e.g., aquatics and fitness programs), as described further at the end of Table 1 in Section 6 of this report.

This staff report is broken into the following sections:

1. Strategic Plan Alignment
2. Background
3. Project Concept
4. Review of the Diversity Equity and Inclusion Plan
5. Consistency with RFP Goals and YMCA Response to RFP
6. Key Lease Terms
7. California Environmental Quality Act
8. Public Trust Consistency
9. Recommendation and Next Steps

STRATEGIC PLAN ALIGNMENT

YMCA SF's proposal is to rehabilitate and maintain Building 49, a historic resource, provide water recreation and publicly oriented uses that enhance Crane Cove Park, offer new activities and attractions for the neighborhood and park visitors, and accomplish these objectives within a financially feasible project, with a sustainable operating structure.

Specifically, the lease and development of Building 49 by the YMCA SF as proposed will support four of the Port's strategic plan objectives (from the 2021-2025 Strategic Plan):

1. Evolution: The completion by the YMCA SF of the Building 49 renovation that was begun by the Port in 2020 will serve as a milestone in the ongoing transformation of the Pier 70 area to better address the needs of the public and the Waterfront.
2. Engagement: The re-opening and activation of this contributing resource to the Pier 70 Union Ironworks Historic District will provide amenities that increase the public's awareness of the history of the Pier 70 area.
3. Equity: Building 49 will be accessible, attractive, and beneficial to a diverse group of people who live, work, and/or recreate along the Southern Waterfront.
4. Productivity: The proposed lease and development of Building 49 by the YMCA SF will return the building to productive use and attract visitors to Crane Cove Park.

BACKGROUND

In 2021, the Port sought a qualified partner to enter exclusive negotiations to develop and operate Building 49 through a competitive Request for Proposals (“RFP”) process. The Port received two responses to the RFP for Building 49; the respondents were Ted Choi, dba “City Kayak”, and YMCA SF.

As part of the RFP process, the Port convened a five-member scoring panel including community leaders, experts from key disciplines, and Port staff to review and score both the written responses and oral interviews, based upon the criteria approved by the Port Commission and described in the RFP. The YMCA SF submittal, which met the goals, objectives, and values described in the RFP, scored significantly higher on its RFP submittal than the other respondent.

On October 26, 2021, the Port Commission adopted Resolution 21-46 which authorized staff to begin negotiating a long-term lease with YMCA SF for Building 49 located within Crane Cove Park at 701 Illinois Street. The YMCA SF’s proposed program includes a center for the community focused on human-powered watercraft, fitness & wellness, food concessions, diverse & inclusive programming, and educational programs.

The YMCA SF is a proven local community engager, operating 14 YMCAs throughout San Francisco, Marin, and San Mateo Counties, including one on the Embarcadero near Rincon Park and one in Bayview Hunter’s Point. Their mission is “to build strong kids, strong families, and strong communities by enriching the lives of all people in spirit, mind, and body”.¹

As in its RFP proposal, YMCA SF has partnered with two local organizations that will occupy portions of the building under subtenant agreements:

- Dogpatch Paddle is a human-powered boating business/club that was spawned by the opening of Crane Cove Park and currently has over 900 members. Dogpatch Paddle offers stand-up paddle board (SUP) and kayak rentals, lessons, camps, and equipment sales, and will operate the aquatic center at the eastern end of the building.
- Daily Driver is a community-oriented, female-owned food and beverage business specializing in bagels and house-made butter and cream cheese. Their flagship restaurant and production facility is located near Crane Cove Park in the American Industrial Building on 3rd Street, and they also have a location within the Ferry Building.

¹ See: <https://www.ymcasf.org/>

PROJECT CONCEPT

Through its own programming and its service partners, the YMCA SF's vision for Building 49 is "a community hub focused on human-powered watercraft, fitness, and wellness, hyper-local food concessions, diverse and inclusive programming, targeted retail, and educational programs". YMCA SF proposes to construct an approximately 4,000 square foot, membership-based community wellness center that includes traditional gym amenities like cardio machines, weights, and group exercise classes, along with gender-neutral locker rooms, onsite wellness coaching, health education classes, and personal training for members and guests.

Dogpatch Paddle will occupy approximately 2,200 square feet on the water-facing east side of the facility. They will offer lessons, rentals, classes, youth programs, and a retail store featuring equipment sales and beach provisions, as they seek to expand their current operations and draw more of the surrounding community and beyond to Crane Cove Park. They will offer drop-in services and monthly memberships, as well as combined aquatics and fitness packages in partnership with the YMCA SF.

Daily Driver will occupy 480 square feet and offer healthy grab-and-go provisions at the southwest corner of the building, nearest the picnic tables on the south side of Crane Cove Park.

The proposed lease includes a requirement that the YMCA SF maintain the public restrooms located at the northeast corner of the building near the intersection of 18th and Illinois streets.

DIVERSITY, EQUITY, AND INCLUSION

The YMCA of San Francisco is deeply embedded in communities among the most deeply impacted by structural inequality and racism. Foundational in their approach is a belief in community-centered solutions and the value they place on community dialogue. Through culturally, linguistically, and gender-responsive practices, YMCA SF ensures that people who have historically been impacted by structural inequality have both access and voice in their programs. Community-based staff is essential to their work.

YMCA staff live and work in the communities they serve, and the shared understanding and experiences allow them to build rapport with the young people they work with and create safe and trusting spaces conducive to positive youth experiences.

The YMCA of San Francisco has historically been one of the largest employers in the City and a significant employer of young adults; for many of their membership and youth development staff, the YMCA is their first professional experience. Additionally, their workforce development programs provide job readiness, skill building, and job and internship placements for underserved youth.

As an organization, YMCA SF is committed to diversity and inclusion at all levels. They

maintain an agency-wide diversity and inclusion committee which advances inclusive internal policies including job development for underrepresented groups in leadership positions. The YMCA SF is committed to staff professional development and has invested significantly in training and mentoring programs within the organization to ensure that they can retain and promote diverse staff. YMCA SF has partnered with the San Francisco Department of Public Health (SFDPH) and Trauma Transformed to adopt the Trauma Informed Systems (TIS) model for organizational change.

With regard to membership cost, they offer inclusive, sliding-scale packages. They bring a strong commitment to providing access to underserved populations (including through their African American Holistic Wellness program based at the Bayview YMCA and their partnership with the SF Department of Public Health).

CONSISTENCY WITH RFP GOALS AND YMCA RESPONSE TO RFP

Throughout the lease negotiations process over the past year, Port staff have focused on delivering a lease and development program for Building 49 that meets the community values and priorities listed in the RFP as follows:

- Provide programs and uses that support human-powered recreational boating (e.g., kayaks, paddleboards)
- Enhance the use and activation of Crane Cove Park
- Provide needed amenities for park visitors, including public bathroom facilities
- Preserve the historic character and maritime function of the building

As we look ahead to lease approval and execution, Port staff are confident that the YMCA SF will not only deliver on all of these priorities but will also deliver a robust program of community benefits through their organizational mission and their keen focus on diversity, equity, and inclusion.

Another goal of the lease negotiations has been to maintain consistency with the original proposal submitted by the YMCA SF, which scored very highly on each of the criteria set forth in the RFP. That said, the further due diligence investigation into the scope and cost of the building improvements required to complete the renovation begun by the Port and to successfully operate and maintain the facility have revealed the need to temper the Port's expectations with regard to financial benefits to the Harbor Fund.

In particular, a review of the structural integrity of the building has resulted in a substantial unanticipated cost for a partial seismic retrofit of the building. Port staff agrees that this work – estimated at \$1.5M - is prudent to undertake from both a life-safety perspective and a preservation of the historic resource perspective given the potential for a significant seismic event over the next 30 years. Therefore, Port staff propose to share these costs through rent credits as described in Table 1 below (“Seismic Cost Sharing”) in order to make the project financially feasible for the YMCA SF.

There are two other negotiated financial terms that deviate somewhat from the YMCA’s original proposal: (1) a 15% reduction to starting Base Rent in exchange for annual escalation of Base Rent; and (2) monthly rent credits to offset the capital costs associated with the public restrooms (both as described in Table 1). With these financial concessions by the Port and additional improvements by the Tenant, all parties believe that the proposed project will be financially feasible and sustainable. Indeed, in addition to delivering on the promise of preserving this historic resource and delivering a facility that serves the needs of the community and enhances the experience of visitors to Crane Cove Park, Building 49 will become a productive asset for the Port, generating positive net revenues to the Harbor Fund well into the future.

KEY LEASE TERMS

Table 1 below outlines the key negotiated lease terms (substantive changes as a result of refining and negotiating terms are highlighted in underline and strikeout) which Port staff believes will deliver a financially feasible project that meets all of the Port’s objectives for the rehabilitation and reuse of Building 49 as described in the RFP.

Table 1: Key Lease Terms:

Premises	Building 49 includes approx. 8,000 square feet Total Rentable <u>Building Area</u> : 6,758 square feet (<u>does not include use of outdoor space within Crane Cove Park which is covered through a separate license agreement as described below</u>).
Primary Tenant	YMCA SF (4,068 square feet): Community Wellness Facility
Subtenants	Dogpatch Paddle (2,210 square feet): Retail/Aquatics Center Daily Driver (480 square feet): Retail Food and Beverage
Required Tenant Improvements; Time allowed for Completion of Improvements; Tenant Termination Right	Tenant estimates the proposed capital investment to cost approximately \$5.4 million as of September 2022 <u>\$5.2 million not including the seismic improvements described immediately below as of April 2023</u> , subject to escalations over time. Tenant is solely responsible for these improvements and costs. <u>Tenant is obligated to contribute a minimum of \$5.0 million (inclusive of hard and soft costs) to the improvements at Building 49 as consideration for the Tenant Extension Options below. This capital contribution is exclusive of the seismic work described below.</u> <u>The improvements must be completed within twenty-four (24) months after the Port issues the building permit provided, however, that the Port’s Executive Director may extend the 24-</u>

	<u>month deadline in writing following Tenant's written request and provided that Tenant is working diligently toward completion of the improvements and provided further that any such extension will not operate to relieve Tenant of its obligations to pay Rent. If the Building Permit is not issued within 11 months after the Commencement Date, then Tenant can terminate the Lease at no further cost.</u>
Seismic Work - Cost Sharing/Rent Credits	Tenant will perform voluntary seismic improvements and structural upgrades to the building, estimated to cost approximately \$1,000,000 <u>\$1,500,000</u> . Port will share these additional structural improvement costs through rent credits equal to 50% of the actual costs of the seismic strengthening/structural improvement work or \$500,000, whichever is less.
Initial Lease Term	Ten (10) Years
Construction Rent Abatement	Port will provide up to <u>11 months (330 days)</u> of rent abatement during the construction of the Tenant Improvements.
Tenant Extension Options	Four, 5-Year Tenant Extension Options and two, 2-year Tenant Extension Options pursuant to the terms of the Lease. Total possible lease term inclusive of all Extension Options and 270 days of construction = 34 years, 11 months
Base Rent	Year 1 Base rent of \$93,500 <u>92,810</u> per annum to be paid by YMCA SF in monthly installments of approximately \$7,792 <u>7,735</u> .
Initial Term Base Rent Escalation	The annual Base Rent amount will be increased by 3% every year during the Initial Lease Term.
Extension Periods Base Rent Escalation	The annual Base Rent escalation for each year during any 5-year Extension Term shall be escalated by the percentage that is the "collared" average of the CPI for the prior 5 years, which average is subject to a minimum of 1% and a maximum of 4% per year. In no event shall Base Rent be less than Base Rent in the prior lease year. For the final two, 2-year options, the calculation will be based upon the average CPI for the preceding two years, subject to a minimum of 1% and a maximum of 4% per year.
Percentage Rent for Subtenant Activities	Tenant is responsible for payment of Percentage Rent equal to 6% of gross revenues generated at Building 49 by each for-

	profit subtenant. For each for-profit subtenant (initially Dogpatch Paddle and Daily Driver), if the Percentage Rent calculation falls below the subtenant's respective share of Base Rent as defined in the Lease in any given month, only Base Rent shall be due.
Maintenance and Repair	Sole responsibility of Tenant for all Building including roof, core, shell, windows, and interiors, including all site infrastructure, stormwater and drainage, and sea level rise measures; Tenant responsible for all security, daily custodial servicing, and maintenance and repair of public restrooms (including improvements, replacements, and other capital costs). Port will have no maintenance obligations with respect to the Site.
Port Financial Contribution to Public Restrooms	Port shall contribute financially to the <u>capital</u> costs associated with maintaining and repairing the Public Restrooms through a reduction of Base Rent of \$2,000 each month, subject to increase at the rate of the applicable annual escalation factor.
Connection to Existing Power Line to Building 49 During Initial Term	<u>Port will allow the Tenant to connect to the existing power line currently provided to Building 49 for the Initial Term. Port makes no representation or warranty on the condition of the existing power line. From the Rent Commencement Date, Tenant will pay an annual Capacity Charge at the Port parameter rate of \$0.20 per rentable square foot of Building 49 (6,817 x \$0.20 = \$16,360.80) on an annual basis, plus the actual costs charged by SFPUC to supply the power. The Capacity Charge will be indexed annually in line with the Rent.</u>
Southern Waterfront Community Benefits and Beautification Policy	Consistent with the latest adoption of Parameter Rates (Reso. 22-41), 6.5% of lease revenues will be set aside in the Port's Southern Waterfront Community Benefits and Beautification fund. Also, Tenant will support key elements of this Port policy. YMCA brings a proven track record of engagement with the community, supports local hiring practices, and has a strong commitment to environmental sustainability through their building design and operations as well as their educational programming. Tenant agrees that Port staff and Tenant will work collaboratively to highlight the areas of benefits to the public through ongoing engagement with the community, and to consider community members' comments and proposals in the context of Tenant's operations and the requirements and constraints of the new lease.

Port Participation in Lease Transfer Proceeds	<u>Tenant and all subsequent assignees must pay to Port twelve percent (12%) of the sales proceeds from any transfer or financing of the lease, net of reasonable costs associated with such transfer or financing (e.g., attorney fees, broker commissions).</u>
Damage & Destruction	<u>If a casualty event occurs, then available insurance proceeds will be used to repair the Premises, including the YMCA's tenant improvements. If insurance proceeds are not adequate to fully restore the Premises within 270 days, then the YMCA can terminate the Lease under certain conditions. If the Lease is terminated without repairing the Premises, any available insurance proceeds will be equitably distributed between the parties.</u>
Substantial Condemnation; Partial Condemnation; Rent Abatement	<u>Tenant entitled to lease termination or partial rent abatement in the event of a taking of the Premises which renders all or a portion of the Premises untenable, unsuitable, or economically infeasible for the Permitted Uses.</u>
Force Majeure	<u>The Lease contains commercially reasonable force majeure provisions to allow for a suspension of certain obligations during events beyond the control of the parties.</u>
Port Form Lease and City Requirements	<u>Except as noted, the Lease will be consistent with the Port's form retail lease and include standard provisions regarding Security Deposits, bonding, and other financial guarantees, Consent to Subtenants, Assignments and Transfers, and Port participation in such events, Sea Level Rise/Flooding, Taxes, Utilities, Maintenance and Repair, Hazardous Materials, Defaults and Remedies, Indemnity and Waiver, Insurance, all applicable City requirements and other customary provisions for similar leases. <u>The Port does not retain a right to terminate for convenience.</u></u>
Termination Based on Change in Laws	<u>The Lease allows the YMCA to terminate during an extension term upon payment to Port of a termination fee equal to 50% of the remaining Base Rent for the remaining term if there is a change in Laws that would materially impact the YMCA's ability to operate the Premises or cause a financially material hardship for the YMCA by requiring the YMCA to make capital improvements or impairing the YMCA's operations as determined by the YMCA. Termination under this provision requires at least 180 days' notice.</u>

<p>Port Form Lease and City Requirements</p>	<p><u>Except as noted, the Lease will be consistent with the Port's form retail lease and include standard provisions regarding Security Deposits, bonding, and other financial guarantees, Consent to Subtenants, Assignments and Transfers, and Port participation in such events, Sea Level Rise/Flooding, Taxes, Utilities, Maintenance and Repair, Hazardous Materials, Defaults and Remedies, Indemnity and Waiver, Insurance, all applicable City requirements and other customary provisions for similar leases. The Port does not retain a right to terminate for convenience given the Trust consistency of the Lease and the size of investment (at least \$5.0 million).</u></p>
<p>Limited Hazardous Materials Responsibility on Other Port Property and Indemnity Provisions for Claims on Other Port Property</p>	<p><u>Tenant is not responsible for the handling or release of hazardous materials on "other Port property" (in other words, on Port property other than the Premises) by its agents (unless such agent is performing work on Tenant's behalf or otherwise acting on Tenant's behalf in furtherance of the Permitted Uses under the Lease) or its invitees. Tenant also has limited indemnification obligations for claims on "other Port property" arising out of its invitees' and agents' acts, omissions, or negligence.</u></p>
<p>No-Fee License for Use of Outdoor Space in Crane Cove Park</p>	<p><u>In conjunction with the Lease and in compliance with the Port Code (which regulates Port parks), the Port will enter into a separate license agreement (License No. 17011, or "License") with the YMCA which grants a revocable, personal, non-assignable, non-exclusive, and non-possessory privilege for the YMCA and its approved subtenants to conduct aquatics and fitness classes and other permissible activities in the Park. All activities must be performed in compliance with the Operations Plan. Provided there is no Event of Default under the Lease, there shall be no fee under the License, but the License will otherwise conform to the approved Port form for license agreements including standard provisions regarding Indemnity and Waiver, Insurance, applicable City requirements, and other customary provisions.</u></p>

By year 5 of the lease, these lease terms are estimated to result in approximately \$5.4 to \$6.4M ~~\$6.7M~~ invested in the building; \$67k to \$125k in total annual rent to the Port Base Rent plus Percentage Rent), and publicly accessible restrooms, food and beverage cafe, water recreation center, and a community wellness facility.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The San Francisco Planning Department has reviewed the YMCA SF Building 49 project for compliance with CEQA. On October 5, 2015, the Planning Department issued a Community Plan Exemption for the Crane Cove Park – Pier 70 project (Planning Department Case No. 2015-001314ENV) under the Eastern Neighborhoods Rezoning and Area Plans Final EIR (Planning Department Case No. 2004.0160E). The Port Commission affirmed this determination on October 13, 2015. Subsequently, on April 11, 2022, the San Francisco Planning Department issued a Determination of No Substantial Modification, which found that the YMCA SF Building 49 project is within the scope of the project evaluated in the prior Community Plan Exemption (2015-001314ENV), and no additional environmental review is required.

PUBLIC TRUST CONSISTENCY

The rehabilitation, reuse, lease, and operation of Building 49 by the YMCA SF as described in this Memorandum will benefit the Public Trust through historic rehabilitation of and investment in Trust assets, enhanced water recreation opportunities, and provision of visitor-serving amenities, all of which will attract the public to use and enjoy these cultural and historic resources and generate revenue to help fund necessary improvements throughout the Port.

RECOMMENDATION AND NEXT STEPS

Port staff recommends approval of the attached Resolution 23-20, authorizing the Port Executive Director to execute Lease 16997 and to waive any applicable fees with the companion License. If approved by the Port Commission, Port Staff will promptly seek the Board of Supervisors' approval of the Lease as is required for any lease having a term of ten (10) years or more.

Prepared by: Jamie Hurley, Development Project Manager
Real Estate and Development

For: Josh Keene, Assistant Deputy Director
Real Estate and Development

Rebecca Benassini, Deputy Director
Real Estate and Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 23-20

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and
- WHEREAS, On February 9, 2021, the Port Commission, by Resolution 21-07, authorized Port staff to issue a request for proposals (“Request for Proposals” or “RFPs”) and manage the solicitation process for the adaptive rehabilitation, reuse, lease, and operation of two historic structures – the ‘Kneass Building’ and ‘Building 49’ – both located in the Pier 70 Area adjacent to Crane Cove Park generally along Illinois Street between 18th and 19th Streets; and
- WHEREAS, On April 14, 2021, the Port issued the Request for Proposals for the “Kneass Building” and “Building 49”, (or collectively the “Crane Cove Park Buildings”); and
- WHEREAS, On June 9, 2021, the Port received two responses for Building 49 that met the RFP minimum qualifications; and
- WHEREAS, A five-member scoring panel consisting of a real estate development expert, a Port staff person, a Port advisory committee member, a citywide stakeholder and a person with City planning experience conducted interviews and scored the two Building 49 proposals against the objectives and evaluation criteria set forth in the RFP; and
- WHEREAS, The YMCA of San Francisco (“YMCA SF”) proposal received the highest score from the scoring panel; and
- WHEREAS, On September 14, 2021, the Port Commission received a briefing on the responses received, the concepts presented and the scoring panel process; and
- WHEREAS, On October 6, 2021, Port staff and YMCA SF presented to the Port’s Southern Advisory Committee (SAC) a briefing on the responses received, the concepts presented and the scoring panel process; and;

- WHEREAS, On October 26, 2021, the Port Commission approved Resolution 21-46 authorizing staff to enter into lease negotiations with YMCA SF; and
- WHEREAS, On June 19, 2008, the San Francisco Planning Commission certified the Final Environmental Impact Report for the Eastern Neighborhoods Rezoning and Area Plans (Eastern Neighborhoods EIR) (Planning Department Case No. 2004.0160E) in compliance with the California Environmental Quality Act (CEQA); and
- WHEREAS, On October 5, 2015, the San Francisco Planning Department issued a Community Plan Exemption (CPE) for the Crane Cove Park – Pier 70 project (Planning Department Case No. 2015-0013214ENV) under the Eastern Neighborhoods EIR, which found that the Crane Cove Park project is encompassed within the analysis contained in the Eastern Neighborhoods EIR and required no further environmental review; and
- WHEREAS, Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods EIR that are applicable to the Crane Cove Park project, and these mitigation measures are set forth in their entirety in the MMRP attached to this resolution as Exhibit A; and
- WHEREAS, On April 11, 2022, the San Francisco Planning Department issued a Determination of No Substantial Modification which found that the YMCA SF Building 49 project (Project) is within the scope of the project evaluated in the Eastern Neighborhoods EIR and the prior Community Plan Exemption (2015-001314ENV), and no additional environmental review is required; and
- WHEREAS, There have been no substantial changes to the Eastern Neighborhoods Rezoning and Area Plans or the Crane Cove Park project, and no substantial changes in circumstances, that would require major revisions to the Eastern Neighborhoods EIR or prior Community Plan Exemption due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusion set forth in the Eastern Neighborhoods EIR or prior Community Plan Exemption; and
- WHEREAS, On October 11, 2022, Port staff presented an information item to the Port Commission, which discussed the proposed terms of Lease No. L-16997 (the “Lease”) as negotiated by the parties; and

- WHEREAS, On October 26, 2022, Port staff and YMCA SF presented a briefing to the SAC on the proposed Lease terms and program; and
- WHEREAS, The rehabilitation, reuse, lease and operation of Building 49 by the YMCA SF as described in the Memorandum to the Port Commission dated April 21, 2023 will benefit the Public Trust through historic rehabilitation of and investment in Trust assets, enhance water recreation opportunities, and provide visitor-serving amenities which will attract the public to use and enjoy these cultural and historic resources and generate revenue to fund necessary improvements throughout the Port; and
- WHEREAS, Port staff recommends approval of the proposed Lease with the YMCA SF on terms including an investment by the YMCA SF of at least five million dollars (\$5,000,000) into Building 49 and monthly rent to the Port, and approval of a companion, no-fee License 17011 (the "License") governing the YMCA SF's use of a portion of Crane Cove Park for YMCA SF programming, all as further described in the Memorandum to the Port Commission dated April 21, 2023 accompanying this resolution and on terms set forth in the Lease and License on file with the Port Commission Secretary; and now therefore be it
- RESOLVED, That the Port Commission hereby affirms the Planning Department's CEQA determinations and adopts the MMRP attached hereto as Exhibit A and incorporated by reference as part of this resolution, and includes all required mitigation measures contained in the MMRP as conditions of approval; and be it further
- RESOLVED, That the Port Commission hereby approves the Lease on the terms and conditions described in this resolution and the Memorandum to the Port Commission dated April 21, 2023 accompanying this resolution and on terms set forth in the Lease on file with the Port Commission Secretary, and authorizes the Executive Director or her designee to forward the Lease to the Board of Supervisors for their consideration and approval; and be it further
- RESOLVED, That the Port Commission hereby approves the License as described in the Memorandum to the Port Commission accompanying this resolution and on terms set forth in the License on file with the Port Commission Secretary, and authorizes the Executive Director or her designee to forward the License to the Board of Supervisors for their consideration and approval; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to execute the Lease and after execution of the Lease, the License, after approval of said documents by the Board of Supervisors; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to enter into any additions, amendments or other modifications to the Lease or License that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 25, 2023.

Secretary