

MEMORANDUM

February 7, 2020

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Informational presentation regarding a proposal for a lease renewal with Andre-Boudin Bakeries, Inc. for the Chowder Hut located at Seawall Lot 301 at The Embarcadero and Taylor Street for a term of 10 years with a 5-year option.

DIRECTOR'S RECOMMENDATION: Informational Only

Executive Summary

Andre-Boudin Bakeries ("Boudin") is currently the tenant under Port Lease No. L-14814 and an affiliate of Boudin Properties, which operates the Boudin flagship location on Jefferson Street. In early 2019 representatives of Boudin approached the Port to discuss a new/extended lease term on the lease, which expired December 31, 2019. After preliminary negotiations of key terms Port staff commissioned a third-party economics consultant team of Seifel Consulting Inc. and C.H. Elliott & Associates ("Seifel") to analyze the proposal.

Under this proposal, Boudin proposes, among other things, to add an enclosure to the outdoor dining area, which would allow for year-round use and thus add seating capacity to the restaurant. This in turn would increase sales that would improve the Port's financial metrics and provide the tenant with additional lease term, all as further described below.

Based on consultant and staff analysis, Port staff believes that Boudin's lease proposal satisfies the requirements of the direct negotiation exception to the Port's Retail Leasing Policy.

THIS PRINT COVERS CALENDAR ITEM NO. 12C

Accordingly, through this informational presentation, staff is seeking direction from the Port Commission as to whether to bring the proposal described below to a future Port Commission meeting for approval of the transaction as described in this report.

Strategic Objective

The proposed amendment and restatement of lease is expected to contribute in a substantial way to meeting the Stability Objective of the Port's Strategic Plan by managing the real estate portfolio to maximize value and income to the Port and to foster a tenant that would be better able to perform through economic cycles.

Background

Boudin currently operates a casual take-out restaurant called the Chowder Hut ("Chowder Hut") located at 2890 Taylor Street, also known as the Octagon Building, under Lease No. L-14814 in the heart of Fisherman's Wharf. Boudin is one of San Francisco's oldest continuously operating companies with roots back to the Gold Rush days of 1849. Boudin has been in business for over 170 years and is known world-wide for its famous sourdough French bread. Its cafés and bakeries serve its signature sourdough bread baked daily with a stated mission to offer fresh, quality food at fair, affordable prices. Boudin also has a long history of investing in Fisherman's Wharf highlighted by the 2005 opening of a 26,000 square foot Baker's Hall demonstration bakery, marketplace, café and restaurant, and Bakery Museum.

Boudin has also operated the Chowder Hut at the Taylor Street location for approximately 20 years in close proximity to the flagship restaurant and bakery on Jefferson Street. Together these operations contribute a great deal towards attracting the estimated 19.1 million visitors to Fisherman's Wharf annually.

Pursuant to the Original Lease, Boudin was required to make capital improvements of at least \$335,000, which were completed in 2011. Pursuant to the First Amendment, Boudin committed to an additional \$365,000 in capital improvements, which were completed in 2013. In both cases the work was completed in an efficient and timely manner, and Boudin has been operating as a casual dining restaurant with outdoor self-seating since then.

Lease Summary

Boudin currently operates under Port Lease No. L-14814 (the "Original Lease"), which commenced on January 1, 2011, as amended by First Amendment dated December 6, 2012. The Original Lease covers approximately 5,400 square feet of existing building and exterior patio space housing the Chowder Hut restaurant. Boudin is allowed under the Original Lease to operate as an indoor/outdoor casual dining restaurant.

The Original Lease provides for the Port to receive the greater of guaranteed monthly base rent or percentage rent. Current monthly Base Rent is \$7,714.92, which equates to \$92,579.04 per year. Percentage rent is set at 9% of Gross Sales for food, beverage and retail sales. For the 12-month period ending in December 2019, Boudin reported total Annual Gross Sales of \$4,004,333, which resulted in \$267,811 of Percentage Rent

over Base Rent being paid to the Port. Moreover, Percentage Rent has always exceeded Base Rent since the commencement of the Original Lease in 2011. The Port is also entitled to a 10% participation in the proceeds of a transfer of the Original Lease.

Boudin has consistently been in compliance with the Original Lease, which is currently on month-to-month holdover status since the Lease expired on December 31, 2019.

Proposed Transaction

The schedule below outlines the basic terms and conditions of the proposed transaction.

<i>Tenant:</i>	Andre-Boudin Bakeries, Inc., a California Corporation
<i>Premises:</i>	Parcel A: approx. 1,226 sq. ft. of interior restaurant space. Parcel B: approx. 660 sq. ft. of mezzanine space. Parcel C: approx. 2,749 sq. ft. of outdoor dining area. Parcel D: approx. 765 sq. ft. of restrooms.
<i>Term:</i>	Ten (10) years. Tenant shall have one (1) Option to Extend the Lease for an additional five (5) years at fair market value.
<i>Commencement Date:</i>	Upon the full execution of the Lease subject to Port Commission and Board of Supervisors approval.
<i>Base Rent:</i>	Base Rent shall be the greater of (a) 70% of the average annual aggregate total rent for preceding 3 years, or (b) the Base Rent prior to the Rent Adjustment Date multiplied by the increase in the SF/San Jose CPI over the 5 years since the prior Rent Adjustment Date. If the adjusted rent is less than the current Base Rent, it shall remain unchanged. The Base Rent shall be adjusted on each 5-year anniversary per the same formula.
<i>Percentage Rent:</i>	Percentage Rent for Food & Beverage and Off-Premises sales shall remain at 9% of gross revenue for all sales, payments and revenues transacted, arranged or performed, in whole or in part, on the Premises.
<i>Transfer Participation:</i>	The Port's transfer participation in Net Proceeds from defined capital transactions will be increased from 10% in the Original Lease to 12%.
<i>Security Deposit:</i>	Two months of the Minimum Rent adjusted in the 5 th year and the 10 th year to reflect any increases in Minimum Rent throughout the term including extensions.
<i>Permitted Use:</i>	The Premises shall be used solely for indoor and outdoor casual dining, including the on-site sale only of alcoholic

	beverages. Tenant shall be permitted to hold special events within the Premises.
<i>Improvements:</i>	<p>Tenant, at its sole cost and expense, shall construct and complete the Tenant Improvements with a minimum expenditure of \$800,000.</p> <p>The improvements would be separate and in addition to any required Repair and Maintenance per Section or Damage and Destruction per Section of the Lease. As part of the proposed Scope of Tenant Improvements, Tenant will be responsible for obtaining all necessary permits and approvals as necessary.</p>
<i>Performance Conditions to Option Terms:</i>	<p>Option subject to Port discretion if sales per square foot over preceding 12 months are less than 70% of same metric leading up to execution of lease amendments (i.e. current sales).</p> <p>Option subject to completion of Tenant Scope of Improvements during the initial twenty-four (24) months of the extended Lease Term.</p>
<i>Option Exercise Period:</i>	Subject to performing the conditions as outlined above, Tenant shall provide written notice of its intent to exercise its Option to Extend within 12 to 24 months prior to expiration.
<i>Percentage Rent During Option Period:</i>	Percentage Rent shall be reset at beginning of the Option period to fair market value, however in no event below 8% and not above 10% of gross revenue.
<i>Obligations Regarding Public Restrooms:</i>	Under the Original Lease, Tenant has the responsibility to maintain the restrooms at the facility for public use, in exchange for the right to take rent credits for a portion of those costs. The parties are negotiating the scope of these responsibilities and the amount of Port participation in costs via rent credits going forward. Final terms will be detailed in the staff report if and when this item returns to the Port Commission for approval.
<i>Maintenance and Repair:</i>	Tenant shall be responsible for all maintenance and repair of the Premises.
<i>Utilities:</i>	Tenant shall be responsible for all utilities to the Premises.
<i>City Requirements:</i>	The amended lease shall be updated to include all current City ordinances and requirements as necessary.

Project Description

Current Chowder Hut Site

The current site consists of a portion of Seawall Lot 301 located at the corner of Embarcadero and Taylor Street. The restaurant is situated in the Northwest corner of the Seawall Lot and directly adjacent to the Triangle Parking Lot. The current leasehold area of the existing lease is approximately 5,400 sq. ft. consisting of approximately 1,226 sq. ft. of interior restaurant space, 660 sq. ft. of mezzanine space, 2,749 sq. ft. of outdoor dining area and 765 sq. ft. of restrooms.

Proposed Improvements to the Site

Boudin proposes to design and construct a patio enclosure around the restaurant's exterior seating area, which will significantly improve the visual experience of the Chowder Hut for tourists and locals who visit Fisherman's Wharf. The enclosure will include a new pony wall with wood façade with retractable glass windows and ceiling that may be opened or closed as weather permits. This new structure will provide a more comfortable environment for guests, especially during periods of inclement weather. The enclosure will also provide a more secure environment compared with the current open-air seating configuration which is susceptible to vandalism as well as wear and tear due to the harsh weather conditions at the Premises.

The construction will be designed and constructed by a licensed architect and contractor and will also include a refresh of the tables and chairs concurrently with the grand opening of the new enclosure. The cost of these improvements will be approximately \$800,000. Key Benefits of the proposed improvements are:

- Provide an aesthetically pleasing enhancement to the Chowder Hut in the heart of Fisherman's Wharf.
- The enclosure of the outdoor seating area will allow the Chowder Hut to serve customers during inclement weather conditions and provide a better customer experience for its guests.
- The enclosure will increase sales performance and revenue generation to the Port, as further discussed below.
- The Patio Enclosure will provide for a more secure environment compared with the open-air barrier that currently surrounds the Chowder Hut dining area.

Financial Analysis

As mentioned above, Port staff has commissioned Seifel to perform a third-party financial analysis of the proposed terms and the likely benefits to the Port. Relevant portions of that analysis are included in this section of the report.

As shown on the Comparative Annual Sales Performance **Table 1**. below, the Chowder Hut performs very well when compared to comparable restaurants along the Waterfront.

**Table 1.
Comparative Annual Sales Performance**

Restaurant	Estimated Square Footage			Est. Number of Seats	Annual Sales in 2018			
	Outdoor ^a	Indoor ^b	Total		Total	Per Total SF	SF	Per Seat
Hi Dive	500	1,937	2,437	99	\$1,997,751	\$820	\$1,031	\$20,200
Cappurro's	1,759	4,286	4,286	166	\$2,594,497	\$605	\$605	\$15,600
Pompei's Grotto	310	4,140	4,450	N/A	\$2,794,849	\$628	\$675	N/A
Pier 23 Café	1,835	3,000	4,835	175	\$5,034,643	\$1,041	\$1,678	\$28,800
Chowder Hut	2,749	1,886	4,635	149	\$4,151,309	\$896	\$2,201	\$27,900

a. Includes back patio space for Cappurro's.
b. Includes mezzanine space for Chowder Hut.

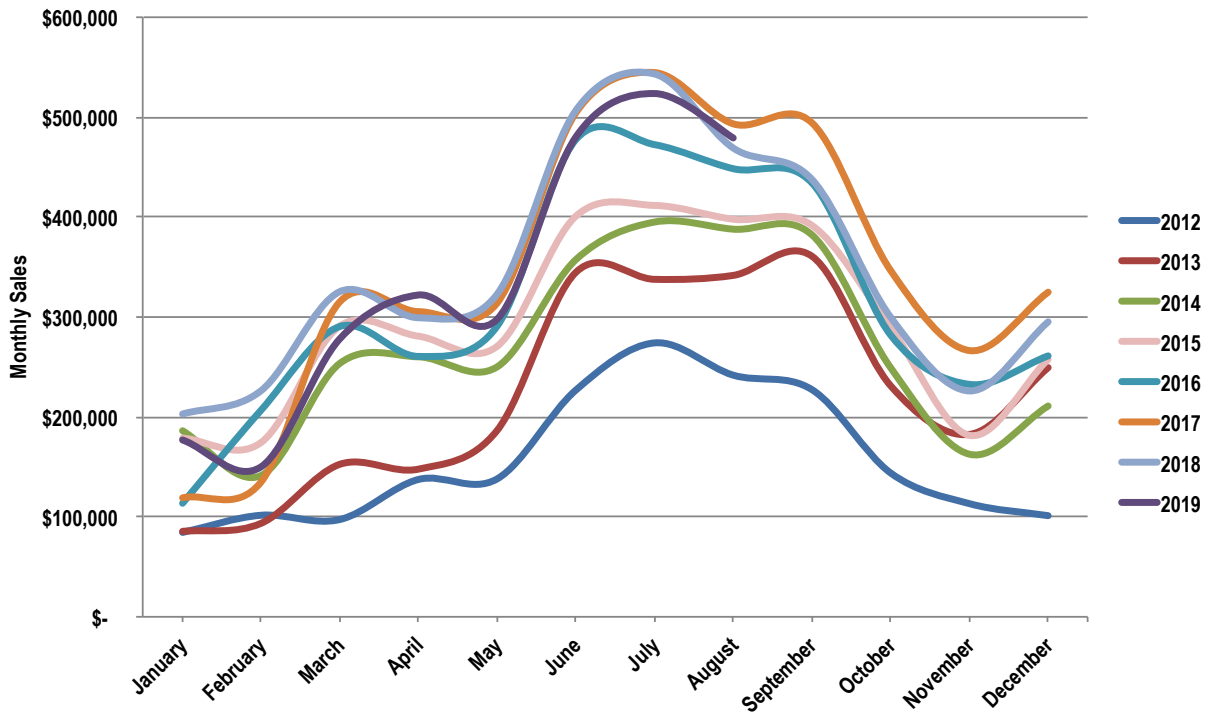
Annual sales from Chowder Hut are significantly higher than nearby Pompei's Grotto and Capurro's in Fisherman's Wharf (based on annual sales per seat and per square foot for interior and exterior space). Chowder Hut's sales are also higher than Hi Dive based on all sales metrics. Hi Dive is primarily a bar that benefits from higher margin alcohol sales, and the Hi Dive is much smaller in size and is located between Piers 28 and 30 on the waterfront in South Beach.

While Pier 23 Café has higher sales than Chowder Hut based on sales per square foot of interior space and on a per seat basis, it also benefits from a greater proportion of bar sales and its more central location along the waterfront. Pier 23 Café is in the high visitor corridor along the Embarcadero between the Ferry Building and Fisherman's Wharf, while also being adjacent to the Financial District and Jackson Square area making it easier to attract business patrons during the week.

Notably, under the Lease Boudin pays percentage rent at a higher rate (9%) than all these other operators, and as such these sales performance numbers are even more impactful in terms of rent paid.

Port staff agrees with Boudin that the proposed patio improvements are likely to have direct impacts on the Chowder Hut's sales performance. The following graph depicts the seasonality of Chowder Hut's sales and shows a clear opportunity to improve performance in the winter and early spring months.

**Figure 1
Chowder Hut Monthly Sales**



The Seifel team has undertaken various financial analyses, including cash flow projections of future sales and Port lease revenues in order to determine the potential value to the Port with the proposed new lease (Scenario 1– New Lease) compared to a second lease scenario that assumes the current lease would be terminated and the Port issues a request for bids for a new lessee (Scenario 2–Lease Expiration and Bid). The following sections describe the financial analysis that has been undertaken of these two scenarios beginning with the evaluation of the first scenario.

**Analysis of Potential Revenue with Lease Amendment
(Scenario 1– New Lease)**

The first step in the financial analysis was to analyze the proposed new lease based on information provided by Boudin and historical sales for Chowder Hut and other Port properties. As described above, the historical sales revenue analysis of Chowder Hut shows that its lowest revenue months are during the first and fourth quarter indicating that Chowder Hut does not currently provide enough shelter during the cold, rainy season, particularly when compared to other Port properties that experience less fluctuations in monthly sales.

In addition to the historical monthly sales analysis of other comparable businesses, Seifel also reviewed the monthly sales performance of the largely enclosed Bakers Hall in Boudin’s neighboring flagship building. As shown in **Table 2**, Bakers Hall achieves a higher percentage of its annual sales during the colder months as compared to Chowder Hut.

Table 2
Seasonality of 2018 Monthly Sales Based on Percentage of Annual Sales
Chowder Hut Compared to Boudin Bakers Hall

Date	Chowder Hut Sales	Chowder Hut Seasonality	Baker's Hall Seasonality
January	\$202,307	4.9%	5.8%
February	\$225,975	5.4%	5.9%
March	\$325,107	7.8%	8.6%
April	\$299,105	7.2%	7.3%
May	\$322,640	7.8%	7.7%
June	\$506,539	12.2%	11.1%
July	\$542,892	13.1%	11.4%
August	\$468,885	11.3%	10.6%
September	\$437,464	10.5%	9.8%
October	\$299,466	7.2%	7.4%
November	\$225,923	5.4%	6.2%
December	\$295,006	7.1%	8.4%

Source: Port of San Francisco.

Boudin Management believes Chowder Hut should be able to increase its share of sales during the colder months to more closely correspond to Bakers Hall once the proposed improvements are undertaken. Seifel tested that hypothesis by evaluating potential monthly revenues on a per seat basis given recent performance at Chowder Hut and Bakers Hall. (Seifel chose 2018 because this is the most recent year where the Port has complete monthly sales and rent data.)

Table 7 shows that monthly sales in 2018 could have potentially increased to between about \$1,600 –\$2,400 per seat if more protected seating is provided, which is reasonable compared to the per seat revenues during the rest of the year. In addition, the recalculated sales in **Table 3** indicate that annual sales could be expected to increase by about 4%, which also seems reasonable given how sales have grown historically at Chowder Hut and at other comparable businesses that have invested in similar improvements.

In addition, Chowder Hut should be able to increase its event and group sales because of the ability to hold events within the covered patio area. This could include breakfast and evening meetings from groups staying at nearby hotels, as well as events during conferences held in the City. Boudin Management is projecting an additional \$200,000 in annual revenue from such events, or a 5% increase in sales, which should be achievable. (This is equal to approximately 40-50 events per year at an average revenue of \$40-\$50 per attendee, and average attendance of 100 people assuming that about two-thirds of the seating capacity is typically used per event.) Overall, the proposed improvements could result in an increase of 9% in annual sales, which seems reasonable based on the analysis of potential revenues.

Table 3
Chowder Hut 2018 Sales Recalculated with Proposed Improvements Using
Adjusted Seasonality and Showing Impact Per Seat

Winter Months Difference	Chowder Hut Sales	Chowder Hut Seasonality	Average Sales Per Seat	Seasonality Recalculated	Sales After Seasonality Adjustment	Off Peak Difference in Sales	Off Peak Sales Per Seat
January	\$202,307	4.9%	\$1,358	5.8%	\$239,057	\$36,750	\$1,604
February	\$225,975	5.4%	\$1,517	5.9%	\$244,631	\$18,656	\$1,642
March	\$325,107	7.8%	\$2,182	8.6%	\$355,596	\$30,489	\$2,387
April	\$299,105	7.2%	\$2,007	7.3%	\$302,028		
May	\$322,640	7.8%	\$2,165	7.7%	\$318,039		
June	\$506,539	12.2%	\$3,400	11.1%	\$462,575		
July	\$542,892	13.1%	\$3,644	11.4%	\$471,499		
August	\$468,885	11.3%	\$3,147	10.6%	\$437,977		
September	\$437,464	10.5%	\$2,936	9.8%	\$406,227		
October	\$299,466	7.2%	\$2,010	7.4%	\$307,143	\$7,677	\$2,061
November	\$225,923	5.4%	\$1,516	6.2%	\$257,575	\$31,652	\$1,729
December	\$295,006	7.1%	\$1,980	8.4%	\$348,962	\$53,956	\$2,342
Total	\$4,151,309				\$4,151,309	\$179,180	

Potential Increase in Annual Sales With Proposed Improvements: 4.3%

Source: Port of San Francisco, Andre-Boudin Bakeries, Inc.

Analysis of Potential Sales with Potential Expiration of Lease and Request for Bids
(Scenario 2– Lease Expiration and Bid)

Seifel also analyzed the projected sales and lease revenues to the Port assuming the current lease would be terminated, and the Port issues a request for bids for a new lessee (Scenario 2– Lease Expiration and Bid). Under this second scenario, Seifel assumed that the new lessee would begin to generate revenues in 2022, reflecting a 24-month bid to rent commencement process, including the issuance of the bid request, tenant selection and 9 months of improvement work to be completed and paid for by the incoming tenant. Improvement costs under Scenario 2 are assumed to be \$1 million (about \$200 per square foot), 25% of which the new tenant would get back by way of a rent credit spread over 5 years. Revenues are assumed to increase at a similar rate to that projected for Scenario 1, but delayed as the result of the bid process.

Based on the analysis of Chowder Hut and current rent terms for comparable businesses along the waterfront, the percentage rent is assumed to be 8% in Scenario 2 versus 9% under Scenario 1 for the following reasons:

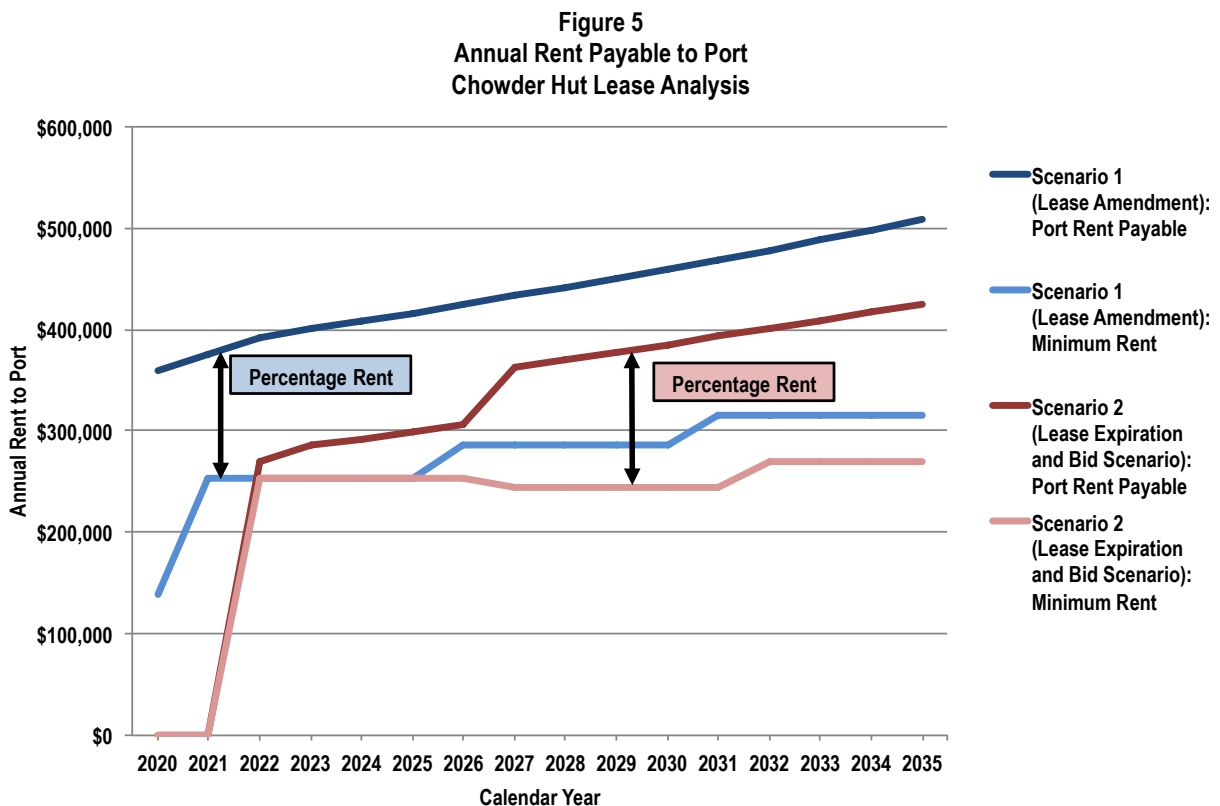
- The 9% percentage rent that Boudin currently pays is significantly higher than other Port leases for food and drinking establishments, which typically range between 6% to 7.5%. The four other comparable businesses analyzed for this memorandum have a percentage rent of 7%.

- The current lessee is able to efficiently operate Chowder Hut because Boudin combines operation and management responsibilities for Chowder Hut with its adjacent flagship facility, which has a large number of staff and support facilities.
- The responsibility for maintaining the public restrooms is an unusual lease requirement, and the cost of providing these services likely exceeds what is allowed to be reimbursed in the Original Lease (\$2,000 current monthly reimbursement).
- While Chowder Hut is located in one of the highest visitor attraction areas of the Port, it is also located immediately adjacent to the Port's major Fisherman's Wharf surface parking lot and thus experiences automobile traffic as cars enter and exit the parking lot next to the property.

Comparison of Potential Value to the Port Under the Two Lease Scenarios

Figure 2 below compares the projected revenue to the Port under the following two lease scenarios as previously described above:

- Scenario 1: New Lease (blue lines) – assumes proposed new lease and extension with current lessee, Boudin
- Scenario 2: Lease Expiration and Bid (red lines) – assumes that the current lease would be terminated and the Port issues a request for bids for a new lessee.



The value to the Port is calculated based on the net present value of the future base rent and percentage rent that the Port is projected to receive as the result of projected increases in sales and resulting lease revenues under the two lease scenarios described above. **Table 4** summarizes the results of the financial analysis, which compares the revenues to the Port under the proposed new lease (Scenario 1: New Lease) with the Port’s potential revenues if the existing lease were to expire and the Port issued a request for bids for a new lease (Scenario 2: Lease Expiration and Bid).

Table 4
Summary of Value Analysis
Comparing Projected Performance under Future Lease Scenarios
Showing Nominal Value and Net Present Value (NPV) at Six Percent (2020 \$)

Port Value Analysis (Based on Projected Lease Revenues)	Scenario 1 - Lease Extension	Scenario 2 - Lease Expiration and Bid	Value Benefit from Lease Amendment	Percent Increase
Total Value (Nominal \$)	\$7,004,923	\$4,994,285	\$2,010,638	40%
Total Net Present Value (2020 \$)	\$4,568,431	\$3,022,844	\$1,545,586	51%

As shown in **Table 4**, the Port is projected to receive additional value from the proposed new lease when compared to the lease expiration and bid scenario. Over the entire term, including the 5-year option, the value to the Port is projected to be between 40% higher on a nominal basis and 51% higher on a Net Present Value basis.

Capital Amortization Analysis under Proposed New Lease

Boudin originally proposed to invest \$500,000 for new tenant improvements under the new lease. The amount of capital expense for the proposed tenant improvements has been increased by Boudin to about \$815,000, as shown in the proposed construction budget in Appendix II. Therefore, the new lease is now proposed to include a minimum capital expenditure of \$800,000 by Boudin as a condition of the lease extension.

Table 9 shows the anticipated amortization of the capital expense assuming the existing lease is extended for an additional 10 years, with a 5 year option to renew for a total of 15 years, versus the capital amortization that would occur if the lease were only to be extended for 5 years.

Table 5
Capital Amortization Analysis
Calculated at a Six Percent Annual Rate

	Capital Expense	Years to Amortize	Monthly Amortization	% of Sales		% of Rent	
				2024	2034	2024	2034
New	\$300,000	5	(\$5,800)	1.5%	1.3%	17.0%	14.0%
<u>Original</u>	<u>\$500,000</u>	5	<u>(\$9,666)</u>	<u>2.6%</u>	<u>2.1%</u>	<u>28.4%</u>	<u>23.3%</u>
Total	\$800,000	5	(\$15,466)	4.1%	3.4%	45.4%	37.3%
New	\$300,000	15	(\$2,532)	0.7%	0.5%	7.4%	6.1%
<u>Original</u>	<u>\$500,000</u>	15	<u>(\$4,219)</u>	<u>1.1%</u>	<u>0.9%</u>	<u>12.4%</u>	<u>10.2%</u>
Total	\$800,000	15	(\$6,751)	1.8%	1.5%	19.8%	16.3%

As can be seen in **Table 5**, amortization of the capital expenses over a 5-year term for either the original proposed capital expense of \$500,000 or the total estimated investment of \$800,000 would place an infeasible monthly burden on the Tenant. If the lease is extended for an additional 15 years, including the option, then the burden drops to 1.8% of sales and 19.8% of rent by 2024, when stabilized revenues occur, which is manageable.

Retail Leasing Policy

The Port Commission adopted the Retail Leasing Policy (Resolution 11-15) for existing retail tenants which calls for Port staff to evaluate renewals and extension requests on a case-by-case basis based on proposed improvements, capital costs, the Port’s future plans for the site and tenant history. Port staff may negotiate with an existing tenant where a tenant proposes to make capital improvements; in such cases a lease extension may include the term required to amortize the planned improvements.

Under the policy, the Port Commission determines whether a Direct Negotiation Exception from competitive solicitation is granted based on the following criteria:

- Tenant is in compliance with the Tenant in Good Standing Policy;
- Evaluate whether the tenant is the most suitable economic tenant based on reasonably projected sales and revenues to the Port, using comparable retail rents on a per square foot basis; and
- Request a written business plan and evaluate the plan to determine the cost and value of the capital improvements to Port property and viability of revenue projections.

Accordingly, Boudin meets all three requirements as outlined in the Port Commission’s Retail Leasing Policy to justify the bidding exemption as requested.

Port Staff Policy Analysis

Port staff has determined that the proposed lease with Boudin, the proposed capital improvements and associated lease term noted above meet the criteria of the Retail Leasing Policy. As described above, with the assistance of Seifel, Port staff has evaluated the projected sales and revenues projections as viable and has determined the proposed capital improvements will likely generate additional revenue that the Port would not otherwise receive. In summary, Port staff agrees with the following conclusions:

1. The proposed patio improvements would likely improve the Tenant's ability to generate sales in more challenging weather months and is likely to also present increased event and group sales opportunities.
2. The proposed business plan would likely outperform a base case of terminating the lease and seeking a new operator, due in part to the time period required to establish a new operation and in part to the above-market percentage rent metric under the Lease that a competitive process in the current market would be unlikely to match.
3. The proposed new lease term (10 years, with a 5-year Tenant option so long as performance requirements are met) is reasonable in relation to the size of the operation and the need to amortize the investment over a manageable period.

Recommendation

Port staff seeks comment, input and guidance from the Port Commission at the February 11, 2020 meeting on Boudin's proposed Lease. If so directed, Port staff intends to incorporate the feedback from the Port Commission in its negotiations and return to a future Port Commission meeting with a recommendation for action at a future Port Commission meeting (subject to completion of any required environmental review).

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