

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING OCTOBER 24, 2017

1. CALL TO ORDER / ROLL CALL

Port Commission President Willie Adams called the meeting to order at 2:02 p.m. The following Commissioners were present: Willie Adams, Kimberly Brandon, Leslie Katz and Doreen Woo Ho.

2. APPROVAL OF MINUTES – September 26, 2017

ACTION: Port Commissioner Katz moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. The minutes of the September 26, 2017 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

- A. Vote on whether to hold a closed session and invoke the attorney-client privilege.

ACTION: Port Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

At 2:03 p.m., the Commission withdrew to closed session to discuss the following:

- (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: Boudin Properties located at Seawall Lot 301 at Fisherman's Wharf
Person Negotiating: Port: Michael Martin, Deputy Director, Real Estate and Development
*Negotiating Parties: Boudin: Lou Giraud

- b. Property: AB 8719, Lot 002, also known as Seawall Lot 337, AB 9900, Lot 62, also known as China Basin Park, and AB 9900, Lot 048 and AB 9900, Lot 048H, also known as Pier 48 (all bounded generally by China Basin, the San Francisco Bay, Mission Rock Street, and Third Street)
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development
*Negotiating Parties: SWL 337 Associates, LLC: Jack Bair

5. RECONVENE IN OPEN SESSION

At 3:24 p.m., the Commission withdrew from closed session and reconvened in open session.

ACTION: Port Commissioner Brandon moved approval to adjourn closed session and reconvene in open session; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

ACTION: Port Commissioner Brandon moved approval to not disclose any information discussed in closed session; Commissioner Katz seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS – The Port Commission Affairs Manager announced the following:

- A. Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Harvey Schwartz - I'm a Labor Historian but I'm also associated with a group called the Copra Crane Labor Landmark Association which has been in existence since 1996 and we've made an effort throughout the years to preserve a Copra Cane or a memorial to it.

Copra Cane was located down in Islais Creek down in Pier 84 and it was the last hand-worked kind of crane on the San Francisco waterfront. It processed Copra, which is coconut meat. There was a big facility down there. At one time this was one of the largest products in the Port of San Francisco. The effort to preserve the crane has been to memorialize and honor the workers who built San Francisco, waterfront workers and others. The idea has been that we would like to see some kind of memorial put up and we've been working for many years with the Port and we've had a lot of support from the Port from people like David Beaupre and others from the Port of San Francisco. We work with a number of Labor unions. We also work with community organizations most particularly the Friends of Islais Creek and Robin Chang has been very much involved in that.

We've had support from the West Coast Longshore Union as well as you might imagine. We'd like to see a memorial put up and we'd like it to be something that would honor the Port, and honor the workers, and honor the neighborhood down there in the Islais Creek area. Thank you very much. I appreciate being able to speak.

9. EXECUTIVE

A. Executive Director's Report

- Overview of the City's Participation in the Living Cities' City Accelerator Program

Elaine Forbes, Executive Director - Welcome to the James R. Herman Cruise Terminal.

Meghan Wallace, the Port's Finance and Procurement Manager, and Brian Strong, the City's Chief Resilience Officer will provide an update on the City's participation in the Living Cities' City Accelerator Program. It was a very exciting program and you'll be impressed with the presentation.

Brian Strong - I'm the Chief Resilience Officer for the City and County of San Francisco. I was before you several months ago as we were developing our finance options, Fortifying the San Francisco Great Seawall, Strategies for Funding and Seawall Resiliency Project. I was before you talking about the different financing options that we have. I'm going to follow up on that and Meghan's going to talk a little bit about some of the outreach and other efforts that are going on.

This is all related to the City Accelerator Project which is through Living Cities which is a foundation out of New York City. We, as a City, joined up together with folks from the Port, folks from our office, City Administrator's Office, from the Mayor's Budget Office and from the Controller's Office to put together an application. We all thought that the Seawall made the most sense and was a really exceptional project to bring forward to this cohort which included three other cities including us and focusing on large infrastructure projects or how to finance and how to move large infrastructure projects forward.

We were very happy to be selected to receive the grant. There were really two components that it supported. One of them was the work that we were doing around financing options. The other is the work that Meghan's going to talk about around the outreach and community education campaign that would be critical to moving the project forward.

It was an 18 month process. We had a little bit of a head start because we had the Vulnerability Analysis that you had supported funds for and that we had been moving forward back two years ago to look at the vulnerabilities of the Seawall. Steven Reel has presented on that Vulnerability Analysis and that got us in the queue for putting this project. It was identified in the Capital

Plan, but really starting to think about getting it higher on the list of priorities and recognizing how vital it is and how vulnerable it is.

That was part of the step one collaboration around it and we're building a knowledge base which is happening now with the recent contracts to bring more consultants on board and then expanding support. Then we'll end with where things stand today.

As I mentioned there was a Vulnerability Analysis that was done. A lot of you have seen these pictures from this chart on the bottom that shows the liquefaction, risks and the lateral spread that we expect to happen in case of an earthquake which will literally push the Seawall out to the middle of the Bay causing the piers to fall and allowing water and so forth to flood the rest of the area.

Critical transportation route, the BART tube, the Muni tube, lots of important critical infrastructure and buildings in this area. A large consideration was, "How do we address the sea? How do we address earthquake vulnerability?" But the other thing we needed to think about as we did this is, "How are we going to address Sea Level Rise?" We came up with two numbers.

One is the early estimate that it would be \$500 million to address the seismic life safety risks, potentially do a little bit of flood proofing with that for some of the lower lying areas but that the bulk of the funds would be needed to adjust Sea Level Rise impacts which we have estimates showing it's as much as 36 inches by 2015, as high as 66 inches by 2100. Whatever we do, we know we want to be thinking about that bigger picture in the long run.

We ended up having several convenings. The first one was in Denver, to learn about the infrastructure projects that they've done in Denver. It was also a central location for the various participants. This shows the leadership team that I had mentioned before - Mayor's Office, City Administrator's Office, Controller and the Port. This is where we put together a strategy and one of the smartest things we were able to do is hire a City Hall Fellow.

We had someone who was very bright and capable and able to help keep us on track and pull the information together. We also identified \$8 million for the project's planning phase. No small feat at all. Four million of that is coming from the City's Capital Planning Fund. That is a revolving fund that we use to support predevelopment for projects that are going to be part of a General Obligation Bond or General Fund debt.

As a head's up, we will be looking for that to be reimbursed when the bond passes. Then there is another \$4 million, \$2 million which came from Port funds themselves and \$2 million which came from other departments.

The Working Group that we put together had 11 members, eight City departments and one external member who was working on this, Tom

Lockard. Tom has done a lot of work with the Port in the past. He actually lives close to the waterfront and he is an expert in public finance so he was extremely helpful. We had several meetings to go through the different financing options.

We researched 48 different funding strategies. We had 11 different set of criteria that we went through for each of those different funding strategies. The criteria ranged from the source of funds and the revenue generating potential, of course knowing that we had both the \$500 million bond, or \$500 million immediate need and we had \$350 million that we put in our 10-year Capital Plan. We knew we had a gap there so we were looking at some of the short-term needs but also looking at potential revenue sources that could get up to the \$5 billion which is the bigger ask and the more long-term ask. We were looking at revenue generating potential, cost of funds, the long-term sustainability of the funds, the timing, political feasibility, and would it require a two thirds majority vote to pass? Is this something that the board can do legislatively? Challenges in working with federal and state agencies.

We looked at administrative complexity, how hard would it be to manage this? We looked at the equity cost burden too. Who would be bearing the cost of whatever revenue source we proposed?

That was the criteria we made after having a couple discussion. We brought it to the Port Commission. We brought it to the Capital Planning Committee. We also brought it to the Executive Steering Committee for the project and made the final recommendations.

We decided that we wanted to have a balance of different types of solutions. We didn't want to be too heavily dependent on one or the other and we wanted to think about everyone in our City benefits from the Seawall. I don't think there's any question about that.

We thought there was also some benefit in looking at some of the folks that are more directly impacted by it or who are using it on a more regular basis and seeing if there are different options so that we're not just relying on one large source or on all the city residents, but taking advantage of some of the residents or some of the tourist industries or those things that have a more direct connection with the Seawall.

The primary recommendations that we have, we have the General Obligation Bond which is scheduled to go on the ballot in November of 2018. That actually is a fairly tight timeline. That means that we're going to be putting together the bond package in March or April that will be going to voters.

Then we are talking about a Community Facilities District. This is the real innovative part of the recommendations here. A Community Facilities District is also referred to as a Mello-Roos District here in California. They're often done in new suburban developments where you may have one or two or less

than a handful or so of developers. You're able to assess a tax that goes with the property.

It's almost like an additional property tax. It stays with the property and it can be for up to 30 or 40 years. That property tax can then be used to improve the infrastructure of the area. That is something that's been used quite regularly again, more in suburban communities than in urban communities but it has a very strong bond rating because it's very familiar. There's a very strong market for it.

We're also working with the state's share of property tax increment revenue. This is similar to what the Port is doing with Pier 70. We know we have some sites close by at Teatro ZinZanni. There's also some sites down by Seawall Lot 337 where the Giants are. There may be opportunities for us to capture some of the share that's there. Again, some of what we did with Pier 70 where we can capture the state's share of property tax, possessory interest tax that would go to the state, they've allowed us the opportunity to capture that and we're working with the City that would allow us capture the City's share as well.

Those are important, maybe not as large as some of the other ones, but very important sources. Then there's a State Resilience GO Bond, there is a bond moving forward at the state level for next November that would include parks and housing. We're looking at some opportunities there.

Then there's the U.S. Army Corps of Engineers which I'm probably the least expert on this group compared to the others, but again, a very significant source. We recognize a long-term source, one that requires quite a bit of diligence and persistence and I know Daley and folks here can answer questions on that.

Secondary are Port contributions. Those have already come through, I mentioned some of them. They are sales tax increase. That is something that was on the ballot last year, it did not pass but we do think it's worthwhile to think about a sales tax increase for something like this where we can be very clear on what the money will go toward.

As I mentioned before tourism, hotel funding. There are a lot of these supplementary amounts here. They're proposals. These are not proposals that are again going to bring in significant amounts of revenue but we do think it's important. We think it's important that we're considering the cruise ship, the people that come in and out of the cruise ship because they are definitely clear beneficiaries of the Seawall.

We're also thinking about some of the other marina fee usages, or there's been talk about advertising revenue. There's cap-and-trade funding which, we know there's a lot of different people competing for cap-and-trade funding

but this is a project that's vital to transportation. Philanthropy, bridge tolls, etc.

The efforts around the Executive Steering Committee and a Technical Committee as well reaching out to different folks at the state and federal level. This is something I just saw the Mayor two weeks ago on, who was asking me a lot of questions about. This is high on his list of priorities, very much willing to turn over every stone that he can around how we can fund this.

We also know that it's really important to get out there and talk to people about it and that's part of the focus group and Sunday Streets efforts that Meghan can talk about.

Meghan Wallace – As far as being part of the Living Cities City Accelerator Program, the City actually received a \$100,000 grant that we can determine how we wanted to use it to advance our projects. One of the first things that our team thought we wanted to get a better understanding of is perceptions of the public about the Seawall, and as well as trusting government, things like that.

We brought in a firm called FM3 that specializes in polling and focus groups. They helped us hold together these gatherings of local residents of higher and lower income brackets as well as that live in different areas of the city. We wanted to particularly test people's understanding who didn't live directly adjacent to the Seawall of what the Port is, and what is a Seawall?

While there are various takeaways from all of that work, one of the biggest kernels of knowledge that we got was that through education, people's willingness and interest in supporting our investment in the Seawall grew.

With that knowledge, we took the second half of our grant and we brought in Civic Edge who you're familiar with as our communications firm on the Seawall. They helped lead the effort on Sunday Streets this summer. Sunday Streets are events on Sundays over the summer time in various neighborhoods.

We focused on neighborhoods that weren't directly adjacent to the Seawall, Western Addition, Tenderloin, and Mission. We wanted to make sure that we were being inclusive. We had packets of materials and people onsite who could speak a variety of languages and make sure that we had a broad outreach to the public.

It's a conversation about, "Why do people love the Seawall?" Thinking about just that initial education effort of, "Why do people love the Waterfront?" and an education effort about the Seawall, "What is it?" And starting to have a conversation about the potential need for them to be willing to invest through a GO Bond that we're hoping to put on the 2018 ballot.

The real activity out at the Sunday Streets was to have a large banner up. As you can see from these little animal shaped handouts. They're various maritime related pieces of paper, people, young and old would all come along and pick their favorite shape and explain why they loved the waterfront. We ended up having these collages at each event of these papers along the banner all sort of emphasizing the variety of ways that people in San Francisco love the Waterfront.

As you can see from the palm cards, they're in a variety of languages to try to be accessible across different groups of people within the City. The spinners are particularly popular with kids. All of these different things are meant for people to have real fun takeaway about the Seawall.

It could be considered a really potentially boring piece of infrastructure. "What is that thing?" "I can't see it." But this is to try to engage people and help them feel like they have a meaningful takeaway about what this thing is.

Civic Edge's activity out in the neighborhoods reached a lot of people. We had over 3,000 residents overall engaged. As you can see from all of these various statistics, information was spread across, including on online connection, some various social media.

We are appreciative of this grant. It got us to get out and start to think about, "How do we engage people, educate them and really ultimately try to gain their support for our effort?" Going back to Economics 101, it's the willingness to pay. How do you get people to want to make an investment in this piece of infrastructure? A lot of it came down to just having these conversations with people.

The last convening we had with Living Cities was here in San Francisco. They wanted to know, after 18 months of working with them and other members of the cohort, where do we stand today? From the time of being in Denver to today, we've accomplished so much from completing the Finance Working Group. We have new staff on board to move our effort forward. We have new contracts in place for program management and communications.

We do need to start thinking about how to get more money on board. We have funds through June 2018 but the real bright spot for us right now is that we are in the queue for the City's GO bond and getting on the GO bond for November 2018.

We do have these major challenges ahead of us. Some of the things that we've really learned is the sheer magnitude of this project, \$5 billion is kind of a tricky thing to hit home to people. How are we actually going to get that much money in place?

Having all these competing needs at the state, local and federal level. Whenever we're asking for money, you're going to have all these other

constituents making their case for their needs, so how do we get in line with all of those various demands that are being hit with our political leadership.

The issues of the immediate seismic risk versus the longer-term, although it's feeling more and more immediate, of Sea Level Rise and educating the public. Being able to answer their what, where, when questions is really tricky. That's kind of some of the immediate things we're trying to answer now.

What we're really about to embark on now that we have CH2M Hill on board and able to start to investigate and getting some answers into place, about how are we balancing the short and long-term risks? What are the different options for creating these improvements to the Seawall?

One other thing that I want to mention to you that was important for Living Cities was asking these questions about equity and diversity. How are we making sure that the investments that we make in the Seawall are thinking about the diverse population of San Francisco? Are we thinking about jobs to different constituents in the city? Are we thinking about how people who get to work every day, how different income groups might be being impacted?

Some of the key things we do want to think about is sharing cost burden and these different funding sources that Brian outlined, we did think a lot about making sure that we were spreading the impact of those costs across income groups.

As with Sunday Streets showed, we tried to get out to different areas of San Francisco. We think it's important to make sure that we're not just focusing nearby but applying our efforts citywide. We're going to the Capital Planning Committee in November and highlighting our work with Living Cities.

Brian Strong - In conclusion, the road ahead is about how we're going to implement these financing strategies. There's quite a bit of efforts going down, but we'll see what's happening with the federal budget around the U.S. Army Corps of Engineers.

We are moving forward to get this on the ballot. I mentioned that March is when we really need to start to make sure we have a good handle on what's going to be in the bond program.

The consultants, CH2M, Steven Reel and the other engineers are working very hard to put together a package. Whenever you're doing a General Obligation Bond or something like that, the voters and the people in the city want as much detail as possible, but we also want to be careful what we promise or we may run into a situation where if something changes and we aren't able to deliver on that promise or it may just appear that we don't deliver on that promise. Either way, we get in trouble. That was the reason for the \$8 million investment. That's a lot of the effort that we're going to be

making between now and March. Then it will be working with the board, working with other constituents, talking about how it fits in with other needs and so forth around the city.

The 60-day kickoff with the management consultants. One thing about doing resilience that I've learned is, I've been in this position for a little less than a year, that every project has to have multiple benefits and so the Seawall Project can, while addressing the Seawall is the primary concern, we also want to make sure that it's addressing equity, that it's helping with job placement, job development, that it's helping to ensure that we have an effective transportation system that's not just delivering people from across the Bay, but also from the Bayview and different parts of the city.

That is really important, and the whole preparation, making sure that people are aware. The folks in San Francisco have been very generous since 2008 we've passed about \$3.5 billion in GO bonds. That's more than the previous 50 or 60 years combined. We know that if we come up with a strong argument for why it's important that they'll listen. That's part of what we'll be putting together with your help.

Meghan mentioned the equity and diversity lens. While this sounds really good, there are other needs for revenue and for funding sources across the city so it's going to be important that we continue to be strong advocates and to keep this at the forefront of the decision makers in San Francisco and keep the process going.

Elaine Forbes - Thank you so much Brian and thank you so much Meghan. I do want to mention that I introduced Brian as the Chief Resiliency Officer. He also puts together the City's Capital Budget. So that \$4 million really is Brian's so we hope the voters pay you back.

Thank you to Meghan and Brian and Nadia and Kate Howard for all the work they did in Living Cities cohort and to City Administrator Kelly for giving us Brian and for making this such a big priority and, of course, to Mayor Lee. I always want to remind us that we have the city at our back with this project and that's a very important thing indeed.

- Pier 70 Waterfront Development Site Update

Also, come see Pier 70 before we get it under construction. Pier 70 Project is currently in front of the Board of Supervisors and is in the process of consideration for the Special Use District and the Trust Exchange and the Disposition and Development Agreement all of which you recommended to the Board of Supervisors. I'm very happy to report that the one CEQA appeal has been withdrawn.

We're moving forward with the project of this size with no controversy. Thanks in huge part to the leadership of Supervisor Malia Cohen and the

Office of Economic and Workforce Development. The project is currently unopposed. So just to pause a moment and reflect on what it means to be a project of this size in San Francisco unopposed.

There is very strong support of the Board of Supervisors. The budget analyst has found that our plan is generally consistent with the Term Sheet. We have our fingers crossed that next Tuesday at the full board, we will have an overwhelmingly positive vote.

- SF Open Studios 2017 – October 28 & 29, 2017

I wanted to let everyone know that this weekend, October 28th and 29th will be Open Studios at Pier 70. It's a great opportunity to get out. It's from 11:00 AM to 6:00 PM at the Noonan Building which is located at the foot of 20th Street east of Illinois Street and the Dogpatch neighborhood. Please come out and support our local artists at the Noonan Building.

- Seawall Resiliency Project Kick-off – October 18, 2017

On October 18th, we had the kick-off to the Seawall Resiliency Project with our new engineering contract team in hand. You'll recall we have a 10-year contract with CH2M for planning, engineering and environmental services. At this kickoff we had key staff from their Executive Management Team and their sub consultants - Arcadis, Corollo, Fugro, CMG, ICF, SGH, GTC, Telamon, and Hollins Associates. We had the Port's management team and the Seawall team. The discussions included the purpose and objectives of the project. Key staff roles and responsibilities, our communications protocol and a round table discussion on critical success factors and key performance indicators. Over the next 60 days, we are working hard to develop a detailed project work plan and schedule and to commence data collection and analysis and began a multi-hazard risk assessment.

It is really good to be underway with this project and be at this stage. We'll provide an update for you and the public at our December meeting.

- Opening of Queen's Louisiana Po'-Boy Café – October 12, 2017

On October 12th, Queen's Louisiana Po'-Boy Café opened to the public. This restaurant is located at 33½ in the northern waterfront. The early reviews of the café are very good. Our real estate staff has been there and eaten and they give Queen's thumbs up. They said their fish and chips, jambalaya, and signature Po' boy sandwiches are all excellent. We hope you visit Queen's very soon to welcome our newest waterfront restaurant.

I know many were involved with Queen's so I want to thank Robert Davis, and Jay Edwards and other Real Estate staff who worked very hard on it. I especially want to thank Susan Reynolds. When Port Commission brought to us a challenge to work on having a more diverse portfolio of our tenants, it

was Susan who had really gotten her creative juices flowing and thought, "How do we bring in a local business enterprise?" and brought in a first of its kind pilot program, and Queen's is a success. Thank you so much Susan.

- Fleet Week Emergency Planning and North Bay Fires

As you know, the Port organized a full scale exercise on September 28, 2017 to test our readiness to a full scale earthquake with Port staff and DEM. The exercise transpired at the Mariposa Yacht Club at Pier 50 and Pier One. This full scale exercise allowed us to learn lessons about how ready we are.

Whenever you get into the mode of the catastrophe, you realize you don't have sunscreen to go out to inspect piers. Your phones aren't working. Where are your batteries? How do you get in? I observed staff in this process. Everyone seemed really terrified, like it was happening. So congratulations to you all. But they also seemed in a learning mode, very eager, very attentive to duty and it was great to see everyone in action.

On October 1, Port staff participated in the follow-up exercise from the earthquake drill. It was sponsored by the San Francisco Bay Regional Port Reopening Coalition, which is a group of partnering agencies in the maritime community throughout the Bay Area. This earthquake exercise was to get the Port up and running after a major catastrophe. At this exercise, we had goods coming in at the Mariposa Yacht Club ramp and the Southern Waterfront going to SF General Hospital. The results of that were presented at the Senior Leadership Seminar at Fleet Week. I received personal compliments from the command of the Navy and of the Coast Guard on the work that we did. The number of hours it took to get us up and ready were longer than they had thought and that was very important to know.

Specifically I received huge compliments on Diana Bartram's work. Many command staff came up to let us know what a jewel we have in Diana. Thank you Diana for all your hard work.

Diana is the Port's Emergency Planner and she was deployed to the Emergency Operation Center in Santa Rosa for seven days in support of the Wildland Fires in Sonoma County. She served as EOC manager for the night operation period overseeing many issues that arose from sheltering and dispatch. She also served as Logistics Chief, designed and coordinated all logistics for three points of distribution in 37 hours.

It was a great relief to us that we could provide her expertise to that terrible tragedy. She brought back lots of learning for us. We're very proud of her for that deployment.

B. Port Commissioners' Report:

Commissioner Woo Ho - I wanted to comment since we did deploy somebody for the emergency operations in Santa Rosa. I do have a house in Napa and for seven days I was on pins and needles as the fire approached us. Finally, one fire spot did land on the lower part of our property but fortunately our house and vineyards were spared. I wanted to comment on the valor and the bravery of the firemen that came from all over the state.

My neighbor was able to capture some of them because they used his driveway as a staging area for the fire trucks on Monte Vista Road in Napa. They were two battalions from Los Angeles. I wrote them thank you notes.

They said they were so proud and honored to be able to protect the homes. I just want to make this comment because I think so many of us have friends and family that were affected and not all of us were spared. Some of them obviously have occurred great loss and tragedy and hopefully not human lives with those that we know, but we know certainly loss of property.

In this time when we often see so many issues going wrong in this country, Washington, across the state, everything else, a crisis of this kind really brings out the best of humankind. It was all of the outpouring of support from friends and family throughout the week that kept us going because we didn't know whether our house was going to make it or not and whether all of our treasured belongings which we were only able to take a few because we got out just before the evacuation order. We weren't physically up there but my son-in-law got up there to get it.

I just have to tell you, it put my faith back into mankind in this trying time when we look around us and see so many problems and issues in the world that we sometimes wonder has the world gone crazy? My basic faith has been restored.

Commissioner Katz - I concur with the remarks of my colleague. I would like to request that we adjourn our meeting in memory of those who lost their lives during the fire. And those who lost so much and in honor of all of those heroes, not just the firefighters, but the friends, the neighbors that did what they could to save others. It really was such a testament to what's best in certainly our state and our people. If we could adjourn the meeting in their honor as well.

Commissioner Brandon - I agree. My heart goes out to everyone who've lost their homes, their lives, friends, families. I do agree with my fellow Commissioners that we should adjourn the meeting in their honor.

I also want to thank Brian and Meghan for doing such a wonderful report. You guys have done a lot in a short period of time. The outreach and the involvement and finding the funds necessary to make it all happen has just been incredible so I just want to thank you so much because this is a huge project for us and you guys are off and running.

Commissioner Adams - Before I get into my report, I would like to hear from Commissioner Brandon, Peter Dailey and Byron Rhett. They went to Long Beach for the American Association of Port Authorities conference and I think it's due diligence for them to come forth and give us an update on what happened at the AAPA conference.

Commissioner Brandon - The cohort met last year in New Orleans at the same time that we have this conference and I know Director Forbes was trying to go back and forth and do both. So perfect timing.

Byron Rhett - Thank you President Adams. I'm Byron Rhett, Chief Operating Officer. This is my first opportunity to go to this meeting in about 10 or so years. I appreciated some of the sessions and contacts I was able to make there. I wanted to briefly touch on a couple of them.

I had an opportunity to meet with some of the people who were on staff from Long Beach who were focusing on Workforce Development. I made some good contacts that would be helpful for the Port as we move forward with our efforts. As we're trying to grow our auto import business at Pier 80, I had an opportunity to meet with folks from San Diego in particular who were also contracting with Pasha to develop their car imports as well. I think those will be good contacts for us going forward.

Lastly, I went to a couple of sessions related to the environmental efforts from ports around all of America. Since the AAPA covers the United States, Canada, Central America and South America, it was interesting to hear some of the best practices that various ports are using to address some of the environmental challenges that ports have to deal with.

In particular conversations with a Port Director from the Port of Hueneme who had some cutting edge practices that they were pursuing and hope that our staff will be able to work closely with their staff and maybe some of those practices we can put into place here in San Francisco.

Peter Dailey - It was great to have Byron and Commissioner Brandon at the AAPA. I think it was the 106th annual convention of the AAPA. AAPA consists of 130 different ports from South Central United States and Canada. You get a chance to visit with your counterparts from around the Americas which is always enlightening.

I do want to give a special thanks to the City of Long Beach. Their dynamic young Mayor, Robert Garcia, welcomed everybody with open arms and as well as the Port of Long Beach was our host. Commissioner Adams, your old friend Mario Cordero, the new Executive Director, former Head of the FMC made a point to say hello to you. It was a great conference. Byron hit all the high spots.

Commissioner Brandon - Don't forget about our lunch with our operator.

Peter Dailey - We did have a chance to visit with the CEO, James Callahan of Metro Ports or Nautilus holdings and the President of Metro Cruise who is hosting us here today in our cruise terminal, Stefano Borzone. With Commissioner Brandon, we had a chance to talk about various sundry issues and that was a nice respite from the convention food.

Commissioner Brandon – I don't know if there's much more to add but it was a great convention. I was totally impressed with the Port of Long Beach. They have 175 shipping lines calling on them. They have the second largest infrastructure budget in the country. They have planned \$4 billion just in the next decades. Maybe we can borrow a little from them for our Seawall Project.

Their Commission is similar to ours, they have four women and one man. It was just great being there, having the networking opportunities with other Commissioners and staff members from various ports to share best practices. They had really good panels and very informative sessions. It was a good spending time with Peter and Byron and just hearing what everyone else is doing. I was totally impressed with the Port of Long Beach.

Commissioner Adams - A couple things I'd like to say before I start. First of all I want to thank Metro, they're sitting in the back of the house. Thank you for hosting us. I know Stefano may try to make it, but thank you so much for having us here.

I want to give a shout out to SFGovTV. Thank you. Appreciate all your work, thanks for showing up. Before I get started, a few comments I have to say. I'm totally disgusted about what I'm hearing in the news, especially what's going on with sexual harassment of women, whether it's in Hollywood, anywhere on the job.

This Commission finds sexual harassment of anybody -- we condemn that kind of behavior. It's unacceptable. It would be unacceptable here at this Port and in our society. That is not how we're supposed to conduct ourselves as Americans and as human beings. People have to come forward and I'm glad they're speaking out. You need to know where this Commission stand. We deal with business matters but you need to know who we are as people and what our principles are. We condemn that kind of behavior. I'm embarrassed by men that do those kinds of things. It's unacceptable and that behavior is condemned.

I'd like to have a moment of silence for the victims that passed away in Puerto Rico. I agree with my fellow Commissioners about the victims that died in the fire in the Bay Area. Three members of my union were shot in Las Vegas where 59 people lost their lives. The three members of the ILWU out of local 13 were up at the concert in Las Vegas. They didn't die, but all three of them fell on top of their wives to protect them and their kids when the shooting started.

One guy was shot in the back twice. He's had four surgeries. He will recover. He's at Cedars Sinai. We had another one that was shot in the leg. We had one

that was shot in the stomach. I consider them heroes and it's kind of sad that you can't go out in America just to enjoy yourself and people snap and things like that that happens.

At this time I would ask that we have a moment of silence for those victims in Puerto Rico, those that died in the fire, and those innocent victims in Las Vegas who were just out with their families trying to enjoy a country and western concert. Here in America, maybe sometimes we take our freedom for granted. We should always realize how fragile this life is.

[Moment of silence]

Commissioner Brandon - Stefano just walked in. I just wanted to let you know that we thanked you for hosting us here and we talked about our lunch a couple weeks ago.

Commissioner Adams - On labor relations, we had an issue down here at the Cruise Terminal. On Sunday I received a call from a member of the ILWU. The first call was to Stefano, and by a phone call we were able to resolve the issue. I want to thank Stefano and Metro because sometimes it's about communication and sometimes we have to have better communication but we were able to resolve it.

Stefano, thank you very much for your commitment with Metro and working together with ILWU and the Port of San Francisco as we continue to bring more cruise ships into San Francisco as we add to the tourism business, which is our largest moneymaking in San Francisco. We have over 30 million tourists that go up and down this waterfront. We thank you for your partnership with the Port and the ILWU. We hope that one day we'll get up to a million passengers a year that would be coming to our great world-class city.

Stefano Borzone - Thank you so much for this impromptu interface. I cannot say enough about how grateful we are as a business with Metro for this relationship and this partnership and the success that it has produced hopefully for all parties involved from Labor to the Port to our company and all our employees. We think we're just getting started with Pier 27.

Obviously it's a very young, three-year, very beautiful facility that has had extraordinary success throughout the cruise industry and in many ways has exceeded expectations both on the cruise ship side as well as the event side. It has been a magnificent investment in our opinion for this city. We have a lot of good stories to come.

Thanks so much for your support Commissioner and the fact that I received a call from you on Sunday and we were able to speak and have a dialog and as you said resolve the issue certainly to a large extent. I am not aware of another place in the country, as you know, we work everywhere. I'm not aware of a place where that could have happened in that manner so I'm very grateful for it.

10. CONSENT

- A. Request authorization for the Executive Director to enter into a revised Project Partnership Agreement with the United States Army Corps of Engineers (USACE) for dredging of the Central Basin, with a revised Port matching share of 25%, not to exceed \$2,922,500, towards the initial dredging costs, and a revised additional matching share not to exceed \$1,169,000, or 10% of the initial costs payable over 30 years for future federal dredging of the Central Basin, and an additional 10% contingency of \$409,150, for a total Port project cost not to exceed \$4,500,650, subject to approval of the Board of Supervisors. (Resolution No. 17-55)

ACTION: Port Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-55 was adopted.

11. ENGINEERING

- A. Request authorization to advertise for competitive bids for Construction Contract No. 2790, Marine Structural Projects IV, (Piers 29 & 31½ Substructure Repair) (Resolution No. 17-56)

Jonathan Roman - I'm the Project Manager for the Marine Structural Project No. IV. This project is for the substructure repair of Piers 29 and 31 as detailed in the Commission Report. The substructure refers to the structural components of the pier below the deck which ultimately provides tenant and public access above deck. We're requesting your authorization to advertise for the scope presented to you today.

This is a vicinity map of the project. The blue areas represent the areas of work, so on the right hand side is Pier 29 which is right behind us and that is currently unoccupied. To the left of that is Pier 31½, which is the Alcatraz Ferry Embarkation Service which is run by the National Parks Service.

The purpose of this project is to repair the Pier substructure, namely the soffits, beams and piles to remove load restrictions. Load restrictions have been imposed due to spalling of concrete. This project has several objectives. It will help with the renewal of the Northern Waterfront. Pier 29 is currently unoccupied except for occasional staging.

Jamestown wishes to lease the property for a new restaurant and brewery. The current load restrictions would not support their proposed facilities. They want to start their construction as soon as possible, however, they will not start until the substructure is repaired.

We'll also help with the vitality of the Northern Waterfront. The National Parks Service has a concession for the Alcatraz Embarkation Ferry Service in Pier 31½. Our investment facilitates site improvements and long-term Alcatraz

operations. The repairs will give them the freedom to build their new above deck facilities which would be limited by the current restrictions.

We'll also help with the sustainability and stability of the piers. The repairs will help to extend the life of the piers another 30 years. Performing the repairs sooner will help to protect them. These areas will become less accessible due to Sea Level Rise and make future scheduling work more difficult.

This represents Pier 31½. The Embarcadero is to the lower side. To the right side is Pier 31. As it extends upward towards Berkeley. The right-hand side would be Pier 33 which would also extend out to the east. In the middle is Pier 31½ or the Alcatraz Ferry Landing.

The blue area represents the NPS Park Lease and represents the base scope of work. There were two alternate bid items, to the right and to the left and we will perform them if funding becomes available or if the actual work, the base bid is less than what we project.

The colors and the lines represent the areas to be repaired and the size of it represents the actual size of work. The red represents a soffit which is the under surface of the deck. The beams are similar to that, and we'll have slides on this and then of course the piles.

This represents Pier 29. At the bottom of the screen is the Embarcadero. Pier 29 of course projects into the Bay. The cruise ship is on the right-hand side where we're standing up here would be towards the top right-hand corner. The red line indicates the Jamestown lease boundary for the brewery and restaurant.

The shaded area represents areas that are inaccessible and once we start construction, we would daylight them and check to see if there is any deterioration in there. We believe water's not infiltrated in there and so we believe that should be minimal.

Over time, water will infiltrate concrete and penetrates to the rebar. The water causes the rebar to rust and expand, which expands which eventually cracks and compromises the concrete and rebar. This is called spalling. If too much of the material is damaged, then the load capacity must be lowered.

To repair these items, we will have to remove the deteriorated concrete and this will be done by jack hammering and with hand tools. We'll have to clean the rebar. We'll have to clean the rebar using hand tools and sandblasting and if necessary, rebar will be spliced to the existing rebar when the diameter's below a certain threshold. We'll also then apply new concrete.

The debris from this activity must be contained and kept from falling into the Bay or on workers. Much of this work will need to be done with the contractor looking overhead. To the right, look at the picture noting the access under the deck. The

head height is low and there are tight spacing of the piles which makes maneuvering difficult even with a small boat.

The difficulty and specialty of working over water. There are several items that we need to consider on this. The safety, the tight pile spacing, limited helps and then passing wakes and vessels which would disturb any floats or boats that are underneath the deck as well as the darkness. It's dark underneath there even during the daylight.

The tides come and go and scheduling the work to maximize the available room during tides is necessary. We'll have to be putting in over water scaffolding and moving that around and then adjusting the heights as well as repairing that just due to wave action during the project.

Environmental issues. Preventing debris from falling into the water as well as removing all of the debris from any boat onto some other means to get it to a disposal site.

Here are some pictures of a similar type of work that's been done. This was underneath the Ferry Building. You can see some examples of the scaffolding that's been put under there. This is just one of the methods that are done, just as an example.

That picture on the right is done at night, but underneath for both piers, but much of the work will be in the dark and will require lighting. There's also in the top left-hand corner similar items to prevent debris from falling into the Bay such as curtains to collect any overspray from some of the processes and the brining.

Both projects would be funded by the Pier Repair Fund and then part of Pier 29 would also be funded by the Leasing Capital Improvements Fund. We also have regulatory approval since this is repairs, it falls into our CEQA categorical exemptions and our other existing BCDC permits and Regional Water Quality Control Board permits. Only notifications are required.

We recently received an engineer's estimate. The base bid for Pier 29 is a little over \$3 million and that's within our current funding. The base bid for Pier 31½ is \$5.7 million and that is within our funding. The alternate items add a little bit more, \$6.98 million, and that is more than our current funding. We'll have to evaluate which projects or which areas that we would want to fix with any remaining money.

The total estimate which is part of this Commission report is \$8.8 million excluding any alternates. If funding was to become available for all the work, it would be a little over \$10 million.

We've also bundled these two projects for several practical reasons. They are very close to each other. They're right next to each other. We believe we will save money by having only one mobilization and that will save several hundred

thousand dollars. We believe we will benefit from economy of scale from having two projects, two piers under one.

We believe that this over water work is specialty work. It's seldom performed in San Francisco. The contractors that do over water work are regional and perform this from San Jose up through Sacramento to help keep themselves viable. The Contract Management Division and the Engineering Group has collaborated and determined that the LBEs available would only be limited to above deck work. It's a small Local LBE goal.

Maintenance has done this work in the past, however, they cannot accommodate this large project in the required timeframe. We'll also comply with the Local Hiring policy for construction.

If we did get authorization to proceed, then we would proceed to advertise. We would have an open house and then advertise in familiar manners in other competitively bid projects.

If we receive Port Commission's authorization to advertise today, then we would advertise bids in early November and then evaluate bids and award in early 2018 and then grant the notice to proceed in the second quarter of 2018 and then have substantial completion done in the second quarter of 2019.

The drivers for this is Jamestown wants to start their work as soon as possible. However, they have said that they will not start the work until our substructure work is complete. In addition, the National Park Service has long-term leases that they'll need to evaluate at the end of 2019. They'll want to start their future deck improvements at that time in 2019 as well.

In closing, we respectfully request your authority to advertise to bid for this project.

Veronica Sanchez - I think I can speak on behalf of our sister union, the IBU. We have an interest in the Pier 31½ site given that it's the future site of the National Park Service for Alcatraz Landing.

Through the Chair I wanted to know if the staff is designing the substructure repairs on this pier to hold the load of a fuel tank. This was a problem in the early days of the Alcatraz cruises contract because they were running fuel tanks, Alcatraz Cruises was running fuel tanks in there and the substructure was very bad and it was damaging the substructure.

It's my understanding, they're running lines but certainly that's going to be a consideration in the future contract. We certainly are hopeful that our union employer, Blue & Gold, will be competing for that contract. This would be a good information point for our union and for our employer.

Commissioner Adams - Is that a question?

Veronica Sanchez - Yes, that's a question Mr. Chair.

Jonathan Roman - The substructure repairs will bring it up to H-20 loading which should remove all restrictions for that type of vessel or that type of vehicle. We've been coordinating with the National Park Services or their operator, if they don't use that truck and they use something larger that they limit it to that loading. It will be removing restrictions for them to refuel their vessels properly.

Commissioner Woo Ho - I have a couple of questions to clarify. In terms of looking at your diagram, the work that's being done, does this cover the substructure for the entire pier or only the area, for instance, Jamestown is only going to be using the bulkhead.

Jonathan Roman - It's going to be in their footprint. Their leasehold area extends past that bulkhead.

Commissioner Woo Ho - Is this the only substructure work needed for these piers?

Jonathan Roman - It's needed for their lease. It's not the entire pier.

Commissioner Woo Ho - This is only a partial investment at this point to address the substructure. We will need to do another investment if the rest of the shed for instance, is going to be used in the future.

Jonathan Roman - That's correct.

Elaine Forbes - It would depend on the kinds of use and the load that's proposed by the tenant. We're addressing the substructure work that needs to be performed for the Jamestown tenancy based on the retail use and the Alcatraz leasehold based on the loading requirements of that leasehold.

Commissioner Woo Ho - It seems like we're going a little bit backwards a little bit. We got the leases and I understand what you mentioned, we don't know what to do with the substructure until you understand what the lease is going to be used for in terms of the load factor. But it seems to me we should've known what the substructure, under various assumptions would've cost us in advance of granting these lease.

Now we're under pressure because we've got lessees that are planning to do certain things with these piers, and we now have to address the substructure. It just seems we went at this backwards. I'm hoping that we will avoid that in the future so that we can understand for instance if the sheds are going to be used, whether it's this pier or some other piers, that we understand the difference between the different load factors and know what the investment is likely to be because we're losing time here.

Elaine Forbes - I can understand why it would appear that we're going backwards but we actually planned to make investment in Pier 29 through the budget process two years ago and we knew that we would be making substructure improvements even when we went out for the RFP. We had a couple of presentations where we showed that pier and where the various pieces of work were required, both in the superstructure and the substructure. This is when we got ready to issue the RFP.

We knew we had to perform that work on Pier 29 and now we're pulling the trigger to do the work. We actually tried to expedite and have Jamestown perform tenant improvements in concert with us, but they're not willing to take on that risk. They want us to deliver the pier, the substructure improvements and then they'll get going. That's the answer to that one. But I can understand why it would appear it's a backward movement.

Similarly for the Alcatraz negotiations, we included our capital contribution at the time of Term Sheet improvement, so we're performing the work that we had planned. Alcatraz also has a very big piece of capital improvement that we will be making to the site. This is the contract piece of decisions we made through Term Sheets.

Commissioner Woo Ho - Are there lessons learned for the future because we thought maybe they would do things concurrently? Now we're going to do things sequentially which impacts these piers being leased for revenue generation. We're delaying our revenue generation as a result of having to do things in sequence. Is it a lesson learned for us to manage this better in the future?

Elaine Forbes - I think there are lessons learned and most of it has to do with us being capital poor. We make a lot of decisions about what we're doing with very limited resources in mind. Had we had more resources, we would have gotten more of our facilities lease ready. We would take more risks in getting ready in advance and budgeting and having our contracts and having that work underway so we could just go out and lease them. But because we're so resource poor, we tend to wait until we know the deal is coming. We know that we are not taking a risk. We have the tenant in hand.

As we dig deeper into building our capital resources, we may be more bullish in what we can recommend so we can deliver improvements and get revenue sooner. Are any other lessons learned from Rebecca or Jonathan in this process that you can share?

Rebecca Benassini – Out of this process, I've learned I like the idea of combining two projects at once. It was a circumstance of all of us actually getting together in strategic leasing meetings and trying to see how we could bundle projects. We understand from our engineering division that bundling more than one project will get us potentially more competitive bids. As it turns out, the Jamestown and the Pier 31½ schedules do work out where Jamestown has quite urgency.

We had a slightly longer timeframe, not much longer on Pier 31½ where we have to deliver it as the new ferry concessioner is coming on board. They're prepared to do their work right after us. That is another case where we know it has to go in sequence because they need to have the substructure in advance of putting on the nicer topping that they're planning. The lesson learned is that we should look for opportunities where our timelines are lining up and where we can come up with more robust contract that are a little more committed.

Commissioner Woo Ho - Okay. We just spent a lot of time with the National Parks Service to get this where it was and in my opinion, it's a little bit of a setback from a standpoint we have to now work on in terms of the timeline. I'm not saying that we can't go forward.

Since we just announced to the public that we want their feedback on various other piers that's not necessarily mentioned and not the topic of conversation today, I think that we need to know the entire picture. We need to say this is what we think might need to be included or even estimates of some sort so we are getting a full picture of when we go out and explain what we're doing, now we're getting feedback from the public and I don't know what the results of that will be.

In terms of various piers that are not occupied today, which is a great idea which I don't object to but I'm just fearing that this is kind of like getting more elongated than perhaps at least I thought we were doing.

Commissioner Katz - Thanks for the presentation and for articulating the lessons learned.

Commissioner Brandon - Jonathan, thank you for the presentation. I look forward to seeing the bids.

Commissioner Adams - Yes, thank you. We can always learn and this is good. Sometimes it's a good problem to have. I clearly understand Commissioner Woo Ho's concern. It's just moving forward things to consider.

Commissioner Katz - As was pointed out by a prior speaker just anticipating the uses as well and ensuring that we're thinking ahead for the possible uses at the particular sites when we are undertaking these repairs. It's something we shouldn't make sure we roll into all future projects as well so that we don't end up with a situation like with the fuel tanks not being able to meet the needs for what the lease eventually will be set for.

ACTION: Port Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-56 was adopted.

- B. Request authorization to advertise for competitive bids for Construction Contract No. 2787, Pier 27 Passenger Shelter. (Resolution No. 17-57)

Dan Hodapp, Planning and Environment Division - I'm here with the Engineering Division. I'm here to request authorization to advertise for competitive bids for the Pier 27 Passenger Shelter. We're very fortunate to have our meeting here at Pier 27 Cruise Terminal.

The Passenger Shelter is a project envisioned as part of the James R. Herman Cruise terminal project. The Port Commission has not previously approved the budget for this particular project because the proposed funding is savings from the debt issue to construct the James R. Herman Cruise Terminal. The Passenger Shelter will be a permanent capital improvement to be used by the current and future operators of the terminal and should enhance the terminal's function and desirability for cruise passengers and event goers.

Currently, there's a temporary shelter in the ground transportation area. The Passenger Shelter will provide weather protection for people as they transfer between the terminal and the ground transportation area. It will provide a defined covered waiting area with benches and a protected space for people as they move to the stairs and ramps leading to the terminal. Here's an image showing the demonstrated need for the project and what is being provided out there on this interim basis.

Here is an image for what the new passenger shelter would look like. It is sized for the terminal and the number of people it will serve. It will be 162 feet long and 16 feet tall. Its architecture belongs to the new terminal while also being compatible with the historic Pier 29 building across the ground transportation area.

The poster of the same design is found in the row of light poles out there and similar to what you see in this room here. The colors and other materials also take their cue from the terminal. Environmental design is paramount. The roof collects rainwater and diverts it to the adjacent landscaping. And the shelter's materials and finishes are selected to maintain the terminal's LEED Gold rating.

Construction cost with contingencies is \$737,000. The City's Contract Monitoring Division has set the Local Business Enterprise goal at 20% participation and City Ordinance sets a 10% discount for LBE prime contractors. There's a lot of similarities to the previous project as far as the requirements and how they're going to be met in the bid process and the schedule is also very similar.

It's expected to bid in mid-November with bids being received in December and construction starting as early as February 18 and time to be in place of the bulk of the cruise terminal, the cruise season which sets in at its busiest in beginning of May.

Peter Dailey - It's a good project. We had a rainy season last year and we had passengers getting rained upon and get some sun shade. It's one missing element of the GT. I think it's a great project.

Stefano Borzone - I'd like to second Peter's comments. Obviously, it's such a beautiful facility with a top-rated guest experience deserves a protected area as the guests depart the terminal to board the coaches that take them to their hotels and airports. It really spoils the experience if it's a wet day and they get drenched out there and even arriving guests as well. We're highly convinced that it's something that is necessary.

Commissioner Brandon - Thank you Dan for the presentation. It looks very nice. Approximately how many people can fit under this shelter?

Dan Hodapp - It's 1862 feet long by 16 feet. It's about five square feet per person -- it'll fit several hundred people at a time. It's meant to serve about eight busses that pull up in front of it. It's sized so that the busses don't run into the top and it's also sized so that when you're standing in the upper area where the taxi cabs are and you look out, you can see the ground transportation area and it does not create any hidden spots in it.

The taller height allows for those busses. It allows people to gather and wait. It should be adequate capacity for the number of busses with its depth and its length. There's not a lot of bus shelter at 162 feet, but that's because there's a lot of busses and it is of the scale of this wonderful terminal building.

Commissioner Brandon - How is this project being funded?

Dan Hodapp - The funding from it is savings from the debt issue to construct the James R. Herman terminal.

Commissioner Katz - Thank you Dan. Had we contemplated having any kind of shelter when we built the terminal? Did we just sort of forget? Or why didn't we have it, why wasn't it there previously?

Dan Hodapp - Yes, it was contemplated as part of the original terminal project. It was a matter of confidence in funding at the time.

Commissioner Katz - Thank you. It looks great.

Commissioner Woo Ho - Thank you Dan. It's a handsome design and it makes a lot of sense. The questions that were asked previously were my questions so I have no further questions.

Commissioner Adams: Thank you Dan. We have a world-class facility here, so I rise in support of this. This will only add to our beautiful facility.

ACTION: Port Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-57 was adopted.

12. MARITIME

- A. Request approval of the Operations Agreement with Agility Logistics Corp. (“Agility”) granting Agility authority to operate its site in South San Francisco, California as a Foreign Trade Zone No. 3 usage-driven site for a term of five years, with one option to extend for four years and outlining conditions for the operation of the usage-driven site. (Resolution No. 17-58)

Brandon O'Meara, Maritime division - This is an action item requesting your approvals for an Operations Agreement between the Port of San Francisco and Agility Logistics Corporation granting Agility the authority to operate their South San Francisco location as a Foreign Trade Zone usage-driven site for a term of five years with one four-year extension.

Foreign Trade Zones were created in 1934 to stimulate international trade within U.S. borders. Companies are incentivized to keep jobs and economic activities domestic by the lowering or elimination of duties on goods within authorized Foreign Trade Zones. Since 1948, the Port has served as grantee for Foreign Trade Zone No. 3. The number three signifies it was the third Foreign Trade Zones ever implemented. There are now several hundred operating across the U.S.

The Port's role as grantee is to provide this public utility to all those who apply and meet the requirements set forth by the Foreign Trade Zone board and U.S. Customs and Border Protection. In 2010, the Foreign Trade Zone Board granted the Port what they call alternative site framework allowing its service area to expand to the neighboring counties of San Francisco including San Mateo.

Alternative site framework allows grantees to have further reach and potential operators to utilize their own properties as usage-driven sites. At the beginning of this year, Port staff was contacted by Agility Logistics Corporation about establishing a usage-driven Foreign Trade Zone at their South San Francisco location which is within the Port's geographic service area.

Agility is a multi-national logistics company with approximately 22,000 employees operating in over 100 countries. Agility currently operates Foreign Trade Zones in four other U.S. locations. The proposed South San Francisco location will allow Agility to better serve air freight customers shipping goods through San Francisco's international airport. After some initial discussions between Agility and Port staff, the Port received an official request from Agility to apply on their behalf with the Foreign Trade Zone Board.

All applications must be submitted by the grantee and are accompanied with letters of concurrence from both the Foreign Trade Zone Board and Customs. In August, the Foreign Trade Zone Board approved Agility's South San Francisco usage-driven site. In September Customs and Boarder Protection which serves as the oversight agency for all Foreign Trade Zone activities granted Agility a letter of activation signaling their final approval.

Agility's demonstrated expertise in Foreign Trade Zone operations and organized approach allowed for an efficient application process. Pending Commissioner approval, Agility's South San Francisco location can be activated as a Foreign Trade Zone. The Commission has previously approved two similar businesses as usage-driven sites.

Staff requests approval of this operations agreement with Agility to continue the Port's participation in offering this public utility through our Foreign Trade Zone No. 3. The Port's Foreign Trade Zone consultant, Mr. Roger Peters, and I will be available for any questions.

Commissioner Katz - I'm pleased that we're able to essentially host the Foreign Trade Zone and this looks like a perfect example of what we intended it to be used for. It's exciting to be able to have something like this come into our zone and hopefully it will increase movement of goods and opportunities for those in the area. I'm excited about it so thank you for the presentation.

Commissioner Woo Ho - I also echo those comments in terms of seeing that this is a good match. We have been operating before in the Foreign Trade Zone. I have some questions not necessarily related to this particular application which I think this company does fit all the criteria and obviously has been approved already in Washington.

Is there any monitoring requirements to make sure that the user of the Foreign Trade Zone continues to use it for the purposes that it stated initially in their application? Is there some monitoring process and is that up to the actual Agility? Or does the Port have any responsibility in that regard?

Secondly, if it is found that it's not using the Foreign Trade Zone as purposed, what happens? Third, what happens if Agility sells itself and does the permit transfer to the buyer?

Brendan O'Meara - To answer the first question, we have no oversight as far as compliance. The only oversight we really have is to ensure they complete their annual report which actually goes through us administratively. But all the oversight on day-to-day operations is through Customs and Border Protection.

To answer the second question, if the Customs and Border Protection find any issues, they would report to the Foreign Trade Zone Board. If there's any action needed to be taken, they would be deactivated as a Foreign Trade Zone. In the Operations Agreement, the Port is indemnified from any issues with that. The third question, the agreement is between us and Agility Logistics as the operator so they wouldn't be able to transfer to someone else.

Commissioner Woo Ho - They cannot transfer their rights if the company was sold.

Brendan O'Meara – It's not transferrable. The new company would have to reapply and activate.

Commissioner Brandon - Thank you for this report.

Commissioner Adams – Brendan, it's good to see you presenting. Peter and Mike Nerney, thank you for letting Brendan and other maritime staff make some presentations. It's good. I support this. As everyone know, I had a problem when we had Chevron and finally it went through and I was always concerned about someone being a good neighbor.

Eventually this deal with Chevron over in Richmond went through. Recently Chevron got charged. They owe the Australian Governor a billion dollars, they hadn't been paying their taxes. Now they've been charged by the Australian government. They hadn't been a good corporate citizen. I like companies that come in that are good corporate citizens. This Commission has a responsibility to make sure these companies are good corporate citizens.

Chevron hadn't been paying any taxes in Australia. They've got to pay a billion dollars in back taxes because they had not been a good corporate citizen. But with that said, I support them but I definitely believe in accountability.

ACTION: Port Commissioner Brandon moved approval; Commissioner Katz seconded the motion. All of the Commissioners were in favor. Resolution No. 17-58 was adopted.

13. FINANCE & ADMINISTRATION

A. Informational presentation on the Port's Contracting Activity for Fiscal Year 2016-17 (July 1, 2016 through June 30, 2017)

Boris Delepine, the Port's Contract Administrator – This is an informational item to review the Port's contract activity in Fiscal Year 2016-17. It covers the period between July 1, 2016 and June 30, 2017. This is a follow-up to the Contract Activity Report you received on March 14, 2017.

There are a number of ordinances that govern contracting in the City and County of San Francisco. However, for this presentation, I'm going to focus on two. One is the Chapter 14B of the Administrative Code, the Local Business Enterprise Ordinance and the second is the Local Hire Ordinance. I'll begin by reviewing the number of certified firms, talk about contracts that we awarded during the fiscal year and payments made on those contracts.

I'll conclude the presentation by talking about upcoming opportunities. I'm also joined here by Finbarr Jewell who is the Port's Contract Compliance Officer from the Contract Monitoring Division.

The Local Business Enterprise or LBE Program is designed to level the playing field for small, local businesses bidding on City contracts. Certified LBEs gain competitive advantages such as discounts and LBE subcontracting goals when bidding on City contracts against non-local firms. The Contract Monitoring Division certifies firms as small local businesses and classifies them as either Minority Business Enterprises, or MBEs, Women Business Enterprises, or WBEs, and Other Business Enterprises or OBE.

As of October 3, 2017 there are 1,114 certified LBE firms in the City. This number does not include PUC LBEs. This slide shows the breakdown of the LBEs by type. As I mentioned there are minority based business, we have 407 currently, 281 Women Business Enterprises and 426 Other Business Enterprises. Minority-owned firms are further classified by ethnicity. The representation of minority-owned firms remains the same as our last report.

In March, 44% of the MBE firms are Asian American, 24% are African American and 25% are Latino American Owned firms. Arab American, Iranian American and Native American owned firms make up the balance of MBE firms.

The LBE Ordinance is the successor to the City's Minority Business, Women-owned Business or MBE/WBE. The program was enacted by the Board of Supervisors in 1984 to combat discrimination against minority and women owned businesses.

In 2004 the San Francisco Superior Court ruled that under Proposition 209 the City was prohibited from addressing discrimination in public contracting through the use of ethnicity and gender-based bid preferences. It's important to know that the LBE program is race and gender neutral. No bidding discounts or scoring based on race or gender.

This slide shows the location of firms in the City's southeast sector. The largest concentration of LBE firms is located in the 94124 zip code or Bayview Hunters Point neighborhood. The majority of the City's construction, trucking and equipment supply firms are located there. This is the last industrially zoned area of the city, hence the high concentration of local businesses.

During the fiscal year we awarded 10 new contracts valued at \$15 million. Of the \$15 million awarded, \$8.1 million or 55% of those dollars went to LBE firms. Nine of the 10 contracts, or 90% of newly awarded contracts went to LBE prime contractors. We successfully have awarded half of all contracts as Micro-LBE Set Asides or small informal contracts set aside for competition among the smallest LBE firms.

The pie chart on the left show contracts awarded by LBE type. One contract went to a non-LBE firm. The remaining nine were awarded to LBEs including two to women-owned business, one to other-owned business and six contracts went to minority-owned firms. The pie chart on the right shows the breakdown of minority contract awards. Asian American firms won four contracts or 67% of

awards and African American owned firms won two contracts or 33% of contracts awarded to minority firms.

Over \$11 million was paid to Port contractors in Fiscal Year 2016-17. With 66% of those payments going to LBEs. During the reporting period, construction and professional service contracts exceeded their average LBE subcontracting goals. As-needed services fell below the mark during the reporting period. Overall the average subcontracting goal is 17% while 26% of payments went to LBE subcontractors during the reporting period.

It's important to note that each of these contract categories identified in the table are made up of many individual contracts with their own individual subcontracting requirements. There are a few exceptions.

As-Needed Real Estate contracts for example are not meeting their CMD set goals. These are newly awarded contracts that have a small percentage of subcontracting work. However, most of all the other active Port contracts are either meeting or exceeding their CMD set subcontracting goals and we expect the As-Needed Real Estate contracts to rise in the next quarterly report.

Details on all the contracts and their LBE performance are included in attachments two, three and four of your report. This slide compares awards made this fiscal year against the previous three fiscal years. We awarded fewer contracts than in previous years, while the number of awards to LBE contractors was higher than usual due to our Micro-LBE Set Aside program. The payments we've made on open contracts are also trending in the right direction as contracts awarded in the previous fiscal years are starting to develop and we're seeing an increase in payments to local businesses.

This is another view of the figures in the previous slide. To this Commission's credit, you've given us a clear directive. While we always award contracts to the most qualified proposers, we've been able to increase local business participation by (1) increasing public outreach around specific opportunities; (2) building contractor capacity by breaking up large contracts into smaller Micro Set Aside opportunities; and (3) providing individualized attention and training to proposers.

After each solicitation, we sit down with the losing proposers to review their submissions to provide constructive criticism in order to make their attempts in the future stronger for the next opportunities. It will be difficult to sustain these numbers going forward. Projects with high dollar amounts and low LBE requirements like the Marine Structural Repair Project at Piers 29 and 31 that just discussed will complicate our ability to maintain this positive trend.

Regardless, we will continue to employ the strategies we've learned over the past few years to continue to expand the pool of local businesses and catalyze opportunities for LBEs.

Construction projects over \$1 million are subject to the City's Local Hire Ordinance. Since the inception of the ordinance in 2011, 15 projects at the Port have been subject to the program. All of those projects have met the Local Hire mandates. The Local Hire Ordinance is managed and implemented by the Mayor's office of Economic and Workforce Development or OEWD.

We currently have three projects subject to the Ordinance. The Pier 31 Roof Repair Project is exceeding the Ordinance's requirement. The Pier 23 Roof Repair is currently below the threshold, however OEWD anticipates that the prime contractor, Roebuck Construction, will meet the requirement by the end of the contract's life. One project, the Crane Cove Park Site Preparation and Surcharging Project, will not meet its Local Hire obligations. OEWD is currently negotiating a settlement with the contractor, Shimmick Construction.

Either Shimmick and its subcontractors will have to use off site credits from other City projects to remedy the deficiency or they will be fined. I will provide an update on the status of this contract in subsequent reports.

Back in April 2015, we awarded the Port's Youth Employment Program to San Francisco Conservation Corps and Hunters Point Family both of which are here today. The contract is midway through completion so we thought this would be a good opportunity to update you on its status. In the past fiscal year, 100 youth have been employed through the two contracts. Hunters Point Family has employed 18 youth, principally from Bayview, Visitacion Valley and Western Addition. Their focus has been on work around Heron's Head Park and Rincon Park.

San Francisco Conservation Corps were awarded a larger share of the contract and in Fiscal Year 2016-17, they employed 82 youth from the Bayview, Mission and Excelsior. Their project areas include Aqua Vista Park, Pier 80 and Warm Water Cove. Melody Daniel is not here but we have Asani Shakur here from Hunters Point Family and Debra Gore-Mann who is the Executive Director of the San Francisco Conservation Corps along with some of her staff.

In addition to the formal administration of Port contracts during the fiscal year we engaged in a number of activities to increase opportunities for small local businesses. This includes our Contract Open House which was held on March 1st. Over 180 people attended that event. We plan on having a second Open House in early 2018.

The Pier 70 LBE plan was negotiated during the fiscal year between the Port, CMD and Forest City. It includes a 30% Local Hire goal, a \$1 million to support expansion of workforce development programs at CityBuild and TechSF and a 17% local subcontracting goal. A similar plan is currently being negotiated for the Giant's development at Mission Rock.

Also this year, we transitioned from the City's 1980s mainframe financial system to a new financial and procurement system developed by PeopleSoft. While

some of the kinks are still being worked out, the system allows vendors to view and bid on upcoming opportunities, submit invoices and get paid online. The LBE certification process is also being automated through that system.

In terms of upcoming opportunities, we have the RFPs for restaurants at Pier 33 and 40. Those are out on the street currently. Each of those RFPs require proposers to develop a Local Business Engagement Plan that we are scoring.

We have the Pier Backlands Improvement Project coming up in January. The first phase is \$2.8 million. It will have a 20% LBE subcontracting requirement. The Amador Street Roadway Repair Project will be issued in March. That contract is also valued at \$2.8 million. It'll have a 20% LBE goal. There are a number of contracts coming down the pike.

In conclusion, although we had fewer contract awards during the fiscal year, we were able to focus on creative ways to engage our local business community and Port contracting. Fifty-five percent of dollars were awarded to LBEs while 90% of contracts went to LBE prime contractors.

Our payments to LBE prime contractors are also increasing with 66% going to LBEs. One project of the three currently subject to the Local Hire Ordinance is meeting its obligations. We can do better in that neighborhood. Finally, since the beginning of Fiscal Year 2017-18, in July, we've already awarded over \$45 million in contracts with a lot more slated to come.

Debra Gore-Mann - Thank you for the invitation to speak. I want to acknowledge the folks on the Port staff who worked closely with us. In particular, Mr. Tom Carter, Boris and Oscar Wallace who help us employ our young people.

The San Francisco Conservation Corps is a youth workforce development, which comprises of 18-26 years old. Young people who have either dropped out of the Unified School District. We have a charter school that allows them to finish high school. Then we do the workforce development where they get the on the job training and they get San Francisco minimum wage of \$14 an hour.

We also help them with life skills. The secret to the San Francisco Conservation Corps because we have a charter school and we do workforce, we develop curriculum that allows them to learn about the work they're doing intimately as well as on the job hands on training.

James - I've been living in TL, or Tenderloin. I'm 19 years old. I have been in San Francisco since the first grade when my family moved from Thailand. I joined the Conservation Corps in July. Before I came to the Corps, I was at home, bored, feeling low in my life. I was only going to school sometimes because I didn't like it.

I finally discovered that I had a learning difficulty in the 10th grade. I was in and out of different schools and never have felt a part of any of them. I finally felt a

part of something when I joined the Corps and John Muir Charter School. Currently I am in Crew Five. I focus on cleaning and maintaining the grounds of the Port.

I have learned a lot from my supervisor Miss Adele. We cut foxtail and fennel. We also get rid of various weeds that are called invasive species. In general it's our goal to keep the Port looking clean and beautiful and for hard-working at the Port and for everybody in San Francisco.

While working on the Port project, I have learned a lot about team work. I learned that I am a hard worker and I learned about the environment nature. I enjoy making the Port area looking good and let people enjoy walking around the area that I have cleaned for them.

I have grown a lot through my Port project experience. I have changed from just staying home and doing nothing. Now I'm waking up every day on my own and I like coming to work with my friends and my coworkers. I even brought my sister Ginny to the Corps so she can finish her high school diploma too. My mom used to be the only one waking me up to go to school or doing something with my life. At that time I didn't listen. No one expected me to be successful.

Now through the experience, I get up early and get to the Corps, to go to school and work. Now I learned to set my goals for myself. I set a goal to get my driver's license even though I had never driven a car before. With the help of the Corps, I finally got my driver's license.

My next goal is I only need 10 more credits to finish my high school diploma. Once I get my high school diploma, I plan to sign up with the Peer Apprentice Program with the Port experience, my driving license and my high school diploma and my construction Peer Apprentice certificate, I could get a good job to help my family.

In conclusion, I would like to thank the Port of San Francisco for letting me work on your project. Without your support, I would not have met my education and my career goal.

Shima Barnett - I'm 19 years old. I live in the Bayview District. I've been with SFCC since June 2016. Before I came to SFCC, I was lost. I was living day by day and didn't know what to do with myself. I was depressed, down and out. I wanted to get my life on track but I didn't know where to start or what to do.

That was my life then. Now I'm working on Port projects and I attend John Muir Charter School so I can finish my high school diploma. I learn something new each and every day on the job and in school. During my time on the Port project, I have learned how to use a variety of tools such as loppers and a backhoe for ground maintenance. I have learned the difference between invasive and non-invasive plants and the right methods of removing fennel and weeds.

I am proud to be a part of the cleanup effort in my community to working with crews to get rid of litter and remove weeds. So when families make their way to AT&T Park to watch the Giants play, I know I helped clean up the Port's property. I have worked on other crews at the Corps, but I enjoy working outside. I enjoy nature and learning about landscaping and working outside makes my days go by faster.

By working on Port projects, I've learned how to be part of a team. I've learned vocational skills and active listening and most importantly I learned about safety. We use a lot of sharp tools. Safety first.

One time, there was a hornets' nest we came across, and I learned to stay away from stuff like that and work around it. The Port projects have helped me develop a sense of responsibility for my actions. Since working on the Port crew, I'm getting the feeling of being a grown up every single day. Through my hard work, I've learned about discipline and self-respect. Most importantly, I've learned that the best way to battle negative feelings is to help my coworkers.

I have changed a lot since joining the Corps. I'm almost finished with my high school diploma, something I thought I was going to never have. Now I have a growth mindset. I'm not depressed anymore. I now have a will to learn and drive to finish high school, get a driver's license and get a good job and to help my family. I have a bright future ahead of me. Thank you for your time.

Melody Daniel - I am the Workforce Developer Director for Hunters Point Family. I have two of our Port workers with us. We all are current Bayview residents, as well as the Deputy Director for Hunters Point Family, Asani Shakur.

I do appreciate the contract with the Port. The youth is working three days out of the week, working at the local Port sites and they are learning safety as well as job readiness training. If they have not completed high school, we're working with them to complete high school with Five Keys which is at 1800 Oakdale where Hunters Point Family is located. This is our first time getting the contract with the Port of San Francisco. It has been nice the first two years.

Asani Shakur - Thank you for the invite. Since we have been given the contract, just to be able to see the youth work within their community to help clean the community in a way they feel like a sense of being more a part of the community, a sense of unity has been embedded within the youth with working on the Port. We definitely appreciate the opportunity that you have given us to be able to provide to the youth. Thank you.

Commissioner Woo Ho – I think this is one of Commissioner Brandon's favorite presentations all year long. Thank you Boris, I think today we have both the numbers as well as the human aspect of what we're trying to do here in terms of being a good public citizen in San Francisco, in terms of what we do, in terms of trying to encourage both our LBEs and our MBEs and our youth which is so important to the future and the health of our city.

It's very heartwarming to hear all the stories that we heard from our youth in terms of what our little contribution has been able to do. It's been something that I know that Commissioner Brandon and I, we worked on in terms of making sure our grants were going and being utilized in a productive way.

I want to thank you for the report on the LBE and MBEs and everything else. We do a lot of outreach. I've been impressed that we've increased that over time. I see Bob Davis back there who's worked a lot on that as well. What else can we be doing to continue to improve our outreach so that people are aware that they're available to help us? Is there any other ideas that we have? You're keeping track of the numbers, but just ideas in terms of ways we could continue to improve?

I think as a public agency in the city, my sense is that we are a leader in this effort and that I think that probably a lot of other departments are watching what we're doing and hopefully, we're the standard bearer here. We're very proud of that. I'm wondering if there's anything more we could be doing to keep moving this is the right direction.

Boris Delepine - In terms of outreach, we have been successful for certain types of opportunities. For instance, when we had the Seawall contract and we gathered lists from other City departments. We've been working with other City departments to coalesce a large list and email. We make phone calls. There are certain services that don't have that many firms. For instance, the contract that you heard earlier, the marine structural award. They have a 3% LBE subcontracting goal.

Reaching out and finding firms that can do that work, getting them certified, it's a lot of work but that's the real, kind of important outreach work that needs to be done. When we had the As-Needed public relations contracts, we had 17 bidders and five new firms became certified LBEs. Those are the types of results we need. It's easier to do that with public relations than some of the other specialized work, but that's what we need to expand into.

When we have a list, we do call through. We've had good turnouts at our preproposal meetings and the Open House and continuing to have events like that is what will only increase local participation on contracts.

Commissioner Woo Ho - Great progress report. We'll keep hoping to hear more progress as we go throughout the year.

Commissioner Brandon - Boris, thank you so much for this report. What a difference a year makes. I can remember last year about this time when I had a public meltdown. We have done a 180 and it is just so phenomenal what you guys have done in a year. Not only in contracting, but also in leasing and the contracts to the youth. That is just so heartwarming to hear the stories, to see the youth at work, and actually our dollars at work. This has just been a

phenomenal report, probably one of the best since I've been here in 20 years Boris, so you should be congratulated. You're doing a phenomenal job.

Boris Delepine - Thank you.

Commissioner Brandon - My only question is we tend to struggle with As-Needed contracting. I'm wondering what we can do to get better participation. Or even, in a lot of firms, we've just been using over and over and they don't reach their goals. I'm wondering what we can do to make that area a little more positive.

Boris Delepine - We have five different types of As-Needed contracts - Engineering, Real Estate, Hazmat, Environmental Services and one that I'm missing but will remember shortly. They tend to ebb and flow. It depends on the work. We have high subcontracting goals on these contracts. They're all 20% or higher and we've been able to meet those subcontracting goals over the life of the contracts.

I produce these reports, they give you a snapshot of what's happened in the last year. For instance, we brought up the As-Needed Real Estates. Right now a lot of the work on those contracts is just staying with the prime contractors and not going down to the subcontractors.

When we see those types of things, I'll meet with Rebecca and her staff and we'll figure out ways to be more inclusive to LBEs. We do struggle with seeing the same number of firms and we outreach and try to promote new firms on new teams.

The way we've been able to do that is through the smaller contracts, the Micro-LBE Set Asides. We haven't quite found the trick yet for the As-Needed but they are meeting 20% goals. We can definitely do better, and we need to do that by increasing the pool of available of firms.

Commissioner Brandon - I'm looking forward to the Open House early next year.

Commissioner Adams - Director Forbes, I know you have something to say. You were part of the brunt of Commissioner Brandon's meltdown. You sat here and you felt the burn. I think you should speak.

Elaine Forbes - I think it was Boris who felt the brunt, but I'll take it. This has been a great process because we've done a lot of learning together in this area. I think the world of contracting is very constrained because we have a lot of codes and regulations that we work under and constrained in ways that we would not necessarily prefer through state law and other things that have come down upon us which may match what we would try to achieve as a City or not.

Initially, we felt very penned in in terms of what we could do. I think it's been a process of trial and error, and we did have more flexibility than we first thought.

It's been extremely rewarding for me to see it happen. When I got this presentation, I called Boris immediately on the phone and said, "This is the best! Can you believe this? This is wonderful!" In terms of the turnaround.

I would like to say that this has been something that Boris has taken a lot of responsibility for but something also the whole department has taken a lot of responsibility for so Boris hasn't been at this alone. I was at an event and someone came up to me who competed for the As-Needed Public Relations contracts and they didn't make it. They were not recommended for contract but what they came up to me to say was, "Your staff was so great because after we lost, they sat down with me and explained where we did well, where we didn't do as well. They also reached out with us to compete in the first place. They told us how we did and we feel inspired to try again." That's a huge win because that firm will come back again, not only to the Port but to other City agencies.

This has really been a collaborative effort from your challenge, Commissioner Brandon and I'm very proud of these results. I'm very proud that while we've had a struggle in this area, we have persevered together and we've produced something very commendable.

Commissioner Adams – Boris, great work! I know this continues to be a work in progress. Thank you so much, especially to the youth. I just want to say something to the youth. Please, take this opportunity, your experience, I can tell you, I used to be one of those troubled youth.

The world right now is your oyster. You have an opportunity because you are the future of today. You're that generation that will teach us older generations how to take our brains, relax, download them into a computer and let the algorithms take over. What you guys will be able to accomplish will just be something.

I appreciate you're speaking so candid and speaking from your heart. I really appreciate that and you have an opportunity. I want to thank you for coming and sharing. To you brothers over there too, please try to do the best you can. This is an opportunity and we want this to be successful.

To go with what Commissioner Woo Ho has said, I'm hoping that the Port is leading the city. This Commission is totally engaged and totally committed to our community. I want you to know that. That's part of the principles of who we are and what we stand for. Boris, thank you very much.

14. NEW BUSINESS

15. ADJOURNMENT

ACTION: Port Commissioner Brandon moved approval to adjourn the meeting; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

Port Commission President Commissioner Adams adjourned the meeting in memory of the victims from Puerto Rico, the victims of the fire in the Bay Area and also the victims that passed away in the shootings in Las Vegas.

Port Commission President Adams adjourned the meeting at 5:30 p.m.