

# CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

## MINUTES OF THE MEETING JULY 8, 2008

### 1. CALL TO ORDER / ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 1:32 p.m. The following Commissioners were present: Kimberly Brandon, Rodney Fong, Michael Hardeman and Ann Lazarus. Commissioner Stephanie Shakofsky was not present.

### 2. APPROVAL OF MINUTES - June 10, 2008

The Commission Secretary indicated that under Item 14, Adjournment, Commissioner Fong seconded the motion instead of Commissioner Hardeman.

**ACTION:** Commissioner Lazarus moved approval of the minutes as amended; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. The minutes of the June 10, 2008 meeting were adopted.

### 3. PUBLIC COMMENT ON EXECUTIVE SESSION

### 4. EXECUTIVE SESSION

- A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

**ACTION:** Commissioner Lazarus moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor.

At 1:33 p.m., the Port Commission withdrew to executive session to discuss the following:

- (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER.
  - a. Discuss existing litigation matter pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10 (a) and (d) (2 cases):
    - i. Henrietta Currier v. City and County of San Francisco and Union Pacific Railroad Company; and related cross-action, San Francisco Superior Court Case No. CGC-07-467623, filed September 27, 2007. Discussion and possible approval of proposed settlement of litigation alleging personal injuries and dangerous condition on Port property. Proposed

settlement of litigation upon terms which include Port's payment of \$25,000 and Union Pacific Railroad Company's payment of \$25,000, in exchange for plaintiff's dismissal of litigation and full and final release of claims.

- ii. Macor, Inc., Cornerstone Properties II S, LLC, and Walden Mission Bay I LLC v. City and County of San Francisco, Port of San Francisco, State of California, State Lands Commission, et al. (San Francisco Superior Court, Case No. CGC07-460994)

- (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. **This session is closed to any non-City/Port representative.\***

- a. Property: Piers 15/17  
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development  
\*The Exploratorium: Dennis Bartels
- b. Property: Pier ½  
Person Negotiating: Port: Byron Rhett, Deputy Director, Planning & Development  
\*Equity Office Partners: Harout Hagopian
- c. Property: SWL 352 at Amador Street  
Person Negotiating: Port: Brad Benson, Special Projects Manager  
\*Raisch Products, Inc.: Doug Raisch  
\*SF Recycling & Disposal: Maurice Quillen
- d. Property: Pier 92  
Person Negotiating: Port: Brad Benson, Special Projects Manager  
\*Darling Delaware: Don DeSmet

- (3) Discussion of Executive Director's Performance Evaluation for Fiscal Year 2008-09 pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code. **THIS ITEM WAS TAKEN OFF THE CALENDAR.**

## 5. RECONVENE IN OPEN SESSION

At 3:20 p.m., the Commission withdrew from executive session and reconvened in open session.

**ACTION:** Commissioner Fong made a motion to adjourn executive session and reconvene in open session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Fong made a motion to not disclose any information discussed in executive session with the exception that the Port Commission voted to approve the proposed settlement of litigation between Henrietta Currier v. CCSF upon the terms set forth in the agenda for this meeting. The Commission voted in executive session as follows: Commissioner Brandon - yes; Commissioner Fong – yes; Commissioner Hardeman – no; Commissioner Lazarus – yes.

Commissioner Fong made a motion to continue closed session after the open session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

## **6. ANNOUNCEMENT OF PROHIBITION OF SOUND PRODUCING DEVICES DURING THE MEETING**

The Commission Secretary announced that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

The Commission Secretary indicated that resolution numbers 08-38 to 08-41 have already been used. Therefore, new resolution numbers (08-43 to 08-46) have been assigned to the agenda items as noted in the revised copy of today’s agenda provided to the Commission and to the public.

## **7. EXECUTIVE**

A. Executive Director’s Report: Acting Executive Director Susan Reynolds reported the following:

- Capsized Fishing Vessel, June 19, 2008 – On June 19, 2008 at approximately 10:35 a.m., “Reward” a commercial fishing vessel, with four persons on board capsized off of Pier 45 east of the mouth to the Hyde Street Commercial Harbor. The United States Coast Guard (USCG) viewed and responded to the incident while on routine patrols. The USCG pulled the four persons from the water. An Incident Command lead by the USCG including the San Francisco Police Marine Unit, Department of Fish and Game, and the Port was established to recover the sunken boat. After rescuing the crew, the response efforts focused on protecting the environment and vessel navigation. The USCG ‘Federalized’ the response after determining that the vessel owner did not have the financial means to recover the vessel. National Response Environmental Services was contracted by the USCG to recover the vessel and to contain all environmental hazards. The recovery efforts continued on June 20, 2008 with the Port Divers participating in a critical role to position slings under the boat so that a Sheedy crane could raise the vessel. The vessel was raised, dewatered, inspected for structural integrity, and then authorized to be towed to a berth at Hyde Street Harbor.
- Update on San Francisco Public Utilities Commission (SFPUC) Sewer Line Repairs at Seawall Lot 351 - Manfred Wong, SFPUC Project Manager, indicated that they identified a possible sewage leak at SWL 351 and deemed it possible to

be caused by a leak in the 36" force main. This force main is a low pressure pipe that conveys waste water from the northern part of San Francisco including the Marina, Fisherman's Wharf, Pier 39, etc. It's an important facility force. It is approximately 30 years old. It's been working 24 hours, 7 days a week. It's very difficult to get to; it has a depth of 20 feet. It's located underneath some of their sewer boxes. It's difficult for them to work there because of the fact that they have to schedule work based on the tidal schedule. When it's high tide, they can't work. They also have to avoid the daylight hours because of the Embarcadero traffic. Right now, with the Port's assistance, they were able to work within the sidewalk area of the parking lot. They have a staging area in the parking lot. They have been able to excavate down to the pipe. They've identified the leak but have not been able to pinpoint it yet. They are currently looking at the most unintrusive way of getting into the force main. They have been working inside the sewer box underneath the Embarcadero instead of working from the surface. That would be less intrusive to the surrounding area. They will continue to work there in terms of identifying the leak and repairing it. He thanked the Port Commission, staff for their support and cooperation in this emergency work. Their goal is to pinpoint the leak, repair it, and resume full operation. It's a very important facility for SFPUC and San Francisco. They appreciate the Port's and the neighbors' continued patience. They will be happy to come back to the Port Commission once the repairs are made to provide a complete report.

- 2008 Fourth of July Celebration on the Waterfront – The 4<sup>th</sup> of July celebration and fireworks was safe and successful. There were no incidents reported other than too much fog.
- Fisherman's Wharf Community Benefit District and City Planning Department's Fisherman's Wharf Public Realm Plan Workshop: Friday, July 11, 2008 from 1-4 p.m. at the Hyatt Fisherman's Wharf located at 555 North Point Street – The first community workshop for the Fisherman's Wharf Public Realm Plan will take place on Friday, July 11 from 1pm to 5pm at the Hyatt Fisherman's Wharf Hotel. The public is invited to come and share ideas for improving the streets and public spaces of Fisherman's Wharf.

At this meeting, the public will be invited to discuss draft ideas for:

- \* Redesigning Jefferson Street
- \* Design guidelines for new development
- \* Streetscape design throughout the Wharf
- \* Opportunities for new and refurbished open spaces
- \* Parking and circulation plan

The meeting will be chaired by Neil Hrushowy from the City's Planning Department in conjunction with the Fisherman's Wharf Community Benefit District (CBD)

- Pier 70 Master Plan Community Workshop - July 17, 2008 at 5:30 p.m. at Pier 1 - Please join Port staff, commissioners and the Pier 70 consultant team to review elements of the developing Preferred Master Plan for the Pier 70 area on July 17

at 5:30 at Pier 1. The workshop will focus on responding to the comments received from the community and will include a historic preservation strategy; recommended land uses, transportation and site circulation, new infill development height, density and character of development; open space opportunities and a recommended financial strategy.

- “Cool Globes: Hot Ideas for a Cooler Planet” at Crissy Field, August 5 – 12, 2008  
Cool Globes: Hot Ideas for a Cooler Planet" is public art with a purpose that aims to increase awareness about global warming and inspire individuals to embrace solutions. Launched in Chicago in 2007, this vibrant, engaging and educational exhibit features larger-than-life sculpted globes, each custom-designed by local, national and international artists to showcase a solution to reduce global warming. The Chicago premiere received enormous response from the public and the media. In 2008, Cool Globes will be presented in Washington DC at the U.S. Botanic Gardens, in San Diego at Balboa Park and along the waterfront, and in San Francisco at Crissy Field. Cool Globes will open in London in May, 2009.

The San Francisco Cool Globes exhibit will feature more than 35 globes located along the Crissy Field Promenade with sweeping views of San Francisco Bay and the Golden Gate Bridge. Co-Sponsored by the National Park Service and the City and County of San Francisco, "Cool Globes: Hot Ideas for a Cooler Planet" will be on exhibit at Crissy Field from August 5 through October 12. Several individual Cool Globes will be on display at key locations throughout San Francisco to draw attention to the exhibit. These locations include San Francisco International Airport, Union Square, Pier 39, AT&T Park, City Hall/Civic Center, and the San Francisco Ferry Building area; the Harry Bridges Plaza. The Globes are 5 feet by 7 feet and weigh approximately 2,000 pounds. The installation and maintenance of the Globes will be at the cost and responsibility of the event's sponsor. A public grant opening celebration is scheduled for Crissy Field at 10:30 a.m. A brief program will include Mayor Gavin Newsom, Carl Pope of the Sierra Club and Cool Globes Founder and Environmentalist, Wendy Adams.

- SPUR's Piero N. Patri Fellowship in Urban Design - The Port is happy to announce its participation in supporting the SPUR Piero Patri Fellowship Program. This year the fellow, Sara Jensen, is a graduate student in Planning and Landscape Architecture at the University of California Berkeley, who most recently was a practicing architect in New Orleans assisting the city in its rebuilding efforts. This year's project is to look at Urban Design and Economic Development opportunities for the area around and including Islais Creek. The study area boundaries are generally Cesar Chavez Street on the north, I-280 and the Caltrain corridor on the west, Evans Street on the south and Illinois Street on the east. Sara is focusing her work on designing improvements to the area that will enhance connections and make the area more inviting to pedestrians and recreationist. Sara will be presenting the results of her work on September 23, 2008 at Pier 1.
- Sunday Streets pilot program August 17, August 31 and September 14, 2008 –

Sunday Streets is a pilot program that will bring physical activity space to San Francisco neighborhoods on Sunday mornings this summer and fall. These Sunday morning activities will create a route for thousands of local families, kids and adults to walk, jog, and bike, as well as participate in group exercise. The program will offer safe and free activities that will attract people from throughout the city and the entire Bay Area. The city will open up a stretch of roadway connecting the Bayview district to Chinatown and running along the city's waterfront. This route will be available for physical activities from 9 a.m. to 1 p.m. on three Sundays in the late summer and early fall: August 17, August 31 and September 14. Sunday Street is free to all participants. Some will enjoy the route by strolling, skating, cycling or just people watching. Others will participate in free group events such as tai chi, yoga, aerobics and other activities. These group events will be spaced out along the route. San Francisco residents, families, local businesses can participate in this free event. It is likely that residents from throughout the Bay Area will take advantage of this unique opportunity to safely enjoy the streets and explore new neighborhoods.

- Slow Food Nation '08 "Come to the Table" at Fort Mason August 29 – September 1, 2008 – San Francisco is poised to be at the center of a movement with global implications. Experts such as Alice Waters and Michael Pollan, author of *The Omnivore's Dilemma*, are anchoring the task force planning the four-day celebration, which will embody the values of the Slow Food movement and illustrate how food and agriculture form a complex global tapestry of cultural, political, and environmental issues. A marketplace of around five dozen farmers and artisans from across the country will showcase the range of traditional American foods. Attracted by the simple pleasures of the table, participants will leave having learned how American food production affects global issues, including greenhouse gas emissions, childhood obesity, famine in the developing world, and the disappearance of the small farmer.
- Festival of Sail; July 23 - 27, 2008 – Joanne Fedeyko, Executive Producer of the Festival of Sail, indicated that the Festival of Sail will begin on July 23 with a Parade of Sail starting at noon underneath the Golden Gate Bridge. Approximately 20 Tall Ships from the San Francisco Bay Area along the Western Coast, the East Coast and across the world will come underneath the bridge. Beginning on July 24 through July 27, there will be three festival villages that will be open from 10 a.m. to 6 p.m. The three villages will be located at Hyde Street Pier called the Marine Education Village; the International Village at Justin Herman Plaza; and the Green Village at Pier 30/32. The villages will have exhibitors, attractions and entertainments. On the waterside, the vessels will be docked for ship boarding, tours and excursions. Throughout the four-day event, families and people can come down for free to the event areas and board the vessels. There's also evening activities as well. Their website is [festivalofsail.org](http://festivalofsail.org). The Port is a sponsor of this event.
- Water Emergency Transportation Authority (WETA) – The new executive director of WETA is Jon Stanley, former head of the USS Hornet Foundation. He is a Naval Academy Graduate and a retired Naval Officer.

Commissioner Lazarus made a motion to limit public testimony to 2 minutes per speaker; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

## 8. CONSENT

- A. Request authorization to retroactively execute a contract modification to the Pier 52/54 Boat Launch, Contract 2713 with Dutra Construction Co., Inc., to extend the substantial completion date by an additional 117 days to May 30, 2008 (Resolution No. 08-44)

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 08-44 was adopted.

## 9. PLANNING & DEVELOPMENT

- A. Request authorization to issue Request for Proposals for Seawall Lot 351 (Embarcadero at Washington). (Resolution No. 08-45)

Kathleen Diohep, Planning and Development, indicated that this is staff's fourth presentation before the Commission in the last 7-8 months regarding SWL 351 which is located in the lot across the street from Pier 1 at Washington and Embarcadero. This is currently one of the primary lots providing parking for the Ferry Building. The lot is approximately 27,000-28,000 square feet.

In December 2007, SF Waterfront Partners, a developer that has a proposal to build on the site next to SWL 351, presented the Port Commission a proposal of what they would consider for that site including the Port site. In February 2008, staff presented the Port Commission with options on how we could respond to SF Waterfront Partners. The three options were: (1) not to respond; (2) move forward with the direct negotiation with that developer; or (3) offer the site through a competitive solicitation. Staff made the recommendation in February that we move forward to competitive solicitation after outreach and groundwork and working with the community to develop the development objectives. In April 2008, staff worked with the Northeast Waterfront Advisory Group (NEWAG) on this issue. On May 27, 2008, staff made an informational presentation to the Commission regarding the potential opportunity of a mixed-use project at this site, including presentation of draft development objectives and the context for SWL 351. A piece of that context is the Ferry Building parking needs. The Commission heard a substantial amount of public testimony at that time. Most of the discussions focused on should the Port move forward at all with the project or not. Staff wanted to ask people about what they think about the proposed development objectives. Staff met with NEWAG and received a series of recommendations and thoughts on how to modify the development objectives. At the May 27, 2008 meeting, Port staff sought Commission's input and direction and the Commission requested that staff come back

with an action item to look at issuing RFP for this site. She asked the Commission for the authority to issue the RFP to seek a development partner for SWL 351.

Ms. Diohep indicated that the key points of the proposed objectives for SWL 351 include Land Use. Uses required and encouraged include restaurant/retail and 90 parking spaces to meet the Port's contractual obligations. We would encourage as land uses hotels, office, residential and recreation uses. Several of those uses would not fit under the restrictions of the public trust put on this site. We are allowing the developer to come back with a proposal that didn't meet trust restrictions if they came back with a strategy for how we would address those public trust restrictions. Part of the challenge we've laid out is we have an awkward shaped site but we have a grand location. We want to encourage and invite proposals from the private sector that would the give the Commission a chance to see what can be built. On height, the objectives are designed to express the concern that the building fit within the context. Generally the objectives call out to how to do ways to help this site create our overall goal reconnecting the City with the waterfront, focusing on pedestrian connections, relationship with the Embarcadero, how do we connect better with the open spaces near it. We've also specified a minimum rent of \$500,000 a year for the site as part of the parameters for the RFP. The RFP objectives would require this to be an as-is lease. The developer chosen would have the responsibility for all the capital costs, all the development costs, addressing any of those pieces and pay rent to the Port and provide parking that would be available to the public. It's not that they would have to provide free parking but the 90 spaces required is part of the development and they would be able to charge revenue.

In the last several weeks, one of the concerns of the community is the height. Previously, the staff report included specific numbers of heights of other buildings. Rather than specifying a specific height in the RFP, the objectives call for a building to fit the site context. Part of SWL 351 that is in Jackson Street has no permanent structure. There would be very little height there. We initially said it should be landscaped improvements. We received good ideas and feedback from the community that it could be an outside café, bike rental or something that didn't have a permanent structure. The objectives call for no permanent building along the sewer easement in the former Jackson Street corridor. In addition to allowing for sewer system repairs and upgrades, it also maintains the view corridor down Jackson Street to the waterfront. One of the things that it essentially does is it slices that triangle and there's a small part of our site that is to the north of Jackson Street. When we put that requirement as a developer comes back and looks at that, they may probably proposed building on that tail but it wouldn't be a building of significant scale because of how small that site is. Looking south of Jackson, the RFP identified the context and we see this site as being a way to step up from the waterfront, from the bulkhead buildings toward the context to the rest of the City. We are asking the developers to specifically define and look at that context, looking at the tall white building of the Golden Gateway apartments, Golden Gateway Commons and the pier buildings. The Golden Gateway Commons and pier buildings have variations in those heights. Setting a specific number was not our goal but we wanted to set a framework. We are going to ask the developers to provide illustrations of what the building would look like so that when you're choosing between options for this site, you would be looking at options

somebody had designed, rather than the Port staff defined and designed a building for this site. The height was the biggest concern. The other piece of height was what folks referred to as perceived height. As people might recall the Broadway hotel project, the building code height might say a certain height but there is a certain amount above it for mechanical systems. We are going to specifically ask that the proposal state the full height of the building and the mechanical systems and show drawings and illustrations of what the roof would look like. We recognize that a number of people look over at this site and they want to know what that would look like. We wanted to enhance the objectives to reflect language about the neighboring landside open spaces and wanted to indicate that we are going to look at the prospective developer's proposals and see what it does to views from the Ferry Building, views from Pier 1, looking back at Coit Tower. In the fall, we want to be able to show the Commission the different alternatives for this site. We asked that the parking will be designed and implemented in a way to minimize the impact to the neighborhood, get people in and out. We are not requiring that parking in this proposal be subsurface. On this site alone, it wouldn't be underground at all. It has to be well designed and managed into the building.

It's clear that people have a strong voice and concern about what would be built here, how it will look and how it will work for the waterfront. As we design this selection of review process, we are going to give the community an opportunity to opine and review the proposals when we come back in the fall before staff makes a recommendation to the Commission. It would be similar to the SWL 337 proposals. It gives us a chance to choose between opportunities that someone has stepped up and said they will fund and they will build. We issue the RFP and then we evaluate. A proposal would need to make a certain threshold of responding to the RFP to make the presentation. We would recommend a developer and the Commission would select a developer to enter into negotiations. That is the start of the process where we go through and re-evaluate and there is still time for community review, negotiation of lease, environmental review, consideration at various Commissions, consideration of various points of public contact review. We are asking for authorization to issue the RFP to start that process. The proposed selection criteria would weigh the responses in 3 areas with a weighting of 100 points total: The developer team experience, qualifications and financial capability will be 30 points. Proposed development design and program will be 35 points. The proposed financial terms will be 35 points. Port staff will issue the RFP in July 2008. We hope to get a marketing announcement out as soon as possible. Staff will be looking at responses in mid-October and the evaluation of that through the fall. She asked the Commission for the authority to issue the RFP.

Frank Rollo, Treadwell & Rollo, indicated that he's written a letter to the Port's Executive Director that is part of Exhibit C to the staff report. He reiterated the subsurface condition at SWL 351. Some of the information he's heard about such as the groundwater, global warming, raising sea level and the old seawall foundation support are engineering items. For example if the groundwater would rise 3 feet, they would have conservatism in their groundwater design to incorporate whatever that level might be. Secondly, if vibrations are an issue, they would use a foundation system that could be installed with low vibration so as not to impact the area. He's

heard mentioned that the old seawall runs under SWL 351. It's possible that a section of the Circa 1800 seawall runs under the northeast corner block of SWL 351. He's not sure what the relevance of that is but they will be taking out portions of that as they excavate. That seawall no longer provides any support landward of the new seawall which is along Embarcadero other than being a nuisance during excavation. It's not of significant importance from an engineering standpoint. He's available to meet with the people of FOGG to answer their concerns any time.

Dave Stockdale, CUESA, encouraged the Commission to approve the RFP as presented. The project provides enough flexibility to allow developers an opportunity to generate a variety of creative solutions for this space including maintaining and increasing the number of parking spaces. It could be important for long-range waterfront development and the possibility of generating living spaces for potential new market shoppers. He asked the Commission to issue the RFP.

Susanne Kellison, resident of Telegraph Hill, indicated that the opinion of the Telegraph Hill Dwellers (THD) is not necessarily the opinion of everyone who lives there. She understands that THD are not supportive of the issuance of the RFP. She and her neighbors are supportive of it as well as other development. She heard a lot of people speak on this issue and the phrase that she keeps hearing is "not in my backyard." Any public entity in San Francisco should not be swayed by that kind of expression.

Dick Glumac, engineer in the City since 1965, indicated that one of his first projects at the waterfront was Pier 39, where he was asked by a local contractor to design drainage and water system for the pier. Since then, he's been working on the Embarcadero Center and many other projects in this neighborhood. He represents himself and thousands of silent majority who are supportive of this project and he urged the Commission to issue the RFP for SWL 351. The Moscone Center project was delayed for many years because of a lawsuit. They stopped development at the Moscone Center and the City lost many years of income by delaying it. He asked the Commission to issue the RFP.

Nan Roth, Telegraph Hill Dwellers, indicated that John King's recent comments that neighborhoods aren't defined by architecture landmarks as much as by the spaces they share which she feels deserve some thought and acknowledgement as the heart and soul of the public trust. The Port has consistently turned its back on this issue loudly claiming that the waterfront will sink into the bay if its assets are not maxed out to provide the financial resources to preserve its physical assets. If the Port proceeds in the manner proposed, we lose on two fronts. The Port will continue to decay due to rising repair costs and insufficient income from development to cover them. The remainder will be severely privatized with offices and luxury condos and hotels. We need a Commission with sound business sense that recognizes the role that inadequate planning and poorly defined RFPs overly influenced by political motives have played in the lack of success with Port development. In the financial toll that has taken on the Port's resources, explore how other waterfronts deal with this problem. Develop a business plan that respects the developers needs as well as your neighbors that clearly defines the community's and the Port's vision of the future waterfront, a

shared vision. The Port is going to be a bankrupt Port sooner than you think. The ship is sinking faster than the Port would admit and the Port is going to need a new influx of resources from beyond the scope of those currently envisioned. We can debate various facets of the RFP for SWL 351 and the shortcomings of the community planning process that precede it.

Bill Benkavitch, Friends of Golden Gateway (FOGG), indicated that he's been living in this neighborhood since 1980. As he mentioned last time, he is very concerned that the Port is unwisely rushing forward with the RFP for SWL 351. He endorsed the statements of the Barbary Coast Neighborhood Association's letter of June 24, the Telegraph Hill Dweller's letter of June 25 and the FOGG letter of June 24. He would expect that the Port will respond in writing to those documents before going forward with the RFP so they all know how the Port addresses the legitimate concerns. Based on what is shown on the Port's website about the Commission's appointments to the Port, all of them may well be gone within the next two years. The decisions you make about this RFP will have an impact on his neighborhood since 1980 and well beyond that. What does the Commission want its legacy to be? Will it be luxury condominiums and underground parking lot on public trust land?

Lee Radner, Friends of Golden Gateway (FOGG), indicated that he heartily approves the Telegraph Hill Dwellers, Barbary Coast Neighborhood Association (BCNA) and FOGG's letters sent to the Port on June 24 and 25, raising very important issues with regard to this RFP. It seems that the report given to the Commission by Port staff is giving lip service to many issues including the Waterfront Land Use Plan, parking, traffic, transit first, public trust, view corridors, height limits and the environment. They've received no response from the Port staff. The BCNA and Telegraph Hill Dwellers received no response either. He urged the Commission to go forward first with an EIR before considering an RFP. There are many issues left unanswered.

Susan Harris, resident of Golden Gateway Center, indicated that it's been educational and interesting over the last several months of meetings in this room. A lot of people have been very vocal and passionate about their objections to any sort of development on SWL 351. There are a lot of people who believe that a surface parking lot at SWL 351 is the best use of the space. She thinks that the Port Commission has listened to everyone. When she heard the objectives of the RFP, the Port has been sensitive to the concerns that have been raised. She urged the Commission to go ahead with the RFP and talk about options and developments and understand that we need to do something in that space.

Sara Lemke-VonAmmon, SF Resident for 20 years and a frequent user of the Ferry Building and the surrounding businesses, expressed her support for the RFP. It's clearly the best way to figure out the highest and best use for the property which is currently underutilized. She reiterated the last speaker's support for the staff's sensitivity to the concerns that have been brought up by the neighbors and other folks who are concerned about the project. She urged the Commission to issue the RFP.

Mike Denunzio, resident of Golden Gateway Commons and a former City Commissioner on Aging appointed by Mayor Brown, indicated that he worked with

adult protective services at that time. He is now a State Commissioner on Aging appointed by the Governor. This Commission is mandated to conduct hearings and prepare strategic plan for California seniors. He wants the Port Commission to think about our seniors. This area and all of District 3 have the highest percentage of seniors in the city. It also has the most auto congestion and the least open space. The tennis and swim club members do not qualify for Wimbledon or the Olympics. Most are seniors or will soon be seniors. They will be here a long time. A full facility is vital for the health, recreational and therapeutic needs of a growing senior population in this district and in the entire city. The 21<sup>st</sup> century is going to be a century of community based homecare services. The seniors are not going to sanitariums. They will live healthier, active lives at home in walkable neighborhoods with open space, safe from traffic and auto pollution. This Commission is charged with the public trust. This facility is open to everyone. It deserves the Commission's protection. The first responsibility of government is to protect the health and safety of its citizens. This is about health and safety and the public trust. The Commission's decision will affect human life.

Alec Bash indicated that it's a good thing that the Port is going forward with the RFP at this point if it should decide to do so. It has been ten years since the RFP for the building went out. This is a fairly integral part of the Ferry Building subarea, running along the entirety of the seawall of the landside of Piers 1½, 3 and 5. It's clearly part of that subarea along with the Agriculture Building. While it's unfortunate that the Agriculture Building is not ready to move forward at this time, they understand that there are opportunities when things can go forward and there are times when they cannot. Staff has been fairly responsible to a number of the concerns that were raised such as the extension of Jackson Street, the appearance of the rooftops, the appearance of the height of the buildings. Any developer reading the height variance could come up with a proposal that is at the bulkhead heights along the Embarcadero side and would possibly rise towards the rear in order to provide some sort of transition to the site of the Golden Gateway apartments, which were not designed to be an attractive development of the waterfront but rather were a response to the freeway being there. Unfortunately, there is much development on the landside of the Embarcadero that turned its back on the Embarcadero that has built a wall that does not provide the opportunity for Embarcadero to be the grand boulevard that we all think it can be. He hopes that things go forward.

Michael Theriault, SF Building Trades, acknowledged his affiliates: the operating engineers, the carpenters, the ironworkers, the painters, etc. He indicated that this is an exciting moment. We have a piece of property that much of which was once open water where ships belled up to the City and took on passengers and cargo. A piece of property that once contributed directly to the maritime life and the economic vitality of the City and that long ago became divorced from both of those. Now we have the opportunity to see it reunited to those, if not directly, at least through its contributions to the Port, through a long-term lease arrangement that will help the existing maritime uses of the Port continue to contribute to the economic vitality of the City. He asked the Commission to approve the RFP.

Jim Salinas, Sr., Carpenters Local Union 22, Native San Franciscan, indicated that he's been around long enough to remember what the Ferry Building looked like half a century ago. He's proud to say that due to the Port Commission's efforts and decisions, the Ferry Building is a thriving piece of San Francisco property that is bringing a great benefit to the City and County of San Francisco. Many of us use it throughout the week. They don't only come here on Saturdays. He's taken aback by the fact that today he noticed that folks that are visiting the City are not able to come in and enjoy and support the merchants that make up the Ferry Plaza. The Port Commission now has the opportunity and he thinks it would be irresponsible for the Commission to do anything other than to issue the RFP. The Port needs the resources and has the opportunity to create some open spaces if the right proposal comes along. He urged the Commission to move the RFP forward.

Mike Brown, Senior Field Rep for the Carpenters Local Union 22, indicated that they have 4000+ members who live and work in the City. They also have a number of members who have chosen to retire in the City. Their monthly retirement checks are based on the fact that they have brand new apprentices coming out of the various city organizations that they are bringing into the carpenter's union and training to do carpenter work. They are in favor of any project that will put their apprentices and journeyman carpenters to work in the city and keep their retirees live in the style they have been accustomed to and allow them to use the Port and the parking facilities they need to use.

Robert Mittelstadt, practicing architect in San Francisco for 44 years and a resident for 42 years and a member of the Telegraph Hill Dwellers, indicated that he does not accept their point of view when it comes to obstructing the progress of the City. He strongly believes in the project that the Port is proposing to issue an RFP to develop this site to its maximum, taking into account the general plan. He also urged, that among the architectural selection criteria, the Port allow for and encourage the use of modern cutting edge technology and design rather than wrapping the building in historic wallpaper that would somehow address an issue that does not exist.

Lorraine Honig, member of FOGG, indicated that on a day like this with bad air surrounding us, we have to be concerned about pollution. She's concern that the project that is being developed is going to be very dense and it's going to occupy a good deal of what is now an open space. Her other concern is that she lives in Golden Gateway 2, the red brick buildings, which has 52 units. Approximately one third of those units are absentee owned. That's what we are going to have when we have luxury apartments being built. We are going to have two bulky buildings largely absentee owned. If that's what the Port wants and what the Port considers progress, she can't be of help.

Stephen Fee, FME Architects, indicated that he has an office with about 30 people in the immediate neighborhood of SWL 351. Their employees will benefit from responsible development on this underutilized site. He's heard mention of the replacement of the potentially lost Pier ½ parking spaces. He's sure this project could do more than that. It's an excellent development opportunity. He urged the Commission to issue the RFP.

Garth Collier addressed the concern for the 85 foot height limit. As a Port tenant in the Agriculture Building and as an architect, he can attest to the positive impact of the new Vitale Hotel development across the street from his office. The project helps to define the Embarcadero promenade as a lively outdoor space which encourages pedestrian walking. The sense of street level excitement and vitality has greatly improved the immediate area. The Vitale hotel is a similar development to that which is being considered for SWL 351, about 8 stories. Its scale serves to unite the lower waterfront structures with highrises in the financial district. Some of the most important principles of new urbanism encourage density in creating lively streetscapes. This is why people love Paris. The grand boulevards are lined with cafes, restaurants and retail which enliven the street promoting pedestrians to stroll. Progressive cities like Vancouver, Portland and Boston have recently adopted policies allowing similar height structures along their waterfront with a great deal of success. He urged the Commission's support for the RFP.

Ernestine Weiss indicated that as a creator of open space at Ferry Park, she is an ardent fan of keeping open space in the area since we need to have a reasonable supply of it to balance all the huge concrete buildings surrounding it. Vancouver has a plan but it's not down to every inch of the waterfront. It's set back and the buildings are similar to what are around ferry park. The Port has to do an EIR as a first priority because that will address the parking and the other issues that are negative in this respect. There is nothing positive about putting up an 84 foot height building in this lot. It's an irregular lot and it does not require anything of that nature. There have been two busted pipes on one side of the Embarcadero, Pier 1½, 3 and 5 in front it and now on the irregular lot of SWL 351. Can you picture what the Port would be in for if you put an underground garage there and if you have busted pipe? The Port has to realize what they're up against. You have to have responsible and smart planning. We don't have to put every inch of the Embarcadero for development. We need balance. We have an over supply of condos. We have lots of restaurants. As far as livening up the Embarcadero, we can walk the beautiful sidewalk. Furthermore, in this end, there are low rise buildings which make it nicer than where the Vitale is. This is our opportunity to preserve the northeast waterfront and not spoil or ruin it.

Teresa Rea, SPUR Board member and chair of SPUR Waterfront Task Force, indicated that SPUR supports the implementation of development plans for SWL 351. They have worked with the Port for many years and closely on both land use planning and financial issues. It's clear that the implementation of development on SWL 351 is very important for the Port's financial well-being. The proposed mandated income stream is far more important than the one-time exchange for park land. There has been some talk about redoing the Waterfront Land Use and doing a new EIR but a very well thought through public process that took almost 200 meetings and 7 years took place and a plan with valid development criteria for this site already exists, which from listening today, have only been refined and improved through an additional public process. You don't need a new plan for this site. You don't need a new EIR. What you need for the benefit for the City at large and for the Port's financial well being is to proceed with the RFP and the redevelopment of SWL 351.

Veronica Sanchez, speaking on behalf of the International Brotherhood of Masters, Mates & Pilots & Inland Boatmen Union, thanked Port staff for their fine recommendation and urged the Commission to approve the RFP. Both their unions crew their ferries on the bay and they are committed to the expansion of ferry terminals at the Port of San Francisco. The next phase of ferry facilities cannot happen unless replacement parking can be found. Therefore, they see SWL 351 as an opportunity that provides regional benefits for transportation and emergency response. She reminded the Commission that at stake is the investment of \$20 million of regional dollars, toll monies, in those facilities. The Water Emergency Transit Authority is interested in starting this project very soon. Replacement of the parking in the south basin is an issue in addition to what you heard today. She thanked the Port for all their hard work and the opportunity to provide input. They look forward to jump starting this project so that we can get additional facilities so that their crews can bring their boats in.

Evan Matteo, Lafitte Restaurant (Pier 5), indicated that in order to maintain and grow the vibrant neighborhood that the Port and City have worked so hard to create, we need the farmer's market to be successful. The Ferry Building waterfront area has become a gem in the city and SWL 351 in its current condition is an embarrassment. There must be a higher use for this land besides surface parking. To his mind, the best way to determine this use is through an RFP. He asked the Commission to heavily consider the needs of our greater City, Port tenants and small business owners in the neighborhood and move forward with the issuance of the SWL 351 RFP.

David Fukuda, La Mar Restaurant at Pier 1½, supports the issuance of the RFP and hopes that it moves forward. It's important to explore all the options on that lot. It's important for the vitality of the area, certainly for the restaurants and the surrounding businesses in the Port and in the waterfront. It's good urban planning; it's good for the neighborhood and the businesses in the area.

Rob Black, SF Chamber of Commerce, indicated that they strongly support the RFP process. They salute staff's well drafted report and recommendation. It covers a lot of the issues that have been raised in a thoughtful way while still allowing for flexibility in the development proposal that will allow for the maximum benefit for the financial basis to the Port and the aesthetic basis as well as to the Ferry tenants and to the City as a whole. They strongly support the RFP process.

Lev Weisbach, CCS Architecture, indicated that he witnessed the beginning of the renaissance of the waterfront in 1989, starting with the demolition of the Embarcadero freeway after the Loma Prieta earthquake. He worked at Pier 1½ for William Turnbull Architects. In the mornings, they had to come and dust the particulate from automobile exhaust off their drawings that came through the windows. He's seen quite a bit of change over time along the Embarcadero. They have been lucky to be able to contribute to the development of Embarcadero. His current firm completed three projects in the Ferry Building and is presently working on restaurant projects at Pier 1½ and 3. San Francisco's waterfront is undoubtedly the world's finest and the City's most treasured resource, providing opportunities to develop SWL 351 can continue to make a significant contribution to its vitality. The

site is at a very critical location in the urban fabric. It's presently underutilized as many people have noted today. With the sensitive approach to the development, it can enliven the pedestrian experience along the Embarcadero and make a more accessible connection to the Golden Gateway and Jackson Square area, which is presently cut off from the Embarcadero. It will provide additional commercial activity, additional downtown residential units, giving access to public transportation and shopping and recreational amenities would be a benefit and a feather and a cap to the area. He urged the Commission to vote in favor of the resolution.

Ellen Johnck, Bay Planning Coalition Executive Director, offered the support of the allies and partners and maritime commerce, related shoreline businesses, and labor unions throughout the region. Ports throughout this region as well as across the nation are struggling with the challenges of meeting the ever-growing public expectations of the Port areas and waterfront enterprise. She is happy that we've reached a milestone today and to see the progress going forward. They support the issuance of the RFP. The Waterfront Plan has been marvelously successful throughout the years and they want to see the same kind of success going forward. They think that the design development objectives look good and ask the Commission to go forward with the RFP process. They are happy to support the Port along the way.

Tony Gantiner indicated that it's his understanding that SWL 351 is zoned P for public. If in fact that is accurate, it's an important fact that seems to be overlooked in the drive to develop this lot. Land that is zoned P means that the land is meant for public uses such as open space, recreational facilities, libraries and other public buildings including public garages. SWL 351 is not zoned for condos or hotels or anything close to what is currently being proposed. By his review today, neither the director's recommendation nor the Port's resolution on this matter or the design and development objectives take the current P zoning into account. Accordingly, these proceedings appear flawed, perhaps fatally so. He does not believe that the Port should proceed until the P zoning is properly addressed.

Sue Hestor, FOGG, indicated that she has been at the Planning Commission and the Board of Supervisors for the past two months. They've been discussing Potrero and Dogpatch. People in those neighborhoods are crying for development at Pier 70. The Port have people that are pleading in the context of the eastern neighborhood rezoning. Why isn't the Port here? Why aren't they helping us solve the problems. There are a lot of uses that can be done in that humongous area, east of Third Street that the neighborhood and the planning department wanted. The revenues are much more extensive than this small lot. Why are you walking away from one of your biggest challenges to develop good projects, good housing, good office space, and good businesses on an enormous chunk of land? Instead the Port is dealing with a small site that has a lot of problems. Secondly, those of them who have been paying attention to Rec Park and Planning Commission deliberations know that there is a serious need for an integrated plan along the west side of the Embarcadero to make it work. There is not a plan to solve the problem in the back of the City's, the rear end sticking up against the Embarcadero. This is a key site in it. Why are we not trying to resolve that rather than look at building plans? Third, it's obvious from today's testimony that people didn't know that they are not to say they support the project but

they are saying they support the project. The project is a project, to demolish the current recreation facilities there and the entire timeline assumes that is the project. What is the time frame? Is it realistic to solicit anyone else? This is a proposal and a timeline that says, Mr. Snellgrove, this is your project, and we are going to put you through a couple of hoops.

Tim Chappel, SPUR, a citywide membership organization of 3500 families and institutions, indicated that they are proud participants in the 7-year planning process to develop the Waterfront Land Use Plan which is an integrated and detailed plan in which SWL 351 was identified as a development opportunity. Its existing use as a parking lot is a blight and inappropriate to the grand Embarcadero Blvd. Likewise, the existing adjoining private tennis club does not provide the greatest public benefit. The Port belongs to all San Franciscans. To be sustainable, the Port needs to make efficient use of the land it holds in public trust. SWL 351 only has major economic value when seen in relation to the adjacent private property. It is the duty of the Commission to issue the RFP and pick the plan that bests benefit the 800,000 San Franciscans who live here today and the millions of future San Franciscans who will come. He asked the Commission to issue the RFP. It is a well written RFP and it benefits the public trust. SPUR is also one of the 75 member organizations of the Housing Action Coalition. Tim Colen, the Executive Director of the Coalition, wrote a letter to the Commission on June 11, 2008. He had to leave and asked if he could say a few words on his behalf. In support of the issuance of the RFP, he wanted him to mention the issue of height. Mr. Colen states "Given the heights of the surrounding buildings, 84 feet is entirely appropriate. For instance 84 feet is less than 1/6 the height of the adjacent Embarcadero Center. It scarcely registers. It's also about 1/3 the height of the adjacent Golden Gateway residential building. The surrounding buildings would entirely dwarf a building of 84 feet."

Fred Allardyce indicated that he is concerned as he represents a group as many as 13,000 at the Barbary Coast. Other members of associations that came here today representing 2000, 5000, 10000 people trying to make a living in San Francisco and asked any of them if they would go before their members of their associations and say, "We are going to take away your local park that is two blocks from your house and put an 84 foot tall building on your park." Because that's what this group of concerned business people are asking to be done to this neighborhood. This neighborhood was created by the SF Redevelopment Agency, all bulldozed down and put in two recreational components – a public park and the swim/tennis club that's use by thousands of people for 30+ years. That's the debate. You're not here to debate as a valuable property, should there be an 84 feet tall building, 30% higher than the freeway that was taken down that was 55 feet which all of you now want to support to rebuild the freeway. It's about taking the heart of the neighborhood away and saying, we want that because we want to have luxury condos that he sells for a living. He won't be selling those because the neighborhood will survive and we will end up with a recreational component at the site.

Commissioner Hardeman commented that he regrets that we have to do this so many times and people have given up so much of their time to come down and speak on

this item. He's glad the Commission is going to finally take a vote whether or not to move this forward. He will vote to move it forward.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 08-45 was adopted.

## 10. ENGINEERING

### A. Informational presentation on Supplemental Engineering Study findings related to Pier ½ Structural Condition, Pending September 15, 2008 Closure and Alternative Parking Options.

Uday Prasad, Senior Civil Engineer, indicated that on May 13, 2008, Port staff presented a detailed structural evaluation report prepared by Creegan & D'Angelo (C&D) Engineers for the Pier ½ Parking Lot substructure deck. The Port Commission was advised of its poor structural condition and that repairs are required. Port staff also informed the Commission of the Port Chief Harbor's Engineer decision to close the pier on September 15, 2008 to ensure public safety. As requested by the Port Commission, Port staff asked C&D to undertake a supplemental engineering study. The study was conducted last June and was focused on performing material testing of wood planks and wood beams. A draft of the report was recently submitted by C&D. The study report concludes that the deck is in a much worse condition than previously known. Continued use of the pier entails risk of deck failures, property damage and personal injury to the public. The C&D report also recommends a minimum required repair scheme which will provide a service life of at least 5 years. These minimum required repairs will trigger the seismic upgrade for the entire pier as per the current Port Building Code. C&D engineer's estimate that the cost of these repairs including seismic upgrade is approximately \$3.6 million. The report concludes that a repair scheme for the scope of the work for 1 year or 3 years operation is not feasible. In view of the potential safety hazard disclosed by the C&D report, the Ferry Building Investors decided to terminate its use of the pier effective midnight of July 3, 2008.

Reinhard Ludke, Structural Engineer with C&D, indicated that he has been working with the Port of San Francisco for five or six years including the Illinois Street Bridge, Pier 52 and assessment of piers on the Port waterfront. They were asked to look at Pier ½ last fall because of some conditions that were occurring both on Pier ½ and Pier 43 where there were some damage and failures due to traffic on those piers. Their original scope of work was to do a rapid, detailed assessment of the substructure. Pier ½ is approximately 22,000 square feet structure. Its use was for valet parking associated with the Ferry Building. With valet parking, approximately 80-100 cars per day can be accommodated on that facility. He showed a slide that shows the typical construction of Pier ½. It's typically a 12 inch timber piles. They are wrapped with plastic with HDPE to protect them from marine organisms and to slow down deterioration. Typically, they have a timber capping, a heavy 14 x 14 cap beam with timber deck joist spanning between the cap beams and 4 x 12 planks on the structure. There are some concrete piles that are closer to the seawall that are part of the structure and they also support timber framing. The conditions that they saw in

the evaluations they did in the fall included missing support blocks above some of the piles. They saw deteriorated piles. In the diagram he showed to the Port Commission, it showed full deterioration of the pile and complete loss of structure capacity. That was evident with a number of piles. They identified those as condition that should be repaired in their report last fall. Another slide showed that there aren't many steel beams but the steel structures supporting the deck is severely deteriorated. They have a total loss of the section of the flange to the web connection. When they were inspecting the pier, they asked the operator to eliminate live loads over that area because they knew that it had lost capacity. Structural engineers will do calculations and determine that things will not support loads. They actually support loads but structurally they have lost full capacity.

After the Port engineering department made a presentation to the Port Commission in May, the Commission asked staff to do a supplemental investigation to validate or do more study of C&D's conclusions. Staff retained C&D to do a more detailed condition assessment of the deck structure. They identified areas where they were suspicious of deterioration because of what they saw underneath and because of what they saw on top with the paving, the cracks on the paving and some of the deformations in the paving. They used a device probe called the Resistograph, where they can drill through the wood. Because of the resistance that is measured in the drilling, you can tell how bad the deterioration is with the timber structures. They've used this device and this technique in numerous other marine and other timber structures and rehabilitation of the timber structures. They looked at 12 locations. Last fall, they've also pulled steel plates. There were 5 steel plates that were covering up areas where there was damage. In June, there are 11 steel plates. They elected to pull two of the steel plates to look at the level of deterioration. The photograph showed the kind of damage that exists under those steel plates. This level of damage was supported by the investigation they did with the Resistograph. They found a lot of locations. Sixty percent of the locations where they did the test, they found that the deck timber, which is 4 inch timber, and the majority of the joist which is 12 inches deep was severely deteriorated. In some cases, it was totally gone. The conclusion they came up with in doing the supplemental evaluation is that the deck structure is severely deteriorated. The location and the type and the size of the deterioration is difficult to determine unless you remove the asphalt and unless you do a detailed inspection. Their recommendation to the Port was that the rehabilitation and repair should include repair of the deck structure. They had a meeting with the tenant and the operator of the facility and showed them the preliminary report a week and a half ago. They did not have that data in their hand at that time because we were just completing the study. The next diagram illustrates the recommendations for substructure repair. In the report, the red dots and red highlights show that timber piles and pile repair, they are recommending that we have 24 piles that are repaired. There are different techniques to do the repair. You can install a new pile instead of repairing the pile, which is less costly than repairing existing piles. They have support repair. They have to put the blocking back in at several locations. They have support beams that need to be placed. That's part of their recommendation for the retrofit on the substructure, which is identical to the report that they gave the Port in the fall.

The next diagram is their recommendation for the pile and deck repair. They have “W” on the plan that shows to wrap the pile with the HDPE plastic wrap to repair deterioration of the timber wrap. They are recommending the asphalt paving in the boardwalk entirely, replace the deteriorated deck. They had conversations with the tenant and the Port to come up with clever, effective ways to reduce the cost of doing the repair. The recommendation they made and the cost estimate they provided to the Port includes removal and replacement of the deck. They would recommend installing a waterproof membrane over the top of the timber decking before putting asphalt back on. They also recommended putting in drainage slopes to properly drain the structure. The Port Commission had asked to look at doing a one year, 3 year or 5 year fix. Because of the condition of the facility, if the repair is done according to their recommendation, the pier would have at least 5 or 10 years of service. If it’s well maintained, it might be longer than that. They didn’t see an interim repair that made any sense given the condition of the facility.

Like Uday Prasad mentioned, the Port has to enforce their building code. They were asked to look if there are seismic triggers in the building code that if you do a certain level of repair or you lose a certain capacity, it would trigger seismic upgrade. They determined that it does trigger seismic upgrade. They may be able to minimize the cost of the seismic upgrade because there are no buildings on top of the repair. They could use the capacity they have or put in a limited additional capacity to satisfy the seismic upgrade if we are looking for a 5-10 year service life.

Jonathan Stern, Assistant Deputy Director of Planning and Development, indicated that as Uday had mentioned, Equity Office on midnight of July 3, 2008 gave up use of this pier partially because of its condition and partially because the Port has already issued a notice that it would be coming out of service in mid-September. Port staff is tasked with finding parking solutions in the Ferry Building area. There are three tasks that Port staff need to do to help facilitate the change in parking in the Ferry Building area with the lost of approximately 100 valet spaces in Pier ½. First, we have to comply with our parking agreement. As part of the Ferry Building lease signed in 2001, there is a parking agreement that gave the Port certain obligations to provide 150 short term parking spaces for Ferry Building customer use. Certain amount of people arrives at the Ferry Building in many different ways including ferry, BART, Muni, etc. They also arrive by car which we need to accommodate. This agreement states that the Port would provide 150 spaces reasonably within our control within a specific area of the Ferry Building. It named specific facilities in that agreement such as Pier ½ and SWL 351, the Golden Gate Garage. First, the Port has to comply with that agreement. Second, the Port has to come up with other ground parking solutions. There were 100 spots close to the Ferry Building. Though this is a land lock area with a lot of parking resources already in the area, we need to wherever possible dedicate as much parking as possible to the Ferry Building. Port staff are working on other smaller temporary solutions. Finally, there are a number of issues that need to be addressed including validation programs so it’s more economically feasible and there’s incentives for people to use existing parking for the Ferry Building area, wayfinding and sign systems so people who are not familiar with the area, know where to find parking.

When the Port sent the 120-day closure notice for Pier ½ to Equity Office Partners on May 14, 2008 because of its structural condition, we proposed assignment of three areas for parking to satisfy the 150 space requirement. The first is the continued use of SWL 351 (Washington at Embarcadero). There are approximately 90 spots there that could serve the Ferry Building. The second is to formalize the use of the white zone in front of the Ferry Building. It's not currently subject to the parking agreement. There are about 30 spaces in front of the Ferry Building. We believe that this could be better managed and could be a primary resource for users that truly need to be close to the Ferry Building, whether they are buying a lot of things and they need to get to their car quickly or whether they have trouble getting into the Ferry Building because of their physical condition, etc.

As allowed in the parking agreement, the Port also assigned 58 spaces in the Golden Gate garage which is about 2-3 blocks away. It's owned by San Francisco Metropolitan Transit Authority and operated by 5 Star Parking. Though we haven't concluded exactly how that would work, those spaces are available. We did them originally under the context of a closure of September 15, 2008.

Port staff is about to commence the Saturday farmers market and Ferry Building customers throughout the weekend a validation program. The stamps are already available for Ferry Building merchants and for the farmer's market. Though it's not a known resource for parking, it's relatively close; it may not be if you have an entire week's of groceries but for many other people, it would be a good resource for the Ferry Building. This would be accessible on the weekends for \$3 all day. He showed a flyer that the Port put together in conjunction with CUESA and the operator of that facility. The idea is to try this out. It will commence this coming weekend before we knew the closure of Pier ½ on July 3, 2008. This is something that the Port have in place and would like to expand. That's how the Port will comply with the parking agreement. We still have to do further negotiation to have a similar validation program or similar relationship on weekdays. They have a relatively high occupancy on weekdays in the Golden Gate Garage but the operator and MTA are confident that the 50 spaces we have identified can be provided for. It's a matter of how and when. Originally, the Port was informed that it could be available by September 15 if they got notice by the end of July. There are a number of other short term solutions where the Port can start exploring. There are some spaces the Port has available elsewhere in the Ferry Building area such as Pier 3, SWL 351 and other white zones. There's also the marginal wharf of Pier ½, approximately a quarter of what used to be parked on at Pier ½ that is made of concrete and not subject to the engineering analysis and the closure notice on September 15. We can offer that back as some form of parking. The Ferry Building white zone has already been offered.

There are a number of other medium and long term solutions. The long term solution is Pier ½ itself. Even if we have a contractor working today, we estimate it would take at least 6 months to do the construction. We haven't engineered or contracted it. It would take a minimum of 6 months to do the repair and the other part can take a lot longer depending on the process, where the money comes from, who does the contracting and who does the engineering. This is something that Port staff can explore. There are regulatory issues with both the Waterfront Land Use Plan and the

Special Area Plan. BCDC called for the eventual removal of Pier ½ as soon as additional ferry floats are added behind the Ferry Building, which WETA is in the process of starting that. They would like to see those floats open within five years. Even if we did that construction, we would have a commitment on the books from the various regulatory agencies and Land Use Plan to pull it out in 5 years. There have to be some sort of regulatory relief from those existing policies of the Port and others. We also have a long term opportunity at SWL 351. It's subject to RFP for joint private/public development which would include at least the replacement parking spaces but could include more parking spaces. There are potentials to include other parking resources in the Ferry Building as structured or underground parking. There was a concept to develop parking under Block 202. A combined project such as combining SWL 351 with the adjacent parcel has been part of a discussion of a larger underground parking structure. It's rightfully to call those two in particular long term options. Those are things that could happen but would take quite a bit of doing. There is a variety of things that we can do in the medium term that are not immediately within the Port's control that we need to look at. They range from adding parking spaces or availability of parking spaces. The most obvious one is on Davis Street, a block and a half from the Ferry Building. There are a number of areas that don't have meters. They could be added and there will be more parking. Similarly, at least on Saturday farmer's market, there are about 40 spaces reserved on Washington, Drumm and Clay for farmer's vehicles. If we found other off street parking for those vehicles, those could be opened up on Saturdays for the customers of the farmers market. There are other proposals at hand to allow parking on Ferry Plaza for specific events or for specific types of users. There's also the idea of closure of the Southbound Embarcadero lanes to provide more parking for the farmer's market. These will allow more parking for certain users at certain times but they are not a global solution. They involve quite a bit of coordination both with regulatory agencies such as BCDC and other City agencies such as DPT or DPW. Those are things we could pursue but are not going to be quick or universal fixes.

A shorter term but still considers a medium term option which would take a month or two or more to get up and running is to put in place some sort of wayfinding and signage system. The Ferry Building is an area with lots of parking within an easy distance. There are a few resources up to 20 garages within a walking distance. If people knew where parking is and there is a validation program in place for those areas, it is conceivable that there would be quite a bit of parking that could be provided for Ferry Building and farmer's market users.

One of the complaints by some of these resources such as 75 Howard and the Golden Gate Garages are not close enough. One of the things that we are trying to put in place first for the Golden Gate Garage and may be expanding to 75 Howard is a shuttle system that would allow free shuttle for people who park on those areas to be able to get to the Ferry Building for farmer's market or for other uses. There are a number of items under consideration. Some of them are things that we can move forward quickly and some are going to take a little longer to implement. We are taking it very seriously and we are now five days into Pier ½ being closed. We are trying to respond as quickly as possible with alternative parking.

Dave Stockdale, CUESA, requested that the Port and other departments within the City continue to work with CUESA, Equity Office and other waterfront tenants to create, as has already been suggested today, not just a short term but also some long term parking solutions that will enable all of their waterfront businesses, not just the 110 market sellers, to be able to provide nearby and affordable parking for their customers. They encourage shoppers to arrive by foot, bus, boat and train but they recognize that the majority of those who purchase in large quantities prefer the convenience of driving themselves to the waterfront. The very sudden loss of Pier ½ left them scrambling for parking. They have a plan in place with the Port for the Golden Gateway Garage but they don't know what the public response is going to be yet. He suggested that many of the market workers and even shoppers arrive early on Saturdays. Perhaps, rather than opening up that lot at 8 a.m., they could consider opening it at 7 a.m. to service those people who arrive early. As expressed to them by numerous angry shoppers last Saturday, they do want shopping as close as possible which is why historically people have chosen to wait in line for the Pier ½ lot rather than park across the street at Washington Street lot. They do know there is a demand and we have to look at long term solutions. We need to make sure we are providing parking for our disabled shoppers. There could be many other creative solutions and opportunities available and CUESA hope that they are able to participate fully in all those discussions but reminded everyone that we have to start rethinking all of our long-term solutions now.

Janet Griggs, CUESA, reminded the Port that their constituencies are the farmers. While they were without Pier ½ parking this last Saturday, if you were to ask her what was the response as far as the shoppers and the farmers are concerned, it's too early to tell. Many shoppers were not aware that this is a permanent change. It appeared to be a one-week only but as we go through the summer which is the most profitable for the farmers, they will have a better idea of how their shoppers respond. Before the Port make any decisions, she asked that the Port keep in touch with them.

Harout Hagopian, regional director of operations for Equity Office, indicated that recently the Port presented Equity Office with a supplemental engineering report on the condition of Pier ½ which indicated significant safety concerns. Based on this new information, the Ferry Building did not feel comfortable with Pier ½ because like the Port they are very concerned for the public safety. After review of the supplemental engineering report on July 3, 2008, the Ferry Building decided to terminate its use of Pier ½. The safety of their tenants, visitors, general public, employees and vendors is of utmost concern to the Ferry Building. They know the Port shares their commitment to the success of the Ferry Building. They also know the Port understands how important it is for the Ferry Building's retail tenants, farmers, waterfront visitors and customers to have an adequate supply of parking as close to the Ferry Building as possible. They appreciate that. The loss of Pier ½ parking is likely to result in hardship to many of the merchants as well as farmers of the Ferry Plaza farmers market and their customers that have come to rely on nearby convenient parking. They appreciate the Port's efforts thus far to secure parking spaces to replace Pier ½ spaces. They are aware that supply is limited. However, the Golden Gateway garage is not a viable replacement for Pier ½ because of its convenience and proximity. Convenience and ease is essential for local shoppers to

remain daily and weekly patrons of the food artisans and farmer's market. Parking for disabled has been greatly hindered since this past weekend. They are looking to the Port to find short term, medium term and permanent solutions for parking within close proximity to the Ferry building. They are aware that today's agenda includes discussion of the proposed development of SWL 351. They believe that if the 150 Ferry Building parking spaces are required as a condition of the development, that this new project could be the permanent parking that supports not only the Ferry Building but also all the waterfront retail district. They would then be enthusiastic and supportive of this development. In the meantime, they reiterated the need for uninterrupted parking during the estimated construction period of the proposed development. They believe that Pier ½ could be one of the appropriate sites to fill the short term parking needs of the waterfront, provided the Port can allocate the funds to make the repairs to the pier and extend the useful life through the completion of the new development. On behalf of their tenants, CUESA, farmers and customers of the Ferry Building, they are committed to continue working with the Port to evaluate all viable interim and permanent alternatives to satisfy the parking needs of the waterfront retail community and provide the regional access to the waterfront.

Jorge Martinez, Stonehouse California Olive Oil, indicated that they have a small nabe shop in the Ferry Building marketplace. Stonehouse Ranch is a 108 acre silver ridge ranch in Oreville, CA. Their orchards were planted over 100 years ago. Parking is critical to the success of the Ferry Building. They appeal for solutions to repair Pier ½. They ask for the City to commit to long term parking to support the newly created retail district along the waterfront. The City needs to support access to the waterfront by providing parking and better public transit and better bike parking options.

Sue Hestor, Friends of Golden Gateway, indicated that if you look at the graphic you will notice that the building closest to the Ferry Building is Embarcadero 4. Embarcadero 4, 3, 2 and 1 are closer to the Ferry Building and to the farmer's market than the Golden Gateway Garage. She does not understand the reluctance of the Port to prioritize working out something for the Ferry Building parking, especially on weekends in Embarcadero 4. It's the closest facility. It's absolutely anti-environmental to consider building more parking when there are spaces that are empty on weekends. She does not represent Embarcadero 4 but other people have talked to them. She's used Golden Gateway garages on weekends because they are open on weekends. Why isn't that a high priority? Using existing parking resources, they are closer than the Golden Gateway garage. People are paying to use the parking; it's not free. They can pay Golden Gateway or they can pay the Embarcadero Center. Where is the report on your discussions with Embarcadero Center? It's a huge amount of parking between 4, 3, 2 and 1. Starting with 4 because it's closest. If you look at the map, you'll have these parking going all the way around all those garages. Why can't there be lines that also say, parking is available in each one of these buildings and what the rates are? What is this about other than a rationalization to say we need SWL 351 as the parking resource which is also farther away than Embarcadero 4? Why isn't staff giving a report on what their discussions with Embarcadero Center?

Ernestine Weiss agreed with Sue Hestor's comments. Embarcadero 4 is across the way. The Port should be using this because the busiest day in retail is Saturday. That space is available. Why not promote that and use it? With the destruction of Pier ½, we are going to run short of parking spaces. That creates the need for parking. The Port has to look at what's before you and look at the long range planning and do it.

Nan Roth was upset to listen to this discussion go on and on without any recognition of the fact that from what she reads and hears, the use of public transportation has dramatically increased in the last few months because of the high cost of gasoline. Does anybody think gasoline is going to go down in price? There may already be a noticeable decrease in parking if anybody checks the data in terms of the City's uses of garages. The City is a major transit hub. We offer people more transit options than any other community this part of the State. Why aren't we focusing on trying to improve that aspect of access to the Ferry Building, rather than provide more vehicular parking spaces? She agrees and won't argue with the fact that the farmers need a place to park their cars. Handicap people need a place to park. The rest of the parking problem, we are approaching it as if we were living in Walnut Creek or Yountville rather than in the middle of a major urban city.

Jonathan Stern indicated that the staff report mentions that CUESA has an agreement with Embarcadero Center, opening Embarcadero 3 and 4 garages on Saturday. It's open at 8 a.m. and available at \$2 for the first two hours and \$3 for any subsequent hours. Responding to the closure on July 3, 2008, Port staff started to draft a graphic but it's not ready for primetime yet. Port staff are trying to identify all the resources in a flyer or a board form. We're not at a point where we have them available for drivers. It's still in development.

Commissioner Brandon thanked staff for the presentation. Port staff is working very hard to come up with short, mid and long term solutions to the parking.

## **11. FINANCE & ADMINISTRATION**

- A. Request approval of the Port's Parks and Open Space Projects to be included in the City & County of San Francisco's first issuance of the 2008 Clean and Safe Parks General Obligation Bonds (Resolution No. 08-46)

Tina Olson, Deputy Director of Finance and Administration, indicated that as the Commission is aware the voters approved \$185 million General Obligation bond in February 2008 for parks in San Francisco. \$33.5 million have been identified in that bond for waterfront parks. The City is planning its first issuance of that bond for August 2008. We have put together a team of Port staff who are going to be responsible heralding these projects forward. Ed Byrne is coordinating the Engineering effort, Kim von Blohn, project manager for the Parks Bonds project, David Beaupre, lead planner for the Blue Greenway projects, Dan Hodapp, lead planner for Pier 43 and Brannan Street Wharf Project, Diane Oshima, lead on CEQA and Daley Dunham has been writing the CEQA and Bond reports. Through this process, they've come together with a proposal for the first bond issuance which is about \$3.6 million. It's primarily for review and planning efforts. We are going to

fund all the CEQA review required for all the projects and all the permitting required for other projects in the bond. Engineering and design services will be for the Pier 43 promenade project, Bayfront Park and Heron's Head Park Entrance Way improvements, developing design guidelines and the community planning effort for the Blue Greenway Projects. In the bond, Port staff identified \$22 million for the Blue Greenway projects indicating that the specific projects and allocations will be defined through a community planning process. David Beaupre started drafting a work plan for how that will come together. We also have money to construct the entrance way for the Heron's Head Park. We can do the design and construction within the next couple of years. We have funds to install some of the signs and site furnishings and lighting that will come out of the design guidelines for the Blue Greenway. There is also money to start installing them after the design guidelines have been completed. The city expects the second issuance to be in October 2009. At that time, we can request the funding to construct the Pier 43 ½ promenade, the Bayfront Park and possibly the Brannan Street Wharf, depending on how far along we get in the design and CEQA review. We can request the engineering and design funds for the remaining Blue Greenway Projects. The third and last issuance of the bond would take place in January 2011. That's when we would get the construction funds for the remaining Blue Greenway projects as well as the Brannan Street Wharf if we didn't get it in the second issuance. We have submitted our application for the CEQA review with City Planning. We have received the exemption for the Heron's Head Park Entrance. We think we can get a negative declaration on the remaining projects some time this fall. We developed a scope of work for the Blue Greenway Design Guidelines and the community planning process that David Beaupre is still working on and getting some input from the community. We prepared an RFP for the engineering design services for the Brannan Street Wharf Project that we expect to issue this month. We are developing the scope for the conceptual engineering for the Pier 43½ as-needed contract. We've also outlined a work program for the Bayfront Park and Heron's Head project. We have appropriated \$200,000 of the \$3.6 million for the Pier 43 ½ project because we have an existing consultant we can use. The remaining \$3.4 million, we are going to request a supplemental appropriation in September and then it will go to the Board of Supervisors and we should be able to start spending the money in October.

Corinne Woods, Neighborhood Parks Council/Blue Greenway, asked the Commission to move forward. They are looking forward to this. They've worked so hard on this project. They are looking forward to working with David Beaupre and other community groups.

**ACTION:** Commissioner Lazarus moved approval; Commissioner Fong seconded the motion. All of the Commissioners were in favor; Resolution No. 08-46 was adopted.

## 12. REAL ESTATE

A. Informational presentation regarding Lease No. L-14564 with Portco, Inc., for a Ten Year, One Hundred Eighty (180) Day Lease for premises located at 360 Jefferson Street.

Jeff Bauer, Port Leasing Manager, indicated that in 2005, the Port advertised an RFP for a retail leasing opportunity at 360 Jefferson Street in Fisherman's Wharf. The Port sought respondents to operate a retail storefront located in the Fish Alley area. Possible uses were selected from the Port's Waterfront Plan and it included apparel sales, artisan and designer projects. The Port received three respondents to the RFP. The initial selection was a restaurant use. In 2006, the Port Commission approved an Exclusive Right to Negotiate with the Firewood Café. Following several extensions in 2007, the Commission approved termination of the request by the Firewood Café citing the high cost of converting a non-restaurant space to a full service restaurant. The second ranked respondent voluntarily withdrew its proposal. In May 2008, the Port engaged discussions with Portco and have mutually agreed on acceptable terms and conditions for the development of a retail space focused on apparel sales. Portco operates a variety of retail and restaurant business enterprises in San Francisco, Carmel and Monterey. They have been a Port tenant for over 15 years. They currently operate the Bay Company located at 496 Jefferson Street and a Cioppino's Restaurant located at 400 Jefferson Street. The proposed retail store at 360 Jefferson would be called the Trade Winds. The improvements are estimated at approximately \$400,000. Their plan is to remove large portions of the second floor which is a non-revenue producing portion. They plan on adding ADA compliant bathrooms, upgraded the path of travel to make them compliant and improving the interior and exterior finishes. Portco will repair the deficiencies that currently exist on the north side of Jefferson Street by creating a pedestrian friendly deck seating area that includes native landscaping. The existing tenant currently pays the Port approximately \$.94 per square, \$3,749.00 per month. Portco's initial minimum rent is \$18,616 which is an increase of 125%. Portco is forecasting sales in the initial year at \$1.2 million or \$35-\$40 per square foot. The term of the lease is 10 years and have 180 day construction period during which no rent would be charged. The percentage rent of gross sales is 8.75. There is an annual 3% adjustment. There is a one-time, one-year option in the 10<sup>th</sup> year. There is also a market adjustment for both percentage and minimum rent so the Port would be able to review the current rates. Staff will bring this proposal back to the Commission at the next meeting.

B. Request approval of License No. 14321, including waiver of fees, between the Port and San Francisco Redevelopment Agency for a Kayak Boat Ramp located at China Basin Channel (Resolution No. 08-43)

Mark Lozovoy, Assistant Deputy Director of Real Estate, indicated that 1998, SF Redevelopment Agency approved redevelopment plans for the Mission Bay project. At the same time, the agency entered into owner participation agreements and other related documents with Catellus Development Corporation which include the construction of 41 acres of public open space within the Mission Bay project. In 2001, the agency and the City, acting by and through the Port, entered into a Master

Ground Lease Agreement in order to implement the improvement of the public open space areas. Under the Master Lease, the agency is responsible for managing and operating public open space parcels into the year 2043. In the meantime, Catellus has sold its remaining undeveloped land in Mission Bay to FOCIL-MB, a subsidiary of Farallon Capital Management Corporation. FOCIL-MB have assumed all of Catellus' Obligations for the Mission Bay Redevelopment Projects as well as the responsibility of developing all of the public space improvements. One of the planned public access projects include a public kayak boat ramp located at China Basin Channel. However, during all these agreements, none of the plan documents specifically identified the maintenance responsibilities for the kayak ramp after its construction and dedication to the Port or the City.

In November 2006, the Port issued a building permit to FOCIL-MB for the construction of the kayak ramp with the understanding that before the kayak ramp open for public use, the Port and the Agency would enter into a license agreement which would set for all of the maintenance responsibilities by the agency. Today, FOCIL-MB has completed the construction of the kayak ramp. The Port and the agency have negotiated a license for the site which is before the Commission for approval.

The basic proposed terms for the license are as follows: The license area is comprised of approximately 1192 square feet of area located at China Basin Channel. The permitted use shall be for the operation and maintenance of the kayak boat ramp. The term is from the commencement date of November 9, 2006 until it expires in 2043. Since the agency is not generating any revenue from the site, the Port shall waive the license fee. The only caveat is if the agency creates a revenue stream from that space, the Port can come back and charge market rents for the site. There's a security deposit of \$10,000 for faithful performance of all terms and conditions under the license. The agency is responsible 100% of the maintenance and repair. This license contributes to the Port's maritime and public access trust mission. Port staff recommends approval of License No. 14321 between the Port and the San Francisco Redevelopment Agency.

Corinne Woods, Mission Bay CAC chair, indicated that this is an exciting project. They have been watching it for months. It's been finished but they have not been able to use it because of the license agreement. She asked if there's any chance at all the Port could waive the security deposit because no one is making any money off this. This is a publicly accessible human powered boat ramp. It's part of the Blue Greenway. It's the Mission Creek loop of the Blue Greenway. It's going to be accessible to kayaks. She invited the Commission and the Port staff on September 20, 2008. There will be a Mission Bay Parks grand opening party.

Commissioner Hardeman asked for an explanation of the \$10,000 security deposit. Mr. Lozovoy explained that the security deposit is for the faithful performance of rental fees or anything under the license. In this particular case, it's actually a maintenance agreement. The reason the Port is imposing a security deposit is for the maintenance. If something is not being done, the Port can come in and use that security deposit and protect itself in case maintenance is not being done or for

instance, the ramp breaks loose and the Port has to step in and keep it from sinking or towed away. It's not a huge security deposit but we felt that it is adequate to protect the Port from minor things that might happen that we may have to step in and do maintenance or repairs.

ACTION: Commissioner Hardeman moved approval; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor; Resolution No. 08-43 was adopted.

- C. Request approval of a sixty (60) month lease, Lease No. L-14526, between the Port, as landlord, and One Big Man, One Big Truck Moving Co., Inc., as tenant, for office space and storage space at 401 Terry Francois Boulevard, which includes a right of termination by tenant (Resolution No. 08-42)

Jerry Romani, City Real Estate Division employee working on renewing various Port leases on the Port holdover lease projects which was recently approved by the Port Commission in June, indicated that this item is a lease renewal of office space at 401 Terry Francois Blvd. Such lease renewals do not generally require Port Commission approval. However, this lease contains a right of termination by the tenant which is not a provision of the Port's standard boiler plate lease. The tenant is One Big Man, One Big Truck Moving Company. The premises consist of Suite 126 at 401 Terry Francois Blvd. which contains approximately 598 rentable square feet of office space and 69 rentable square feet of storage space. The use is for general office and related storage. The term is for 60 months commencing August 1, 2008 and expiring on July 1, 2013. The right of termination for the tenant is to provide them with the opportunity to terminate their office lease should the needs of the Port result in the tenant's inability to renew its existing parking lease at Pier 48½ or to enter into a new parking lease with the Port for parking premises comprising approximately the same square feet area in a location mutually agreeable to both parties. The base rent for the initial year will be \$1,491.55 per month which is equal to \$2.35 per square foot for office space and \$1.25 per square foot for the storage space. Said rental rates comply with the Port's 2008/09 Minimum Monthly Rental Rate Schedule. The rent during the subsequent years 2-5 will escalate annually at a rate of 3% on each August 1<sup>st</sup>.

ACTION: Commissioner Lazarus moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 08-42 was adopted.

### **13. NEW BUSINESS / AGENDA SETTING**

### **14. PUBLIC COMMENT**

Flicka McGurrin, Pier 23 Café, indicated that this is problem that happened earlier in the year. It's something that the Port should be aware of and she's asking for rent credit. She read her letter to the Commission. It states: "As I'm sure you are aware, the Pier 23 Lease requires that the Tenant pay for maintenance, repair and replacement of all utilities furnished in or to the premises. As you also may be aware, the primary water main from the City delivers water to our area of the Port in an area of the public right-of-way along the

Embarcadero and in front of Pier 23. From that point, the water main to the Foreign Trade Zone heads diagonally south under a corner of the Pier 23 premises. A small spur off that main line provides Pier 23 with its water. The main water supply to the Foreign Trade Zone has not been maintained and has broken three separate times in the months of February and March 2008. The areas of break have nothing to do with water to Pier 23 since our water comes off the main supply before the problems are encountered. The water main is not under Pier 23 and we have since put in a shut-off valve so we can be protected when the water main breaks again and continue to have plenty of water for our purposes.

Notwithstanding the provisions of the Lease and the physical location of the break, the Port declined to fix the problem and Pier 23 spent in excess of \$14,000 on the water main leaks. The problems will undoubtedly continue to occur until real maintenance can be undertaken by the Port.” Ms. McGurrin described in the diagram exactly what happened and what the breakage consisted of. She also attached a site plan for the Commission to see what she’s talking about. This required them to go under the pier in a boat and required them to pay for the repair. They’ve put in a lot of money for their improvements two years ago. They can’t afford to be closed that’s why they had to take the dire needs of repairing it right away.

Commissioner Brandon asked Ms. Reynolds to check into this and get back to the Commission. Ms. Reynolds replied that staff prepared a response to Ms. McGurrin’s letter for Monique’s signature. Staff will report back to the Commission or give the Commission a copy of the report.

## **15. COMMUNICATIONS**

## **16. ADJOURNMENT**

**ACTION:** Commissioner Hardeman moved approval to adjourn the open session meeting and reconvene in executive session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

At 5:35 p.m., the Port Commission reconvened in executive session.

At 6:00 p.m. the Port Commission reconvened in open session.

Commissioner Fong moved approval to adjourn executive session and reconvene in open session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commissioner Fong moved approval to not disclose any information discussed in executive session; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commission President Brandon adjourned the meeting at 6:02 p.m.