



SAN FRANCISCO PORT COMMISSION

**OCTOBER 8, 2024
MINUTES OF THE MEETING**

MEMBERS, PORT COMMISSION

**HON. KIMBERLY BRANDON, PRESIDENT
HON. GAIL GILMAN, VICE PRESIDENT
HON. WILLIE ADAMS, COMMISSIONER
HON. STEPHEN ENGBLOM, COMMISSIONER
HON. STEVEN LEE, COMMISSIONER**

**ELAINE FORBES, EXECUTIVE DIRECTOR
JENICA LIU, COMMISSION AFFAIRS MANAGER**

CITY & COUNTY OF SAN FRANCISCO

PORT COMMISSION

MINUTES OF THE MEETING

OCTOBER 8, 2024

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 2:30 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Stephen Engblom, and Steven Lee. Commissioner Willie Adams arrived at 3:30pm.

2. APPROVAL OF MINUTES – SEPTEMBER 17, 2024

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

3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

4. EXECUTIVE SESSION

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

ACTION: Vice President Gilman moved to go into closed session and invoke attorney-client privilege for Conference with Legal Counsel. Commissioner Lee seconded the motion. The motion passed unanimously.

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

(a) Property: Seawall Lots 315, 316 and 317 – the Waterfront Plaza Office Complex (Lease No. L-8618).

Person Negotiating: Port: Port: Scott Landsittel; Deputy Director, and Ricky Tijani, Waterfront Development Project Manager; Development

Negotiating Parties: Christophe Farber, West Coast Regional Director, Alex Schwiebert, Senior Vice President; Ben Fagelman, Associate; and Ryan Goodwin, Senior Analyst; Asset Management, Jamestown L.P. (collectively, Jamestown)

Under Negotiations: ___ Price ___ Terms of Payment X Both

The Port and Jamestown are negotiating entering into a potential new long-term lease or a ground lease extension. In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including rental amount, manner and timing of payment of the consideration for a long-term lease of the subject seawall lots. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and People of the State of California.

Present: President Kimberly Brandon
Vice President Gail Gilman
Commissioner Stephen Engblom
Commissioner Steven Lee

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

- (b) Property: Portions of SWL 300/301 and Pier 45 Sheds A and C
Person Negotiating: Port: Mike Martin, Assistant Port Director, Scott Landsittel, Deputy Director, Real Estate & Development, and Wyatt Donnelly-Landolt, Waterfront Development Manager
Negotiating Parties: Lou Giraudo, Seth Hamalian, and Chris McGarry, Fisherman's Wharf Revitalized, LLC
Under Negotiation: ___ Price ___ Terms of Payment X Both

In this executive session, the Port's negotiators seek direction from the Port Commission on factors affecting the price and terms of payment, including price structure, financing, and other factors affecting the terms of payment of the proposed Fisherman's Wharf Development project including portions of SWL 300/301 and Pier 45 Sheds A and C. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City, and the People of the State of California.

Present: President Kimberly Brandon
Vice President Gail Gilman
Commissioner Stephen Engblom

Commissioner Steven Lee

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Wyatt Donnelly-Landolt, Waterfront Development
Manager
Carrie Morris, Development Project Manager
Annette Mathai-Jackson, Deputy City Attorney
Michelle Sexton, General Counsel

5. RECONVENE IN OPEN SESSION

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

No Report.

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

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

6. RAMAYTUSH OHLONE LAND ACKNOWLEDGEMENT

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

7. PLEDGE OF ALLEGIANCE

8. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for the ringing of or use of a cell phone or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make public comments on each agenda item unless the Port Commission adopts a shorter period on any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the

Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

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

Public Comment on Items Not Listed on the Agenda:

Rodney Fong: Hello. This is Rodney Fong. And I am hoping to comment on the closed session but not sure if I'm in the right time. Could you let me know if I am or not?

President Brandon: Which item do you want to comment on?

Rodney Fong: On the item of the closed session, the closed session revitalized Fisherman's Wharf.

Director Forbes: We're having it in open session.

President Brandon: That's item 12A.

Rodney Fong: Is this the right time to make public comment on that item?

President Brandon: No. Can you hold on for a few more minutes?

Rodney Fong: Absolutely.

President Brandon: Thank you.

Rodney Fong: Thank you.

President Brandon: Is there anyone else on the line?

Operator: There are no other callers for public comment.

President Brandon: Thank you. Public comment is closed. Next item, please.

10. EXECUTIVE

A. Executive Director's Report

- **Economic Recovery**

- **Equity**
- **Key Project Updates**

Director Forbes: Good afternoon, President Brandon, Vice President Gilman, members of the commission, members of the public and Port staff. I am Elaine Forbes, the executive director. I'm going to start my report with equity today. And the first thing I'd like to discuss is Port chat. Let's see if this works. There we go.

Happy Hispanic/Latinx History Month. This month concludes October 15th. As part of the Port's celebration, we prepared an internal staff event in our continuing Port chat series on history/culture of lowriding, which is a vibrant, influential aspect of automotive culture with deep significance in the Mexican-American community.

Our guest speaker, Evergreen Valley College professor Arturo Villarreal, gave an insightful presentation. In the past years, the Port has hosted King of Streets lowriders event on Pier 30/32. And we do see lowriders up and down the waterfront, especially in the Fisherman's Wharf neighborhood.

The Port chat conversation and experience was an opportunity for staff to come together to break down racial barriers and to foster an environment of inclusion and belonging. And we are learning to be and we continue to learn to be an antiracist organization.

Also to equity, we had a wonderful experience in joining Mission Rock, Tishman Speyer and the Giants to celebrate the dedication of Dr. Maya Angelou Lane and Toni Stone Crossing and the unveiling of the Toni Stone statue in the Mission Rock development neighborhood.

All of us know who Dr. Maya Angelou is. Toni Stone was a baseball player. And she played -- one of the first women to play with men in baseball. As we memorialize these two pioneering black women, we had an opportunity to really demonstrate the power of inclusion.

These streets were originally slated to be Plank Road and Spur Street. And it was after the murder of George Floyd in May 2020 we took a second look. And I'm really grateful -- really grateful to our president for what we accomplished. It was a very special day to show that everyone's story should be told.

Next, I'm going to talk about economic recovery and resilience together because we have woven -- hold on a second -- Fleet Week -- Fleet Week just kicked off once again in San Francisco. And we're really excited to welcome to the sea services to our waterfront. We had a press conference earlier today with Mayor Breed. And Vice President Gilman was there -- Rear Admiral Brad Rosen, the commander of the U.S. Navy.

And we really highlighted the importance of Fleet Week and getting us together to prepare for the emergencies we know are coming. And we also discussed how amazing it is that we're preparing long term for our resilience through our waterfront resilience program.

And of course, we told the young cadets and sailors visiting, "Please enjoy San Francisco. It has so much to offer from amazing experiences to a really beautiful maritime history." So we hope everyone has an incredibly exciting Fleet Week.

We celebrated the 10-year anniversary of the cruise ship terminal. Both President Brandon and Commissioner Adams were in attendance. It was -- we called it a family event. We had many former Port staffers from the maritime division and just to celebrate what an amazing decision and investment that cruise ship terminal was and how incredibly it is paying off and how we never knew that we would have a COVID-19 and how important those cruise ships were when they came in with passengers when storefronts were closed across our waterfront.

And this building and that investment has paid off in such a big way for us. We talk about Pier 80 now for cruise ships; 30/32 pulled up for the first time in 10 years. And we just keep growing. So it was a wonderful event. We were very lucky. Speaker Emeritus came. And she stayed for quite a while talking to staff which was very, very, very wonderful.

Fleet Week is underway. I told you about that. The slides were m -- okay. So I don't have photos going forward. So we can just close the slide deck at this point. We have Wharf J9 underway in Fisherman's Wharf. And you know about that project. It is so exciting.

We've gotten the dredging done. The next part is to pull up the float and make that area safe and secure but bring in more off-boat fish sales as well. So it's part of our ongoing improvements to Fisherman's Wharf to meet the moment of the day to get investments back in restaurants but also to really invest in the infrastructure to enhance fishing opportunities.

And with that, our waterfront resilience program is engaging in a lot of outreach. So I wanted to tell you last week we welcomed leaders from the PUC and also Singapore's national water agency for walking tours along the Embarcadero. It was a very, very good sharing engagement.

And we also participated in BaySpark's Youth Climate and Environmental Justice Summit, which was hosted in the southeast community center in the Bayview. And we connected with a lot of young leaders who are interested in taking the mantle on environmentalism and protecting against sea-level rise. So it was very good engagement.

Finally, I have a project update. Drumroll. Bayfront Park is going to be opening a six-acre long-awaited park on the eastern edge of Mission Bay at 16th Street where our ferry landing will once be. And it's going to be just a beautiful opening. It's a fantastic park.

With this addition of six acres, we have added 25 acres of parks and open space in the last decade. We are planning a ribbon cutting Tuesday, October 22nd and will soon have more details. And I hope you can come celebrate with us another beautiful park to our waterfront. Thank you for your time and attention. That concludes my report.

President Brandon: Thank you, Elaine. Is there any public comment on the executive director's report? Seeing none in the room. Do we have anyone on the phone?

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Adams: Thank you, Director Forbes. It was an excellent report. First of all, I want to thank the Port, yourself and also President Brandon on the dedication of Maya Angelou and Toni Stone dedication -- very, very, very touching.

It's great -- Fleet Week. One of the highlights for me was Friday, the 10th anniversary of the James Herman Cruise Terminal. And I'll just be truthful about it. We shouldn't take 10 years to celebrate maritime. It should be something that happens all the time, like every year or every two years.

You do every 10 years. There will be a lot of people that won't be here. And I think we ought to celebrate it and embrace the maritime at our Port. I appreciate Leader Pelosi, President Peskin and all those that came out -- appreciate your comments, that of President Brandon.

And I wanted to thank our partners from Metro Cruises that they were there and the community that came out. But also, you paid homage to those that were here before that started this, Peter Dailey, Mike Nerney, past and present. That's important.

You know, people need to be recognized while they're alive of their accomplishments that they've done and the way that they've given back. So it was a great thing. So I would recommend that.

And then, I'd say the highlight -- that was my highlight. But at the beginning of the wee, the highlight for me was I was on a picket line back in Charleston, South Carolina when the East Coast and the West Coast -- East Coast and the Southern ports shut down in the three-day strike.

And it was nice being in the chaos and the strife. And I was glad that they were able to get it resolved, as the ILWU stood in solidarity with our brothers and sisters in the ILA as they were trying to get a good contract. Those shipping companies make close to a quarter of a trillion dollars. During COVID, they made more money than the law allowed.

And they didn't want to give none of that money back to the workers whose shoulders that made them those profits and who gave their lives on a picket line while they stayed at home and hid behind on Zoom. It was the workers that went to work and kept the global economy going and delivered Christmas. So it was good to be there in the struggle. And this strike was about principle. So thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Great report, Elaine, of course. All the dedication down at Dogpatch southern waterfront -- I'm glad that actually now a lot of it's going to be finished. I mean, I think there's a lot more further work to be done.

But now, it's time to focus on northern waterfront, which I think a lot of people are here for which I -- you know, part of the reason why I'm here is the small businesses so not only the southern waterfront, which is, you know, pretty much new. And people like to be there. It's time to really focus on fixing up the northern waterfront and hopefully revitalize that.

So I'm looking forward to that and fixing up those things and the infrastructure under there. So I guess we'll be talking about that more later. But other than that, sorry I couldn't make all those ribbon cuttings. I wish I could. But I've got to run my business. Thank you.

President Brandon: Thank you. Commissioner Engblom?

Commissioner Engblom: Thanks, Director Forbes, a great report. I would just say just a couple quick things that struck me. One is thank you for reminding us about the importance of the emergency preparedness aspect of Fleet Week. I think that's something that really deserves a lot of attention and I think doesn't get talked about enough.

So I appreciate you pointing that out. The vision and leadership it takes and the time it takes -- so as a reminder, like a 10-year -- while on the one hand, it's like, yes, we should be celebrating it more. But these projects do take a long time and a lot of vision so appreciate you pointing that out.

And then, the 10-year metric of 25 acres of open space -- that is really a big deal and something that San Francisco definitely can be celebrating right now because it's an incredible -- not only is it 25 acres, but it's 25 acres of very well

designed open space that not only provides a public open space, but it also is protecting in the future. A lot of these have built-in resilience. So thanks.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you, Director, for a great report, as always, and just so proud of everything that you -- I was not on the commission when you put this in motion but you, Commissioner Adams and particularly President Brandon, put forward with Mission Rock.

It's just such a joy to see both the park, the buildings but also with Dr. Maya Angelou and Toni Stone and everything for that section of San Francisco and reminding us of the roots of the city. I just wanted to just really say how touched I am by all of that.

And to welcome Fleet Week back -- it's a great part of our city. And I think it really shows us that sometimes, you know, the progressive trope that's laid on our city, folks don't realize how much we can welcome our members of our military and that there is this other part of it.

And as places prone to earthquakes -- you know, who knew we'd have a worldwide pandemic? And sits on the waterfront -- how much we need to partner with those in the military for emergency response. And that's a big part of what we're doing with the exercises that are happening on Piers 30/32 today so just really thank you for your report.

And I did want to mention something I just wanted to uplift. And while he was not involved in the Port, he was an icon of the city. And I think, as an organization that I think has gone far and beyond I believe other city departments when it comes to equity and being an anti-racist organization, I did want to highlight the passing of Reverend Arnold Townsend yesterday.

Reverend Townsend, besides being the vice president of the NAACP here locally and fighting against anti-displacement in the Fillmore in the '70's and '80s, was a figure in San Francisco and a personal mentor to me.

And I hope, with the support of my fellow commissioners, that we can close today's meeting in memoriam to him for all the work that he did and his daughter, Rachel Townsend, bringing Juneteenth celebrations actually to San Francisco. She was one of the first -- that we can honor in closing our meeting in his honor on his passing.

President Brandon: Definitely. Thank you. Elaine, great report. The Port has been busy -- busier than usual because we're always busy, so much going on along the waterfront. But that was a great report. And it was just wonderful participating in the Mission Rock, Toni Stone, Maya Angelou unveiling, street naming, statue.

I mean, it was just an amazing event and really want to thank the Giants and Tishman Speyer for fulfilling that vision and making that happen. And we have great photos. So go to our website.

It's great to see Fleet Week here and just driving down the Embarcadero today just seeing everyone, all the kids, everyone, you know, in their sundresses and the beautiful weather enjoying the waterfront. And it just reminds me how much hard work our staff puts in to making this such a great location and welcoming to all visitors. So it's great to see Fleet Week bringing so many people back to the waterfront.

And the cruise terminal -- you know, Commissioner Adams is right. You know, maritime should be celebrated year round. They do such a phenomenal job. But it was like a big reunion. There were people from 20 years ago till today. And it was just so great seeing everyone celebrating the 10th anniversary of a cruise terminal and the cruise terminal that we did all by ourselves, no public-private partnership.

The Port invested its own harbor funds into making that beautiful facility happen. So congratulations again to everyone involved. That was a wonderful occasion. And it was so great to have Speaker Emeritus Pelosi, President Peskin, City Attorney David Chiu. You name it. Everybody was there.

And did you see that beautiful background in front of Leader Pelosi? That's the view from the cruise terminal, not the waterside but the landside. It's just such a great facility. So congratulations again, everyone, on that 10th anniversary.

Looking forward to the ribbon cutting for Bayfront Park -- it's been a long time coming. I know it's going to be a great asset to our open space. So again, Port staff, thank you, thank you, thank you for all you do to make Port such a great place. And thank you for your report. Next item, please.

11. CONSENT

- A. Request authorization to accept and expend a \$2,700,000 Advance Assistance grant from the Hazard Mitigation Grant Program, implemented by the Federal Emergency Management Agency for the Piers 94/96 Seismic Improvements Project. (Resolution 24-42)**
- B. Request approval to accept and expend a \$159,900 grant from the Federal Emergency Management Agency to fund an Engineering with Nature Working Group. (Resolution 24-43)**
- C. Request authorization to award Construction Contract No. 2857, Crane Cove Park Playgrounds and Dog Park, to Cazadoro Construction, Inc., in the amount of \$2,208,000, and authorization for a contract**

contingency fund of 10% of the contract amount (or \$220,800) for unanticipated conditions, for a total authorization not to exceed \$2,428,800. (Resolution 24-44)

- D. Request for approval of a Recommendation to the Board of Supervisors to refund the 2013 Certificates of Participation (COPs) in the aggregate principal amount not to exceed twenty-three million two-hundred forty-five thousand dollars (\$23,245,000) with an interest rate not to exceed five percent (5%) per annum. (Resolution 24-45)**
- E. Request Port Commission acceptance of Mission Bay Park improvements for Bayfront Park (P22) along Terry Francois Boulevard into the Port's Park system upon receipt of the San Francisco Public Works Determination of Completion. (Resolution 24-46)**
- F. Request approval of proposed Lease No. L-17189 with Silverado Contractors, Inc., a California corporation for approximately 223 square feet of office space, 5,875 square feet of shed space, 99,311 square feet of open pier space and 23,750 square feet of nonexclusive submerged land all at Pier 96 for a term of five years. (Resolution 24-47)**
- G. Request approval of proposed Lease No. L-17209 with Steph Mufson Creations, LLC dba The Parade Guys, a California limited liability company for approximately 15,042 square feet of shed space at Pier 19 for a term of one year with four (4) one-year extensions. (Resolution 24-48)**

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

No Public Comment on the Consent Calendar.

President Brandon: Thank you. Public comment is closed. We have a motion and a second. All in favor?

All Commissioners were in favor.

Motion passed unanimously. Resolutions 24-42, 24-43, 24-44, 24-45, 24-46, 24-47, and 24-48 were adopted.

12. REAL ESTATE & DEVELOPMENT

- A. Informational presentation and possible action to request endorsement of the Proposed Term Sheet with Fisherman's Wharf Revitalized project for the development of portions of SWL 300/301 and Pier 45 Sheds A and C in Fisherman's Wharf (the "Project"), generally located bayward**

of Jefferson Street between Taylor and Powell Streets. (Resolution 24-49)

Wyatt Donnelly-Landolt: Hello, commissioners. Good afternoon, President Brandon, fellow commissioners. Wyatt Donnelly-Landolt. I'm with the Port's development team. I'm joined by Carrie Morris, who co-leads this project on Port staff. I'm here to present on the term sheet for the Fisherman's Wharf revitalized project that covers Pier 45 Sheds A and C and portions of Seawall Lot 300/301, also known as the triangle lot. So I'll use those terms interchangeably today.

The action requested today is endorsement of the term sheet. The term sheet is a nonbinding document that outlines a structure for the deal. It would move that term sheet forward to the Board of Supervisors to request its endorsement as well which would also be nonbinding and a finding of fiscal feasibility, which is a requirement under city codes that requires that any project is fiscally positive for the city.

So this is an interim step. Again, it's nonbinding. There's 12-plus months of work after this that -- we'll work through transaction documents, additional design and environmental review before we get to final transaction documents for a full development agreement.

Just an agenda for today -- I'll provide some background, go through goals. And then, all the work we've been doing under the ENA over the last year roughly highlight the current evolution of the project, what it looks like and then talk about some items from the term sheet related to deal structure, lease terms and performance.

So background on where we are today -- the Port received an unsolicited proposal in February 2023 and then followed the process adopted under the waterfront plan to deal with that unsolicited proposal including the additional step of putting in a request for information.

There were two letters received under that request for information but no additional interest in the project. So we moved forward with Board of Supervisors' approval of a sole-source agreement and Port Commission approval of an ENA, which is the exclusive negotiation agreement that we're working under right now.

So since then, we worked on a community outreach plan, a DEI plan, the further design. And we worked on the term sheet that we are bringing to you today. And we'll summarize a lot of that work. From here, we'll go to the board to get that endorsement of the term sheet and fiscal feasibility finding. And then, we'll work into the transaction documents.

That's the final agreement, the legal contract. And that takes 12-plus months. So we're very far out and still have some work to do but excited for this interim step today.

So the goals for the project -- there are four key goals here. The first is to support, preserve and promote the fishing industry. It is Fisherman's Wharf, and we want to preserve the current fishing industry and the history of fishing at the site.

Second is upgrading infrastructure and seismic improvements, sea-level-rise improvements to protect the site for the life of the lease and make sure it will be there for the foreseeable future for everyone to use.

It's to restore vitality to the area. It's bringing needed investment to Fisherman's Wharf that will benefit everyone, existing tenants, the fishing industry and bring in new people as well and, finally, to preserve the economics for the Port and ensure that the Port retains rental revenue from the area.

So the current concepts -- and I'll dive into the specific evolution of each concept here. At Pier 45, there's infrastructure improvements to the substructure and then renovation of the existing Shed A and reconstruction of Shed C, which burned down in the 2020 Shed C fire.

There will be fish processing, a fish market and then the Fisherman's Wharf experience, which is the main attraction. It will involve a market hall, a food hall, interactive exhibits, an immersive theater event center, a major attraction. It will also include fishing industry storage, parking and public access on the eastern apron. I'll get into the specifics of some of those terms. And it will also include space for Musee Mecanique and USS Pampanito, which are additional Port tenants.

And then, on the triangle lot, there will be a visitor center at the corner to welcome visitors to Fisherman's Wharf. There will be a beverage garden and outdoor plaza. Above that will be a small number of short-term vacation rentals like, I think, two-bedroom units similar to a hotel room but a little bigger.

And then, there's an option for future development on the western portion. That is down the road. There's no designs for that right now. But in the short term, there would likely be activation of that site similar to how the plaza will be activated.

So one of the key steps here was community outreach. There's engagement with a wide variety of stakeholders. One of the key things here was the Fisherman's Wharf advisory committee was engaged multiple times which includes a whole host of stakeholders at Fisherman's Wharf.

But there's also fishers and crabbers who work out of the site, wholesalers and processors, the Pampanito and Musee Mecanique, adjacent businesses, neighborhood groups and then local business and tourist boards, hotel council, San Francisco travel, etcetera.

And that feedback and that community outreach really informed a lot of design evolution. On the left here is the first iteration at the beginning of this process of roughly a year ago. It involved moving the fishing storage offsite. And really all of the site would be used for the Fisherman's Wharf experience.

On the right, you have the current iteration. What you'll see in the graphic is that you don't really see the Fisherman's Wharf experience. What they've done is actually elevated that to a second floor. So the entire western portion of Shed A is preserved for fishing storage. There's a small exhibition hall on the eastern side.

And then, in Shed C, there's additional storage space. There's a seafood market and parking/flexible space and then the event center right at the tip of the pier. And I'll show you in the 3D rendering where you can see the exhibit and immersive theater upstairs.

So again, just to highlight those revisions, really the attractions were moved upstairs to make space for existing uses at the site right now and historically downstairs. So here's the 3D rendering where you can really see all the uses, again, the exhibit hall. You've got a food hall, theater and event space upstairs.

And then, on the ground floor, you have parking. And that could flex for additional uses as well, logistics, loading, prep work and then industry storage space. And you have a seafood market on the eastern [unintelligible] as well.

On to the triangle lot, Seawall Lot 300/301 -- so the first iteration on the left had full buildings taking up essentially the entire eastern portion of the triangle lot. They scaled these back to provide more view and pedestrian corridors to really activate and allow people to move throughout the entire space and opened up a lot of it into more of a garden/plaza-like setting.

You can see just north of Boudin's that's where the park plaza will go. I think it will probably include a combination of green space and some plaza space that you could activate. So some changes just to highlight those, again adding connections between Jefferson and the waterfront, really creating more opportunity to activate the space.

And another important one -- the first iteration included a pedestrian-only promenade where the Little Embarcadero is. Currently, it's going to be flexible. We're still studying exactly what that use is going to be. But there will be -- the plan is to have vehicular access for industry use. And I think part of the environmental review and design process will examine exactly how that's going to work.

So here is the 3D massing. Again, this is all within existing 40-foot height limits. So you've got beverage garden on the ground floor, short-term rentals upstairs and then the visitor center all in the corner.

To get into the financing component -- so the preliminary estimate -- and I want to emphasize the word preliminary here because it is very early -- is \$548 million for the entire project. That includes \$186 million of infrastructure. That's the pier substructure, the apron, that plaza and open space. Seawall enhancements are quite expensive and represent a bit chunk of the budget.

The term sheet proposes forming a CFD/IFD over the site. This is similar to the financial tool that we've used at Mission Rock and Pier 70 and is proposed at Pier 30/32 and Seawall Lot 330 to provide one source of public financing. A second source of public support would be a rent credit. This is \$1.5 million per year up to a maximum of 15 years for a total of \$22.5 million.

And then, the majority of the project would be funded by the developer with equity and debt. That is a sizeable infrastructure need. So we will be looking for additional public sources to really fund that infrastructure need. It will help improve the feasibility of the project moving forward. So any infrastructure funding we can find will be critical to the success and viability of the project.

Just a summary of sources and uses here -- again, on the cost side, \$186 million in infrastructure -- the largest costs are on the pier, both on the infrastructure and vertical improvements. And then, on the sources side, mostly equity and debt with those two identified public sources to help subsidize infrastructure.

The deal and lease structure assumes an LDDA, a lease disposition and development agreement. This is the document that says here's what you're going to build. Here's how it's going to be done. And then, there will be up to four leases. The pier and triangle lot will likely be split.

And then, there could be potentially additional leases for the public space and the visitor center. It kind of depends on the final structure. This is something that we'll refine in the transaction-document negotiation. There's a potential to explore a development agreement with the city.

The term of those leases is 66 years. And the Port participates in any sale or refinancing and will receive 1.5 percent of net proceeds. This is consistent with other deals. And it includes the first deal.

On the Pier 45 lease, to jump into more specifics, \$1.8 million per year -- again, there is that \$1.5 million rent credit to support infrastructure for the first 15 years. CPI adjustments -- there's reduced construction rent of \$500,000 up to 36 months.

And a key term that we've negotiated is protection for existing tenants. So space will be reserved under the lease for fishing-industry tenants consistent with their use prior to the 2020 Shed C fire. So it preserves that space for the fishing industry and locks it in for the full 66-year term of the lease. And that would be through subleases with existing tenants.

The main portion of those would be in the western bays of Shed A with some potential space in Shed C as well. And the rent on all those would be locked in at tenants' existing rent or Port parameter rents. It would be the lesser of the two. And they'd only be subject to Port-parameter rent increases, which are tied to CPI adjustments. Musée Mécanique and the USS Pampanito would also be retained in consistent space.

On the seawall lot side, the triangle lot, base rent of \$700,000 per year -- there's percentage rent of 6 percent that exceeds base rent. So if 6 percent of the gross revenues is \$800,000, we'd get an extra \$100,000 on top of that \$700,000, again subject to CPI adjustments every five years, reduced construction rent as well.

This is the performance schedule and the term sheet. It's very hard to understand because it's all tied to previous milestones. So this is an illustrative version on the next slide. This assumes we execute an LDDA in January 2026. That's the current target. But it could change.

So based on that LDDA execution date, construction completion for phase one, which is everything I've outlined today, both Pier 45 Sheds A and C and the triangle lot, would be January 2030 with an outside date of January 2032. Phase two would be later and subject to a lot more design and negotiation.

Finally, the DEI plan under the project -- this is another piece that will be refined in the final transaction-document negotiation with specific goals outlined. There will be LBE goals and participation in the project, workforce development. The project would be under a project-labor agreement.

The developer plans to use the CityBuild pipeline program. There would be targeted leasing for smaller entrepreneurs to help support them as they get started. And that could be through favorable lease structures and rent. Or it could be -- and also by naturally smaller spaces where folks can get started.

There would be discounted admissions for specific target groups, nonprofits, schools, etcetera throughout the year to give them access and then programming of that public space to really activate Fisherman's Wharf. I think that really builds upon some of the work the Port is currently doing at Fisherman's Wharf through activation of that same programming.

Next step -- so if you take action today and endorse the term sheet, we would go to the Board of Supervisors to request endorsement of the term sheet from the board. Again, this is a nonbinding term sheet.

It allows us to move forward in the process and the developer to submit environmental-review documents and allows them to further design the project and get those environmental approvals and then start to negotiate the transaction documents themselves, which are the final agreement, 12-plus months more work.

And we will be back again -- and the fiscal feasibility determination. So that's next steps. I'm available for questions as you have them.

President Brandon: Thank you so much. Great report. Is there a motion?

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

Public Comment on Item 12A:

Dan Giraudo: Good afternoon. My name is Dan Giraudo. I am the owner of Boudin Bakery down on Fisherman's Wharf. And I oppose this plan for many different reasons. I have sent you letters to lay out that we already have a Fisherman's Wharf.

We have over 100 vacant storefronts throughout our waterfront right now that -- and I'm a proponent for building a comprehensive plan from Pier 31 to Ghirardelli Square. That brings everyone together that has a plan that we're all proud of.

But one thing that bothers me about this plan is the economic feasibility, how we can build businesses or how this development team can build businesses and afford to pay that kind of mortgage, that kind of cost of capital, which I just saw for the first time. The proposed debt is \$250 million. Six percent of \$250 million is \$15 million.

So this group needs to pay \$15 million annually before paying employees, before paying the Port, before paying taxes. And just to put this in perspective, in 2000, Pac Bell Park was built for \$367 million. Okay. And if you adjust for inflation for 2024, that number is \$671 million.

So this project is 550. Building another ballpark is 671. The difference between the Giants in 2000 versus this -- the Giants did not already have another ballpark next to the ballpark that they are about to build.

So I ask you -- you look at this holistically. But the thing that really jumps out is the financial -- how it doesn't make financial sense. So I thank you for your attention today. Have a great night. Thanks.

President Brandon: Thank you. Jeff Sears and then Michael Rescino.

Jeff Sears: Hello, commissioners and Director. My name is Jeff Sears. I am a business owner down at Fisherman's Wharf, legacy business. I have a location at Pier 41. I have been part of the Fisherman's Wharf Community Benefit District for over 15 years.

I reviewed the proposal. And I'm just shocked that this is being considered. I understand that the Port is really desperate for money. And no one else has stepped up to make a proposal for this. But I really find it hard to believe that the Port would want to sacrifice the triangle parking lot for something like this that I would compare to a strip mall with a hotel on top.

This space is so unique. It's so valuable. The streets surrounding the triangle parking lot -- Jefferson, Taylor, Little Embarcadero -- those are what unify the entire Fisherman's Wharf area. The views -- as I was coming down here today, I just stopped and paused for a few minutes and just looked at it and really tried to take in perspective what an asset that that is when you're able to be on Jefferson Street looking across the bay, seeing the entire Fisherman's Wharf, looking west towards the bridge.

Having a 45-foot corridor wall split that up and take away from the uniqueness that we have -- and the reason we have that is because of businesses that failed. Unfortunately, number eight and number nine failed -- restaurants. They needed the parking lot for their customers.

Unfortunately, they're gone. An opportunity is here to really turn this parking lot to something world class. This is San Francisco. We deserve better than having more retail and lodging. As Mr. Giraudo said, there's already 100 empty retail stores there.

The ones that are still there that haven't failed yet -- many of those are struggling. We need something now -- I feel, as well as many of my peers at Fisherman's Wharf, stakeholders, that the triangle parking lot would be much better used for a central meeting area, not just for the wharf but for the entire city to have a world-class place where people could come and unite and unify and celebrate San Francisco.

Thanks for considering this. I really think you need to give this a hard look before you approve it. Thank you.

President Brandon: Thank you. Michael Rescino and then Sarah Bates.

Michael Rescino: Hi. Thanks for having me here tonight. My name is Michael Rescino. I'm a fourth-generation San Francisco fisherman. My family has been operating out of Fisherman's Wharf since 1908. I own and operate the charter boat Lovely Martha located on the corner of Jefferson and Jones. I also operate a commercial crab boat, the Natalie Nicole.

I oppose any changes to Shed A and C. Also too, I feel like the money could be used in other places, as Dan said as well. I see over \$500 million for this project is ridiculous. We also need to keep the fishermen in Fisherman's Wharf.

If you guys do this project -- I know it says that you're going to protect the fishermen -- their storage. But if we lose that storage space and we lose the parking for the markets that actually buy our product, then those markets are actually going to leave the wharf. And we're not going to be able to sell crab or fish or anything down there at Pier 45. And that product is going to go to other ports, not San Francisco.

What else do I got here? Sorry. I'm bad at public speaking. I know that, 66 years from now, I'm not going to be around. But I know that future fishermen will be. And by them having rent control or whatever, I'm in fear that they will get rid of the storage for future fishermen as well.

Another thing -- why take away the tiny bit of sliver that the fisherman have to actually operate day-to-day operations when you guys could use that money to fill empty restaurants and storefronts along Jefferson Street. I think that's more important instead of trying to rebuild something in the back of Pier 45. So thank you for your time. That's all I've got. Thank you.

President Brandon: Thank you. Sarah Bates and then Andrew Casalla.

Sarah Bates: Thanks a lot. My name is Sarah Bates. I fish commercially out of San Francisco. And I am a board member of the Crab Boat Owners Association, which has been representing the commercial fishing fleet in San Francisco for over 100 years.

We have had a whole bunch of conversations with the developers and with Port staff. And I feel like you guys have really heard a lot of our very pragmatic concerns. We have concerns about just the sheer number of square feet of storage. We have concerns about the security of our leases. We have concerns about passage of Little Embarcadero.

And we appreciate that those things have been taken into account in this term sheet. But the real concern that we have is -- and we keep raising it, and it keeps falling on deaf ears -- is that there is a fundamental conflict with an amusement park in the middle of the place where we're trying to conduct our everyday business.

And it's really hard to quantify the effect that a development of this scale -- I mean, it's 215,000 square feet. I mean, that is a small farm. And that -- we're talking about some of the most valuable real estate in a world-class city. It is no -- this is not a small thing. This is really ambitious. It's gigantic.

And it's really hard to estimate the effect that it's really going to have on our everyday businesses and the way that we're actually trying to bring food to the City of San Francisco and beyond. There is parking, of course. That's always a concern. That's always a premium at Pier 45.

There's the high anticipated traffic of vehicles and pedestrians when we're trying to move ourselves and move our gear and move forklifts and move a semi-truck full of crab during a crab opener. But beyond these practicalities, we're faced with the threat of losing the historic nature of Fisherman's Wharf.

I mean, it's Fisherman's Wharf. And that's what's up for grabs right now. An amphitheater and a museum and a winery and rental units are all very nice things. And I use amphitheaters. I love museums. I use Airbnbs. And I love a winery. I love a beer garden.

But those things can be anywhere in the City of San Francisco. And we can't go anywhere else, obviously. We can't -- we need -- there are ports that have facilities where they lift the boats up and move them elsewhere. And they're not really functioning ports. They're not functioning fishing ports.

And I think we all agree that Fisherman's Wharf needs to be revitalized. But a plan like this is like a patient is dying, is bleeding to death, and we're offering a facelift. And like best case scenario, that patient is going to look great just in time for the funeral.

And if this goes away, it's never coming back. It's never coming back. This is going to be the end of Fisherman's Wharf. And I really agree with a lot of the previous comments that we would like to see Fisherman's Wharf revitalized. And there are -- sorry -- I think we all have great ideas about what we would like to see in that space. And I really --

President Brandon: Thank you.

Sarah Bates: -- echo the couple of people ahead of us who have --

President Brandon: Thank you.

Sarah Bates: -- asked for a comprehensive plan.

President Brandon: Thank you so much for your comments.

Sarah Bates: Thanks for letting me go over.

President Brandon: Mm-hmm. Andrew Casalla and then Barnett.

Andrew Casalla: Hello. My name is Andrew Casalla. I'm a commercial fisherman down at Fisherman's Wharf. And I use that area to store my gear. And I just want to thank the board for your work and the due diligence that you put into the decisions that you make here.

And I'd like to thank the gentleman and his team for his interest in revitalizing Fisherman's Wharf. My main concern is the problems that are going to get created by turning my storage space into like the plan that the gentleman has.

And it just seems like there's not going to be enough room for everybody in that area. It's not going to make it very viable for the processors in that area to continue to do their work. And for me, it's not going to be very viable for me to continue to do my work with the congestion that's going to be created.

And there's room elsewhere for commercial real estate purposes that needs to be used. And I believe in districting. And this area needs to remain in use for commercial reasons. And the areas for commercial real estate and such should be used for commercial real estate whereas this is for the commercial fishing industry. Thank you.

President Brandon: Thank you. Barnett and then Jason Salvato.

John Barnett: Commissioners, thanks for your time. I'm going to go a little bit different direction. I own a passenger-carrying fishing boat at Fisherman's Wharf and definitely want to see everything revitalized. And we've shared our concerns with the development group, lots of meetings.

I'm the president of the Crab Boat Owners Association. So I'm the one that gets called on to have these meetings. My concern is you have allocated our storage space in this term agreement. But the problem is we expand upon that space with permission or without permission a certain time of the year.

We need to pull everything out. We need to lay ropes out down the entire driveway. We need to stage gear. We need to move things. This isn't just about the amount of square footage inside of a chain link fence. We couldn't operate with just that space. We need to be able to expand outside of that.

We need to be able to move around semi-trucks during the busiest part of a crab season, driving in some areas where we're not allowed to drive other times. And it's just part of the process of crab fishing during a super busy time of the year. And then, the rest of the time of the year, it's kind of back to normal. And then, salmon fishing -- super busy time of the year and then back to normal.

And just having, you know, a single story allocated square footage isn't going to work. It's more than that. I just want to make sure that that's taken into consideration. Also, not thrilled with the idea that we're subletting from the organization that would have the whole pier. Why do they need the area that they're going to sublet back to us?

Give them the area that they want, the area that they're going to use if that's the way it's going to work. And we continue to rent from the Port, so we're not answering to them. They don't say, "You can't park here. You can't lay your lines out, count the feet -- fathoms, splice, work on your gear because this area is for pedestrians, for tourists."

So those are a lot of our concerns. Like Sarah said, you're going to hear from a lot of other fishermen too. More fishermen probably showed up for this than any other council meetings. That will tell you how important this is to us and how worried we are that, if we don't have this storage, it's not going to work. Boats will leave.

Boats will leave Fisherman's Wharf because they won't have the ability to operate. We need that space. We need the extra room to set everything up, to move things around. And I urge you all to come down in a couple weeks, maybe four or five weeks and see what's going on. There's going to be a lot of gear out there, a lot of guys working. It's already just starting. It starts usually right after Fleet Week here. Thanks for your time again.

President Brandon: Thank you. Jason Salvato and then Shawn Flading.

Jason Salvato: Hi. Thank you for having me. I've been away most of the summer. So I'm just getting caught up to speed. I may go off track here for a second. But actually, most of the stuff I was going to say has already been said and better. But including the fact that a lot of us will be looking for another place if we can't do our business effectively -- which, to me, is like -- it's almost like -- what you're proposing here is almost like giving us an eviction notice -- at least some of us.

That became clear to me this morning. I showed up to work around 7:00 a.m. I had to wait behind a forklift driver unloading a refrigerated truck at the base of -- what is it -- Shed B there. And that's before the added congestion that you guys are proposing. And that's before the crab fleet shows up or any other bumps in economic activity we have down there.

So we're barely getting by right now. And I just can't help imagine the nightmare it's going to be when we're all forced into a smaller area. I won't be able to take it. I'll be looking for another place personally to conduct my business. It's kind of ironic too because you guys were talking earlier about -- what is it -- I forget what you call it -- the project J -- the dredging and putting new pilings there behind Scoma's.

And you're talking about benefitting off-the-dock sales. Well a lot of those guys are working out of that same shed. And we're sharing the same parking. And we're all fighting for the same space. So you know, it's kind of weird promoting one area and sort of taking away on the other end. I'm not really sure what else I've got to say. But thank you.

President Brandon: Thank you. Shawn Flading and then Mike Fontes.

Shawn Flading: Good afternoon, commissioners. My name is Shawn Flading. I'm a San Francisco native, a commercial crab and salmon and halibut fisherman and representative for San Francisco and the Greater Bay Area on the state's whale and crabbing working group.

I strongly oppose any changes to Sheds A and C. These areas are a major and crucial staging area during every crab season where tens of thousands of traps are worked on before loading them onto the vessels located at [buyers].

The area of Shed C is extremely important for this staging. And we cannot afford to lose this space. There is no other space for this staging. There is also no reason to change Shed A to hold a fish/seafood market, as we already have that with the new off-the-boat-sales dock being built currently.

Most importantly, through working on the state's whale and crabbing working group, their data shows that last year's crab season brought in \$47.9 million where 63 percent of this was brought in through San Francisco. That is over \$30 million that will be directly affected for multiple years with the building, construction or any other uses other than that for the crab industry.

Lastly, there are already areas such as Pier 80 by Potrero that can hold concerts and venues and Aquatic Park for tourism and nature. There needs to be a focus on the main problems that are impacting low tourism, such as car break-ins, homelessness and the hundreds of vacant storefronts.

We need to focus on those real problems and not just throw a blanket to cover these problems with an event center all the while stepping on the backs of our SF local commercial fishing fleet.

Lastly, where is the crab industry going to go while the building of all of this is taking place for gawd knows how many years it will take? Where will the new fishermen go once this 66-year lease is up? It is a strong no for any changes to Shed A through C. Thank you.

President Brandon: Thank you. Mike Fontes and then Larry Collins.

Mike Fontes: Hi. I'm a third-generation California fisherman. And I started fishing out of Sausalito. There used to be a port there. I fished out of Oakland. There

used to be a port there. We unloaded herring at Pier 54, Pier 45 under [Harry Kim]. I don't know if anybody is familiar with his name.

I bought my last boat in Bodega Bay. I fished there for a few years. And I came to San Francisco because a fish buyer told me, if I didn't like the price, to leave. I got a better price in San Francisco. Basically, my business is transitory. Jason that was just here has spent the summer fishing out of state because there's no salmon fishery here.

And I just see this as the beginning of the first nail of clearing all fish processing and storage off of Pier 45. Last summer, I spent some time cutting line. I went from the beginning of Shed A all the way to Shed B to stretch out my lines, rework them. They were long ground lines. And I was 50-60 feet short.

So that type of work is only possible because of the existing structure you have now. I've done the same thing in the past when Shed C was there before the fire. If you have a bunch of out-of-town boats show up, there is no place to put the gear. They buy fuel. They buy groceries. They go out to eat. They drink. They go out and spend money when they're from out of town.

And what you're doing is making the Port of San Francisco unviable for the fishing community. You basically have no other marine trades on the San Francisco waterfront anymore because you're in the entertainment business. And I understand that. That's where the revenue is coming from.

But when you drive the working waterfront away like Sausalito did, it is going to affect the entire community. You have one boatyard in San Francisco to service how many boats in all your marinas here in San Francisco? And that's not enough boatyards to do it.

You don't have any infrastructure here. As a kid, I remember coming to the city with my father to get parts. You couldn't move up and down the waterfront for all the cargo and trucks and trains on your waterfront. It's all gone. And you're doing the same thing to the fishing community here. Thank you.

President Brandon: Thank you. Larry Collins and then Erin Black.

Larry Collins: Good afternoon, Director and commissioners. My name is Larry Collins. My wife Barbara and I started fishing out of Fisherman's Wharf in 1984 in a Monterey fishing boat that was built at Castagnola's boat yard in 1935. We fished for 35 years and bought a house in town and raised two kids.

We still have the house in the Ingleside and a 46-foot fiberglass boat here at the wharf. In 2011, we started a co-op for the local boats. It's still open. And 25 local families depend on that co-op to keep working. There have been times when we thrived as a fleet and times where we struggled. Right now, we're struggling.

The fleet is here to give you access to your public-trust resources. You, as citizens, own all the fish in the sea. Pier 45 is the lifeblood, the beating heart, the soul of Fisherman's Wharf that supplies the fisherman and the fish to the citizens of San Francisco.

Because you're lucky enough to live here, you have access to the greatest seafood on the planet. This didn't happen by accident. When the state granted the shoreline to the city long ago, they stipulated that maritime and fishing would have first priority.

This was a smart move, as it opened all the ports in the world to deliver their products here and gave San Francisco food security from their local fleet. Pier 45 is the last little bit of shoreline dedicated to the fishing industry. Over the last 40 years, I've seen the Port respond to industry's needs both heroically and shamefully. Helping us during salmon and crab closures saved our lives, tearing down Fish Alley and 1,000 foot of docks, not so much.

When C Shed burned down, it was a devastating loss to the fleet. We didn't have enough storage then. And we lost a big chunk of it. Optimally, the Port would rebuild C Shed with some cold storage for the industry using solar, wind and tidal electricity generation to make it a model that other ports could copy. I'm still allowed to dream.

Pier 45 is the bare necessity that the industry needs to survive. If this commission allows a private developer to hijack the people's property to build a Disneyland for their financial gain and block the citizens' access to their food security, it will be a dark day in San Francisco's history because we know it can never be undone. Please don't do this to the fleet and the people of San Francisco. Thank you.

President Brandon: Thank you. Erin Black and then Nick Krieger.

Erin Black: Good afternoon. I am a resident of San Francisco and the general manager of Guardino's down at Fisherman's Wharf. I have worked with Mr. Dante Serafini there. And Mr. Dante Serafini is the owner of The Franciscan. Unfortunately, he couldn't be here today and asked me to read a statement on his behalf. And if I have time left, I'll share my comments.

It reads as follows, "I am a lifelong San Franciscan and owner of The Franciscan restaurant at Fisherman's Wharf. I have witnessed firsthand the decline in conditions at the wharf especially since the pandemic and the impact this has had on my business.

"The project that is being proposed is a thoughtful and exciting project and is exactly what the wharf needs at this point in its history. The project seeks to support the fishers in their effort to fight the decline in their industry, to introduce new attractions that will benefit all businesses in the area and will spend nearly

\$200 million on seawall and public-realm improvements that otherwise would not happen.

"I strongly urge the commission to let this matter go forward and allow further discussions, planning and feedback to occur over the next 18 months. We need to do something now. And this is the right project to let that happen."

My own words -- I think the project is very exciting and much needed for the area. I have conversations every day with tourists, locals, people that are coming to the city for the first time and Fisherman's Wharf for the first time and also returning. And it is very clear that they share what is so different about how it was before.

I think this is a great time to create new opportunities for tourists but especially for locals to come and just explore. They have expressed that there is so much that they're not seeing there currently. So I also get folks asking me daily about opportunities and where to buy fresh seafood. And I think that the creation of a world-class seafood market here would provide a lot of support to the local industry. Thank you.

President Brandon: Thank you. Nick Krieger and then John.

Nick Krieger: Hi. My name is Nick Krieger. I'd like to thank the commission for the time. I own a boat at Pier 47, Pier 45 area, the Ariana Rose. And I store my gear in Shed A. I previously had stored the gear in Shed C and lost it because of the fire. I'd like to thank you guys for appreciating how important it is to have gear storage on the pier and allowed me to move my gear and store it in Shed A now.

And I just want to emphasize that it's vital for our industry to have the gear there. I want to make sure everyone understands we unload our boats with the hoist, move the gear with forklifts and put it away. If it's not on the pier, we won't be -- our boats won't be in the wharf. We'll be wherever we can store our gear.

So -- and like everybody said, we not only need the square footage of storage, but we need the area to stage. And like another fisherman said, all the processors that have out-of-town boats, the area that now looks like it's not being used, they put their gear when they're getting ready for crab -- and there needs to be space for that as well. So thank you for your time.

President Brandon: Thank you. John Mellor.

John Mellor: Yeah. Hi. It's an honor to be here. I've been fishing for 45 years, pretty much always out of San Francisco Fisherman's Wharf. And I just -- I'm sure, as you guys all know, the fishing industry has been reeling the past three to five years due to the pandemic and lack of a salmon season the last two years and like regulatory challenges and politics concerning the crab fishery which used to last seven-and-a-half months and sustain us for most of the year.

In the last couple years, it's been two months. So the fishing industry is contracted. And it's in big trouble. But we're used to that. It's always been a stressful way to make a living. And things kind of turn around. And they get better. It's like, once you've been doing it this long, it's hard to pick up and go do something else.

So it's important to make good decisions and have good critical thinking skills, you know, to try and survive. So I guess the thing that worries me about this proposal is, once it moves forward, it'll be fixed in perpetuity. The potential for growth of the fishing industry will be capped.

And there's just this very limited space to store our gear. And the logistics is the biggest part -- one of the biggest parts of fishing for a living. It's a very complex way to make a living. And so you have to have not just gear storage because these traps and nets and ropes take up a lot of space.

You know, they basically take up all the space in our storage area that we're assigned. But we also need the space outside, as people were saying, to go through the traps, go through the ropes. And every fisherman is doing that all at the same time. So the whole area just, you know, gets full of activity.

You know, the fishing industry is iconic to the City of San Francisco. I mean, if you think of Dungeness crabs, it's a big part of the identity for the city here, you know, as much as the Giants even. Right. So it just -- I'd ask you to keep in mind that there are other working ports in this region -- there's Bodega Bay. There's Half Moon Bay -- which do provide the space and the area we need to -- that a person needs to fish for a living.

And a lot of people will move to those other ports. And I just think this would really endanger the future of the fishing industry in San Francisco. Thank you very much.

President Brandon: Thank you.

John Mellor: Appreciate it. Thank you.

President Brandon: Steve Leverone.

Steve Leverone: Thank you very much. Steve Leverone. I'm a native San Franciscan, grew up in North Beach and familiar somewhat with the project. And I think we should go and move forward with the term sheet just to kind of continue because Fisherman's Wharf, from what I'm seeing, does need to be revitalized.

And I empathize with what I'm hearing here today with the fishermen. Maybe those things can be worked out as far as the storage and everything like that. But I think we need to continue to move forward with a plan to see if this is

all going to be viable and feasible for the Fisherman's Wharf area. So I support the plan moving forward. Thank you.

President Brandon: Thank you. Is there any other public comment? Come on up. State your name.

Taryn Hoppe: Hi. I'm Taryn Hoppe, local business owner. I've been around for 40 years around here, hands in lots of different businesses, also on the CBD. But I'm here just speaking for myself. I just have some concerns. And I especially have concerns after this meeting.

It's been really hard to watch sort of the development side say our main goal is to protect the fishermen. And then -- and we have it all worked out. And the term sheet shows that we have it all worked out. We got all our solutions. Everything is the same.

And you have all the -- well, a ton of fishermen here saying we're not even close. So someone's not telling the truth here. Or someone -- so it's not even close to being worked out. So that's just really concerning to me. I have a lot of empathy for the fishermen.

And I think that the whole -- I really see this proposal as two parts, the Pier 45 and the triangle lot space. And for Pier 45, for the reasons I just said, it just doesn't seem even close to being settled or a good idea nor economically feasible. That seems in jeopardy as well.

So I think that there's a lot more to go back to the drawing board on that, I guess, to start. And then, on the triangle lot side, it's really hard for me to say anything anti-development because, boy, it needs something. This should not be a parking lot. It needs something now though, not that's going to be finished in 2032 that may or may not financially work out and -- although I think the pier is really the financial question mark there.

But for the triangle lot in 2032 -- which probably will end up being 2034 that might be finished -- we need something now. And I think we might regret, after, you know, sort of looking back and saying, you know, what a miss we had to make this -- like the heart of the wharf into something that's more public focused, that's more open space.

And someone -- look at successes of some recent things like the Crissy Field tunnel tops and even the Little Embarcadero promenade that the Port and the CBD worked on that's been so successful. And boom, it's up. It's running. It's so well received, the SkyStar -- boom, up and running, so well received.

And I just -- I would hate for us to regret taking that bird in hand and doing something too hasty when something more thoughtful and maybe even quicker

could happen in that triangle space. But I really wish everyone -- I just want the best thing for everybody and to make the right decisions. Thank you.

President Brandon: If there's no other public comment in the room, do we have anyone on the phone?

Operator: Yes. There is one caller for public comment. Opening the first line now.

Rodney Fong: Thank you very much, commissioners and Director Forbes. This is Rodney Fong, another native San Franciscan. And my grandfather opened the wax museum across the street from the subject property -- 1962 so have been there, born and raised.

I think we are -- and I take issue with the process. I think we made a mistake of entering into a sole-source agreement. I think everyone knows this should have been and still can be an RFP process. For decades, Fisherman's Wharf and other waterfront-interested parties have gone through many different comprehensive studies, charrettes, roundtables to decide what is really best for Fisherman's Wharf.

And they all come back to Jefferson Street being the main spine for Fisherman's Wharf. I find it kind of funny and a little bit ironic that the director's great report highlighted Fleet Week in a celebratory way and highlighted the cruise terminal in a celebratory way.

Those two things plus the Alcatraz embarkation landing all used to be at Fisherman's Wharf. And those are millions of people collectively annually that used to feed our businesses. So it's not the lack of more retail space that it needed in the proposed project. It's more bodies and activation, not commercial activity that is needed to feed the existing restaurants and shops.

I think this project is upside down. I encourage you to take consideration of not approving the terms and putting it back out to RFP so that we can have a comprehensive study from Ghirardelli Square all the way to the cruise ship terminal -- the new cruise ship terminal and bring back people into Fisherman's Wharf.

That will be the most immediate fix of this current problem. The real solution for the triangle parking lot is activation, open space, park and an opportunity for the Port to make money by renting it out for events, running races, watch parties, as we have FIFA World Cup, the Super Bowl 60 coming, activities, music, dance, celebration, an extension of already our history of street performers but in a more formalized way using sponsorship as part of the ways to pay for that.

And we can do that very, very quickly for a lot less money than the proposed plan. So this should be an RFP process. You guys know that. And I think that we're making a mistake by going any further. Thank you very much.

President Brandon: Thank you. And sorry for the wait. Is there anyone else on the phone?

Operator: There are no other callers for public comment at this time.

President Brandon: Thank you so much. Public comment is closed. Wyatt, would you like to say anything?

Wyatt Donnelly-Landolt: Sure. I would just emphasize that, again, this is an interim step. There's a lot of work to do. We greatly appreciate all the feedback and will continue to work with all groups and stakeholders to make sure that what advances listens to everyone and can really be a success that incorporates all the needs of the area.

President Brandon: Thank you. Would you like to say anything, Director Forbes?

Director Forbes: Yes. I'd like to say a couple of things. We understand that gear storage and the ability to stage is critical for fishing. One of the things that must happen as this process moves forward is a real fine-grain granular understanding about how fish processing and the fishing operations work and how they would work with the intensity of uses of bringing the public to all of these attractions.

That is a key understanding of something that must be ironed out and completely understood. There is no doubt that this would intensify the use and bring far more people onto Pier 45. The development project does rely on fishing being successful.

So if the fishing industry is not successful and leaves San Francisco, this project does not make sense and does not work. So they have to work together. And as Wyatt said, this is a non-binding agreement and causes us to do more work to refine and perfect the proposal.

I think all of us heard the concern, and all of us are aware of the struggles and the challenges the fishing industry is facing. And we've made many actions in this Port from this Port Commission to show that understanding. And those are the comments I would make. And I really appreciate everyone for coming in and talking to the commission about the idea. Thank you.

Commissioners' Discussion on Item 12A:

Commissioner Lee: [I knew -- I'm] always first. [laughter] Well, you know, small business is my thing. You know, 90 percent of the letters I read today, I'm all on

your -- actually, all the things I've said even during the briefings -- it's a big project. And I worry about the fishermen. I worry about keeping the industry. I also worry about the 100 empty storefronts because, you know, there's no reason to go down to Fisherman's Wharf at this point.

There hasn't been any -- well, I mean, there's a few attractions. But there hasn't been any major investment in Fisherman's Wharf for 50 years. What I'm worried about -- and as you guys know with fishermen, the environment -- global warming is killing your industry. And we're trying to -- I'm trying to have some state officials come and meet with you, see what we can do to help maybe change that a little bit to help you guys out but -- working on that.

But what I'm worried about is what happened last month when we had to move tenants off the pier because the infrastructure is not safe. And that could happen to you guys. And it wouldn't be our fault. It could be the next earthquake to bring you guys down.

We need to get these things fixed. And we don't have the money. And we have to get grants. And that takes a while. So not this -- the developer might put you out. It might be the environment puts you out. This is the time that we have to really kind of get together and help because, yeah, we -- I worry about the business people, the mom and pops.

I worry about you guys as fishermen. We worried about the developer that he has to try to fund all this stuff to help us. But then, we have to kind of give a little, so they can make a little money. I think the project should be done in phases. I think it's really overwhelming.

And the concern is for the -- for me, as being on this Port, is we have a lot of projects that had to come back to us because they're struggling on trying to develop. But once they're developed, the whole area changes. The whole area really flourishes. But it takes time. And there's a lot of contention.

So my worry is infrastructure at this point, seawall, the pier that's under your shed. You know, the fire knocked out one shed. But if you guys can't even park your trucks on the pier, what are you going to do? So this is a big predicament for me. And listening to you guys, I feel bad.

But we've got to move to the next step. We've still got a lot of process here. You guys still have a lot to say. Let the supervisors hear you out. And see what they were thinking because we can only do so much. And we can't sit here and just keep going back and forth, back and forth and waiting for the next tragedy to happen -- or not happen.

So you know, I feel for you guys. But again, I kind of support going to the next phase just to hear out what the supervisors have to say and where that is.

For me, there's a lot of questions still. So when it comes back and during the 18-month process, look, we're talking about 10 years from now, you know.

I don't even know if I'll have a business in 10 years. Okay. So it's going to be a while, guys. I think, you know, we just have to kind of move forward. And there was nobody else to step up. You know, sure, we could always say we can try to bring in from Pier 45 or Pier 32 all the way down to Ghirardelli Square. But where is the money coming from? Port doesn't have it all.

We have to go out and get grants. That takes time. So in the meantime, we're doing the best we can. It's tough. I know. I don't get a paycheck every two weeks. So it's just a tough thing. So that's all I have to say.

President Brandon: Thank you. Commissioner Engblom?

Commissioner Engblom: Thank you. I would say, you know, I really appreciate the range of comments. And I learned a lot today from everyone showing up and commenting. I would say that I just want to focus on what we're being asked to talk about today which is the term sheet.

I think -- I was really pleased to see how the plan evolved over the past 12 months. And I think that's the kind of thing that can happen, as I understand the timeline. All of the passion and the experience and the practical lessons from the fishermen and the fishing industry that came out today as well as I really -- you know, especially what Shawn had talked about, the scale of the fishing industry and how that's evolving so quickly -- I really appreciated some of those comments.

I think that all can make this plan stronger over the next two years. But I agree with Commissioner Lee that I really believe that the term sheet is flexible enough that, over the next two years, all of the participation in the plan will only get stronger. You know, I believe that, from what I've heard, the term sheet is elastic in how things are within the two sites.

So that would lead me to believe that -- I really worry about the same resilience challenges that our whole entire waterfront is struggling with. And the fact that -- I've also heard that the -- some of the other big agencies are already part of the stakeholder -- so the Army Corps has already sort of been part of these sessions.

That's really helping to make the term sheet and some of the equity -- you know, the financial equity-versus-debt ratios look healthy on the term sheet. So I would be very supportive that we move forward with this and that the process is really -- reemphasizes how important it is that the -- somehow, all of the public comments that we heard today and the participation is somehow supported in this -- you know, to get that kind of activity takes a lot of participation from the

developer and partnership between the public and the developer. So those are my thoughts.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: Yeah. This is a very painful conversation for me today. I'm glad to basically hear from everybody. And what I'm saying is I hear the pain and the frustration that's coming from the fishermen. Being a commissioner here 13 years, they've been coming a lot the last couple years. And things haven't been going well.

And I feel like we're in the middle right here. I've always believed that, when both sides walk away unhappy, you get a good deal. But I think it's balanced toward one side. And I'm a working man myself. I'm a union man. And I can understand their feeling that you're putting them out like they're obsolete, like they're a dinosaur or when somebody talks about automation and people loses jobs.

And I can feel that frustration. And their frustration that they're feeling is real. And we should understand that because they've been a fabric -- and the lady there said it -- been the fabric of this city for many, many years. And I'm all about change. I think the public has demanded change.

They want a revitalized waterfront but down at Fisherman's Wharf, a city that used to have 30 million tourists a year now, with COVID and a city kind of in an identity crisis trying to get back on track for the new San Francisco to be revitalized and rejuvenated.

And I think we all want that. But I think we haven't answered the fishermen's question. You know, it's kind of like when you say -- we take the Pledge of Allegiance, liberty and justice for all. I think the fishermen are saying, well, does that include me?

And I don't think that they're feeling like that. And I don't think we can ignore their concerns. They have to feel that there's a solution that includes them. And they need to be a part of that. If you want to move forward, then they have to be integrated into that where they can feel like we're all swimming in the same boat.

And when I vote here right now, I know that there is a deal like -- it's kind of like David versus Goliath, the developer here and the little fishermen over here that we've kind of passed off over to the side. And we've forgotten about him. And this is not who we are.

This Port belongs to every citizen in this city. We need to know our fundamental about we all are stakeholders in this. So right now, if I had to take a

vote, I'm not feeling that they have gotten their fair due and that they feel comfortable. And I don't feel comfortable.

The developer seems like he's comfortable. And we can support that. But the fishermen aren't. And they need to be some kind of secured that they are going forward too and they will be looked after. And they're just as important to me as the developer. Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Well, first of all, I want to thank everyone. I have some questions for Wyatt and some things just actually for clarification sort of to bring this back to what we're doing today. But I want to actually thank everyone who came out for public comment.

So before I ask my questions, I also sort of want to share my point of view on this. My point of view actually -- in some ways, this isn't -- this is maybe about, for me as commissioner, revitalizing what we're calling generally -- because this is only one small part of Fisherman's Wharf.

I think we really need to remind us of that. One caller said it, from Ghirardelli Square to Pier 39. That's the whole Fisherman's Wharf. We're talking about like a teeny-teeny piece. And I guess I just want to just -- because I think this is a really strong thing for the public to understand.

My understanding is -- maybe not today, maybe it would be in 66 years when I would be 108. But this pier needs seismic work. Correct, Director Forbes? And this pier needs that seismic work that we, as an enterprise department that does not receive general taxpayer funding from the City and County of San Francisco, that we today have zero money to do. Correct?

Okay. So I do just want to set that stage because I do think sometimes the public forgets that, unlike other departments within the City and County of San Francisco, your direct taxpayer dollars do not go to the Port of San Francisco. We're an enterprise department.

We have to generate our own revenue, which is one reason the developer, when they approached us, being -- doing seismic retrofit work for Pier 45 and sea-level work -- I just want to say that was part of the attraction of this. It wasn't just building a beer garden.

And I'm not saying that -- I'm just saying that because I just want to say what my thinking was. And for me, the interest of the fishing industry and the public trust of maritime is what will be driving all of my decisions about this.

And so Wyatt, again, this is -- I view this as a technical maneuver that enables us to do an environmental review that gives the developer an incentive

to do detailed architectural drawings to do studies. Like one study I'm going to look for and I think I heard from Director Forbes is -- I don't know what the technical word for it is.

But I hope -- and I'm hoping the developer is listening to me -- some sort of intense usage time study where -- you know, I heard it from Sarah and Shawn and Mike and Barrett -- where they have people down there observing the busiest time ever when they're laying down 100 ropes of line -- I can't even imagine what that's like.

And everyone is buzzing from 3:00 to 9:00 a.m. And they see what it's like for industrial use of that space so that they can go back to computer modeling or whatever technology is today to figure out then like, how are you going to have a five-year-old like going to the museum at the same time?

Because that's the kind of stuff I think we're going to look at to see how you're going to have an intensive industrial use, and you're going to have all this logistics working with other stuff happening on the pier. And maybe it doesn't work. So Wyatt, could this all fall apart and not happen?

Wyatt Donnelly-Landolt: I don't like to say that.

Vice President Gilman: But theoretically?

Wyatt Donnelly-Landolt: But all of our developments are speculative. And there's nothing guaranteed moving forward. And at this stage, we have not committed anything. This is a non-binding term sheet. I think we and I have heard very loud and clear we have a lot more work to do to make sure everyone involved is comfortable with this and get to the point where everyone is a little unhappy, as Commissioner Adams said.

I think that's the sign of a good deal as well. And I think we have a lot of work to do there. This is one small sliver. And a lot of our colleagues are working very hard on other areas of Fisherman's Wharf to lease up areas, to activate areas. This is a component of a larger strategy. This is a longer term.

I'd love to see something before 2030. But development is time intensive and challenging. And we want to make sure we get it right because it's going to be there for a long time. And that takes time and effort. But again, this is a step that gets us to that environmental review, allows us to study and give us more answers on what specifics we need to make this work.

Vice President Gilman: And I'm just asking theoretical questions because I do think there -- and I know it's really hard. And change is super, super, super hard for everyone. And I get that. And so I'm asking these questions just to clarify. And I'm not saying it's going to make anyone walk out of this room feeling better.

But I'm hoping maybe a couple days from now it might make people realize too that it does not mean that things aren't going to change, things aren't going to shift. And it could mean that the developer could come back with a different configuration and could come back and -- I don't know -- say the event space moved somewhere else. Right. So all that's still possible, correct?

Wyatt Donnelly-Landolt: The one thing I will guarantee is that something is going to change from this term sheet. Something is going to happen. And something is going to change. It's non-binding. There's a lot of work to do. And I also just want to note that I failed to mention -- and my apologies -- the developer of Fisherman's Wharf Revitalized is present and available as well. And that's my apology.

Vice President Gilman: Okay.

President Brandon: And I would love to give them the opportunity --

Vice President Gilman: Yeah.

President Brandon: -- to speak if he'd like, please, because a lot has been raised here today. And --

Vice President Gilman: Yeah.

President Brandon: -- you may have given more thought into this than we have.

Vice President Gilman: Yeah.

Chris McGarry: Sure. And good afternoon, commissioners and also members of the public who have given us a lot of thoughtful comments. You know, just by way of introduction, I'm Chris McGarry. I'm not a developer by trade. I'm a grocery guy. I seem like an unlikely member of the team advancing this project.

But I was really attracted by the opportunity to participate in this based on my affection for the city, based upon a vibrant industry that is at Pier 45 and clearly has challenges. I'm food, and I'm also very much interested in visitor experience. And all of those opportunities are presented through this project.

We have endeavored to reach out to the fishers as well as the local businesses and try and engage and receive feedback. The way we view today, as Wyatt has described, is this is just another step forward to have further discussions, further analysis to get granular detail around some of the issues that have been raised specifically by the fishers. And we're committed to doing that.

And there is nothing that is locked in. We don't even have really developed plans around this. It's still a vision that has become a concept that now we're

trying to advance and say, is this feasible? Is this workable? And does this meet with the expectations of all the stakeholders of Fisherman's Wharf and the greater community?

I think that certainly one of the takeaways for me is I think there are opportunities for us to communicate more effectively about the project. There are enormous public-space improvements that are contemplated. From my perspective, there is actually a comparatively smaller amount of development that you might have otherwise seen in prior proposals that I -- I've researched all these.

I've researched the development of this area over the past 70 years. And I know what has been presented or contemplated or pursued in the past. And this is nothing like that. But we haven't done, I don't think, an effective job in communicating that.

The triangle portion is going to be dominated by public space with special emphasis on family activities and this kind of thing and changing in seasonal kinds of entertainment opportunities that are available to the public. We are absolutely committed even at this stage to making sure that we separately demise the industry use from the access to the public on Pier 45 to make sure that the fishers aren't interrupted. They don't have people gawking at them as they go about their business.

We're trying to create additional platforms to celebrate and give people -- educate folks about the industry, about the challenges that are being faced environmentally also in terms of the challenges that the fishers face seasonality. I have engaged with marine biologists with the idea of bringing them to bear and providing -- engaging with the fishers, understanding their challenges and perhaps providing some advocacy and some strategies on long-term sustainable fishing solutions.

That's my background. And none of that has come out in the presentation of this project. But that's what we're contemplating. And that's what we're going to be working very hard on over the next 12 to 18 months. Nothing is being decided today except the decision to move forward with the discussion and get into much greater detail to prove out what we think may be possible or find that it's not workable. Okay. Seth?

President Brandon: Thank you very much.

Vice President Gilman: Thank you.

President Brandon: I really appreciate your comments.

Vice President Gilman: Yeah.

President Brandon: -- Vice President Gilman.

Vice President Gilman: So I do want to say -- and I'm not saying it was going to fall apart. I was just -- you know, there's a million scenarios. I could come up with fairy dust that could solve all of our problems. But I don't think that's going to happen either.

I just wanted to put that pin out there that, you know, we have the best intentions always. And things could happen. And if this gets voted today and goes to the Board of Supervisors and if the Board of Supervisors does it, it does not mean that the slide deck we showed today is what's happening.

I think I just really, really, really -- I know I'm over-emphasizing it. And maybe it's just for my own edification, so I can feel better also as someone who lives in North Beach and who can see the sea lions. And while none of my friends are fishers, many of them make their living on the waterfront. This is personally very important to me.

This is, to me, the approval of -- if this gets approved today and by the board, is so we can continue these conversations. I do want to say to the development team -- because, you know, I -- only because I've been yelled at by some of the processors, I don't randomly walk into Pier 45.

But I did have the honor of hanging out with Barrett and Sarah yesterday for an hour and in street clothes and in sneakers. And it's dangerous down there. Like I almost probably got hit by a car a couple of times. And I do really want to say that I really, really want to emphasize some sort of time study at different hours and different seasonality because I do think that's really, really -- if you are as committed as you're articulating today to their livelihood and to letting them be as flexible as they are today with what they do and don't do -- and they explain that to you because they can articulate that -- I think that's really, really critical for your thinking on how you do your architectural and design.

There could be ways to design public access that doesn't even -- especially since you're going to change stuff around, it could be on the Musee Mecanique side or whatever where it does not interfere. But I would not want a five-year-old like running around there because -- I don't know -- they seem like pop-up, blow-up exciting thing and like want to go run towards it because it's at the exhibition site or a charity event that rents it out at night and slips.

They told me there's like seagulls get hit by trucks, and like they lie there. So I'm just saying like I just really, really want to be aware that it -- I didn't realize until I experienced how much of an industrial use this really, really is. And I just want to make sure the development team is hearing that loud and clear because maritime is part of the public trust.

It's part of the Burton Act that gave us control of the Port of San Francisco. And living up to that public trust, in my opinion, is one of the key responsibilities of this commission. And to make this a successful project that moves forward, I will need as a commissioner reassurances that this project is not endangering that trust. And thank you, Wyatt, for your presentation. And thank you, everyone, for your public comment.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: Okay. It's for the developer. I would suggest -- I mean, if the term is going to go through -- but design the package -- it seems like most of the issues is Pier 45. And knowing what's the condition of the hotel business right now -- I have friends that own hotels. They're at 55 percent capacity at this point.

So to build another hotel on Fisherman's Wharf is kind of ludicrous to me, but it's your money. But I would say focus on Pier 45, the fishermen. See how that works. Work with them because that is the draw, you know. And I don't want to see one draw leave, and then you build a hotel. Suddenly, we lose the Sky wheel that has been a draw. Even though whatever little draw it is, it's something until we can fill those 100 empty storefronts.

We have to create some activity down there, not just -- the fishermen -- they're doing their jobs. But it's good if the fishermen can show other people what you do. Show the next generation that, hey, fishing is fun. It actually is a good business. Because we don't know what you guys do out there. And I know it's dangerous.

But public safety too -- this whole project better have a very big public-safety plan in your proposal because that's going to be important with these people running around. So that's just my suggestion to you guys. Good luck, and look forward to it.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: To the developer, you said earlier, you know, a lot of this might have could have been avoided today if there had been some communication. Communication is important. We live in an era now that communication is easy. Email, text, pick up the phone. Sit down, and talk to them.

It would have been nice if we c -- I mean, I'm not saying everything would have been perfect. But you guys could have came in here close to being on the same page. And I'm hoping that, next time you come back, that you will have sat down, treated the fishermen with dignity and respect that they deserve, so they can get behind this project.

You want everybody behind this project. You'll always have the haters out there. Right. You can't stop that. But this could be a good thing. But what they're saying is take us along too. And let's develop it together. So I'd appreciate that next time. Thanks.

President Brandon: Thank you. Wyatt, thank you so much. And I really want to tell everyone how much I appreciate you coming, showing up, sharing your thoughts because this is the planning process. We are in the planning stages. And I think it's been made very clear that this project will probably not be successful unless the fishermen are really -- fisher people are really taken into consideration because you are the livelihood of Fisherman's Wharf.

And Fisherman's Wharf is vital to the Port and all that's going on there. It's also a sliver of Fisherman's Wharf. We only have a small area that we, with our harbor funds, have to take care of. So we got this unsolicited proposal, went to the Board of Supervisors. They sent it back with their blessing.

We've negotiated. We've talked. And it would be fiscally irresponsible for us to just turn away half a million dollars without really looking at the feasibility and if it can actually work. So this is non-binding. We're not making any commitments here today other than to send this term sheet to the Board of Supervisors, so we can start getting the details and finding out if this would be a successful project.

So there's going to be many opportunities for comments. There's going to be many opportunities for input. So this is non-binding. But I think it's been made very clear here today that we've got to take the fisher people into consideration to move this project forward. Thank you. Are there any other comments? We have a motion and a second. All in favor?

Four of the Commissioners were in favor.

Commissioner Adams opposed.

Resolution 24-49 was adopted.

B. Informational presentation to consider and possible action to approve Lease No. L-17224 with JPPF Waterfront Plaza, L. P. for the Waterfront Plaza Office Complex located on Seawall Lots 315, 316, and 317 between Chestnut and Bay Streets at The Embarcadero (the "Lease") for a term of 57 years and forward the Lease to the Board of Supervisors for its approval. (Resolution 24-50)

Ricky Tijani: Good afternoon, President Brandon and commissioners. My name is Ricky Tijani, waterfront development project manager with the real estate and development division of the Port. So here is an overview of my presentation. I'm going to just give a very brief background on the Waterfront Plaza, the existing

ground lease and all the way down to the last item, which would be analysis and the next steps.

Towards the end of my presentation, I'm going to invite representative of Jamestown to make a few remarks in closing out the presentation. The site is located between Chestnut and Bay Streets. As indicated, it consists of three seawall lots. The current lease run all the way through 2024. There is existing improvement there. There is two four-story office building and a one-story restaurant on Seawall Lot 316.

There is a Santa Fe parcel which the Port doesn't own. The tenant own. But he has -- there is a five-story, have parking stall to support the development. The current base rent is roughly \$3 million. And previously, it was 751. It was increased in 2019 to the present amount of roughly \$3 million, which is roughly almost 300 percent increase.

This chart here provide kind of like a visual summary of the COVID-19 impact on the San Francisco office market as well as on this particular asset, the Waterfront Plaza. The [unintelligible] [you could] see here in the middle of the chart when, around 2020, when the rent went way up to that \$2.8 million.

And in 2019 is when the COVID hit. So you could see the coincidence of those two things with the rent being spiked and then the revenue going south, which create a major blow to this asset. And that is why they are here. The yellow line is indicating that the occupancy drop to almost 40 percent. But this graphic provide more details. And I think we have additional explanation in staff report.

The current asset status, as I've indicated, have roughly 16 more years on the current lease. The occupancy is low. Revenue is low. Obviously, that result in low NOI. The current loan will mature in November 2024. The tenant is working with the lender. And they want to refile. But to refile, they will need a new lease that the tenant -- that the [landlord] would like to see.

They've negotiated a term sheet that is promising but is subject to a number of conditions including, you know, getting this lease approval. The extension, of course, will require principal pay down from the lender standpoint, reinvestment in the asset and providing operational reserves.

Because of this issue, the challenges that the asset is facing as a result of COVID-19, they came to us back in 2023 and asked for help that, in order to refinance their loan, they're going to need a new lease. And they requested a lease extension, which technically we are giving them 41 years because they currently have 16 year left in their lease. And that's how we arrive at that 57-year ground lease.

They equally asked for a reduction in the current base rent because the current rent is not sustainable. It's \$3 million. But we arrive at that at the very peak of the market at the end of 2019. And you know, terrible COVID-19 hit and [unintelligible]. So they need help in order to be able to sustain their operation because the cash flow is not there.

And they [equally] asked for a change in the method of base-rent adjustment. The current lease -- you know, we adjust it every 10 year. However, it created a spike, which is not good for them. At the same time, it's not good for the Port too if we do the appraiser, and the rent drops below a certain level.

So here is a quick comparison of the existing lease and the proposed lease. The key point that I want to point out though is that, in exchange for reducing the rent in the time being just for the first five years of the lease, beginning from year six on forward, we provide provisions for the Port to recoup some of those rent for us to get back -- maybe hopefully get back to where we were before.

So as you could see on this here, from year six to year 10, it would be \$1.2 million, or 6.5 percent of the gross. In row number four, we show how we will look at the average rent for the past three years, take 85 percent of that. Or it could be adjusting the prior rent whereby the rent goes up minimum of 10 percent or a maximum of 20 percent.

And every five year, there would be escalation. So this is an improvement over the existing lease. We know the existing lease is old. It was entered into in 1994. So we are bringing it up to date.

In row number eight is where we indicated that, you know, the tenant is going to invest to sustain this asset as a class A. They have a 10-year capital plan that they shared with us. When they come over, they may be able to speak a little more to this. Sorry about this.

In terms of our analysis, we look at three scenarios including maintain current status quo where, you know, we let them duke it out with their lender, which we're not recommending. We equally look at a scenario whereby, if [this asset] slip into foreclosure, that the lender will probably be coming back to us and ask for the same thing.

The lender will probably ask their trustee to do a number of things, either find a new tenant, either sell the loan or come back to the Port to ask for an extension. So we are recommending the path that we think is best for the Port which is to grant the new lease that has been requested.

So at this point, I'm going to turn it over to a representative of Jamestown to make a few remarks in support of our request.

Chris Farber: Hello. Thank you for having me here today. My name is Chris Farber. I'm the regional director for Jamestown of the West Coast and the head of West Coast asset management. I'd first like to thank Executive Director Forbes, Assistant Director Martin and, of course, Scott, Ricky and Grace for their collaboration over the last year of discussion on this topic. We very much appreciate it.

Jamestown was founded in 1983 and has spent the last 40 years creating real estate environments that are both community driven but vibrant and active. And we look forward to continuing to do the same in the Waterfront. Jamestown began investing in San Francisco in 2011 [when a] purchase Ghirardelli Square.

We currently own and operate 1.5 million square feet of real estate in the City of San Francisco, 1.3 million of which is in the northern waterfront including Waterfront Plaza. We are deeply committed to the waterfront, both Levi's Plaza, 55 Francisco and, of course, Waterfront Plaza where we have our office.

We look forward to continuing to invest with the Port for many years to come. And we have begun to work not an investment but on a collaboration on an artistic and event program, which is something that Jamestown is able to do because we have our own creative and marketing department that we have put at the disposal of the Port.

[Probably] as it sounds, we think the deal that is being proposed here today is a win-win. It is very rare in the current conditions in San Francisco to have an operator, a lender and a ground owner who are willing to work together to make sure that the revitalization in San Francisco can occur.

There are many items involved in this, as you well know. And If we can go to the next slide -- how do I do that, Ricky? This? Okay. Great. There are a number of areas in which we would like to focus our strategic investment going forward.

The first of these would be to improve the infrastructure of Waterfront Plaza. This includes perhaps: changing out the roof and the windows, which are beginning to approach their end of life; to upgrade the HVAC, electrical and fire-life-safety systems.

We are also, as an entity, very committed to sustainability. And we believe there is an opportunity for a solar EV charging and low-water landscaping to be executed at the Waterfront. One thing that we know will be necessary is to modernize the common areas. This is everything from the lobbies to the corridors to the outdoor area that is public land.

We have committed -- we have projected to spend north of \$34 million in the next 10 years on this asset. We have already spent \$40 million in equity and

capital investment at this asset since purchasing it in 2014 and over \$70 million in operating expenses.

We greatly believe in the northern waterfront and are very excited to continue to push this forward at a time of historical difficulty in the office market in San Francisco. The final note that I'd like to strike is to mention the situation with our lender. Our lender has recommitted to giving us up to four years of time on which to invest in this asset.

This is unheard of in today's office market especially, unfortunately, in the City of San Francisco where negative headlines have often formed an opinion on behalf of decision makers that are at odds with what we all experience every day on the streets here in San Francisco.

We are in a unique moment where Jamestown can reinvest. And a lender will allow us and will allow us to spend the money on this asset, which is meaningful to all of us. So we hope that the Port can find it advisable to collaborate with us on continuing to revitalize this asset at this time when doing so is incredibly difficult. Thank you. And I'm happy to answer any questions.

President Brandon: Thank you.

Ricky Tijani: Just concluding our presentation, so the next step is, if you give an approval, that we will seek Board of Supervisors' approval, execute the lease and continue to monitor it. So we're ready to answer questions that you may have. Thank you.

President Brandon: Thank you so much. I'd like to open it up to public comment. Is there any public comment in the room? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 12B.

President Brandon: Thank you. Public comment is closed. So this is an informational presentation to consider and possible action. So right now, we're treating it as an informational item. Commissioner Engblom?

Commissioners' Discussion on Item 12B:

Commissioner Engblom: Appreciate the presentation. I like hearing a win-win situation. So I guess I just have a question about -- and this is something that I believe was probably in the studies. But the extended 40-year period -- just would like to see that there's some sort of metrics around, you know, as the economy recovers and the rates recover, how is that influencing the deal?

So I just want to make sure that we have some metrics on that and some built-in agreement around what -- you know, how that affects the deal. I think I'm

really very supportive of everything that I heard in terms of commitment to the whole waterfront and the portfolio approach. I think that's very exciting and something we definitely need. So that would be only question s -- for grounding that metric of how the -- you know, extending the 40 years, how that affects the investment in the property.

Ricky Tijani: Okay. So this would be [in form of] periodic tracking of the asset performance because our lease require them to provide report to us from time to time particularly when it come to the percentage-rent component in order [unintelligible]. We could use that to track those type of metrics.

Commissioner Engblom: Okay. If that's built in there, then that's great.

Scott Landsittel: Yeah. Thank you. And I'll just add -- Scott Landsittel, deputy director of real estate. And just adding to that -- so we have the annual ability to review kind of on open-book basis the capital that's been going into the building, their occupancy, leasing status, leasing reports to measure performance.

So we should be able to track well the progress that's made and success of leasing efforts, recovery, their revitalization through events and programming and investment. So --

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: I have no questions, President Brandon.

President Brandon: Thank you.

Commissioner Adams: I'm happy. Thank you.

President Brandon: Commissioner Lee?

Commissioner Lee: Not really any questions other than -- the present condition -- I mean, you've got pretty k -- Ghirardelli Square especially -- now summer is over, probably have less. But your restaurants should be doing well. How are the conditions right now currently?

I mean, are they -- I know, in the rental market, the office spaces might be a little bit of a challenge. But your commercial -- do you find any interest? Or do you have to spend a lot of money on renovating your ground space?

Chris Farber: At Waterfront specifically?

Commissioner Lee: Waterfront, all your -- [crosstalk]

Chris Farber: Yeah. Look, it's true across the board. I mean, it's a mixed bag. Certainly at Waterfront, where WeWork had come in, done some build out and

then left, the conditions are not ideal. We understand that, as part of the obligation going forward, we will have to be renovating those spaces to get new tenancy.

This is an incredibly difficult leasing market in San Francisco, particularly in the office front. At Ghirardelli, there continues to be quite a bit of demand. We've seen an uptick in tourist foot traffic. We've seen sales relatively strong except for a few outliers. On the retail side, things are going pretty well overall, I'd say, in the city.

It continues to be the office that is difficult, to say the very least. Occupancy remains flat largely. And we're seeing that it requires a greater package of concessions, greater TI, free rent, even such things as gift certificates to Hillstone Restaurant at Waterfront and things like that.

Commissioner Lee: Wow.

Chris Farber: So we are trying every little trick at our disposal. But a lot of it is going to require reinvestment. There's simply no way around it to stay competitive in this market. If Waterfront doesn't get this reinvestment, it will fall into a commodity. And it will become more and more difficult to lease and have less and less of a positive effect on the waterfront.

It's maybe worth noting we also own 60 Francisco, the parking garage free and clear of the Port. So again, it matters to us more than anyone what happens at Waterfront.

Commissioner Lee: So Waterfront doesn't include Levi's. Correct?

Chris Farber: It does not technically. Waterfront Plaza is a separate asset. We try to think of them as a portfolio that we're investing in collectively including, have we the ability to reinvest in the property right now, thinking about a way to sort of align wayfinding and cross-amenitization.

For example, we have a deal for Levi's Plaza tenants. They can get free classes at the Bay Org -- not Bay Org -- the Bay Club. Excuse me. Very different. So we're trying to think of ways -- there's an app that I use -- excuse me. We have an app that we use at Levi's Plaza called HQO that sort of pushes out tenant events, tenant classes, discounts, that kind of thing.

And our thought is to try to treat the entire northern waterfront portfolio as one and allow access at Waterfront to the free classes, to the sessions so that -- [crosstalk]

Commissioner Lee: Kind of like an HOA kind of situation.

Chris Farber: Exactly. I mean --

Commissioner Lee: Right.

Chris Farber: Yes.

Commissioner Lee: And the Waterfront obviously don't have that other than Hillstone.

Chris Farber: No.

Commissioner Lee: Right.

Chris Farber: No. Waterfront does not have that and --

Commissioner Lee: It's just basically a corporate rental space.

Chris Farber: Yes. Although, the views that it has on the top floors and its position along the Embarcadero are excellent. And we think, with the right reinvestment, the right marketing campaign, the right operator and the right partner in the Port, we can make this very competitive in the way that we have at Levi's Plaza.

We managed to convince Levi Strauss not to leave San Francisco and to commit to another 12 years in the city. And we think we can bring that kind of belief in the City of San Francisco to our tenanting at Waterfront Plaza and to the asset. So again --

Commissioner Lee: Are you thinking of converting your top floors into some kind of office suites or WeWork maybe? Or --

Chris Farber: So I think that co-working has struggled in a lot of places. We're in discussion with a number of groups to backfill part of the WeWork space. But I think what we're seeing is largely tenant demand on the sub-10,000-square-foot size. These are mostly financial services, law firms, family offices, that kind of thing in San Francisco right now. So we do have plans to build out some spec suites if given the opportunity.

Commissioner Lee: And this is what you want that extra 34 million --

Chris Farber: Yes. I mean, we have managed to negotiate with our lender to -- look, we have to pay them down. We have to make the -- right size the loan. So we're going to have to come out of pocket, out of Jamestown's pocket to right size the lender.

But we've simultaneously created a program in which we can borrow more to reinvest in an asset which they believe in as well. I know it sounds silly. But it's just incredibly rare to have a conversation with a lender that is like, "Yes. We'll make more money available for office in San Francisco."

Commissioner Lee: And this is a written proposal to your lender?

Chris Farber: Yes.

Commissioner Lee: Okay. No questions. [laughs] No more questions.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you. My questions are mostly for Jamestown. So a 40-year lease extension --

Chris Farber: Yes.

Vice President Gilman: -- is asking a lot from us. I'll be 94 when your lease extension is up and will not be sitting on this dais. So --

Chris Farber: I'll be right there with you. [laughter]

Vice President Gilman: You know, and the way this reads, you know -- and I'm not saying we're not taking your word for it. I'm just saying, you know, technically --

Chris Farber: I understand.

Vice President Gilman: -- the absolute thing that we get is, you know, a \$9.45 million investment. And I'm sure that President Brandon has her own questions. But I just sort of wanted to actually hone in because it's vague at least in the way I'm looking at it on the slides because I don't have the staff report right in front of us.

Number nine, public benefits -- can you walk me through what -- or maybe Ricky can tell me. If it's in the staff report, I apologize because our other item was really long. The collaboration to aid the Port's northern waterfront economic recovery efforts -- what is that? And what also -- what's the monetization of that? What's the dollar amount tied to that?

Scott Landsittel: So that's in the table as kind of a benefit of the deal. It is not a -- I want to clarify, and there was a note -- it's not a lease term. So I think it gets to what Chris mentioned which is Jamestown has, as a partner in the district, committed to supporting us, right, with kind of collaboration on their events and programming with Levi's Plaza, with Waterfront and talking about forward integration with --

Vice President Gilman: Okay.

Scott Landsittel: -- opportunities --

Vice President Gilman: Sorry.

Scott Landsittel: -- along the -- kind of creating a neighborhood, if you will, of events and not only sharing it within their office portfolio but broadening that message to invite our own local tenants along the piers and other places to participate at Levi's Plaza and other places.

It's hard to require that or have terms around that in the lease. But it has been kind of in the spirit of partnership that they've made their resources available to help us think through that and support that.

Vice President Gilman: Okay.

Scott Landsittel: So --

Vice President Gilman: Yeah. No. I apologize. It was -- [crosstalk] we had a long item. So this could be something like -- I mean because it -- you know, since it was public and it was a public comment, it could be -- I'll just -- not [to say] favor any business over another. But it could be, hey, we know Pier 23 is struggling. Push out on the app everyone should go have lunch there once a week. That would be awesome [if they did that].

Scott Landsittel: It could --

Vice President Gilman: I'm not saying --

Scott Landsittel: -- be, but I will --

Vice President Gilman: -- [crosstalk] they could say that to their tenant.

Scott Landsittel: -- say, I mean I -- we've connected -- like it's just a matter of having those conversations. And we've started that, right, without any specifics but --

Vice President Gilman: Right. Right. But -- [crosstalk] or like here's a map of all the businesses along the waterfront or in the --

Scott Landsittel: Absolutely.

Vice President Gilman: -- neighborhood, Levi's --

Scott Landsittel: Absolutely.

Vice President Gilman: -- off -- I should say it better that way, so [Soma's won't get] mad at me.

Vice President Gilman: So is that what you're talking about?

Chris Farber: That is what we're talking about. And we've already begun that collaboration between the staff report and our team. We have not -- it is not technically a part of the deal. But we're happily collaborative around the Port. And we have a social media presence that is fairly large.

We also -- we're a vertically integrated company. So we have a creative and marketing department. We have a number -- probably 10 creative and marketing people based in San Francisco because a lot of our work that we do as a creative consultant is in the Bay.

So we're very well staffed and very well positioned to not only promote our own assets, to promote the Port events and tenancy as well. I mean, I don't know how mercenary we want to get. But certainly, that's something that's available to us.

Vice President Gilman: Okay. Thanks for clarifying that. That's my only questions. Thanks.

President Brandon: Thank you. Ricky, thank you so much for the presentation. And Jamestown, thank you. Scott, the team, thank you so much for being such a leading -- what do you call it -- [laughs]

Commissioner Engblom: Partner.

President Brandon: -- partner in San Francisco and on the waterfront because of all the properties that you have and you've been maintaining is absolutely wonderful. And I know that, when this particular deal was done, it was at the top - the height of the market.

So I think that we and the Port staff has done an absolutely great job in trying to work with you to right size this lease and make sure it's a win-win for everyone. And I keep hearing investment, investment in the property. The only way it's going to work is an investment.

So in my 27 years here on the commission, I've never seen a deal where we're giving someone 40 years. And we don't have a commitment -- a firm commitment for that reinvestment to make sure that this property stays at the level it is and attracts the type of tenants that it can.

So I asked the staff earlier, what is the commitment to reinvestment to make sure that this stays a class-A property and attracts those types of tenants? So how does the Port participate in the upside?

Chris Faber: So there's a few things -- to be honest, there's a few things going on in that question, the first of which, mechanically, the operator Jamestown is committed to maintaining the asset in an institutional manner, as we do at all of the assets that we manage around the globe.

We are well known, I would like to think, for being a classy operator that takes care of its assets and promotes everything about them and is a success pretty much based on our ability to operate at the top level. There is also both financial upside in a way that, to be frank, your staff did an excellent job of negotiating both profit participation on sales and refinances so that, when we reinvest and when there is something that comes of that, the Port will participate in it.

It participates in the percentage rent. So I know there's the question consistently of the commitment amount. You said that this is certainly your first time in many years of doing this of not seeing a firm commitment. I would argue that, unfortunately, in the office environment that we are in and what we have seen occur over the last years -- this is as unique a moment in those years as anyone has seen in this business.

So I can't stress enough that committing to reinvestment in this asset on our part and on the part of our lenders is unique, to say the very least, and that we are only financially and reputationally incentivized to make this a success. And the only way that anything is going to be a success in San Francisco right now is reinvestment.

President Brandon: So in terms of reinvestment, how will --

Chris Farber: I think, if we go back and we look historically at having invested between the equity and the capital [investments] \$40 million and almost \$80 million in operational expenses. And we modelled out that capital improvements that we expect to come that are well north of \$30 million -- we know that, to operate this property in the manner that would be befitting Jamestown, it's going to take significant reinvestment over time.

Unfortunately, we are not in the moment right now where we can commit to that beyond what we have already committed to, which is the amount or the delta between what the rent had been and the rent is going forward. The rent going forward, in fact, is already well higher than it was before this.

Scott Landsittel: Yeah. And I think I'm clarifying, right, because we have been presented a capital plan that shows, as you've mentioned, right, \$34-plus million invested over a 10-year period. We do have mechanisms -- and I think Jamestown is willing to have mechanisms that that's reported on. And we have an ability to track every -- periodically, so I think every three years -- what is spent up to that \$40 million -- \$34 million number such that we're reassured that the money is actually going into the asset.

So that mechanism exists in the lease. And Jamestown is willing to do that. I think the challenge is -- as you've articulated, it's specifically where that goes, right, is dependent on some of the market dynamics. And timing is dependent on some of the market dynamics.

But the money that's available through the lender, to be clear, can only be released if it's going into that asset. Right. So that money and the money available to draw from is money to facilitate leasing, which goes into the spaces themselves, that goes into capital improvements that better the asset for marketability.

President Brandon: And what money is that?

Scott Landsittel: Do you want to -- that's the -- go ahead. I think you should speak to your business plan for --

Chris Farber: Yeah. So we -- I mean, I don't have it in front of me. But we have a 10-year projection that shows well north of \$34 million that is going into both base building work, HVAC, fire, life and safety, plumbing, possibly some elevator modifications and then as well as improvements to common areas, the corridors, the exterior, sustainability, solar, EV chargers as well as to tenant and leasing deals going forward.

So we are able to borrow a significant amount of money from our lender to continue to invest in the property. And of course, that's money that Jamestown is on the hook for. And certainly, it can't be spent anywhere else. It's only for reinvestment in Waterfront.

Yes. And we are more than happy to report in every few years to the commission directly if it would welcome that on how much has been being spent, where it's going, how the market is looking and be a transparent partner going forward. That's not a problem at all. We would welcome the opportunity.

President Brandon: So I'm not asking for reporting. I'm asking what -- how will the Port participate in the upside if we don't have a commitment for reinvestment? Because I'm hearing about a capital plan that I haven't seen. And I'm hearing about being able to take money out of this transaction. I don't know how much that is. And I don't know how or when it's going to be reinvested.

Chris Farber: Hold on. There is no money that can come out of this transaction --

President Brandon: Okay.

Chris Farber: -- that isn't going into the asset.

President Brandon: Okay.

Chris Farber: So that's --

President Brandon: So maybe I was confused --

Chris Farber: Yeah. Jamestown is not removing money from this a -- I mean --

President Brandon: I didn't say removing money from this asset but getting money to reinvest --

Chris Farber: We are borrowing more money to put into the asset --

President Brandon: -- in the asset.

Chris Farber: -- directly. We are obligated -- and to violate it, I believe, would be an event of default -- to maintain this property in the manner to which we're accustomed as they say. That type of maintenance and that type of operating procedure is quite costly and is going to require an investment over time.

But there is not an accurate way in which to commit to doing that and to say, this is when that dollar will be spent on this. This is when the dollar will be spent on that. We are committing to many years of operating this in the way that we have operated it to date, which has been class A, and the way we expect to operate it going forward.

And we would expect to do that not only because that is the company that we are but because that is where the value would be both for Jamestown and for the Port, which now has the profit participation.

Scott Landsittel: Yeah. And I'll also add I think interests are very much aligned in the sense that the value creation -- I mean, the only way -- Jamestown is putting more equity in to pay down debt, to invest in the asset to sustain. Right. So the prospect of kind of throwing more money in to get back later, you know, ultimately profitability from the asset -- the lender is aligned. And the lender is willing to put more money on the table and on the line for further investment in the asset to recover.

And as Port, as part of the transaction as we laid out, we have the opportunity to participate in the percentage-rent adjustments should leasing go well and we achieve targets on NOI or gross revenue. And as has been laid out, with transfers, refinances, sales, we have participation.

So we also benefit from the value creation of the investment and the leasing that everyone is aligned in in terms of goals.

President Brandon: Are those our standard lease terms?

Mike Martin: I'm sorry. What was the question?

President Brandon: Are those our standard lease terms?

Mike Martin: Are those --

President Brandon: Participating in percentage rent, participating in refinancing so -- in most of our current development deals.

Mike Martin: So Michael Martin, assistant Port director. I think we're underplaying the change that's happening here.

President Brandon: Okay.

Mike Martin: This particular lease had no percentage rent -- has no percentage rent right now. It has, every 10 years, a reset based on market values, which put us in this weird situation of the boom times of the 2010s having a miniscule rent and then what we're in now having a rent over three times that.

Now, what we're proposing is a base-rent-plus-percentage-rent structure that we see in a lot of our retail leases. And what that does is it aligns the incentives not where we have to bring the stick to say you have to put more money into this. You have to put more money into this.

The lender and the tenant are now both aligned to put money into this to lease in a very competitive market or else they won't have access to this asset to make that money back over time. And that incentive gives the Port the ability to earn percentage rent over time that improves over the current base rent.

President Brandon: So I guess where I'm just a little confused is, if we're -- keep discussing reinvestment, what are we reinvesting? We're saying up to \$34 million. But there's no commitment. It could be \$5 million. It could be \$10 million. It could be \$20 million. We're saying up to \$34 million. What are you saying you're going to commit to reinvest in this property for an additional 40-year term.

Mike Martin: So I'm going to try to answer that by saying the commitment is for the \$9 million --

President Brandon: Yes.

Mike Martin: -- in the first 10 years. But that is a baseline. The success of this deal -- you know, the challenge of this, as you're seeing, is that there's three parties in this transaction, two of which believe deeply in the future of San Francisco. One of which, who isn't here, is very skeptical about the future of San Francisco.

And the challenge is getting them to look out past that 10 years to say we're going to commit to all this money in the future before the city has really recovered. And as you've seen across the City of San Francisco in recent times, these conversations usually end with unhappy outcomes in terms of the fact -- the asset being sold at a reduced rate, a foreclosure, any number of things.

That would be a worse outcome than giving a chance for this tenant and this lender to work together to keep this asset in the condition where it can be leased. And so I think what we're asking you to see is that there's a path that could lead, especially in the sense that the lender isn't willing to go further, to a place where we get a foreclosure and have to deal with sort of how to reposition this asset on our own.

Or there's a chance to guarantee a \$9 million investment at a minimum but also incentivize the tenant and the lender to not strand all the money they're putting in, to sort of put money in to bring in tenants in a way that capitalizes on the synergies we're talking about with Levi's Plaza, that capitalizes on this being an office park environment in a city -- in a part of the city that's, frankly, been popular recently in terms of Jackson Square nearby.

So I think that's what we're asking in terms of will the commission see the benefits of that because this isn't a standard deal, to your point, President Brandon. That is absolutely true.

President Brandon: And I think what we want to do is see that we are very successful, and we can do whatever we can to help our tenants maintain stability and success. It's not a standard deal. But I guess where I'm just a little confused -- and it could just be me -- is that suppose San Francisco is booming in five, 10 years.

And we have a 57-year lease that will just go with CPI increases or -- but not -- it's up to them to want to keep the facility at the standard that the lender and we and they want. But there's no meat in it. There's no obligation.

Mike Martin: There is an obligation to keep it to class A. That's --

President Brandon: Class A but not invest \$34 million.

Mike Martin: I don't see \$34 million as a magic number.

President Brandon: And I keep saying I didn't make that number up.

Mike Martin: No. I know you didn't.

President Brandon: It's in the staff report. So --

Mike Martin: I really wish we hadn't talked --

President Brandon: -- that's why I keep -- [crosstalk]

Mike Martin: -- so much about it. I think --

President Brandon: So that's why I keep referencing --

Mike Martin: No.

President Brandon: -- \$34 million.

Mike Martin: But I want to answer your hypothetical, which is --

President Brandon: Okay.

Mike Martin: -- if times are booming, we now have a percentage rent where we didn't -- times were booming in the 2010s.

President Brandon: Mm-hmm.

Mike Martin: We didn't make a penny different every year.

President Brandon: But if times are booming in 15 years --

Mike Martin: We're making percentage rent.

President Brandon: But we still have another 40-year lease.

Mike Martin: Where we make percentage rent in a boom time with an office park.

President Brandon: So what am I missing? What am I missing here? Go ahead.

Vice President Gilman: So I think possibly we are being asked to take slightly a leap of faith --

President Brandon: [We're definitely making] a leap of faith.

Vice President Gilman: -- [crosstalk] to an organization that's not -- what I'm hearing -- not defaulting on Ghirardelli Square, not defaulting on other assets, Levi Plaza, that they have on the waterfront, that we are gaining percentage rent, that fire, life and safety -- and I think it would be smart to have us see the capital plan, which we did not have before us -- that the -- what I heard from the developer was the investments, which was an eye-opener, are not TI improvements to get tenants into their individual spaces, that they're [crosstalk] building [system] improvements the way you articulated them.

So the asset itself will be improved. And it could be up to \$34 million. But it also could be -- I don't know -- \$50 million if timber prices go up or whatever. But what they're going to invest in is the building itself. In exchange, their lender, who is the skeptical party in this deal, needs them to have an outsized lease of 57 years so that they can lend them the money and the capital to do it and that if, for some reason -- I don't know -- [if sometime] they screw us over, we can all go with picket signs in front of Levi's Plaza -- [crosstalk] [laughter]

Scott Landsittel: Yeah. I think --

Vice President Gilman: And that's why maybe we should consider an action item today. [laughter]

Scott Landsittel: I think -- well said. And I'd say I think we're setting up a platform for value creation, tight, the investment, the stabilization and then, ultimately, with transfers, participation --

Vice President Gilman: And that is [crosstalk] --

Scott Landsittel: Right. So -- and the lender -- Jamestown can only do with what they can access capital to do. So the lender is giving them a short window to try to re-stabilize, invest. There will be a moment beyond that that they need to re-capitalize. Assuming things go well, we will participate in that as a transfer or refinancing. So I think there are steps along the way where we have those value-creation or participation opportunities.

President Brandon: Got it. Thank you for breaking it down.

Vice President Gilman: No problem. [crosstalk]

President Brandon: Are there any other questions?

Commissioner Adams: Steven [does]. He's kind of --

President Brandon: You have questions?

Commissioner Lee: No. I mean, I kind of feel where they're at because, unlike Levi's and Ghirardelli, they have commercial tenants that help. But this property only has office space.

President Brandon: Mm-hmm.

Commissioner Lee: You know, we all know what's happening downtown. I see your upside. I mean, it could change in 10 years. And we're giving you such a long lease. What do we get? I mean, that's basically the bottom line is what she's asking. If we're going to invest and give you this 40-year lease, you know, what does the Port -- let's just put it in layman terms.

When's the Port going to get their cut? That's kind of where she's kind of saying -- what's the upside for the Port if -- are you saying -- are we getting -- but are we getting percentage rent for this? [crosstalk]

Scott Landsittel: We have that ability, as Mike laid out. I think -- let's be clear. The asset is at a precarious point.

Commissioner Lee: Right. Yes. I get that.

Scott Landsittel: Occupancy is near 40 percent. I think NOI is near --

Commissioner Lee: Right.

Scott Landsittel: -- zero.

Commissioner Lee: Yeah.

Scott Landsittel: And it's a very real possibility that we get this back, and no one is steering the ship. I don't think anyone wants that --

Commissioner Lee: Right.

Scott Landsittel: -- scenario. But this is setting us up such that we live on. We continue to get revenue. We get upside and set up the platform for reinvestment, which we are hearing Jamestown is committed to doing with the guarantee of the 10 within a specific timeframe and also the ability to check along the way that the investments are happening and monitor, you know, condition and performance of the asset.

Commissioner Lee: Yeah. So in my feeling, it sounds like the best deal we can get at this point -- [crosstalk]

President Brandon: Today. Today.

Commissioner Lee: Today.

Vice President Gilman: On office.

Commissioner Lee: Today. Yeah.

Vice President Gilman: On office.

Commissioner Lee: On office rent today. Tomorrow, five years from now, who knows? You know, but they still -- instead of giving it back to us, it will lead to --

President Brandon: We definitely don't want it back. We definitely want to work with you. We definitely want to partner with you. And we definitely want you to be successful.

Commissioner Lee: Right.

President Brandon: It's not a usual deal. And I just had to wrap my mind around it. And I still can't understand. [laughs] And maybe it will get -- I just can't understand why -- and I'm not asking for a specific dollar amount. I'm just saying,

okay, once it's 100 percent leased, can we say, okay, now you have to do \$10 million in investment at least? I know you're going to do \$50 million when everything turns around. But there's just no guarantees.

Chris Farber: The only thing I would say to that is -- I mean, I think Scott made a good point that we can only do what we have the commitment to do from our lenders. But I wouldn't underestimate market forces in real estate. The fact of the matter is that, yes, in five years or 10 years, 25 years, the situation may be different.

But whoever is operating it -- and I'll be with Gail in an old person's home by then -- [laughter] whoever is operating it is going to be motivated to get the best rent they can get. Yes. If it's 100 percent leased and the Port is making their percentage rent and that operator is making its rent, they may not be motivated to continue to invest in it.

But they are going to be in a competitive San Francisco consistently motivated over time. And the Port will see the benefit of that not only in the health of its asset but in its percentage rent, in its profit participation, which do not exist in the current lease now. So it has been given upside.

And honestly, you will not succeed in San Francisco if you do not invest. So I think you can be reassured, whether it's in 10 years or 40 years, reinvestment is going to have to happen for Waterfront Plaza to succeed.

President Brandon: Definitely. Definitely, with no guarantee. Okay. Can I have a motion?

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

President Brandon: All in favor?

Four of the Commissioners were in favor.

Commissioner Adams opposed.

Resolution 24-50 was adopted.

13. FINANCE & ADMINISTRATION

A. Informational presentation and possible action to request approval of (1) a Supplemental Appropriation of \$20.0 million to fund the stabilization and possible sale of the dry docks No. 2 and Eureka and (2) the Advertisement of a Request for Qualifications for As-Needed Dry Dock Repair, Monitoring, and Demolition Services. (Resolution 24-51)

Nate Cruz: Thank you. Good evening. I'm Nate Cruz. I'm the deputy director of finance and administration. And I'm here today with a request for a supplemental appropriation of \$20 million and permission to advertise for as-needed dry-dock services.

So first, I want to thank my colleagues in maritime, Dominic, Patrick and Charles. I'm a recent student of dry docks. And it is complicated. And I couldn't have done this without them. So thank you very much for all the help. By the way of background today, what you're looking at is an aerial shot of Pier 70, what used to be an active shipyard in San Francisco.

On the right side is Dry Dock #2. On the left side is the dry dock, Eureka. Both of these have been out of commission since BAE left the shipyard in 2017. As a result of their leaving, we received a \$4.9 million settlement. Originally, we were using that settlement as potential leverage to reactivate the shipyard through multiple efforts to make that happen.

Ultimately, we were not able to get a new operator in the shipyard frankly not through any failure of our own effort. Just the market conditions in San Francisco shifted. And there's no longer a real active demand for this service at Pier 70.

So COVID came along. That certainly distracted our efforts. And then, we shifted our efforts to disposal in '23 and '24. We issued a couple of different requests for interest. And ultimately, we're still in negotiations with Desan Shipyards on potential sale terms.

And in part of that due diligence, we did a detailed inspection of Dry Dock #2 in June of this year. So I want to focus on the condition of Dry Dock #2 because that is what's really driving the timeline and why we're here today. What you're looking at on the left side is a photo of the northeast corner of Dry Dock #2.

And I know your screens are a little small. But in the top-left corner, you can see these sort of horizontal-looking tears. Those are breaches in the hull where sunlight is coming through. The photo at the bottom is the interior look where you can see the sunlight actually coming through what is supposed to be a watertight ballast tank.

So that's the photographic sort of layman's perspective. What you're seeing on the right is a little excerpt of about -- of that northeast corner. I'm going to describe what you're seeing so that we can zoom out and look at the whole condition of the dry dock. And it'll kind of sink in about how bad it is.

But what you're looking on the right is that gray square, that gray rectangle on the top -- that is the indication on this diagram that those tears exist near the waterline. They're identifying real significant material problems in the dry dock.

Beneath that rectangle, you see that -- it looks almost like a turbine. That's an indication that the pump in that ballast tank has failed.

So wherever you see those rectangles or those purple icons, that means there's a hole basically. And the water can breach into that particular ballast tank. Now, there's 40 tanks, 20 on each side of the dry dock. When you zoom out to the full diagram, just look at the number of these gray rectangles. Each of those indicates a place where water can seep in to the dry dock.

Everywhere you see one of those purple icons, there's a failed valve or a failed pump -- is another point of compromise. This dry dock is at risk. And the reason we're here today is to act on it quickly. This visual inspection happened in June of 2024. So it was after our budget process. But we're back with this supplemental appropriation request to take care of this.

So the first priority here is to just stabilize the dry dock. We think -- and this is based on some staff estimates. We're working to develop more professional, specific estimates. But we estimate roughly \$5 million is necessary to just do the initial stabilization work.

So this is repairing the steel plate on the outside, also installing some monitoring systems, so we can understand at what level the dry dock is floating in the water, making sure it's not taking on water. Again, we'll get better estimates and come back to you. But for now, the appropriation includes about \$5 million to deal with initial stabilization work, really to reduce the scariest part of the risk.

The other thing that we're going to do in parallel with this mitigation work is try to finalize the sale of the dry dock. What you see in this picture is what it actually looks like to transport a dry dock. It is incredibly complex. We need to make sure that the dry dock is actually in a condition where it can be transported.

We have to identify the availability of one of the very few vessels in the world that can handle something like a 900-foot dry dock. And we're going to -- it's very likely that we'll need to subsidize that transaction because the value of the dry dock on its own, after you reduce all the costs of the transaction, the repairs, is negative.

So we're going to work towards advancing a term sheet. And obviously, any final terms come back to you for approval. So where we are right now is at this sort of top square. Right. We're going to stabilize the dry dock. We're going to negotiate a sale to the best of our ability. But we don't know the outcome of that negotiation right now.

If we're successful, we go down that path on the left. We come back to you with a request to approve the terms of that sale and sell the dry dock. That's the happier ending. If we're unable to come up with economic terms that meet

the needs of the Port and also hedge all the liability involved with moving that to something that large, we end up going down the right side of this flow chart.

And we are going to have to come back to you to ask for additional funds to likely demolish the dry dock and permission to advertise a demo contract. We've discussed the purpose -- on the right side of this slide, you see the sources and uses.

The lion's share of the funding is coming out of our rainy-day reserves, our fund balance. That's \$18.5 million of the \$20 million. The remaining \$1.5 million is from that settlement money that the shipyard operator left us. I think that's obviously the right use of these funds.

And then, the uses -- again, these are very rough estimates at this point. Typically, I like to come with you with better numbers that have been more refined. Because of the status of the dry dock and the risk it presents, we really wanted to move forward now. We will be back for final approval of whatever the final disposition looks like. But because of the timing, we wanted to come tonight.

Fund balance use is subject to some policies that have been approved by the Port Commission. We're required to maintain a balance of at least six months of operating expenses. At the end of the fiscal year, we had nearly \$200 million in rainy-day reserves.

The withdrawal from the supplemental will leave us with about \$180 million or 18 months of reserves. So we certainly are well within policy here. We're quite fortunate to have these reserves. So thank you for your leadership on this policy that's helped us maintain those reserves. The rating agencies love this.

And lastly, we're asking for your permission to advertise for these as-needed dry-dock services to include things like repairs, monitoring, partial demolition, potentially preparing it for sale and transport. We envision up to five contracts with a cumulative not-to-exceed amount of \$20 million and a term not to exceed five years. Again, award of those ultimate contracts would come back to you for approval.

So before we go to comments and questions, that final photo on the slide deck is a picture of Dry Dock #1, which many of us weren't here for. But it was decommissioned in 1999 and became decertified. And in 2002, after some storms, it broke free of its moorings and floated across to Treasure Island.

President Brandon: I remember.

Nate Cruz: Okay. [laughter] Okay. So the --

Nate Cruz: I leave you with that. Even though it's not part of the current transaction, the risk is real. Right.

President Brandon: It really is.

Nate Cruz: Yeah. Yeah. And in that case, it floated. Right. It maintained its watertight status. [laughter] I'm really worried about what happens if the other one breaks loose. So with that, I'll take questions. Thank you.

President Brandon: Thank you. Commissioners, is there a motion?

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

No Public Comment on Item 13A.

Commissioners' Discussion on Item 13A:

Commissioner Adams: I'm supportive.

President Brandon: Commissioner Lee?

Commissioner Lee: I'm good. But question -- what happened to those we -- remember when they used to decommission all those World War II ships? I mean, there's no more vendor like that that take the scrap metal and -- is that who you will be getting contracts for to try to dismantle it?

Nate Cruz: I mean, that was the successful disposition of that first -- of Dry Dock #1 --

Commissioner Lee: Mm-hmm.

Nate Cruz: -- that floated away. What -- we ultimately sold that for scrap.

Commissioner Lee: Mm-hmm.

Nate Cruz: We were hoping for a similar outcome when we did request for interest for Dry Dock #2.

Commissioner Lee: Nothing?

Nate Cruz: We didn't get it.

Commissioner Lee: Wow.

Nate Cruz: Yeah. I think we also approached the Defense Department to see if they wanted something for target practice. [laughter] No one's interested.

Commissioner Lee: Nobody.

Nate Cruz: Yeah.

Commissioner Lee: Wow.

Nate Cruz: It's ours.

Commissioner Lee: So basically, we're just going to -- the only way to do it is sell it -- well, you don't even have anybody that wants it for scrap. So just fix it and --

Nate Cruz: Well, Desan Shipyards is interested in taking it to their shipyard in Turkey and perhaps rehabilitating it and put it back into use. So again, that's the happy ending. We'd love to see it continuing use.

Commissioner Lee: And you're still negotiating that.

Nate Cruz: Right. And it's complex. There's a lot of liabilities --

Commissioner Lee: I would imagine.

Nate Cruz: -- and dollars involved.

Commissioner Lee: But isn't it cheaper to just try to make that deal and try to fix it and then --

Nate Cruz: Certainly. Certainly. Our current estimates in the staff report -- [we're upward of a] magnitude of just demolishing the whole dry dock is near \$50 million.

Commissioner Lee: Wow.

Nate Cruz: Right. So if we need to subsidize the sale, okay. I'd be happy --

Commissioner Lee: I mean, even if it's \$25 million, it --

Nate Cruz: Well, yeah. We're still negotiating those. And we want to make sure all the liabilities are covered.

Commissioner Lee: Right.

Nate Cruz: You know, this involves transporting that thing in the middle of the Bay, getting a transport ship under it, getting it out under the bridge. There's a lot of liabilities and shift in risks that we want to make sure are properly covered. But yes. That's -- the ideal outcome would be a successful sale.

Commissioner Lee: That would be cheaper than scrapping it. Is that what I understand?

Nate Cruz: That's my current estimate. Yes.

Commissioner Lee: Yeah.

Nate Cruz: Yes. But we still need to explore all the terms and the possibilities. But --

Commissioner Lee: Because nobody wants --

Nate Cruz: Agree.

Commissioner Lee: Okay. I'm good.

President Brandon: Commissioner Engblom?

Commissioner Engblom: I guess I have a couple history questions. I guess I'm struck by sort of how history works on our waterfront. When I first moved to San Francisco 20 years ago -- lucky enough to work on some of Pier 70 -- I remember how this was like a sacred area. This is like a vibrant ship repair. This is a no-go. We can't even think about future without it. And here we are with this really tough situation.

I guess I'm curious like how is the city left with -- or the Port left with this on its own. Like the history of this area was about, you know, a lot of like federal initiatives coming in and building ships and repairing ships during wartime. Do we know the history? How is the Port alone in this -- or \$18.5 million alone?

Director Forbes: I can tell you some of the history from my memory. I came right after the other dry dock sailed -- or didn't sail -- [laughs] sail is the wrong word -- but was unmoored. This dry dock was important to us because we used it for cruise ship repairs.

Princess invested in it. We invested in it. We wanted to ha -- they wanted to have a location for sure to do repairs in San Francisco. Bay Area BAE was the long term operator of the shipyard. They left and sold their interest to Puglia, a small company out of Seattle.

We consented to that transfer. And they pretty -- very, very quickly decided that they were not going to be able to use the shipyard in an economic fashion. And so they abandoned their rights to that lease. And we had some work to do around that.

We looked hard to see if there would be another ship-repair operator or business interest. And the industry is just changed. And Mare Island is here and

Alameda. And there just really wasn't an opportunity for us to have another viable shipyard though we tried. So here we are. And that's how we're left with these assets.

Commissioner Engblom: I guess I was leading the question to -- I just asked, have we explored -- just like the Port has been so successful at getting federal funding for other initiatives -- like the cleanup of this -- is there any stones unturned that we -- you know, can we leverage the success at getting funding for other things to help with this? Because it seems to me like -- obviously, I'll support this.

But I think just -- it's 20 now. But it could easily be more if the best-case scenario doesn't work out. That would be my question is, have we explored funding from state or feds to help with this?

Nate Cruz: That is certainly part of our due diligence if we can't get to a sales position. You know, there are grants for marine-debris removal to make sure the channels are open. Those are much smaller grants for much -- you know, they're not intended for something this large.

But yes. With the sale of the first dry dock, that was originally a naval asset. So we were able to get some grant money to help dispose of that with an investment from the Port again. But we did find some people to help contribute. And that'll be part of our due diligence.

So if we come back to you with a big-ticket disposal cost, we'll certainly be searching all the opportunities to see if we can get some help in finding -- [crosstalk]

Commissioner Engblom: So you say Dry Dock #1 was a naval asset. Was this a naval asset originally?

Nate Cruz: It was built by Bethlehem Steel in place. So it's -- we don't have that same federal connection.

Commissioner Engblom: Okay. Thanks. No more questions.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: I have no questions. I'm supportive of the item.

President Brandon: We have a motion and a second. All in favor?

Resolution 24-51 passed unanimously.

15. NEW BUSINESS

Director Forbes: I didn't record any new business. Is there new business?

Commissioner Adams: I have a question.

President Brandon: Mm-hmm.

Commissioner Adams: At the last meeting, the IBU came. And one of my understanding is that we asked you to look into how the negotiations were going between Hornblower --

Director Forbes: Mm-hmm.

Commissioner Adams: -- and the IBU and the Park Service. And I understood that they were not living up -- Hornblower was not living up to the service agreement. So I wanted to know if you could update us on the violations that they have been doing under the Park Service agreement and get something to us in writing during the next week to the commissioners.

Director Forbes: Okay. I got that. I can do that.

President Brandon: Any other new business?

President Brandon: Can I have a motion to adjourn?

16. ADJOURNMENT

ACTION: Vice President Gilman moved to adjourn the meeting in the memory of Reverend Arnold Townsend. Commissioner Adams seconded the motion. All commissioners were in favor.

The meeting was adjourned at 6:35 p.m.