



SAN FRANCISCO PORT COMMISSION

**NOVEMBER 25, 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 NOVEMBER 25, 2024

1. CALL TO ORDER / ROLL CALL

Port Commission President Kimberly Brandon called the meeting to order at 1:32 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Willie Adams, Stephen Engblom, and Steven Lee.

2. APPROVAL OF MINUTES – OCTOBER 8, 2024

ACTION: Vice President Gilman moved approval of the minutes. Commissioner Adams 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: Commissioner Adams moved to go into closed session and invoke attorney-client privilege for Conference with Legal Counsel. Vice President Gilman 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: Piers 30/32 and Seawall Lot 330

Person Negotiating: Port: Mike Martin, Assistant Port Director, Scott Landsittel, Deputy Director, Real Estate and Development, Wyatt Donnelly-Landolt, Development Project Manager, Christine Maher, Development Project Manager

Negotiating Parties: Jesse Blout, 550 The Embarcadero Property, 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 price and terms of payment of the proposed Piers 30/32 and SWL 330 development. 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 Wilie Adams
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
Christine Maher, Development Project Manager
Grace Park, 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.

9. 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))

No Public Comment on Items Not Listed on the Agenda.

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 staff and members of the public. I am Elaine Forbes, the Port's executive director. What's wrong with the front row? [laughter] It's a pleasure to update you on our work in equity, economic recovery, resilience and key waterfront projects today.

To racial equity, November is Native American Heritage Month. It's a time to honor the culture and resilience of Native American communities. Across the nation, over 300 native languages were spoken, each representing unique traditions. Many have diminished due to past assimilation policies.

This month is both a celebration and an opportunity to reflect on resurfacing these rich traditions. Port staff recently viewed *The Reckoning: Native American Boarding Schools' Painful History on Earth*, which revealed the abuse and family separation Native children experienced in U.S. boarding schools. This conversation deepened staff's understanding and commitment to equity.

To SF Shoreline Leadership Academy, launching in January, this program, in partnership with the Bay Area Conservation Development Commission, BCDC, will host 20 public school kids, juniors and seniors, half from priority zip codes in a paid shoreline resilience training academy program.

Students will engage in hands-on activities, site tours and expert-led workshop tied to BCDC shoreline adaptation plan. They will also collaborate on group projects and have an opportunity to apply for summer internships with the Port.

Now, to economic recovery, in Fisherman's Wharf in partnership with the Fisherman's Wharf Community Benefits District, we have unveiled the revitalized promenade stretching from Powell and Jefferson Streets to Pier 45. Highlights include seven pergolas, playful seating, new planters and a Fisherman's Wharf welcome center.

The welcome center will open the day after Thanksgiving. Two kiosks are now on the promenade: the Franpsycho, a local apparel brand, and a coffee pop-up with plans for a permanent beverage vendor soon. This was made possible by our \$1.43 million grant as part of the 3.2 economic recovery and beautification initiative for the Fisherman's Wharf area.

Foodwise Black Holiday Market -- mark your calendar for Saturday, December 7th at the Ferry Plaza farmer's market. We're supporting 15-plus black-owned Bay Area businesses, offering food, crafts and more. This free event is co-sponsored by the Port. And it celebrates local entrepreneurs during the holiday season. And it's a wonderful event.

Now, I will move to resilience, to the World Economic Forum Urban Transformation Summit. In October -- who is moving my slides? [laughter] There you go.

In October, we hosted attendees on the walking tour of the Embarcadero to showcase the Port's climate-adaptation efforts in partnership with SF Bay Ferry and Hudson Pacific Properties. The summit brought together government and private-sector leaders to explore solutions for resilient and sustainable cities.

Now, to king tides, on November 15th, over 100 public school kids participated in a king tides walking tour, really learning about the impacts of sea-

level rise in partnership with the Exploratorium and the SFUSD Environmental Teacher Fellowship.

Students engaged in interactive activities and explored science. This event was covered by multiple media outlets and shared on the Port's social media, highlighting our commitment to educating young people.

Now, I'm going to key projects. And I have a lot to share here. I'll try to get through the list because we're doing so much. First of all, last month, we celebrated the opening of Bayfront Park, a 5.4 acre open-space center near Chase. It features lawns, bay trails, plazas, reclaimed steel structures and native plants. It's designed to withstand sea-level rise. And it's an absolutely beautiful park.

EPA Clean Ports grant -- in early November, the Port and SF Bay Ferry earned \$55 million from the EPA Clean Ports grant program to complete the first-in-the-nation high-speed zero-emissions ferry network. This funding will buy an electrified passenger ferry for 400 passengers. It will electrify the downtown ferry terminal. It builds the final part of the Mission Bay Ferry Landing with electric-charging capabilities. And it funds maritime workforce development.

Ferry ridership has doubled since 2010 and is rebounding strongly post-pandemic. So these investments really position us to be one of the best ferry fleets in the nation.

Embarcadero Plaza renovation -- earlier this month, we joined Mayor Breed to announce a new civic partnership to redesign Embarcadero Plaza and Sue Bierman Park as part of the downtown's revitalization. In collaboration with rec and park, real estate developer, BXP and the downtown SF partnership, this project will integrate future resilience needs and expand public places.

This is not our land. And we are not doing this project. But I wanted to let everyone know about it because it's right across the street. All right. To projects we're doing, Amador Street pump station roadway projects -- I think you want to advance the slide.

This construction is expected to start next month and completed in 2026. The project will address the deteriorated sewer infrastructure, damaged pavement, etcetera. Crane Cove Park is under construction for the dog park including the natural play area and children's play structures. We think it will be complete September 25.

Pier 23 repairs on the north apron damaged by a 2019 tugboat collision -- that's underway. And the Pier 27 cruise terminal -- we're doing pile fender repairs from last year's ship collision as well to improve berthing. So we have lots of projects underway.

And that's closing. I want to thank you all for your continued support. The initiatives the Port is advancing really do show commitment to equity, economic recovery and resilience. And I look forward to answering any questions. And I wish everyone a very welcome and wonderful Thanksgiving. Thank you.

President Brandon: Thank you. Great report.

Vice President Gilman: Yes.

President Brandon: Is there any public comment on the executive director's report? Seeing none. 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 Engblom: Thank you for the report, Director, a lot of good content. I would just say I had the honor to attend personally a High Ambition Climate Coalition conference last week. And there was a presentation about what ports around the country are doing.

And the ferry system here was highlighted. There's a lot of interest from some other commissioners that were there. The commissioners from Los Angeles and San Diego were quite interested in that. So congratulations to the staff and the Port that have worked on that. Thanks.

President Brandon: Thank you. Commissioner Adams? Commissioner Lee?

Commissioner Lee: Well, Elaine, great report. I really like the park behind Chase, especially when they reuse the bridge -- the bay bridge girders as part of the artwork, which is very ingenious how they made the bridge and everything. That's cool.

And it's great that the -- finally -- because I know the Warriors have been wanting it -- is that ferry terminal to be activated, so we can actually take water taxis probably from Ferry Building down to Chase now without having to go through traffic.

The improvements in Fisherman's Wharf down by Pier 45 and everything - it's great. We need to continue the tourism experience. I mean, social media has really pushed everybody to be experiencing new things, videos and stuff. So it's my hope -- because I was there with the fishermen last month -- and I actually want to have -- and maybe you guys could schedule another meeting in the new year.

I want to go to their Pier 45 and see how they do their operations. So maybe we can help out, mitigate some of the issues with the developer. But my

thing is we're dredging behind Scoma's now. And I could see that we could put at least 15 fisher boats back there -- fishermen's boats back there and really, really get that to be the off-boat sales terminal.

We have a cruise terminal. Then, we should have a place where the public can buy fish off boat. And right now, only five boats can go in there right now. So I asked them, "Do you guys fight over th --" they go, "We just sign up, and we'll deal with it later."

But it'd be great if 15 -- there's at least 15 berths in there that we could get set up and then have the very first off-sale boat and -- with Commissioner Gilman's big sign saying, "Buy your fish here," would be great. But I think that's the future. And that should be our goal in 2026 to get that up and running, you know, for the summer.

So that's part of my vision for 2025, 2026 to have more visitor experience on our port. And Fisherman's Wharf especially -- they need the help. But other than that, it's great. I mean, I look forward to 2025.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Thank you, Director Forbes, for a great report. And once again, I really want to uplift and really congratulate the staff and all the hard work that went into the EPA grant. You know, that was a very large allocation for us on the West Coast.

It took a lot of work with us to coordinate that both for the electrification of the ferry, the ferry stops. But it's something I think that we should really -- us and BCDC -- should be really, really proud of. And it's work like that, to pull down those federal dollars, that really leverage our local resources. So I just really wanted to congratulate the staff once again for that.

And then, you know, looking to 2025 and slightly a little bit on new business -- and I might be getting the story a teeny bit wrong. But it was highlighted on the news that I believe that Cal Maritime, the college that we try to link some of our interns to, has merged with Cal Poly San Luis Obispo.

And so I'd love to understand more in 2025 what opportunities that could give us here in San Francisco to, either through our internship programs or our outreach, particularly to some of our communities in the southeast waterfront, how we can do more linkage to have that be an education pathway for students in San Francisco and the Bay.

So I'd love to see how we could capitalize on that as a pathway to try to get more folks into the maritime industry and keep that linkage here in San Francisco. But great report and great work on all fronts for the staff.

President Brandon: Thank you. Elaine, thank you so much for your report. It is full of great, great happenings along the waterfront. And it's just so wonderful to see all the student educational activities that are happening here at the Port and all of the new parks, the new parks, the upgrading of our existing parks. It's just more to bring people to the waterfront.

So I think the staff is doing a phenomenal job. And I just want to report that I was able to attend the American Association of Port Authorities with Vice President Gilman, Director Forbes, Mike, Andre and Boris. And it was a great conference.

Director Forbes: Yes, it was.

President Brandon: We -- there was a commissioner symposium one day and several workshops and panels with great information but also gave us a chance to bond as commission and staff and really get to know each other better and just really commend Director Forbes's leadership and how she has made this such a wonderful place for everybody to work at the Port and how well respected she is.

But we were also able to meet with the California Association of Port Authorities and have dinner. And we got that sneak notification of the billion dollars that went into grants into the California ports. So everybody was so excited at the conference and then to come back and be able to have the press conference about us receiving the \$55 million Clean Port grant was just amazing.

And I just want to say that the staff continues to do an amazing job in finding resources to continue to fund the Port. So thank you.

Director Forbes: Thank you so much.

11. CONSENT

A. Request retroactive approval for members of the San Francisco Port Commission to travel with Port staff to Boston, Massachusetts on October 27-30, 2024 to attend the American Association of Port Authorities Annual Convention. (Resolution 24-52)

B. Request approval to adopt the 2025 Port Commission calendar which sets dates outside of regular meetings held on the second Tuesday of each month, and on the fourth Tuesday during the months of February and April. (Resolution 24-53)

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 24-52 and 24-53 were adopted.

12. WATERFRONT RESILIENCE PROGRAM

A. Informational presentation regarding the recommended contracting strategy to advance the Waterfront Resilience Program.

Commissioner Engblom: Madam President, I'm going to recuse myself from items 12A through 12C because of some potential conflicts I may have.

President Brandon: Okay.

Commissioner Engblom: Okay. So I'll step out during these.

President Brandon: Thank you.

Brad Benson: Good afternoon, President Brandon, Vice President Gilman, commissioners, Director Forbes, members of the public. Brad Benson, the Port waterfront resilience program director, happy to have time with you today to talk about our proposed contracting strategy to support the work that we've been doing in the resilience program really over the next five or more years.

We were last in front of the commission providing major updates last December. We talked at that time about the work that we have done under our existing program management contract, the Jacobs contract. We also got authorization to issue -- or to advertise RFPs for a number of design contracts for early projects. So this is a follow-on to that presentation.

We want to provide a high-level overview of the contracting strategy, talk about some of the program milestones over the course of this year and recommended next steps for the program. We'll talk about the work in the program over the next five years as we see it right now, provide a high-level overview of budgets and then describe in a little bit more detail those proposed contracts and how they relate to one another.

And before I dive in, I just wanted to mention that we have representatives from our sister agencies here. These are folks who have been working with us to develop the draft plan with the Army Corps of Engineers. We've got Maia Small from SFMTA, Jeremy Shaw from the Planning Department, Sarah Minick from SFPUC and Eric Vaughan from the Office of Resilience and Capital Planning.

And it's really been an honor to work with them and their colleagues on this work. So thank you for being here. And we also have all of the resilience program staff here today. They've been working together on this. So if I could just ask folks to raise your hands from the resilience program, thank you also for being here.

So as I mentioned, the program has largely been supported by one contract since 2017. It's a program with CH2M, now Jacobs, that has been providing program management services, engineering, planning services, environmental services. It's been the workhorse contract for the program.

And now, we're moving to a phase in the program where we really need to diversify that contracting strategy. And so we're proposing a new program advisory services contract, a five-year contract for \$40 million with an extension option up to five years and an additional \$40 million subject to the commission's approval, that extension option.

We're seeking your authorization to advertise that contract with item 12B on this calendar. We mentioned those design projects that you authorized us to advertise. We're getting ready to advertise those contracts. There would be three of those design contracts to design four projects: the Wharf J9 replacement project; the Pier 15 and Pier 9 seawall earthquake safety project -- very similar types of design work, so those would be combined in one contract -- and then the South Beach resilience project for which we have a Coastal Conservancy grant.

We expect to be back to the commission with a request to award in the spring of this next year. And then, we're proposing two additional large contracts to advance planning and design of the Army Corps draft plan. We're proposing to break these up into a southern waterfront contract for up to 10 years and \$50 million and then a northern waterfront contract that would also include design of the downtown coastal resilience project in this area that would be for up to 10 years and \$65 million.

That additional cost in the northern waterfront is really due to design of that downtown coastal resilience project. We hope to be back to the commission in January to seek your authorization to advertise those contracts. And we'll have more detail about the scope at that time.

So now, we want to go over a little bit about what's happened this past year. It's been a blur. But a lot of good things have happened. Early in the year, we released the draft report with the Army Corps of Engineers that included a draft plan for coastal flood defenses, kicking off the period of public comment, resource agency comment, city comment and Army Corps comment.

We engaged in robust public engagement over the successive two months, multiple events, presentations to regulatory agencies. We had almost 1,000 people participating and heard very robust feedback but a lot of

appreciation that the Army Corps and the Port and the city were pursuing this work.

I will say one big city comment that we heard in the city's comment letter was really a desire for the city to lead design of the draft plan. This is a very unique waterfront, highly complicated in terms of the city's infrastructure systems. And there seemed to be sort of a unified sense from city departments that the city should lead that design effort as opposed to the Army Corps.

In summer, at the end of June, we had something called the Army Corps agency design milestone. This is really where the senior leaders of the Army Corps get together. They're reviewing the work of the project delivery team that we're participating in. They're hearing about all of their technical experts across the Corps and how they commented on the plan.

And they were very pleased with the work and endorsed the plan. That's a key milestone in the Army Corps process. They recommended an additional \$3.2 million to complete the study by 2026. We're going to be back to you, we hope, in December with a recommendation to amend our agreement with the Army Corps to account for that additional budget to complete the study.

And onto our recommendations for next steps for this work -- so we have about a year and a half of work to complete the study. That would result in a chief's report to Congress we hope in time for the 2026 Water Resources Development Act.

We're proposing this next year, when most of the technical work on the study is done, to advance design of the draft plan under an agreement with the Army Corps, which would lead to then city-led construction of first actions.

So let me talk a little bit more about the work program over the next five years. We've got six early projects that are advancing through design. These have been -- most of them, except for the Pier 50 project -- through the alternatives analysis process. They're almost at conceptual design.

We've got the budgets for each of these projects, as we know them today. We'll have firmer understanding of budget, scope and schedule when we reach that 10 percent conceptual design. There's one thing I want to point out about these projects, which is that two of them, the downtown coastal resilience project and the South Beach resilience project, are actually potential early implementation actions of the Army Corps plan.

We're proposing to rebuild the shoreline seismically safe, elevate the shoreline. These projects have the potential to be the first actions for the Army Corps plan. And the reason that that's important is there's a way that we can get credit for our expenditures on these projects towards our future 35 percent match once -- when Congress approves the project.

So that's a big part of the financial strategy that we're recommending today is that we focus our expenditures in a way that can earn credit towards that future match. The other point I want to make about this is the way we've structured our projects is with decision stage gates. So right now, we're working our way up to conceptual design.

There are going to be later decisions to advance to final design and construction including the contracts the commission would authorize to support that work. And that's to enable Port leadership to really meter spending to available resources because we are resource constrained. So that's the early projects.

Let me move on to this big effort to advance planning and design of the Army Corps draft plan. So I talked a little bit about dividing this effort into the southern waterfront segment really from about Mission Creek down to the Port's southern boundary and then the northern section, also from Mission Creek on up to Fisherman's Wharf including that downtown coastal resilience project.

These are big efforts that are going to be looking at how are we treating all of the city's infrastructure systems, the light-rail facilities that are in the future adaptation zone, the city's combined sewer system, how we're managing inland drainage.

We decided to recommend splitting these up into geographic areas because there's a lot of work here. And we're worried about capacity of teams. And we think it would be better to have two consultant teams advancing this work so that we really have strong players from each of those teams doing the work.

We're proposing to divide this into three stage gates -- again, decision gates -- to help Port leadership meter spending over time to available resources. So you'll see we think we can advance the work over the next couple of years for \$15 million per contract. Expenses will go up towards the tail end of these contracts when we've identified areas where we really want to do detailed design of early implementation actions.

Now, just to go over the proposed budget for a moment -- and this is described in more detail in your report -- President Brandon, you'll recall that you've asked that we provide an overview of the waterfront resilience program budget, that we don't just come with our Port capital requests but that we try and paint the complete picture.

That's what we're trying to do here is looking out over the next five years, the combination of bond and other sources that will be needed to support the program. And you'll note that that totals through '29, 2030 \$742 million, which is in excess of the funding that we have today. So we have a clear funding gap. And I want to go into that in just a little bit more detail.

So looking at proposed expenditures and then anticipated sources, we anticipate a gap of \$275 million, about \$100 million in bond funding and \$175 million in other sources to be able to do all of this work. And just hearkening back to the stage gates, that's why the stage gates are important is that we can go out and pursue other sources. But if we don't realize those sources, we can meter the work.

So what sources are we looking at in order to fill that gap? We have made the case to the city -- the Office of Resilience and Capital Planning and the city administrator that we really need this program, this large city-serving program to be reflected in the city's 10-year capital plan. So we need sources beyond the Port's capital program to support this work.

We're looking for contributions from other departments. And we've started to see those. We think transportation funding is a key part of the picture here because of all the transportation resources that are impacted. Our colleagues at SFMTA are working on a protect grant application right now to fund some of this work.

There's a new general obligation bond proposed for 2028 in the amount of \$250 million. That's not guaranteed. That's just a proposal in the city's GO bond planning. But we need to support planning for that bond. California voters just adopted Proposition 4, the California climate bond, by a good margin.

We helped develop some of the language in that bond to support urban waterfront adaptation. So we think that that is a likely source for the program. And then, if the project is authorized by Congress in 2026, that would open the door to federal sources through the Army Corps of Engineers.

So that's the overarching strategy for how we would fill that funding gap. And we owe you a more detailed funding plan in the new year. So I want to close by describing the relationships between these contracts. So the program advisory services contract is really a tool by which we'll help manage some of these other contracts.

So through that contract, we'll have program management support. This is the advice to help us build this program, as we scale up. We'll do our environmental clearance work through the program advisory services contract. Independent cost estimating and design review -- so work product that comes from the other design contracts will be reviewed here.

And we'll get independent cost estimates to support our program planning going forward. We've heard the importance of hazardous materials and addressing contaminated sites. This contract will be the vehicle through which we do that work.

And then, in consultation with our partners at the Public Utilities Commission, we'll also look at inland drainage, sort of combined flooding analysis through this vehicle. And that will help us provide oversight for the early projects' contracts.

And then, very similarly, for the planning and design contracts for the Army Corps draft plan, we'll have similar program oversight through this contract. So in closing, we're taking a big step here from one major contract to support the program to six contracts here, much greater dollar value, metered through stage gates.

We're making a clear recommendation to advance the Army Corps draft plan with the city in the lead and the Army Corps sort of looking over the city's shoulder as we advance that design. And so I think I'm done there. So staff requests your feedback on the contracting strategy and the terms and the scope of the contracts. We're here to answer any questions that you have.

President Brandon: Thank you.

Brad Benson: Thank you.

President Brandon: Great report. We'll now open it up for public comment. Is there any public comment on this item? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A.

Commissioner Adams: Brad, excellent report. And I appreciate that you brought the whole team here because, clearly, this is a team-effort concept. I'm hoping that -- I know we've gotten a lot of funding and support from the government. And I know our government is going to change in January. We all now know that.

And I hope that we continue to lobby D.C. both sides and not look at the party but look at the issues. This is too important to get caught up in politics. We've got to deliver on this. This is important for future generations because there are those that don't believe in sea-level rise. There's those that don't believe in offshore wind.

And I think we've got to be patient. We've got be calm and not get personal. But we're in the middle of this. And let's get this thing done. And I'm hoping that we can get bipartisan support to finish this project because it's just too important.

We're right in the middle of this. And we might be in the middle of a storm. So I appreciate it. Let's continue to do what -- anything that you need from the commissioners. But let's make the moves that we need to do. Let's play chess, not checkers. And let's make the moves that we need on that board to get this thing done. And we need to deliver this for our great City of San Francisco and for future generations. Thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: I really have no comment other than that's a lot of money. [laughs] And you know, when you guys design these things, what is the usual lifespan you guys think about? Fifty years down the road? I mean, it takes you guys 10 years to get this thing planned, 15 with delays and finally start building.

And then, all of a sudden, your design is obsolete. How do you guys -- I mean, I'm not an engineer. I'm just a businessman. But I'm just saying, how do you forecast, you know, something like this when you're spending this kind of money?

Brad Benson: It's a good question. And Director Forbes has asked similar questions of the team. You know, we're looking out over seven-and-a-half miles of waterfront. And we're clearly not going to design and build all of that within the next 10, 15 years. It's going to take decades to build that out.

Commissioner Lee: Right.

Brad Benson: We're hoping to move efficiently through the design process with the Army Corps. I know that this is their expectation is that we're going to design efficiently. And we're going to try and move through the planning process just far enough to identify the locations where we're going to build first.

So I talked about that downtown coastal resilience project. We're really looking there at a project that is just a little bit north of the Ferry Building and extending down to about the Bay Bridge or maybe not even that far. That could provide imp flood defenses for BART and Muni, so they don't flood.

And you know, that's an implementable project within the next few years. We would hope that we can get through design of that project in the next three-plus years or so with permitting and be in the ground constructing.

And then, as technology changes, as the city's sort of shoreline and neighborhoods change, we'll undertake design efforts at a later point factoring in those changes so that what we design today isn't obsolete. So I don't know if that's getting at your question.

Commissioner Lee: Yeah, pretty much. I hope that some of the research is done under our small businesses on the northern waterfront because part of our delay

of renting these places is because of the infrastructure underneath. So if somehow you guys can think of some priority depending on how you guys look at this thing -- otherwise, you know, we'll never really fill those storefronts, you know, because we'll have -- they're going to rely on us to fix those before they move in. And if we can't --

Director Forbes: If I could comment -- if I could comment --

Commissioner Lee: Okay.

Director Forbes: -- on the Fisherman's Wharf restaurants, the resilience program isn't going to be the way in which we resolve those particular restaurants in any major way because, as you'll recall from the program, Fisherman's Wharf is at a higher-line level.

So it really did leave the seismic conditions to the Port and the City to resolve. And the brokering we're doing to fill those restaurants is working. We do have dinosaur restaurants that need a lot of work --

Commissioner Lee: Yeah.

Director Forbes: -- and a lot of repositioning. There's no doubt. And we put tenant-improvement dollars in. We'll come soon to talk about those strategies. And in Meghan's economic recovery report, you'll hear a little bit more. But I just didn't want you to feel like this resilience program --

Commissioner Lee: Okay. Yeah. I'm --

Director Forbes: -- is going to take care of those restaurants.

Commissioner Lee: It's kind of unclear because, when you say you think it's the whole seven-and-a-half miles, but what you're telling me -- it's going to be up to a certain point. And then, of course, then we have to take care of the rest. Okay. That clears myself on that.

But I mean, you know where we're going, you know. I mean, that's my concern is them and the fishermen. So we're spending all this money. Might as well fix it all.

Brad Benson: Well, and I will say that Director Forbes's direction to us has been to look at how we can leverage these investments to improve work facilities so that, hopefully, we're opening up those retail and other opportunities.

Commissioner Lee: Great. Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Brad, thanks for a great report. I just want -- my only comment is I really like the strategy. I like breaking up the contracts. I like kind of these stage gates looking at the long game on it. I mean, I know we have other items related to this that are coming up. But I just really appreciate it, breaking it up between the southern and the northern waterfront, two different teams for capacity purposes so good strategy.

Brad Benson: Thank you very much.

President Brandon: Thank you, Brad. This is a great report. Thank you for giving us an overview of everything to come because, like Commissioner Lee said, it's a lot of money. And I really like the collaboration between the city departments. I think that is great and will really put us at an advantage if we're all working together from the beginning because it's going to take everyone to really make this happen.

And I think that an outstanding job has been done on public engagement. I don't think there's anybody in San Francisco that doesn't know about our resilience plan. [laughs] I think a really good job was done. And I do support the city leading the design effort.

I think that's great too because, again, it's going to take all city departments to make this happen. We all need to be on the same page and in collaboration. So thank you.

Brad Benson: Thank you very much.

B. Request authorization to advertise a request for proposals for a 5-year, \$40 million contract, with an option to extend for up to 5 years and up to an additional \$40 million, to support the Waterfront Resilience Program. (Resolution 24-54)

Brad Benson: Commissioners -- so this is a follow-on item about the first of these major contracts, the program advisory services contract. I'm going to give a little bit of an overview about the Jacobs contract, then talk about the capacity term, LBE goal and funding for this proposed contract, go at a very high level over the proposed scope and then seek your authorization to advertise this contract.

So you may remember this image from the December staff report through the Jacobs contract. We really built the waterfront resilience program from the ground up starting with the multi-hazard risk assessment, looking at seismic measures and flood measures, a range of alternatives to support the coastal flood study, Prop A project selection, advancing those Prop A projects through the stages of pre-design to get us to this Army Corps recommended plan and the early projects that we're working on now.

The remaining scope of this contract -- it's going to get us through June and no farther. And it's going to be hard to get through June under this contract. We've really been trying to limit how much we're using it and want to focus the effort on completing the Army Corps study.

There's a missing bullet here. There are really two things that this contract is going to do between now and June: provide program management support for all the different disciplines of work that need to be completed for the flood study; and also engineering and cost estimating. The Army Corps is looking to us to provide some of those services.

And then, that will completely exhaust the \$60 million contract that the commission has authorized. For a fuller explanation of this contract, I'd point folks to the December 2023 staff report that details the work done under this contract.

So we're proposing a new program advisory services contract with an initial five-year term and \$40 million. There would be an option to extend up to \$40 million and up to five years, subject to Port Commission approval. We think it's not likely that this item will start until probably summer of this year. So the May 1 date, I think, is already out of date.

CMD, the Contract Monitoring Division, has issued a 20 percent goal. There's a memo from CMD attached to your staff report. And we're really looking at three funding sources to fund the work under this contract: Proposition A bond funding; Port harbor funds for non-bond-eligible expenses; and our colleagues at the SFPUC have suggested that they can provide funding to support some of that inland drainage and combined flooding work that we talked about earlier.

Getting into the details of the scope of work, management support and program planning -- it's very complicated putting together a program like this. This new team will take on the work following where Jacobs left off. Support and interface with the Army Corps of Engineers -- we really need this detailed Army Corps expertise. We know where we've been with the Army Corps. But we don't always know where we're going. And Army Corps regulations are very complicated.

Looking for technical review and independent cost estimate and cost verification -- we'll do all of our environmental compliance work under this contract. We're looking at communications support both for the early projects design and for advancing planning and design of the draft plan with the Army Corps.

Funding and advocacy support -- to your point, Commissioner Adams, we need to be out there looking at all levels of government for additional sources to fill the gap. This is a non-bond-eligible expense under this contract.

Looking for opportunities to develop both Port and city staff through training opportunities related to resilience and program development at this scale -- I think this is something that our unions are going to welcome is that, you know, while we're bringing on experts to support the program, they're sharing some of that expertise with city staff so that we can grow as well.

There will be capacity under this contract to enter into pre-design of new early projects. But I want to be clear about what this is. So you'll recall that the Army Corps draft plan really only rebuilds the coast on up to Pier 27 and relies on flood-proofing up in the wharf area.

So it may be that Port leadership wants to advance more early projects up in the wharf. Well, this would be the vehicle through which we would do pre-design of those projects. We're going to continue our work on workforce development and small-business engagement.

I will say, Director Forbes, I was really inspired by the discussion last week about the EPA grant and some of the workforce development that's happening there to get people into the maritime unions and your mention of the seawall in that discussion.

We really need to build a workforce and provide opportunities for our local residents. Then, that interior drainage and utility-coordination work and importantly real estate coordination. This is one of the obligations of a local sponsor in an Army Corps project is that we will make the land available to build coastal flood defenses.

That requires close coordination with our tenants, thinking about potential tenant relocation when that's needed. And so this will help us put together the plan for how we go about that work. So that's the high-level overview of the scope.

Under the resolution, we're requesting authority to advertise for this contract. We're going to do broad outreach. We think that there's going to be a lot of interest in doing this work for the waterfront resilience program based on initial market response.

We do want to flag for prospective bidders that, including subcontractors, that there are potential conflicts of interest here that they're going to need to consult with their attorneys about to determine their own conflicts. And with that, I'll stop and ask if the commission has any questions.

President Brandon: Thank you. Great report. Can I have a motion?

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

No Public Comment on Item 12B.

Commissioners' Discussion on Item 12B:

Commissioner Lee: No comment.

President Brandon: Commissioner Adams?

Commissioner Adams: You know, I want to go back to something that Commissioner Lee [said. And I'll say] I just looked it up here. We were in New Orleans before five years ago. President Brandon, I think Meghan -- down in New Orleans when they had the flood, the spent over \$14 billion.

And they said now that, after 11 months, the levees will only be good for about four years. When he was asking about the amount of money and President Brandon also said that, that's a lot of money. And we saw that when we were down there: \$14 billion.

And he was asking, how long is this hard work good for? But I mean, I'm in support of this. But I just looked this up. And that's really something to think about that you spend \$14 billion. And it's only good for four years. And then, you'll have to think about it in the future. So I think that -- thank you, Commissioner Lee.

Brad Benson: And that reminds me that I may not have provided a totally clear answer on this. We're looking at a design life for all of the improvements that we're planning to build of 50 years or more. And so for the multi-billion-dollar investment, we're looking for a lot longer design life than you're talking about.

Commissioner Adams: But you were aware [of that], right?

Brad Benson: I was not aware of what you're talking about with New Orleans. That was news to me.

Commissioner Adams: Thank you.

Brad Benson: Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Yeah. Brad, I just had two clarifying questions because you piqued my curiosity. Could you elaborate on scope number 12? I'm just curious what workforce development and small business engagement means.

Brad Benson: Carlos, do you want to take this one?

Carlos Colon: Hi. Good afternoon. Carlos Colon with the WRP. So we're going to have a lot of work. And we don't know what the workforce is right now and how we can train them for this work coming up. And we don't know which projects will actually go into construction.

So once we have a better idea as design moves forward, we'll be able to know, working backwards from start of construction, when we need to start planning for the workforce. And so this contract will help us do that, help us determine what the current state of the workforce is now, where the gaps are and how we can train people to be ready for the contracts that go out for construction.

Vice President Gilman: Okay.

Carlos Colon: For LBE support serv -- or small business engagement, again, it's trying to get as many LBEs or small businesses able to participate in our contracts.

Vice President Gilman: Okay. Thank you. That's not what I had interpreted. So I really appreciate that clarification.

Carlos Colon: Sure.

Vice President Gilman: Thank you so much. And then, you had mentioned at the very end that people bidding on this or looking at this will need to check their own conflicts of interest. I'm sorry. I didn't -- can you talk a little bit more about that?

Brad Benson: Let me give one example. And there will be some very high-level guidance in the RFPs that go out around this. But I talked about the program advisory contract and how, under that contract, there's going to be review of designs that are coming from other contracts and also independent cost estimating. Well, you can't do design review of your own design --

Vice President Gilman: Got it. Okay.

Brad Benson: -- or independent cost estimating of your own design. So if you're in the program advisory contract, you can't be doing those other design activities.

Vice President Gilman: Right. You're basically saying you won't be bidding on those other things or doing those other services.

Brad Benson: Yeah. But -- and I'm channeling the city attorney -- it's up to each bidder to consult with their own attorneys to figure out their own conflicts in these contracting situations. We'll provide high-level guidance very similar to what the PUC provides. But we're not going to be providing detailed advice to prospective bidders on this. Did I get that right, Michelle?

Michelle Sexton: Thank you. Michelle Sexton. Yes. You did. But one of the things that all the bidders will have an opportunity is to submit questions, you know, in an open forum while the bid is open. So if there is confusion, we will be able to give some clarity. But we do not advise -- we advise you. We don't advise the individuals that you will be contracting with.

Vice President Gilman: These contracts, as always, will come back to us for ratification.

Brad Benson: Yes.

Vice President Gilman: So if we feel there's a conflict that someone has fired off, the firewall part of a large corporation -- I just want -- I guess I'm concerned now that I don't want to -- I'm concerned about awarding a contract to someone under this that then might be coming back around with another part of their subsidiary -- like a large, large company that has multiple channels, multiple divisions that now -- you sort of piqued my anxiety a little bit.

Brad Benson: So it's something that we're keeping an eye on. We're consulting with the city attorney about it. We're looking at how other departments like the PUC explain these potential conflicts to bidders.

We want to provide as much information as we can so that people can navigate this process and choose where they want to put their energy bidding. Yes. All of these contracts are coming back to the commission. You'll know if there is controversy when we're getting ready to award.

Vice President Gilman: Okay. I just think, in the [era] of good government that we are in right now and always have been in but particularly right now, it's just really important to be careful. So thank you for those clarifications.

Brad Benson: Yeah.

Vice President Gilman: I'm supportive of the item.

President Brandon: Thank you. Brad, great report. And I really want to thank Jacobs for getting us to this point. I think we've had a great working relationship. So I really want to acknowledge all the work that they've done over the past four or five years to get us to this point because we are at a great point.

My only question is regarding the scope of services. How do we know how much will be in each scope? Meaning, how much are we going to spend on city and staff development? How much are we going to spend on communications? Or are we leaving that up to the respondent to tell us what we need?

Brad Benson: So this is, again, a task-based contract.

President Brandon: Mm-hmm.

Brad Benson: So we're not going to be asking people in the bid process to provide bid amounts for these subtasks. The contract is for \$40 million, five years. And when we go to issue a task authori -- a task request to the contractor, we'll provide a high-level scope for the work that we want them to do. And they will provide a proposed budget for doing that work which we then review at multiple levels within the Port.

So we review it within the resilience program. It's also reviewed by finance and admin. And that bid amount can either be a lump sum, you know, for which they'll complete all of the work, or a time-and-materials estimate that would be billed on a time-and-materials basis. So that's the way these task-based contracts work.

President Brandon: Interesting. So how we've worked in the past is we've had a scope of work. And we've had pots of money that were going into each scope that was approved by the commission and then task work done however they're done. So are you saying that we just have an open \$40 million? And when will the commission see how we're spending this money?

Brad Benson: So this is similar to how the Jacobs contract was set up. It's exactly the same. It's also similar to how the engineering-as-needed contracts are set up. So there's an amount for the total contract. And then staff go develop specific scopes and get bids from the contractors to fulfill that work. So we would provide regular updates to the commission. We could do that on a quarterly basis.

President Brandon: Yeah. I just remember, before approving contracts, we've seen the scope of work. We've seen how much we want to spend on communication. We've seen how much we want to spend on environmental review, funding and advocacy. So I'm a little confused here. And it could be me.

Carlos Colon: Yeah. So actually, when they submit their bids, there will be a fee proposal. And it will be broken down by scope. So we will be presenting it. Of course, this is, as Brad was saying, a task-based. So these are estimates.

President Brandon: I get that part. I get that.

Carlos Colon: But you will be able to review and approve the final contract that way.

President Brandon: Okay. So when does that happen?

Carlos Colon: When we come back for award in --

President Brandon: So we -- okay. Okay.

Carlos Colon: So in their three proposals, they will have the breakdown.

President Brandon: So I guess that was my question. So the respondent is going to tell us what they think they need to spend in each of these areas in order to complete the task --

Carlos Colon: Yeah. So --

President Brandon: -- that we're requesting.

Carlos Colon: -- just to clarify, their fee proposal will include those budgets. There will be a negotiation after that's submitted. And then, once the Port and the consultant agree on a final scope and budgets, we will then present that to you.

President Brandon: Got it. Okay. Thank you. No. I appreciate that. Thank you very much. Those are my questions. All in favor?

Resolution 24-54 passed unanimously.

(Commissioner Engblom – recused)

C. Request for approval and appropriation of the third bond issuance in the amount of \$124.0 million of 2018 Proposition A General Obligation Bonds, known as the Embarcadero Seawall Earthquake Safety Bonds, to support program advisory services, early projects, and the San Francisco Waterfront Coastal Flood Study General Investigation (“Flood Study”). (Resolution 24-55)

Carlos Colon: All right. I'm back. Carlos Colon with the waterfront resilience program. I want to thank Brad for presenting our path forward. And I'm actually here now to ask you for permission to fund it. [laughs] So this is our third bond request. This one is \$124 million.

We had two prior bond requests. The first bond sale of \$49.7 million -- we've pretty much spent all of it. There's about \$150,000 remaining with 130 of that part of cost of issuance so the controller's audit fund and the GOBOC fee. So for all intents and purposes, the first bond sale has been completely expended.

The second bond sale, which was in 2023, we spent about \$14.2 million. The remaining funds in that bond sale will go towards the \$21 million in contracts that Brad discussed in item 12A, the design contracts. And you'll see here of how we spent the bonds to date. That 22.2 balance -- again, that \$21 million of design contracts will come from here.

So this will get us to spring of 2025. The third bond sale will be able to take us forward. What's not presented in this slide which I do think it's a good highlight is, of the bond expenditures, 25 percent of it has gone to LBEs. And I will be back in a future commission meeting to give a more detailed presentation on where those funds went.

So this is how we plan to spend our funds for the next two-and-a-half years. You'll see the full bond amount of \$124 million. About 110-111, I think -- 90 percent of that is for contracts. So there will be a lot of opportunities for work and LBEs to provide services in the upcoming contracts that Brad described in his presentations.

This bond sale is actually part of four bonds sales for a total of \$571 million. [We're] part of the ESER, earthquake safety emergency response, bond and two affordable housing bonds. So we are here today to ask permission or approve a resolution to authorize -- appropriate \$124 million.

We've already been to the capital planning committee. And we went a couple weeks ago to budget and finance. We're here today to ask your approval. And then, we'll go to the board of supervisors the following week for the approval and first vote.

Bond sales we expect to be in January, which hopefully then we'll have the funds soon after. And we continue to fund the program forward. And that's my presentation.

President Brandon: Thank you, Carlos. Can I have a motion?

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

No Public Comment on Item 12C.

Commissioners' Discussion on Item 12C:

Commissioner Adams: I'm in favor. So what does Port labor include?

Carlos Colon: Port labor is pretty much management of the contract. Port labor -- working on individual early projects is included in the early project line item.

Commissioner Adams: Who oversees that?

Carlos Colon: Steven Reel.

Commissioner Adams: Steven Reel. Okay. Thank you.

President Brandon: Commissioner Lee?

Commissioner Lee: How much of that is actual work in the ground? I mean, other than planning -- I mean, I can see this big lump sum. And I can see studies after study. How much of this -- do I see a yellow graph of actually sticks in the ground or concrete being poured? Or is this all still in the planning stages?

Carlos Colon: Besides the work being done right now at Wharf J9, this is all in the planning phases. We will come back in 2027 with another bond sale request, which will be funding construction.

Commissioner Lee: Wow. [laughter] Okay. I mean, my question is -- it's \$125 million, and we're still in the planning. Okay. That's all the questions I have. I mean, I look forward for a breakdown actually to see how much of this is being spent on material and actually getting something built.

Carlos Colon: Okay. I can provide a more detailed breakdown of all the early projects and the costs moving forward in the next two-and-a-half years.

Commissioner Lee: That'd be great. Thank you.

President Brandon: Vice President Gilman?

Vice President Gilman: I have no questions. Thank you.

President Brandon: Thank you, Carlos. It's a lot of money. [laughter] And hopefully, we're planning for a very long term.

Vice President Gilman: Yes.

Commissioner Lee: Yeah.

President Brandon: Okay. If there are no other comments or questions, I have a motion and a second. All in favor?

Resolution 24-55 passed unanimously.

(Commissioner Engblom – recused)

13. MARITIME

A. Informational Presentation on Responses to the Port's Request for Interest from Maritime Dredging and Construction Firms.

Michael Martin: Good afternoon, commissioners. Mike Martin, assistant Port director and chief operating officer. I just want to say a few opening comments before I hand this over for the presentation today. We presented to you earlier

this year about the Port's dredging contract coming due or expiring and our need to move ahead.

And we put together an interdivisional working group including the maritime division, engineering, maintenance, planning and environment as well as our finance and admin contracts experts. And I just wanted to sort of step up. And I think the prior set of items is a really good lead in to this because, even though the dollar amounts aren't as large, contracts are really our instrument to do things.

And as we've learned through this particular exercise, it's not enough to sort of say this is what I want. Let's go get it. We really benefit from a lot more strategy in terms of how best to not only achieve the thing that's in front of us but also reach additional policy goals that the commission has laid out for us in terms of more contractors benefitting from more Port contracts, more local business enterprises benefitting from Port contracts.

And I think we've had a really interesting and helpful dialogue in trying to tee up what's the best way forward for the Port to realize that set of goals while still doing the things we need to do as a Port in terms of dredging and keeping available maritime business opportunities.

So this is my chance to sort of really express appreciation for Alysabeth Alexander-Tut and our contracts team because a lot of times the other divisions sort of show up and say, "This is what I need. Get it done." And we have this long list of contracts we need to get done right now. But we're doing it.

And I think a lot of the things you saw in the executive director's report about what we're able to achieve with a lot of our partnerships really flow from this kind of nuts-and-bolts work that I think really is going to show through in today's item.

So I just wanted to sort of frame that a little bit. But we're really interested in your feedback on sort of the range of things we're talking about today. And we're hopeful to move ahead on this to keep our dredging and our maritime operations going next year. So with that, I'll hand it off to Alysabeth.

Alysabeth Alexander-Tut: Thank you, Mike, for the kind words and introduction. Good afternoon, President Brandon and commissioners, senior staff. My name is Alysabeth Alexander-Tut. And I will be talking about the responses from the LBE community on our survey as well as the RFI for dredging and marine construction.

So in April, at the April Port Commission, staff expressed concern about the amount of over-water work was not sizeable enough to incentivize LBEs to invest in procuring certifications and developing the business capacities needed

to perform the full range of over and near-water marine construction work including dredging. And that's why we had always had LBE waivers.

But we felt hopeful that, if we studied the industry and included adjacent industries, we could broaden interest and find potential pathways to cover over and near-water work for the LBEs and come back to the Port Commission with recommendations. So here we are today.

What you see before you on the slide is a three-pronged approach that the Port took to assess availability of LBEs, what we're calling other certified firms and then larger firms for marine construction and dredging. So we wanted to assess the availability.

We wanted to identify stepping stones into marine construction and dredging based on LBE and industry-leader feedback. And we wanted to understand the barriers to entry better in order to offer mitigation strategies. So on the first box, you can see the Port -- is a local business enterprise survey that was conducted with CMD and the Port.

We first as -- we wanted to assess interest, availability and the barriers for LBEs in over and near-water work. This survey was performed prior to the writing of the RFI so that it could inform the RFI. CMD created a target list of about 200 LBEs. And the Port, based on our outreach and our assessment, expanded that list to 600.

Port staff called and left voice messages for over 200 LBEs and had 31 conversations with LBE owners encouraging them to respond to our survey. Many LBEs -- I have to be honest -- doubted the sincerity of the Port. So these outreach efforts really mattered.

LBEs are saturated with good-faith-effort outreaches that they don't think are going anywhere. So it was really important for us to invest the staff time to actually have these conversations, leave messages and talk to LBEs to really encourage them to give us the feedback that we're sincere in our efforts.

CMD announced a survey at their LBE advisory committee. And CMD also sent the link out in their own newsletter. So in addition to the email blasts that were coming from the Port, CMD was also conducting their own outreach. We got 48 LBEs responding to us, which we -- with very informative and meaty answers.

Second -- the blue square in the middle -- we wanted to understand, outside of the LBE community in other minority-owned businesses, women-owned businesses, veteran-owned businesses, small businesses that are certified in other agencies -- are there other folks that are performing marine construction, that are performing dredging work? And maybe we can learn from them.

So the Port replicated the LBE survey, changed the language and sent it out to over 6,000 -- what we're calling for the purposes of this presentation -- other certified firms and, again, to understand the availability, barriers and interest in the broader community. And we received 49 responses for this.

And then, finally, after receiving the survey responses from the LBEs and from the other certified firms, we analyzed those results, worked with our subject-matter experts in house and developed the request for interest for dredging and marine construction with a goal of deeply understanding the marine construction and dredging industries from the inside, identifying challenges, so we can mitigate those challenges and to evaluate availability in the diversity of firms in the industry.

We wanted to also assess that, if adding marine construction opened up either LBE opportunities or are more interested -- a broader inter -- contractor pool. So we sent this to all of the LBEs and the other certified firms that had responded. We felt like we really bombarded them in the first two surveys to have to respond.

So we sent them to the folks who had responded to the LBE and the second survey -- the first two surveys as well as we did research into who was doing marine construction and dredging work along the West Coast. Through that, we received 11 very thorough responses that our subject-matter experts believe is representative of the industry.

So let's get to the results. So the first important distinction made by Port subject-matter experts is to divide dredging into shallow versus deep-water dredging. This is an important distinction that we haven't made before. There is different certifications, safety concerns and equipment that's required for shallow dredging and deep-water dredging.

For example, you can do shallow dredging with an excavator. You don't need a big dredge that you would under deep-water dredging. It's important to note that the LBEs and the other certified firms are self-reporting their capabilities. And so we're reporting on what they self-reported.

The industry-leading firms were able -- they provided project descriptions and promotional material highlighting the marine construction and dredging experiences. The Port wasn't able to confirm LBE and other certified-firm qualifications. But we're reporting on their direct responses here.

So we received that one LBE has performed shoreline and on-barge shallow dredging. So that's over-water work. Two LBEs have performed scopes related to shallow dredging from the shoreline. And two other LBEs performed professional services related to marine construction and/or dredging such as hydrographic surveying, which is what -- the surveying that happens during the process to monitor the dredge.

There are two other certified firms who perform shoreline dredging and on-barge shallow dredging. So we do have some level of capabilities. And finally, there's one federally certified Alaska-native corporation that performs marine construction and deep-water dredging. So we're able to really assess, you know, what are the capabilities of -- regarding just dredging.

Amongst the deep-water dredging, there is not a lot of availability. We received three non-LBEs that can perform the deep-water dredging. Staff think maybe there are five total. So we got 60 percent of those who are probably able to perform this level of work.

Two of these firms have their equipment locally. And one moves their equipment up and down the coast based on their contract needs. Only these firms, only these three firms were assessed to be able to move those dredge spoils to proper disposal sites, which is an important component of dredging.

And each of these three larger firms noted the difficulty in finding staff. So because the dredge window is short, there is not a big incentive for folks who are looking to beco -- you know, to work in this industry to enter it. They're looking for more jobs that are year-round or have a larger work window.

So all of the firms noted that they are competing for staff and that their staff are local. So that was important information. And they all noted that one of the keys to success in these industries is scheduling and preparation. So we learned about kind of that staffing need from these surveys.

So moving on to marine construction -- so marine -- we're calling marine construction any construction that happens along the shoreline or over water. There is slightly more experience and possibilities in the marine construction world. So we have two LBEs that have performed pile driving from the shoreline. And one of them has also performed pile driving from a barge.

We have five other certified firms that have related experience to shoreline or over-water construction work. Thirteen of the other certified firms have the equipment that might be required to perform over-water work. And then, there's -- amongst the non-LBEs, there's also more experience. About five of the respondents had marine construction and equipment along the West Coast.

So some of the observations that we found interesting was that, because the -- the non-LBEs noted that the industry is so small, as you can see from these responses. And the scopes are so small that -- and the certifications -- every jurisdiction has its own certification -- that sometimes the small firms might not see the incentive to become certified because, if they have the relationships and they're getting work, that's great.

They may not want to go through the process to get certified in every single jurisdiction because most jurisdictions are getting waivers for -- if they have some kind of business inclusionary requirement.

And the second one was -- an important observation is that over-water construction work has a lot of on-land capabilities and needs. So when you're demolishing over the water, you bring that to the shore side. And it creates a lot of on-shore, on-land work.

So there's sorting and handling of construction waste. There's hazmat testing, which is professional services. There's trucking and disposal of the construction materials and fabrication of components that then will be installed over the water. So those might be opportunities for us to think about bringing folks closer into the marine construction world.

Interesting to note -- there are some LBEs that are explicitly not interested in over-water work. They have -- their business models are focusing on what they do well and improving their business practices and capabilities to grow in their own comfort zone. And there are a lot of over-land jobs and opportunities to grow in.

So I think it's up for us to make the case and-and to build those stepping stones to bring people in to over-water work. This slide identifies some of the biggest challenges that were identified by LBEs or by larger firms in bringing emerging firms into over-water work and into the marine construction world.

One that we found particularly compelling is that many of the smaller firms including LBEs had individuals that were owned by workers who had left some of the dredging companies, the marine construction companies and started their own company. So they, themselves, had experience, but their firm didn't.

So that -- if you look to kind of the next block over -- the opportunities to remove the barriers is especially when we're looking at subcontracting opportunities, looking at what can we -- where would it be appropriate to look for different kinds of qualifications like staff qualifications and not just lean on firm qualifications?

The second addresses the desire for mentorship. So many of the LBEs identified mentoring opportunities. And some of the larger firms said mentorship can be great. But without the equipment and the insurance and the training and the certifications that you need to get that, it can be either ineffective or a difficult barrier.

So instead, the suggestion is to look for stepping-stone opportunities into work. Be specific about the scopes and the equipment requirements. And break those down, so it's not just one big contract with the big scope and big equipment

but really breaking that down into its various components and then dividing the scopes to create opportunities for entry-level work and exposure.

The next one is mentorship is a long-term process with -- because of the varied components of over-water work and confusion amongst all the actual qualifications. So the suggestion from the industry is publish the likely minimum qualifications ahead of the solicitations. Tell us what it takes. What is your work? What are the qualifications so that we can go out and try and find those?

And that's similar to the next two. One is a desire amongst LBEs particularly to find marine construction training and marine environment training. And there are -- some of the larger firms -- one of their suggestions was we don't think that the LBEs know about all of these free or available trainings. So we want to bridge that nexus and publish the government and industry-run programs.

And then, finally, LBEs identified that they want assistance in evaluating the risk and the opportunities of making the investment to perform over-water work. And on our side, what we can do to help people make those business choices is to increase transparency of the Port's needs.

We can publish our dredging schedule. We can publish our look-ahead, the consistency of the needs along with the requirement. So people really get the full picture of what's available.

There were also suggestions about strengthening our solicitations and pairing -- the first one is particularly interesting, which is pairing together opportunities and similar scopes together in order to incentivize firms to keep their equipment local so that they're available to do the work when it's needed.

You know, some suggestions about going into greater detail in our pre-proposal and our pre-bid conferences and really, again, breaking down the scopes of work and then giving more specific information and schedules and kind of look-aheads for what the Port needs and then finally creating a feedback loop with -- for the industry within the pre-proposal stage. So that's just really about, you know, changing the way we do our solicitations.

So out of this, the Port has three recommendations that we would welcome your feedback on. The first is we want to publish the expected requirements and the pathways to meeting those requirements.

The second is to advertise -- we'll come back for advertisement. This is not a request to advertise. It's just an informational -- and what's called an as-needed general services cont -- or general contract -- general construction contract for shallow and deep-water dredging and some marine construction in order to bridge that -- to widen that window and then, separately, an as-needed marine construction contract series.

And that third one is really the stepping stone. That's the stepping-stone contract into marine construction. And I'll go into each of these. So I'm happy to talk about each of them. I'll give an overview. But in terms of just publishing the expected requirements, pathways and scheduling, really helping folks understand outside the solicitation, outside of a bid or an RFP, what kind of work does the Port do, marine construction and dredging?

What are the likely qualifications? And what are some pathways to get there if you don't meet those qualifications today? Two is advertise an as-needed general construction contract with these -- with the shallow and deep-water dredging and some marine construction.

The general as-needed construction contracts require firms and subcontractors to come in with their prices at the proposal and then -- which doesn't allow for a lot of flexibility. And we think it works for dredging and some marine construction. It doesn't solve all of our needs, which we can talk about recommendation number three.

But this one gives an opportunity for us to work with CMD to assess LBE opportunities across all of the scopes. So we -- usually, CMD will -- the way they evaluate is based on a few particular scopes. We're asking them to assess LBE opportunities at award and to be creative in their requirements such as listing an LBE for at least one scope.

And we will be working with them to find which is the most advantageous to do LBE sub-requirement, either at the contract level or at the task-order level because they have the option to do it in either location.

What's good about the general as-needed contracts is that dredging is quite expensive. Even shallow dredging is generally over a million dollars. And this is the only as-needed contract structure that allows us to go over a million dollars.

And then, the third and final recommendation is an as-needed marine construction contract series. In an as-needed construction contract, you qualify the firms and the sub -- and some subcontractors at the award level. But then, at each task -- and you award more than one.

Each task order is competitively proposed. And the LBE subcontracting requirement is at the task order. And subcontractors are also awarded at the task level. So if we're looking at a growth model to try and bring people in to marine construction, it's a good model because, as the task orders come up over the life of the contract, you can bring subcontractors in.

And so it's a good stepping-stone contract [ability] because of that. You can do -- but there's a hard stop at a million dollars. So we believe we can do some of our shallow dredging. But we wouldn't be able to do deep-water

dredging with this contract. But we can do over-water electrical work, plumbing work, some of that shore-side work as well.

And I should recommend that -- or I should include that part of the recommendation for this number three is that we do it after we do the general as-needed so that we learn from that experience, that we don't do them simultaneously but that we allow ourselves the room to learn from the general as-needed contract and then take those experiences and then build this as-needed marine construction contract series.

So -- yeah. And this is our expected next steps on the board. I know it was a lot of information. And I'm really excited and interested in your questions.

President Brandon: Thank you. Great report. Thank you so much. Is there any public comment on this item? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 13A.

Commissioners' Discussion on Item 13A:

Commissioner Adams: Great report. It seems like this is -- maritime dredging and construction seem like this is a field that there's not a lot of diversity in it. And it seems like it's limited and especially -- maybe Andre could talk more about that coming from maritime and stuff like that and his experience working for a shipping company and working -- maybe Andre can speak to that.

Can you speak to that, Andre, what -- because it seems like it's just limited. It's just a narrow thing. A lot of people don't get -- it's kind of like being a scuba diver, a welder down there. It's not a vast pool of people.

Andre Coleman: Good afternoon, commissioners. Andre Coleman, maritime director. But yes. You're absolutely right, Commissioner. What we've been able to identify is that there's a limited group of firms here in the Bay Area and up and down the West Coast.

And within those firms, there is limited diversity. I'll also just add that, you know, here on the Bay, there are five ports within the Bay region. Right. So with limited amount of firms, us all requiring dredging work and us all kind of getting in the queue, that even brings more challenges about as far as diversity, if you will, not only from availability of firms. But to your question, within those groups, there's just limited diversity.

So I don't know if I answered that clearly. You know, we've looked up and down the West Coast at other firms. And again, there are just challenges based on the nature of the work, where folks are in the queue, which Port is ahead of the others as far as permitting, etcetera. And these firms are going to follow where the work is happening. So that's a challenge that we face as well.

Commissioner Adams: So I guess it'd be clear to say, not only is a small group, but I think she laid out in the beginning that it's kind of seasonal work. It's part-time. And people are looking for full-time jobs with benefits and pensions and 401(k)s. And this here is kind of like a seasonal -- you do the job. And then, you're done. Is that basically it?

Andre Coleman: That's correct. And Alysabeth spoke to the dredge window. So that window for in-water work, as permitted by the regulatory agencies, is June 15th through November [31st]. Right. So it's a very condensed window. There are exceptions if waivers are sought outside of the window.

But that limited window of work for this nature of work does contribute to those who are seeking year-round employment versus that seasonal work.

Commissioner Adams: Thank you. You answered my question. Alysabeth, thank you.

President Brandon: Thank you. Commissioner Lee?

Commissioner Lee: So in that case, what do you do when there's no LBEs? You know, it's so narrowly margin -- and you know, you're right. People will leave to open their own business. I mean, a lot of us do. They want to be their own boss. So that's another situation.

But that would be a question. You can advertise and get zero results. What do you do in that instance? Are we mandated to have an LBE contractor at that point?

Alysabeth Alexander-Tut: Well --

Commissioner Lee: I mean, it could happen.

Alysabeth Alexander-Tut: Yeah. Of course. Of course. If we have a failed proposal -- a failed solicitation and nobody comes in or nobody meets the LBE requirement, if they're -- but I think what we're trying to do is understand it in order to avoid that situation. Right.

And that's kind of the thinking behind the pairing the marine construction because a lot of stuff can happen shore side. Or if you look at the equipment that LBEs would -- LBEs may perform with an excavator. So what other work would we need along the shoreline outside of the dredging window that also requires an excavator?

So it's really that equipment question when we asked them, what equipment do you have that we can try to pair people and pair scopes --

Commissioner Lee: Okay.

Alysabeth Alexander-Tut: -- of work based on the equipment so that we're not just --

Commissioner Lee: Okay. So that kind of --

Alysabeth Alexander-Tut: Yeah. That's the thinking.

Commissioner Lee: So that's my other question.

Alysabeth Alexander-Tut: Yeah.

Commissioner Lee: Do you guys seek out vendors -- like I know friends that have like rental companies that rent equipment. And they're majority minority.

Alysabeth Alexander-Tut: Yeah.

Commissioner Lee: And there's black-owned companies. There's Asian-owned companies. Do you include that as part of the way of getting them in to qualify for LBE?

Alysabeth Alexander-Tut: CMD does have a way of calculating LBE subcontracting for equipment rental. So I believe that 60 percent of the total participation would go towards the LBE requirement. So if it's \$100, then \$60 would count towards the LBE requirement when you're renting equipment. So equipment rental would count in the situation based on my understanding of CMD's regulation.

Commissioner Lee: So is that kind of clear in that advertisement [crosstalk] --

Alysabeth Alexander-Tut: It would be. CMD has a section for how you can meet the LBE requirement.

Commissioner Lee: Okay.

Alysabeth Alexander-Tut: And they say, yeah, like these are the kinds of categories. And this is the -- I believe they call it the participation percentage based on your work. So if you are performing the labor and providing the equipment, then it's 100 percent of the work. And if it's a rental or if it's a commodity purpose, then it's a different percentage.

Commissioner Lee: Okay. Because I could see down the road it's getting to be so narrow, I mean, in a lot of industries.

Alysabeth Alexander-Tut: Yes.

Commissioner Lee: Right.

Alysabeth Alexander-Tut: That's right.

Commissioner Lee: I mean, we're getting hard-to-find skilled labor. So there's other ways. I mean, people like to open a retail store or sell construction material or do other things that's more stable.

Alysabeth Alexander-Tut: Mm-hmm.

Commissioner Lee: If that could qualify to be the LBE, that would be great. So I guess it does. So you're answering my question. So thank you.

Alysabeth Alexander-Tut: Thank you.

President Brandon: Commissioner Engblom?

Commissioner Engblom: Thanks for the report. Yeah. I guess my thinking is similar to what's been discussed. I'm not sure -- I'm not an expert on CMD's approach to this. But it seems to me like -- what you're describing -- it reminds me of a process that's been evolving in the carbon-footprint world where you talk about scope one, two and three and you think about the lifecycle impacts of the -- we know what our impacts want to be in order to help the local economy and the local small businesses.

So that -- I just think it's always -- I like the analogy of the stepping stone. But I just also wonder if somehow the conversation with CMD is maybe more helpful to the Port's goals if we know what our -- this type of work is very specific to the Port. So maybe other divisions in the city don't have this problem. Right.

So if we can say, well, our outcomes are based on the scope one, two and three of dredging-type work, then -- or what's the positive impacts? Instead of just trying to get more and more narrow -- because I think that feels like a very tough situation. So that's the only thought I have as that analogy came to mind.

Alysabeth Alexander-Tut: Thank you.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Alysabeth, thank you so much for all this work. I'm sure you never imagined you would know this much about dredging. [laughter]

Alysabeth Alexander-Tut: I did not.

Vice President Gilman: And I really want to encourage us to -- I don't know if we need to talk to CMD about this. But -- and it could have shifted. So this is -- I'm only aware of this up until the pandemic because I haven't answered an RFP in a really long time.

But HUD and HCD at the state level, at least in the affordable housing space, allowed the principals to carry their experience over. So if I join a new organization and I've just completed five new construction projects or [90 percent] tax credit projects in the last X years, me as the principal carries that to my firm to qualify the firm I'm now at.

Alysabeth Alexander-Tut: Mm-hmm.

Vice President Gilman: So it's anyone at the leadership-team level, however that's defined. So I really think we should look at that versus firm level when we're looking at that. And if that's a decision we can make outside of CMD, I really strongly encourage that particularly since it validates the research in what you heard.

Alysabeth Alexander-Tut: Yes. [crosstalk]

Vice President Gilman: And I would check with the mayor's office of housing. If they're still doing that at the local level, that could also be another precedent for us to do it moving forward. I really support that when folks break down and start their own firms.

And I just really appreciate the work you're doing for this. My only other question -- and maybe this is too much brain damage. So if it is, you can just toss this as a crazy commissioner idea. I'm fine with it. And this is maybe also a question for Andre.

Would there be any -- would it be beneficial at all for us to coordinate our work and our contracting with the five other ports, like for us to do a massive RFP together and have us all work together on it? I'm doing this with the assumption that they are as committed as we are around LBE participation. I'm just wondering if we could leverage that somehow for this work.

Alysabeth Alexander-Tut: We're both going to answer this question because it's actually something we're really excited about and have been talking about. There is something called cooperative contracting where multiple public agencies can either -- can model a couple different ways, one where we can go exactly like you said.

We can collectively issue an RFP. And every contract that results from it would be -- like we all have our own local rules. Right. So they could apply. So every contract would -- our own local rules would apply. But we kind of solicit together.

The other is when somebody -- if they win our contract and we have a cooperative agreement, they can go somewhere else and say, "Hey, San Francisco Port has this fantastic contract. You should just award me the contract

because they -- look, they had the competitive solicitation. They did the process. And you can use this to award a contract."

So it actually allows us to award contracts from other public agencies that went through the competitive process. So we're exploring all of those options. I think we're leading the way. And so it's a possibility. I don't know if it's a probability. So we're trying to explore that right now. It's not a wild idea. It's a great idea. And we're curious about it as well.

Vice President Gilman: Well, maybe it's something we can bring up at CAPA and see if that would be a topic of conversation that we could have.

Alysabeth Alexander-Tut: Yeah. That'd be fantastic.

President Brandon: All done?

Vice President Gilman: Mm-hmm.

President Brandon: Okay. Thank you. This was a great report. And I really want to commend you on the research and outreach that you did on this effort because who would have known, you know, and just looking for opportunities to remove the barriers and being innovative and trying to find new approaches to solving this -- I don't want to call it monopoly -- [laughs] this industry issue.

But I think it's great. I think you did a lot of great work. And I think I'm very supportive of your next steps and how you want to move forward. I look forward to you coming back with more opportunities.

Alysabeth Alexander-Tut: Thank you so much.

President Brandon: Thank you. Next item, please.

14. FINANCE & ADMINISTRATION

A. Informational Presentation on the Port's Economic Recovery Efforts.

Meghan Wallace: Good afternoon, President Brandon, Vice President Gilman, commissioners, Executive Director Forbes, colleagues. I'm Meghan Wallace, the Port's economic recovery manager. And I'm here this afternoon to provide an update on the Port's economic-recovery activities.

So as many of you are likely aware, the Port has been a city leader on economic recovery. By really taking a lead on creating a clean, safe and vibrant waterfront over the last several years since the pandemic has wound down, the Port has really create a vibrant waterfront where both city workers and visitors have wanted to return.

And over the last two years specifically, the Port has been moving forward with an economic recovery plan that has detailed expenditures, metrics as well as focused resourcing particularly with staff such as myself. And now, we're -- as you can see in the timeline, you know, the first two phases were related to developing and refining, allocating resources.

Now, we're in the heart of execution and iteration with ongoing monitoring and reporting of our progress both to have accountability and to be able to review and improve as we go. And actually, part of our story is that the Port has actually recovered in our revenues. We have far exceeded our pre-pandemic revenues at this point.

However, as our expenses continue to grow, as we look at our capital plan and see ongoing need for maintenance and renewal of our facilities, it's clear to anybody who's familiar with the Port's portfolio that we need to continue on this path for financial stability.

Before I go too far, I want to just take a moment and look at where this work fits in the Port's strategic plan. We do have two key goals that I work by. Economic recovery is really where I came in at the Port to help us get out of the impacts of the pandemic. But of course, we're also looking at our growth.

On the recovery side, we focus on targeted activation of our parks and open spaces as well as targeted activation in Fisherman's Wharf. And really, these two objectives then support our growth strategies around expanding our maritime and real estate portfolios.

But particularly looking at targeted activation in our parks and open spaces, we know that the Port's waterfront provides breathtaking views and outdoor experiences. Really, where does anybody else want to be except for the waterfront in San Francisco?

But it does lack a clear identity. It can be challenging to navigate. We've talked for years about a need for improved signage and wayfinding capabilities. And we've also had many of a discussion around the need for the southern waterfront in particular to be uplifted and to be cared for in a manner that matches other areas along the waterfront.

For targeted activation in Fisherman's Wharf, you can see in the chart in the bottom right -- this actually shows revenues in various areas along the waterfront. What you'll see is a comparison of revenues in orange -- that's fiscal year 2019-20 so really marking pre-pandemic timelines -- to fiscal year '20-'21 -- that's in the heart of the pandemic.

That's where you see the biggest drop. And then, fiscal year 2023-24 where, in many cases, you see an upward trajectory where we've recovered in that area of the waterfront. But in Fisherman's Wharf, we continue to see

stagnation in our revenues in that area, really driven by the ongoing closure of several of those dinosaur restaurants, as Director Forbes referred to.

We also know that foot traffic is still in the recovery stage. It's only at 76 percent of our pre-pandemic levels. And really, with 65 percent of all visitors to San Francisco visiting Fisherman's Wharf, we know that recovery in the wharf also translates to recovery in the city. So this really is an important area for the Port to focus.

Back in January of 2024 -- I can't believe it's been that long. We've been hard at work. But you might recall an expenditure plan that included a good variety of funding sources as well as an allocation of those resources. You can see the key areas along the waterfront where the funds are distributed.

Just really quickly, I want to remind everybody what these sources are: the southern waterfront beautification funding is from the harbor fund. And that's a set-aside of revenues for Mariposa Street and south at the Port. Economic recovery funding is also harbor funds. This was very wisely set aside by the Port leadership prior to my arrival knowing that we would need dedicated resources for recovery activities.

We've actually started to use a new project source. It wasn't in the original expenditure plan. But I've added it now. The Fisherman's Wharf resilience and public-realm planning project -- we used those funds to amend our grant to the Fisherman's Wharf Community Benefit District.

Tenant attraction and retention funding is largely stimulus funds dedicated to improving our facilities, helping our new tenants address facility needs. But the Port is putting the funds in. This is also where the bulk of the Fisherman's Wharf CBD grant is allocated.

And then, finally, Port infrastructure grants -- this represents the critical federal and state funding that we've received. As you can see, it's being all -- in the southern waterfront primarily to really do critical work in our facilities in the southern waterfront.

And as you can see looking at the distribution of funds, really a lot of the economic recovery and tenant attraction and retention funding -- that sits largely up in Fisherman's Wharf whereas the southern waterfront is where we're seeing the use of those federal and state grants, southern waterfront beautification funding and then a portion of our tenant attraction and retention funding.

So today, I really want to highlight some of the great work that is happening in these key areas of targeted activation of our parks and open spaces as well as targeted activation in Fisherman's Wharf. So I'm just going to walk you through these. Please, you know -- I realize I should have done

something nice like had each of these pop up in different slides. But I'm just going to be going from left to right.

So first, I just want to talk a bit about the waterfront walk. I had shared this as an emerging idea, a work plan that staff was developing. And really, it's starting to come to life in a really exciting way. And really, the cornerstone of it is wayfinding so recognizing that we do need to do more to help visitors navigate the waterfront so really thinking about signage system and that it provides not only direction but creates a common sense of place.

So these images both show -- the one on the left is around wayfinding, giving a map and telling visitors where they are. But we're also exploring interpretative signage. And the example on the right is located on Islais Creek.

So building off of these past examples, the Port is preparing to go out for a request for proposals in early 2025 for fabrication of our signage system. And then, we will be looking to begin our installation in the spring of 2025. So this is really exciting because we're starting to walk and not just talk [laughs] about this particular program.

Next up is activation and enhancements. We've had so many wonderful events along the waterfront. When you think about Juneteenth, all of the pop-ups on the plaza -- the Parks Alliance has done markets in Crane Cove Park. I think, even though this isn't focused on Fisherman's Wharf, I still think about the activations in the wharf as being part of this overall concept of the waterfront-walk-activation work.

So we've been creating this really vibrant waterfront. But we need to continue that work. And in particular, the area that's been missing is in the southern waterfront. And staff is starting to explore the concept of doing a pilot that's more community driven, trying to engage partners in the southern waterfront to put on different types of events that will not only activate but also -- not only activate our parks but engage the communities to come out and appreciate those areas of the waterfront.

And then, art -- so "As Sounds Turn to Noise," this beautiful sculpture on the left is something that really has been widely celebrated not just among Port staff but -- and everybody who walks by that beautiful sculpture. But it has been in the news. We want to build upon that type of energy and look for more locations and opportunities for art along the waterfront.

We are showing examples of that in Fisherman's Wharf such as with murals. And of course, we have existing examples of that all the way down into the southern waterfront. We're going to be building on that. And we have staff dedicated to working with the San Francisco Arts Commission but also talking with other potential partners to really build out this program.

Then, on to parks and open spaces particularly in the southern waterfront -- you know, really, the focus in this area is to improve the community's experience as the Port pursues its maritime eco-industrial strategies.

This is where the recovery and the growth come together particularly in the southern waterfront because there's a natural tension that also makes the area really dynamic and exciting to be in where you have these major maritime activities paired with open spaces and opportunities for the public to come out and enjoy natural settings.

So on the industrial side, really trying to improve that experience but also create opportunities for growth on maritime. The Port is focusing on removing our aging facilities such as the structures around the Pier 90 grain silos, the Pier 96 cranes and then also making really drastic improvements such as on Amador Street, which is the image on the bottom.

Then, thinking about the Blue Greenway, we're really excited among staff to start working with the San Francisco Department of Public Works who are currently under design with a series of improvements throughout the Blue Greenway.

You can see the indication of the various locations from Warm Water Cove all the way to Heron's Head Park where they're looking to clean up landscaping, replace things like damaged picnic tables, improve our restrooms in Heron's Head Park. All of these are aimed to really improve the public's experience and try to attract visitors to these public spaces.

But also just thinking neighborhood wide, I think that this is probably one of the most basic and important moves that we're making is to look at procuring a new vehicle and hiring two dedicated staff to maintain this area of the waterfront. I'm happy to say that we've received a truck. It's actually an electric vehicle. So we're on a strong trend there.

It's my understanding that we've hired one laborer. And so we have one more to go. So the work here is really on the verge of beginning. And I think we'll really elevate the standard of care in the southern waterfront to an area in a way that we can all be proud of.

But we are continuing to imagine what to do in this area. We do have southern waterfront beautification funds that are available but unallocated. And staff is continuing to explore ways that we can build on all of the ideas, both with the waterfront walk, potentially with maritime facilities and also additional improvements that we can do with the Blue Greenway.

Finally, with Fisherman's Wharf, the focus in this area is to leverage its unique features and history to attract visitors, both local and from around the

broader region, state and internationally and also set the stage for larger, longer-term transformations in the area.

Staff went through an exercise to build out a work plan for three major areas in Fisherman's Wharf, the first being the gateway, which is represented by the Pier 43 arch, the tip of the triangle parking lot. But now, we all know it differently as the arch, the SkyStar Wheel and this beautiful Fisherman's Wharf promenade.

This area has completely been transformed. It's no longer taken over by unpermitted vendors and their canopies. Now, it has these beautiful pergolas that our maintenance crews helped construct and install, planters with lovely flowers and fun seating.

The look and feel of Fisherman's Wharf is completely transformed and really fits the vision of the gateway to create a welcoming place for people to come in to the wharf as opposed to find themselves facing a wall of canopies and deciding to turn around and go the other direction.

Now, we hope that we're drawing people in. And as they make their way into the wharf towards Taylor Street and the inner lagoon, we're also welcoming them with events such as Pier Party in Wharf, which -- it's a summer event. But it definitely created a fun summertime vibe and had a lot of great local and regional music and drew in crowds.

And then, that on top of the other work that the Fisherman's Wharf CBD has been doing with artwork and flower baskets and having ambassadors to greet people, I think it's safe to say the area is being maintained in a way that is intended to continue to attract new visitors.

And then, Jefferson Street and the outer lagoon -- I actually am teasing this up in advance of two items that are coming your way in December and January. I'm very excited to say that the work with our brokers is actually turning out positive outcomes with two potential leases, both to 300 and 340 Jefferson Streets.

Having those vacancies filled and creating the activity in that space and changing the dynamic, the energy in that area of Jefferson Street is really going to be transformative on its own. But then, you pair that with the new gangway and float that is going to be at Wharf J9 where our fishers can dock up and have people come out and purchase fish off the boat. I think it's going to be a whole other level of activity and really help overall with the feel in the wharf and hopefully drive up additional foot traffic.

So I think, you know, before I close, I just want to highlight some key elements of work that are ahead. I'm trying to highlight some really exciting work

that has happened. But really, in the coming days, this commission will be hearing more items around the delivery of the work that I've described.

We're going to be working on a procurement process for activation and stewardship of the waterfront. It's going to be framed largely as the waterfront walk. But some areas will be focusing on the southern waterfront so just a pilot of community-driven activation but also thinking about other areas along the waterfront so that we can have other forms of art and activation.

In the southern waterfront, with the very large impact to our maritime facilities, you'll be hearing more about the Pier 90 grain silos and the Pier 96 crane demolition. So I think the really -- the long and short of it is that we've had funds in place.

Staff has been very active in formulating and firming up our plans on how to utilize the funds. But more items related to the procurement of services will be coming your way in the coming days. So I just want to give you the heads up on that.

And I think really, you know, we are working with a good variety of funding sources. We're trying to distribute the funds strategically in different areas of the waterfront that aligns very well with our strategic plan both on the recovery and the growth side.

And I think, just trying to reiterate, that all of this -- while it started with the focus on recovery, as your former finance director having talked about that five-year horizon where we start to see a reduction in that net income for the Port, it's really important for us to keep our foot on the gas, you know, implement these strategies, be innovative, learn from our experiences and, ideally, really keep supporting our trajectory on building that financial stability that we all long for. So thank you so much. And I look forward to your questions.

President Brandon: Thank you. Is there any public comment on this item? Seeing none. Do we have anyone on the phone?

No Public Comment on Item 14A.

Commissioners' Discussion on Item 14A:

Commissioner Lee: Great job, Meghan. It's been a year already, spent a lot of money. But it shows. The J9 project -- after having a meeting with the fishermen, you know, it's a very important that we get that going this year. I think -- and it'd probably be nice to have maybe the Art Commission weigh in on a cool sign for that because I see your little sign that says crab.

I think we can do better than that. [laughter] You know what I mean? So that corridor there - and then, where people can actually walk in and see at least

15 boats lined up -- I mean, that's going to be a big draw, not only that, you know, where guys are leasing those other spaces, which is great.

But I have another suggestion that I know that it's taking some time for Alioto's and Castagnola's and things. The ground-floor space where they used to have the crabs, where they had the -- the boilers are still there. I mean, couldn't we do like they did down in Embarcadero where we offered like a three-months' quick pop-up lease for maybe some entrepreneurs to come in and maybe, you know, try to set up some shop, try to make something out of that just temporarily?

Because even if we lease it, it's going to take time to negotiate it and do renovations, I'm sure. But I thought that would kind of help generate stuff other than -- during the festivals, it's great. But then now, it's quiet. And it's kind of slow. I mean, it's seasonal. Right. We all know it's seasonal.

So I thought maybe that might be an interesting thing to do. And then, as far as southern waterfront -- it's great. I mean, we got a lot of great parks. But there's no place to eat nearby. So again, I'm pushing the food truck -- like a food truck, you know, parking lot or something maybe with kind of a restroom that you can lock up without getting vandalism.

But -- and then, you know, there's a stage. And people can enjoy some outdoor music. I mean, that's why The Ramp does well because The Ramp has their salsa music on the weekends, and they're busy. So we could move that further down since all this new park is going there. But again, there's no place to eat unless there's some way that some new businesses can get closer.

So I think that's the future or that's the goal of -- for me, I'd like to see in 2025. And I think good job. We're on the move. I'd like to get the bar up in the northern waterfront though. But I think that J9 project is going to help a lot. So -- that's it. Thank you.

Meghan Wallace: Thank you.

President Brandon: Thank you. Commissioner Engblom?

Commissioner Engblom: Hi. Thanks for the report. I have a couple questions. I noticed in the -- you spent a lot of time talking about Fisherman's Wharf, which is definitely the biggest [dip]. But I noticed in the Ferry Plaza at South Beach, it's also a dip.

I wonder if you could talk about that a little bit. Also, I mean, Fisherman's Wharf -- there's a lot of things in play. But I'm wondering, how does that compare with overall? Because I think about that as sort of a traditional anchor of San Francisco's tourism and economy at large.

And I'm wondering how that's tracking against the city at large because I think, given that the Ferry Plaza and Fisherman's Wharf feel like the most traditional kind of tourism locations. So I wonder how those are tracking against citywide if you have a comment on that.

Meghan Wallace: So in terms of tracking against citywide, we are looking at the convention trends. I apologize. I don't actually have the analysis around it. I received the data but didn't get to really do a deep-dive comparison to see if the decline in those conventions also has contributed to the ongoing dip in visitor trends.

So I think it's a great question. Unfortunately -- and I'll aim to have that analysis for the next update. For the Ferry Plaza, my recollection of looking at the impacts -- because I had noticed that also that there were other tenants who just, I think, weren't able to be maintained through the pandemic.

I'm wondering if there -- I'm looking for real estate. Any real estate friends have a quick answer they might contribute? Thank you.

Kimberley Beal: Good afternoon, commissioners. Kim Beal, assistant deputy director for real estate. If we're looking at going back as far as to the beginning of the pandemic, you know, one of the tenants that we had in place that we might have forgotten about because the building had been vacant was Ferry Plaza East.

So that was one of the tenants in that area who we entered into a mutual termination agreement. That was an agreement that ended. We also had Pacific Waterfront Partners who was a tenant in the Ag Building who also had space in a couple of our sheds who also went out.

So those are a few of the tenants that come to mind in thinking about why we might have that revenue dip. But I would definitely need to do a little more research to come up with a clear, concrete answer.

Commissioner Engblom: Thanks.

Kimberley Beal: Mm-hmm.

Commissioner Engblom: That's it. Thanks.

President Brandon: Thank you. Vice President Gilman?

Vice President Gilman: Okay. Commissioner Adams? I can go. I'm fine to go. Meghan, thank you for this report. I just had one observation and one suggestion. First of all, I just really want to thank you and Amy, who I see sitting back there. The gateway has been a game changer.

So as someone who lives a stone's throw from that area, I know you guys put a lot of thoughtfulness into it. I also really want to thank -- it keeps blowing my mind how -- and I think it's important for the public -- that we don't go out to bid to build these pergolas and these things, that it's actually our maintenance staff, our carpenters, our cementers, if I'm using the right terminology, who do all this work.

And I'm just so impressed every day how much our trades are actually doing from maintaining our waterfront to our installations, to making a pergola. So it's been a game changer for the gateway. And I just really wanted to thank your team and Amy and everyone else at the Port who's done it.

It has like been overnight a game changer particularly on illegal vending and the feel of that area. So I did want to just share that observation. And then, just on the wayfare signage because, even before you were hired, it's sort of been a little bit of my soapbox.

So I want to strongly, strongly, strongly suggest -- and I might even do like a slide presentation for anyone who wants to do it. But I was just in my hometown of Manhattan, which is one slice of New York City.

And from both South Street Seaport, which is their equivalent of the Embarcadero even though there's still a freeway cutting through it, to Hudson Yard, which is a newly developed seven-pier property, it is the best wayfare signage I have like ever seen in my life, like globally.

It's digitized. It has one side that I'm sure the anchor -- they pay for it through advertising and through some weird pay to charge your cellphone feature. But the other side is an interactive map. It has the metro tie in. So I also think we should talk to SFMTA.

And the people I talked to were telling me that they can change the digitized side -- so like, if things move around on the waterfront or new attractions come in, it can change. So if we're going to make this investment, I really would love us to look to technology instead of just a normal placard that we've always done.

And maybe we can look to friends we know or colleagues we know in Manhattan or in New York to see how they've done it. I mean, there was great wayfare signage all over the city in general. But the way it was at Hudson Yard and at South Street Seaport was really spectacular.

And so I really -- I'd rather have -- I would love to see it done in 2025. But I'd rather have us do it really spectacular and do it well and right and really invest in it from a technology perspective to make it really work. So I hope you could look there.

Boston was impressive as well. But New York kind of really was -- it was very, very impressive. Like I could look there to see walk five blocks to go catch the metro when the train was coming. So I just wanted to give you that sort of maybe something to think about or look at before you put that out to bid.

Meghan Wallace: Wonderful. Thank you.

President Brandon: Thank you. Commissioner Adams?

Commissioner Adams: Meghan, great report. I'm just looking at the beginning of the report where you say a safe and equitable and vibrant waterfront is the key to the Port of San Francisco, San Francisco City and Port partners economic recovery. And that's what we're doing.

We're coming out of an economic recovery, coming out of COVID, just a couple years away from that. And also, you pointed out about the southern waterfront requires additional care. I don't know about you. But I think the work that's been done this year and where we were and where we're at now has been extraordinary.

This year, we almost lost our director. This has been a very tough year. And there's been a resilience at this port not only from the leadership when Mike Martin took over but our president of the commission, Kimberly Brandon, and the staff has just been extraordinary.

And now, we're talking about the things that have happened. And we're pushing forward. And the Port -- you know, we're in transition. We're in transition right now. And that's a good thing. Right. Before, we had a headwind. Now, we're being pushed by a tailwind.

And it's extraordinary to see this and the way you laid all this out. And I wouldn't have ever thought I would have seen an artwork of a black woman, a statue, on the San Francisco waterfront and the things that happened. My brother here, Steve, said these two new restaurants that are going to be opening -- we've made extraordinary gains.

This is nothing just to like put to the side and act like this is -- we've come a long way. I mean, we've taken leaps and bounds. And we've got some hardships ahead of us too, right, starting next year. We've got some tough times. But I can see this resilience. And I'm excited.

And I have a feeling -- and I know this to be a fact -- the people will start coming back to the waterfront. They will. It's a change. The city is in ch -- everything is just in change. Everything is always fluid in our lives. And it will be good. So thank you for this.

This is so important. This is just a part of the long-term view and vision of the Port that will reenergize the efforts here at the Port, the extraordinary reports you've heard today. It's an exciting time to be part of the Port of San Francisco and where it's happening.

The energy is positive. It's a vision. And if you don't feel that it's contagious, something's wrong with you because what's happening here is very, very contagious. It's moving but also very, very small steps moving here, moving there like a chess board, making all the right moves and getting back.

And also, this is what the citizens in San Francisco want. They want to come back because this is something that it doesn't care your income or your nationality. The Port is for everybody. And they can come down there. And they should be able to come back down here and enjoy this.

And I think we're going to come out of it bigger and better. So this is awesome what you put together, Meghan. This is good. This is the lifeblood. This is the tentacles of the Port, the recovery that we're doing. And we're in recovery. So thank you.

President Brandon: Thank you.

Meghan Wallace: Thank you.

President Brandon: I don't think I could have said it any better. [laughter] I think that my fellow commissioners have covered all the bases. But this is wonderful. And it's just great to see the investment that we're putting throughout the waterfront to bring people back to the waterfront.

And I think that you and the staff are doing an amazing job just by -- shown in this presentation and what's to come. So I just want to thank everyone for all your efforts. Thank you.

Meghan Wallace: Thank you, President Brandon.

President Brandon: Next item, please.

15. NEW BUSINESS

Director Forbes: I recorded two items: one, an update on the Wharf J9 project and off-the-boat fish sales; and also an understanding of what the merger between Cal Maritime and Cal San Luis Obispo might mean for our capability for mentorships and pipeline production. And I did have one correction. The Embarcadero Plaza is our property. Is that -- Michelle is trying to correct me. [laughter]

Michelle Sexton: Sorry. It's a note. You do own a portion of the property along the Embarcadero. So there will be some kind of agreement you'll have to enter into with Rec Park, with, you know, another agency or --

President Brandon: We own the sidewalk.

Vice President Gilman: We own the sidewalk.

Director Forbes: Yeah. So we own [laughter] a portion of the property.

Commissioner Lee: The skateboarders.

Director Forbes: Is there any other new business?

Commissioner Lee: Don't forget to schedule me with the fishermen in January or after Chinese New Year. [How's that]? [laughs]

Vice President Gilman: I would like to attend that as well, if possible. I think two of us can go on that.

President Brandon: Is there any other new business? If not, can I have a motion to adjourn?

16. ADJOURNMENT

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

The meeting was adjourned at 4:54 p.m.