



# **SAN FRANCISCO PORT COMMISSION**

**DECEMBER 10, 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 DECEMBER 10, 2024**

#### **1. CALL TO ORDER / ROLL CALL**

Port Commission President Kimberly Brandon called the meeting to order at 3:15 p.m. The following Commissioners were present: Kimberly Brandon, Gail Gilman, Willie Adams, and Stephen Engblom. Commissioner Steven Lee arrived at 3:26 p.m.

#### **2. APPROVAL OF MINUTES – NOVEMBER 25, 2024**

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

#### **3. RAMAYTUSH OHLONE LAND ACKNOWLEDGEMENT**

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

#### **4. PLEDGE OF ALLEGIANCE**

#### **5. 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.

#### **6. 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.

## **7. EXECUTIVE**

### **A. Executive Director's Report**

- **2024 Impact Report**
- **Commendation for Port Retiree – Phil Williamson**

Director Forbes: Good afternoon, President Brandon, Vice President Gillman, members of the Commission, Port staff, and members of the public. I am Elaine Forbes, the executive director. Today I'm very happy to showcase the Port's impact in our end of the year report for 2024. While you've experienced our efforts as they've come before you month by month by month, this report gives you an opportunity to reflect on the magnitude of the work. As I talk through the report you will note that these efforts align with and propel this Port Commission's vision for a vibrant, resilient, and equitable waterfront, showcasing the Port as a model for innovation and a model public agency.

Commissioners, you have in front of you a more detailed report. For the public, you can find it online at SFPort.com. So let's get started. By the numbers. While we have a small and nimble team of 280 people that manage seven and a half miles of diverse waterfront, you can see our impacts here. We are an economic engine for San Francisco. It was a big year for cruise calls. Ninety-one calls that welcomed 365,000 people to our city. We welcomed 1.4 million visitors to Alcatraz and 10 million to 12 million to Pier 39. With 400-plus tenants and 33 new leases executed, we keep growing our tenancies. We generated \$143 million in Port revenue and received \$105 million in grant funding. I'm so impressed with the level of public investment that is coming into our waterfront from the federal and state governments. As you know, we have a \$2 billion capital backlog. This has been a key strategy for several years.

To economic recovery. Four years ago when we were struggling out of the pandemic, you all recommended to us the basics for our waterfront: safe, clean, and vibrant. Our adaptability during those times truly revitalized this waterfront. To safe, clean, and vibrant. This is now foundational in everything we do. We must be so appreciative of the safety and maintenance teams. They are the backbone of this organization, and they go above and beyond to make sure this Port shines. Our real estate and economic recovery staff have also made sure that the Port is very active. This strategy ensures people return again and again. Cruise continues to be our shining star in recovery. As I mentioned, 365,000 passengers with the second highest year in passengers on record. Importantly,

we hosted our first cruise call at Pier 80 in April, bringing more visitors and residents to the southern waterfront and surrounding area. We hope to do more in that regard in the future.

For economic activations, our efforts brought back the public to the waterfront. We and our tenants hosted over 100 high-profile activations such as Fleet Week, the Party at the Piers, and Portola Festival at Pier 80. These events showcased our clean, safe, and vibrant waterfront but also our ability to connect the city and its residents with very culturally relevant experiences unique to San Francisco. Stabilizing tenants and lease compliance, a major effort of our real estate team and this Commission. Proactive programs like tenant rent forgiveness and public safety initiatives, they really did stabilize our tenants and restore vibrancy to the waterfront as well, which is allowing us to attract more tenants. Leasing. As you know, you worked with us to fine-tune our leasing and how we solicit our partners and what kind of leasing incentives we provide, including investing in tenant improvements through economic recovery. When the pandemic ended, we had eight restaurants that remained in operation. I won't read them all, but eight of them remained in operation. Many were closed.

We're now negotiating leases for [Lou's Blues] and Pompeii spaces for a barbeque and Italian restaurant respectively. For Ferry Plaza East, Cushman & Wakefield is marketing the building and Pier 35 1/2 as well. We have lease negotiations underway with [PBK Colletos] for Pier 33 1/2 and a prospective developer tenant for the Ferry Building East. These are major efforts. We hope to bring you leases that you can approve and see these restaurants opened in the new year. I'm very proud of another effort, which was to relocate the tenants from Pier 54. Sadly we had to close that pier, but we did a very good job finding equitable solutions to rent and to keep those tenants on Port property. For Pier 70, our developer executed nine lease agreements including a brewery, a bakery, a design studio, and others, which is open to the public now.

2024 was absolutely an outstanding year for parks. We opened two amazing park spaces, Bayfront Park and China Basin Park. These connect us already to Crane Cove Park and Heron's Head Park. It really shows our commitment to and a capability of delivery amazing waterfront parks and open space.

To transformative public-private partnerships. Your leadership has driven advancement of transformative projects in Mission Rock and Pier 70, creating opportunities that blend innovation and long-term benefits for this waterfront. Highlights include Mission Rock. As we know, securing Visa as an anchor tenant catalyzed the first building and opening of China Basin Park. This year we welcomed the exceptional building Verde, the second residential building in the development. Mission Rock now has 357 homes, including 30 percent affordable units and 165 units designed for residents earning 90 to 150 percent of the area median income, setting a benchmark for inclusive urban living.

Pier 70. Transforming this historic area with the new street grid and approval of all that public infrastructure and iconic restorations has seamlessly blended that area from an industrial past to the modern needs, creating a very wonderful place for the business district that will follow. These achievements exemplify our ability to forge impactful public-private partnerships that balance immediate goals and enduring public benefits.

Securing state and federal investment. This is a cornerstone of our strategy, and we had a landmark year. We achieved \$105 million from state and federal agencies to sustain operations and support our waterfront's future. We're still managing \$117 million of American Rescue Plan Act resources. Major grants this year: \$55 million for electrification of the ferry fleet, \$50 million for Federal Emergency Management Agency (FEMA) for resilience projects. I just want to note that when I joined the Port, we were at 10 percent of these amounts in terms of what we were getting from grant sources. This is just buoying us in ways that are beyond expectations.

To race equity. Under the excellence guidance of this Port Commission and the Race Equity Action Plan, we are fostering an inclusive place to work, creating meaningful pathways for our employees to advance, and we're setting -- I hope -- an example nationally for what it is like to have a cornerstone in foundational equity in how you run the organization. This is a journey, and it is to create this culturally inclusive and diverse waterfront. We are investing in significant celebrations, cultural heritage, and community connections.

For public art, a celebration of diversity and culture. We highlighted public art along the waterfront, showcasing the richness of our diverse communities. For example, the public display of art for [Ary Arcadie Lochakov], which carries deep cultural and historical significance, and Thomas J. Price's As Sound Turns to Noise sculpture, which explores the themes of identity and representation. We are engaging community through place activations. We're intentionally activating spaces to engage diverse communities and honor cultural heritage.

Our initiatives included the dedication of Toni Stone Crossing and Dr. Maya Angelou Lane, honoring trailblazing figures. A reception for the maiden voyage of the USN Harvey Milk celebrating a legacy of inclusion and service. Dedication of the Islais Creek interpretative signage installation connecting history and community. Cultural engagements connecting diverse audiences. We've hosted many different events including the fourth annual Juneteenth on the waterfront highlighting Black culture and history, pop-ups on the Plaza featuring diverse vendors and programmers, and our seventh annual Contract Open House, which just gets better year after year. Commissioners, your steadfast commitment to equity has transformed this organization. We will continue on this journey. I will say on the next slide I'd like to talk about staff because we are empowering staff to bring this vision of an equitable workplace to life.

At the heart of the Port's mission lies mentorship and career development, key drivers of equity and opportunity. While leadership has laid a strong foundation, it's up to our 280 dedicated staff members to carry this vision forward to actualization. We have created more opportunities for youth and employees to connect to the waterfront, understand Port operations, and explore career paths. Notable programs include Sail GP at Pier 80, South Beach Yacht Club youth sailing, job fairs, career development initiatives, and rising tides and internship programs. Trade career fairs, hiring promotion efforts, and workplace initiatives. I could go on and on and on about what we are implementing [from the] [unintelligible] to make change. I am feeling the impact of the efforts.

Beyond professional opportunities, the Port is creating spaces for staff to connect, collaborate, and thrive. Key initiatives include the work the equity champions do for things like Port Chat or our Keeping It Real movie series and also internal engagements, whether it be our barbeque, our potlucks, or our programming. It's really an opportunity to say we appreciate one another and to develop those relationships that help us do our work in the most effective way. Commissioners, your dedication to this effort has really exemplified the power of collective action here at the Port. It is through this commitment that we are building an equitable place to work and a wonderful place to work.

Now to sustainability and resilience. This past year marked significant progress in sustainability and resilience, again showcasing your leadership and innovation to protect our shoreline from climate change. I'll start with the southern waterfront and offshore wind. We continued to strengthen relationships and engage stakeholders on the future of offshore wind, component manufacturing, [and] the southern waterfront. This has immense potential for the City and this organization. This would bring new jobs and technologies to the southern waterfront and surrounding communities, positioning us as a leader once again in renewable energy development.

The flood study. At the start of the year we achieved a major milestone with the release of the flood study draft plan, which we developed in coordination with the U.S. Army Corps of Engineers. The plan proposes comprehensive flood defenses to address sea level rise along the Port's entire seven-and-a-half-mile jurisdiction. It's a first of its kind project for the Army Corps of Engineers. It integrates groundbreaking analysis of social and environmental benefits along with the traditional economic review and evaluation.

We have a lot of community engagement, hosting 14 events and over 50 briefings, reaching 1000 participants in person and more online just on the plan. In June, the leadership team endorsed the plan, paving the way for the flood study's completion and positioning to one day be implemented. Your leadership is advancing \$13.5 billion of leveraged investment to protect the shoreline for sea level rise. It is an enormous accomplishment, which I hope we're all very proud of.

I took out Wharf J9 and Ferry Building because I have Wharf J9 later in my slides. For the Ferry Building we are working with the Ferry Building to figure out how to [raise] the building and doing the work now because we know it will take a lot of time and planning. It is essential that we preserve this building into the future. Looking ahead.

As we look to the coming years, we are very well-positioned to build on the successes I am discussing and to continue to shape a resilient, vibrant, and equitable waterfront. We will be maintaining our clean and safe strategies. This is an ongoing effort, ongoing staffing effort. We will not stop with that steadfast goal of keeping our waterfront safe, clean, and vibrant. We will be aligning with the new mayor's vision. We look forward. We are so lucky to have a very strong strategic plan. We are governed by our strategic plan. So we are very prepared to sit down with the mayor and his administration to discuss how those strategies align and where we might make pivots or augmentations. I will be here to discuss any of that.

We are going to do more strategic planning for our Port facilities. We have been in a long haul effort to understand our facilities and how to target our limited dollars for maximum investment. Now that we are getting state and federal investments and building a resilience program and have public-private partnerships on the line, we need to have a plan for our facilities going forward, near term, mid term, and long term. We also need systems that can run things like profit and loss statements by facility and a capital plan that matches what we plan to do. So we're going to be doing work in that regard because that will give you and staff more of a roadmap as we move forward.

We will be making unprecedented investments in the capital projects in 2025 and 2026. So our staff is working very hard on project delivery because all of these investments mean new projects that need to be planned, designed, and constructed. The team is working really, really hard in a collaborative fashion and an ongoing fashion to ensure that we meet success and our state and federal investors see that we're able to accomplish great work for the waterfront.

Southern waterfront development. We are going to continue to investigate in open spaces, maritime access, cargo activity, and infrastructure renovation that will drive the growth and innovation of the southern waterfront. We'll be tracking it. The Economic Recovery Program is so helpful because it lays out all the initiatives we budget and track to see where we are on each and how we're doing. This is different from in prior years where we have lots of plans and activities. This puts everything in one place so the Commission and staff can see how we're doing. We will be continuing to revitalize Fisherman's Wharf Waterfront. I hope you've gone and see the Fisherman's Wharf promenade and all the work staff has done in planning, purchasing, building, permitting the various improvements for the public to gather and to activate the space. It's really very impressive.



Finally, you will need to have more strategies for me and the team on how to right-size our financials. We are just too structurally imbalanced. It shows up in our huge capital backlog. It also shows up in our inability to hire more staff in critical areas. I've gone to the divisions in this last month to talk to all the various divisions about how we're doing. There is a consistent theme, and I know it to be very true -- is that we're thin. We operate thin, and we have a lot of areas where there's been a tremendous amount of growth because we're growing. We're taking on economic recovery initiatives. We're trying to rebuild the waterfront for seven and a half miles. We're just growing. But our staffing is fairly stagnant. This is a result of our financial capacity.

If the Port continues to do as well as it is, we do need to grow staffing just to operate. We need to figure out how to have an ongoing, durable capital budget so you don't have Pier 54 three years from now, another pier closed down. So the financial challenges we have are, I think, our biggest challenge. Just ongoing our biggest challenge.

As I close the report, I really want to acknowledge the leadership of this Commission and the dedication you have. I want to acknowledge the 280 staff. They are equally dedicated -- and how together we've driven a lot of progress in this organization. In resilience and innovation we are truly a global model. We started from just knowing we had a problem in 2017. This is a tremendous trajectory. In equity and inclusion, I am incredibly impressed from going with the idea of creating an anti-racist organization to having all of these actions that staff is implementing across the organization, checking back in, and a commitment across the organization to an anti-racist culture.

You really do inspire us to be excellent. You also inspire us to form great public-private partnerships, great partnerships with our city agencies, other ports, et cetera. You pushed us to get out there and form relationships that will be of value to our organization. They have been a great value. So together we're shaping a legacy. This organization is growing, and it is growing in very wonderful ways. However, we do not have the economics and sometimes the structure to support all the growth that we're moving into. So that will be something we need to focus on.

But I do believe that regardless I think we're going to continue to overperform as an organization under this Port Commission's leadership. You have a very dynamic organization. We're trying to empower staff to do everyone's best work. You've got a lot of dedicated professionals, and we've got a great palette with the Board of San Francisco to our very best work. So I would like to thank you for the privilege of presenting this report on behalf of staff, and I'd also like to thank you for the privilege of being the Port Director. So I look forward to what is ahead.

Before I close I have four other items I would like to cover. One, you will notice on the agenda we have on Consent an item for Port staff to travel to Paris



to bring back the lost and found art of [Ary Arcadie Lochakov], a Russian Jewish artist who died in 1941. I know you know this work very well, and we had a great showing here at the Ferry Building. I had wanted Port staff to complete the mission and bring the work of art to the music, the MAHJ, the Museum of Art and History of Judaism. I thought it would be a great end to a wonderful experience and just a surprising experience actually to find all of this lost art in the park.

However, the Mayor's Office put on a travel ban last week. It includes all staff and all commissioners. The goal is obviously to save money. The City is facing very serious financial challenges. So given that, I recommend that we pull that item, 8-D, from the Consent calendar so we can further discuss and decide what to do. Or if revitalized, your sole source that you approved and then the term sheet has gone to the Board of Supervisors. There's a lot of question of committee members, and they approved three to nothing. The room was full. There were proponents and opponents. Very complex conversation. The Board committee said, "Why would we stop at this point when we have investment in our hand? Let's keep going." The Board of Supervisors just passed it unanimously. So congratulations.

I wanted to mention the Wharf J9 project. We talked about it a little bit at Port Commission last week. Especially Commissioner Lee, I wanted to let you know how the project is going. It is the fabrication and installation of a new concrete float gangway and access platform, and it will create an ADA accessible guest stock adjacent to the red-tagged fixed berths of Wharf J9. This is nearly complete. The dock is expected to be operational by December 31st. This is part of the Waterfront Resilience Program and marks the first phase of a plan to replace Wharf J9 sea wall and wharf structure with modern resilient systems that incorporate a floating berth.

The public benefit is it's going to greatly enhance the Port's retail fish crab sale program, providing access to the outer lagoon. This will be a safer place, a more reliable place for the commercial fishers, and it will be ADA accessible to the public. We're very proud that is happening. You can learn more, for the public who'd like to come and use the location and buy fresh fish and crab, go to [www.sfport.com/offboatsales](http://www.sfport.com/offboatsales).

That brings me to my last item, which is more bittersweet, and this it to announce the retirement of Phil Williamson. He's been here for 28 years with the Port of San Francisco and has left a very big indelible mark on the waterfront. He joined the real estate team in 1996 serving as a property manager in the southern waterfront and later a senior property manager in the northern waterfront. His portfolio included over 250 tenants, ranging from small local businesses to Pier 39.

After nearly a decade in real estate with all of those leases, Phil transitioned to the development division where he rose to senior project manager. In this role, he was instrumental in implementing very complex

projects: the Exploratorium, Pier 70 urban core, and Mission Rock. Phil's leadership on Mission Rock project for over a decade has ensured its continued growth and development, and why our neighborhood is transforming there is in large part due to Phil Williamson.

I got a call from a couple of the Giants' leadership this morning, upset that they could not be here today to talk about Phil Williamson. Jack Bair in particular just wanted me to share just how much they have appreciated Phil and how consistently professional, thoughtful, and helpful Phil has been. He wants us "to give Phil the love and recognition he deserves." Phil is also a founding member of the Port Runners. You can frequently see him jogging along the waterfront, which is a testament to his energy and enduring love for the Port. So with that, Phil, we thank you for your 28 years of dedicated service, for your kindness, your collaboration, your positivity. You've made a huge difference in the Port. We'll carry you with us. Congratulations. That concludes my report.

President Brandon: Thank you, Elaine. That was a great report. I would now like to open it up for public comment. I don't have any speaker cards, but I know there's public comment.

David Beaupre: Good afternoon, directors. David Beaupre, Deputy Director of Planning and Environment. I wanted to recognize Phil for his contribution to the Port and essentially dedicating about half his life, based on that calculation, to the Port, which is pretty incredible. I also wanted to thank his wife Mary Ellen and his kids, Kylie, Sarah, and Lauren who also contributed by letting Phil work so much and diligently. When I started at the Port, Phil was a property manager in the southern waterfront. We worked together closely on dealing with some difficult tenants at times, but Phil always worked to help resolve the situation.

I remember when Phil was transferred to the northern waterfront to become a senior property manager, he was celebrating that he was getting out from the south. But I think shortly thereafter the celebration stopped, recognizing the fun and ease he had in the southern waterfront. Phil then moved to the development team where we also worked closely together on projects such as the Exploratorium, the [Orden Historic Core], and Mission Rock. So thanks, Phil. Congratulations. He's always been a problem-solver, very calm demeanor, and just very easy to work with. So thank you, Phil.

Scott Landsittel: Good afternoon, Commissioners. Scott Landsittel, Real Estate. I'm here to say a few words about Phil. I want to start by reading something that our real estate colleague Wyatt Donnelly-Landolt, who's not here today, wanted me to share about Phil. Then I'll follow with a few comments of my own. "Phil was one of the first people I met when I started at the Port. He has been a fixture of my entire time here, and it's hard to imagine the Port without him. What I will miss the most about Phil is his kindness and warmth. Phil brought a smile every day to work regardless of how challenging or tense the environment was. Our team will greatly miss his energy but hope to be able to

continue it within the team in his absence. I wish him the best in his retirement and hope to see plenty of him in the future, both at the office visit and along the waterfront during his runs."

Then I'd like to share just personally it's been a short time I've overlapped with Phil here. But I will say in sharing Wyatt's sentiment that Phil is someone who just has this level of calm and coolness all the time and is always a pleasure to interact with and be around. I think ultimately I'll sum it up by just saying when you interact with Phil, you know you're interacting with a really good human being. In our world today that's not something we can take for granted necessarily, right? So I really appreciate Phil. As Wyatt shared as well, we'll really miss you being part of the team. There are big shoes to fill. So thank you.

Dan Hodapp: Good afternoon, Commissioners. Dan Hodapp. It's really easy to do this. Phil: always producing excellent, high-quality product in the highest moral and ethical way that you could imagine somebody working in. And he's fun to be around. I can't say any more. I think that just sums it up for me. Thank you, Phil.

Jennifer Gee: Good afternoon, Commissioners, Director Forbes. Jennifer Gee with the real estate team. When I first joined the property management team here at the Port, Phil was one of the folks who made my transition very, very seamless. He invested his time and knowledge to ensure I had everything that I needed to succeed. Week after week, sometimes even more, he was there to share his institutional knowledge and walk me through a lot of the complex agreements that we have in China Basin with the Giants, Mission Rock, and the intricacies of the work. That's something that I have deeply and truly valued. Beyond that, Phil's just really cool. He's like a really cool person. His calm demeanor, like everyone says, is something that I really appreciate. Phil, you've been a guide and a wonderful colleague. It's been an absolute pleasure working alongside you. It's been a fun ride, and I couldn't let this moment pass without saying that I really appreciate you and thank you so much. Of course congratulations on your well-deserved retirement. We'll miss you. I'm very excited for the next chapter in your life. Congratulations.

Kim Beal: Good afternoon, Commissioners. Kim Beal, assistant deputy director for real estate. I just want to say I started getting a clue that Phil was thinking about retiring when we started seeing all these files appear from his desk to the property management team's desk. They were historical in nature, but it also showed how much Phil has contributed to the Port over the years and seeing the files from the Exploratorium -- when I started here at the Port, I was the property manager for the China Basin area. So Phil was my go-to for all things Giants.

He then was my go-to for all things Mission Rock and also was definitely my go-to for all things Historic Core and dealing with [Orden]. That also allowed me when we started transitioning that project to the property management team, seeing Phil in action in his -- as was described earlier -- calm demeanor in

dealing with the developer. Because of course sometimes things don't quite go as you plan and hope and within the timeframe. It was educational for me and something that I learned from. I just want to congratulate you, Phil, on your retirement. Thank you for your support. You will be missed. I wish you the best.

Julian Pancoast: Hi, Commissioners. I'm Julian Pancoast. I'm vice president of real estate development for the San Francisco Giants. As Elaine mentioned, Jack is traveling today. So he wasn't able to send you off, Phil. But I was glad to be here to be able to do that. Phil and I started working together almost eight years ago on Mission Rock project. It was just as we were trying to get over the final hurdle of entitlements. I think for the first six months of my work on the project I saw Phil as much as my own Giants colleagues. We were really in the trenches together, and we've been in the trenches ever since trying to work through a lot of, as Elaine mentioned, complicated aspects of the Mission Rock project.

Phil has always been a really steady partner, dedicated to the values of the project, dedicated to his team, always bringing empathy to every encounter that we've had and he's had with everyone on the team. We're all really grateful for you, Phil. So thank you. I know you've been really dedicated to this project, but you're also probably more dedicated to your family. I'm glad you'll get to spend more time with them. So thank you.

Diane Oshima: Hi, Phil. Diane Oshima. I'm maybe one of the longer term people who can think back to when Phil started at the Port. I think with everything that people have described of him, he's been a bridge from kind of the before era of Port, the Embarcadero was going in -- but he was really kind of the go-to person in the leasing. That was primarily what the Port was doing, just leasing its properties. It was before we were starting to think about what we wanted this waterfront to be.

Phil has been essential in planting that foundation and growing it, sticking with it over 28 years to get it to this point so that we understand what that transformation can look like. When Phil and I were first working together, people were playing basketball in Pier 1. It was a parking garage, and people were playing basketball there. That's before the Port's offices moved. That's just to show you what kind of change has happened under Phil's watch and through the various projects -- Pier 70 and Mission Rock and Exploratorium. We're just indebted to him for life.

So hopefully -- I think because of his running we'll still be able to see him on the waterfront, which is a happy thing for the Port people. I'm very happy for Phil and his family to be able to really celebrate this time together. Thank you so much.

Paul Chasan: Hi. I'm relatively new at the Port. I've only been here for a few years. I'm a PM in the Engineering Division. Mission Rock has dominated my life since I've arrived at the Port. I just couldn't have done it without Phil's leadership and wisdom. He has a font of institutional knowledge and has been really welcoming and generous with that knowledge and really helped me find my sea legs here at the Port. I just will really miss you and the project will really miss you. I wish you all the best. Thank you.

Grace Park: Good afternoon, Commissioners. I don't usually come speak at the podium. I'm usually in the background. But when I realized that Phil was being honored, I couldn't sit in my office. I actually rushed over. So I'm a little out of breath. But Phil has been such an institution at the Port. I've worked with him for 18 years. It's hard to imagine a time without Phil for a significant period of time he's been my working spouse. I know that I was his working spouse. Sadly we have kind of separated recently. We haven't had a chance to work together as closely as we have over the years.

But what's so unique about him -- and I know people have mentioned it already -- but he has such a good heart. He sees the good in everybody. Sometimes you really need that because I certainly don't at times. He's been a beacon of goodness. He's such a great worker. It's so clear he loves the Port because I know he comes and visits the Port with his family on the weekends. So I know we'll see him back. I know he won't be a stranger. But it's been such an honor and pleasure to work with you over these almost two decades. So thank you.

President Brandon: Is there any other public comment? Seeing none, public comment is closed. Phil, did you want to say something?

Phil Williamson: Thank you, Commissioner. And thank you, Director Forbes and Commissioners. Thank you, Scott, for some advice you gave me just before I came up here to say brevity is king. So I will keep this very brief. I just want to say thank you to everyone for those very wonderful comments and for the last 28 years of working here. It's been a privilege for sure. What a journey. Over the past 28 years, the Port of San Francisco Waterfront has been enhanced through such transformative projects as we've been discussing tonight through Elaine's recent discussion on our accomplishments.

But some that I'm familiar with and have been involved with include the 1997 Waterfront Land Use Plan, Diane. What a landmark document that was for us. Installation of the Embarcadero roadway when this used to be a freeway out here. Some of you may remember that day. Rehabilitating Pier 1 into its current offices and the Ferry Building of course, which is just a marvel for the whole city if not the whole country. Construction of the new Giants ballpark, another huge, huge thing for the city and the Port obviously. Renovation of Piers 1 1/2, 3, and 5. What a great project that was, to be a part of. The creation of [Rincon] Park and

the restaurants down there. Not to mention the creation of two new neighborhoods at Pier 70 and at Mission Rock.

All these projects were done in a spirit of forward-thinking, collaboration, and with a dedicated Commission, smart, motivated Port staff and City staff in partnership with visionary development partners and tenants. I feel very fortunate and blessed to have served a role in the waterfront's lasting legacy these past 28 years and am now looking forward to witnessing its continuing evolution as a visitor and a lifelong cheerleader of the Port. Thank you.

Director Forbes: Phil, can you please come up? We have something to present for you, and we'd like to take a photograph.

President Brandon: So before we open the phone lines I would just like to give the Commissioners an opportunity to say something to Phil if you'd like. Commissioner Engblom, I know you haven't worked with him much.

Commissioner Engblom: I just want to say as somebody who lives here in San Francisco, thank you for creating a waterfront that we all love. It doesn't happen by magic. In hearing Director Forbes' report and the comments, you really embody what it takes to make our waterfront a place that we all can love and appreciate. Thank you.

President Brandon: Commissioner Adams?

Commissioner Adams: Phil, I've known you a long time. When I look out in the audience, I see some young people out there. They get to see what a real hero is, and that's you. The 13 years I've known you, you're a quiet champion. Intelligent, class act. The word "integrity" [and] "character" in the dictionary is written about people like you. Calm, confident. You love the Port. Your work is always very realistic. But I saw something else today. Some of your colleagues that retired came back. That's the highest calling of respect and integrity. Your work has preceded you. I only hope that those that will be leaving in the years to come can live up to the standard that you have set to the Port.

Everyone knows that your genuine love and your integrity in taking things to another level in a work of excellence is something we all should strive for. Thank you.

President Brandon: Commissioner Lee?

Commissioner Lee: Well, Phil, I've only been here a couple years, but I could tell you something. Back in the day when Snow Drift used to be at 16th and 3rd, when there was a cement plant at Mariposa and 3rd, when I used to party in the afternoons at Mission Rock when the neighbor down the street would complain, I heard, and of course Jelly -- still Jelly's a great place to hang out in -- the thing is Mission Bay has transformed so much. For me that experience and seeing it -- I



used to jump over the fence, parking at the Esprit outlet to go to the party across the street.

The thing that's amazing is how much -- there's a park, and there's so much transformation. I think that kind of inspired me when there was an opportunity to be on this Commission, because I want to be able to continue what you had envisioned. Obviously you saw the wasteland to become now a flourishing business opportunity. I want to make sure that these people can come in and enjoy it from all over the world at the same time that the locals can enjoy it and also maybe have a business there. So I'm glad I'm here. I'm glad to you. I kind of miss those days, but I'm too old now. But at the same time thank you so much.

President Brandon: Thank you. Vice President Gilman.

Vice President Gilman: I just want to echo the other remarks that my fellow Commissioners, Phil, in to say it's obvious that you found your tribe. Thank you for all the work that you've done to better the waterfront but also to better the whole City and County of San Francisco for all of us and for all of our citizens. So thank you for your commitment. I wish you nothing but joy, happiness, and more running on the waterfront in your retirement. So thank you.

President Brandon: Thank you. Phil, I cannot believe you are retiring. You have touched every bit of the seven and a half miles of the waterfront that we have. You have put your mark all along the waterfront. I remember in the late '90s, early 2000s we were making way for the Mission Bay development. We had to move the tenants that Commissioner Lee spoke about. You were the property manager that had to deal with all of that movement and reorganization. Then to Pier 70, to Mission Rock, to the Ferry Building, to Pier 1 1/2, to the northern waterfront -- every bit of it. All seven and a half miles you have touched.

You have left a true legacy here at the Port. You've done so in such a wonderful manner, just to hear everyone speak about you. Your professionalism. Your kindness. Your compassion. We're really going to miss you. Thank you for all that you've done for the Port of San Francisco. Thank you.

President Brandon: Okay. We will now open it up for public comment. 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: There's so much to comprehend. I just want to say I've had the pleasure on the Commission since August. Every meeting it has impressed on me that we're really engaged in -- the way that you lead the Port for the City really strikes me as sort of like a three-dimensional chess. Just



hearing about 28 years of Phil's career. This is not something that happens overnight. These are long projects, but the way that you've described just since the pandemic how the real estate team has had to really go through a trauma and lead -- we're at an inflection point. To see how the team has led through that is really impressive.

Then you talk about proactively leading on the equity front. Then the work the resilience team is doing on the environmental front. It's that triple bottom line that the Port is really emblematic of. So I just want to say I think it sounds like it's been a really challenging past couple of years. It's not going to stop. It's going to be even more challenging. I think what I have real excitement about and just hearing how the team is leading through that, both strategically and tactically, is something I'm really proud of. Thank you for your leadership this past year.

President Brandon: Thank you. Commissioner Adams.

Commissioner Adams: The presentation, Director Forbes, was like a State of the Union address. The way you laid out this whole year. Where we've been. The trials, the ups and downs, and all the extraordinary things that have happened. One person I want to mention, too -- he doesn't say a lot. He's like Phil. He's a quiet champion -- is Deputy Director Mike Martin, who also leads. Leads very strong. Extraordinary talent. A very, very quiet soul that walks with a big stick. Mike, you need to be acknowledged because I feel you shy away from the limelight, but you're a giant in your own right. I know you've got Director Forbes' back and you shine, too, along with our great and extraordinary staff, five committed Commissioners with passion.

This has been a great year. I think we're all looking forward as we head into 2025. We're leaving this year being pushed by a tailwind and going into 2025 with greater expectations. We'll even accomplish more things. Thank you, Madame President.

President Brandon: Thank you. Commissioner Lee.

Commissioner Lee: Well, of course a great report. We've done a lot. I mean when I came here post-Covid, it's like the whole staff kind of didn't know where to go because instead of being landlords we have to become a little bit of opportunists and give everybody a chance to recover. It's just amazing how the new staff and all the people that came in from different departments -- as people were leaving, other great people were coming in. We've done so much in 2024, which is great, with all these new parks and everything else. It's just amazing how much work that you can get these people to do with the small amount of people that you have.

Moving forward, I think we're on the run. We're doing well. We just need more ground communication with the small business owners and the fishermen and really try to let them know that we are on their side. We're not here to just be

landlords but also try to work with them. I notice we're still working on a lot of back rent issues, which hurts our cash flow. I think that should be a big focus on what we need to do, either work it out with them or whatever. But we've got to get moving on that.

As far as the idea of treating the Port facility as its own entity, to me it's great because then you can monitor really where your weaknesses are or where you need more help -- or maybe you can move somebody over. Maybe you have too much help over there, and somebody else can help them on the other side. So I really like that idea, kind of running their own little small business. The J9 project, I'm very excited. I think everybody on the wharf is excited. We want to get as many boats in there to sell as possible because again the crab season what shortened, and we don't know when that's going to open.

So any opportunity we can give the fishermen a chance to make some money, we need to do that. That's pretty much my focus for 2025 with you, Elaine. Great job. Great job for the staff. Phil, I don't know you that well, but I wish you were [there] because I want to see more stuff opening. But whoever your protege is better do the job. Thank you.

President Brandon: Thank you. Vice President Gilman.

Vice President Gilman: Director Forbes, thanks for a great report as always. I've been on the Commission now for six years. I agree that while Covid got I think everyone down in the whole city, we are definitely on an upswing. I think it's a testament to your leadership and your senior team's leadership on a couple of marks I just want to really uplift. One, I think our momentum and movement from how we dealt with Little Embarcadero and having our staff build planters and [pergolas] to finding lost art and returning it and to our community to equity is modeling what every other department in the City and County of San Francisco should be modeling of how they work.

I think the longevity of the staff we've seen or at least over my tenure who are retiring, even though sometimes we do have our staff get picked up by other departments because of their brilliance, really shows your leadership. I think it's important for the public to understand what we're an enterprise department, that the revenue we generate when tourists come in on cruise calls, when folks come in to a game at Chase Center and spend time the park and local businesses, that revenue doesn't go back to the Port. We generate our revenue different ways because we're an enterprise department. I think none or an insignificant portion of any General Fund dollars go to the Port.

So we are doing this all as a small and mighty team. There are departments with much less footprints than us that have much more staff than us. Every day, every minute I'm a Commissioner and every year I'm still on, I'm boggled by the amount of work we do and our commitment to revitalization, to equity. I really want to commend all of the staff at the Port and particularly our

trades. I'm sure our carpenters did not think building a planter box or a pergola was what they were going to do. I'm sure they thought it was some other structure that I can't even conceive of. But they're doing it, and that has led to a gamechanger on Little Embarcadero around illegal vending, safety, and revitalization.

So I just really want to commend you and your leadership and everything you've done around -- I remember we formed the Equity Working Group for a while to guide the staff. It's been a gamechanger. You should be really proud going into 2025. So thank you for your leadership.

President Brandon: Thank you. Elaine, great report. The one thing that really stood out to me in this report is that you created opportunities for the staff to connect, collaborate, and thrive. It shows throughout this report. All that the staff has accomplished under your leadership collaboratively, we're thriving. This is a one year report that you heard today. To just imagine that a small staff of 280 people could accomplish all this in one year. It has laid the groundwork for the future. The fact that we've gotten \$105 million from state and federal agencies along with the City's support of our waterfront, you guys are just doing an amazing job. You're doing an amazing job. I just want to thank you and congratulate you for a phenomenal year because I don't think any other City department can say they did all this in one year. So thank you. Thank you very much. Next item please.

## **8. CONSENT**

- A. Request approval of market rent structure for a new 5-year lease for retail space at 360 Jefferson Street with Portco, Inc, dba Safe Harbor, under Lease No. L-17220 at initial base rent of \$3.00 psf/month plus 8.75% percentage rent. (Resolution 24-56)**
- B. Request authorization to award Construction Contract No. 2852R, Amador Street Infrastructure Improvements to JMB Construction, Inc. in the amount of \$10,236,543, and authorization for a contract contingency fund of 10% of the contract amount (or \$1,023,654), for a total authorization not to exceed \$11,260,197. (Resolution 24-57)**
- C. Request authorization to award Professional Service Contract 1000034740, Request for Proposals for Heron's Head Park Biological and Physical Monitoring to Environmental Science Associates, in the amount of \$679,232. (Resolution 24-58)**
- D. Request approval for members of the San Francisco Port Staff and Port Commission to travel to Paris in 2025 for the following goals: (1) to deliver abandoned property (historical artworks) to a cultural institution for preservation, study, and public display, (2) engage with**

**representatives at the Port of Le Havre, France, and (3) research activation/placemaking concepts in Paris, France. (Resolution 24-59)**

- E. Request approval of proposed retroactive no-fee License to Use Property No. 17153 with Kayaks Unlimited, a 501(c)4 nonprofit corporation, for approximately 3,467 square feet of paved land and 8,395 square feet of non-exclusive park open space at Islais Creek Landing for a term of ten (10) years, commencing July 1, 2020, with two (2) five-year options for operation of a public kayak club. (Resolution 24-60)**

ACTION: Vice President Gilman moved approval of items A, B, C, and E on the consent calendar. Item D was pulled from consent for discussion. Commissioner Engblom seconded the motion.

Public Comment on the Consent Calendar:

Tracy Zhu: Zhu. Got it. Thank you so much. Thank you so much for supporting the Kayaks Unlimited lease that was on the Consent item. My name is Tracy Zhu, and I'm the board president of Kayaks Unlimited. Again I'm here today to thank the Port Staff as well as the Port Commission for all your support for Kayaks Unlimited. I just wanted to share a little bit about our club. We are a cooperative [piloting] club with a mission to provide affordable access to kayaking for all and to serve as a steward for Islais Creek Park. KU has a membership-based structure and is completely volunteer-run. The club offers kayak storage space for members to store their boats at a very low rate, and our nominal membership fee has led to a diverse membership.

As a cooperatively run club, we organize trainings and trips for our members as well as community paddles for youth, residents, and community groups. For many participants, especially those from [Babyhannis] Point, our trips often are their first safe, guided experiences on the Bay. Some groups that we have hosted in the past few years include Common Routes summer youth program, Lyrics Queer youth program, Outdoor Afro, Sama Sama Cooperative Filipino-themed summer camp, San Francisco [Rec & Park screenagers], Shaping SF, and the Port's very own summer interns.

In addition, KU regularly cares for Islais Creek Park, removing trash and weeds and hosting annual work days including Earth Day and California Coastal Clean-up Days, which reduces the maintenance burden for Port gardeners and staff. My story perhaps is a perfect example of the impact of Kayaks Unlimited. As someone who grew up in Bayview, I didn't know how to swim nor had I ever visited the southern waterfront. When I was working at Heron's Head Park a dozen years ago, I was introduced to KU. Without any kayaking knowledge, KU welcomed me and taught me the basics of paddling, safety, working together as a group, and most importantly how to teach and welcome others to paddle on the water as well.

A dozen years later, I'm now the board president helping to sustain this cooperative community. Renewing our lease will accomplish the Port's and Kayaks Unlimited's shared goals: improve the safety of Islais Creek Park and our facility by updating the lease boundaries, reaffirm our role as stewards for Islais Creek Park, and promote safe, accessible maritime activity on the waterfront for a diversity of people. We thank you and the Port Staff for your support, and we look forward to working with you all in the future.

President Brandon: Thank you. Jay [Oshiro].

Tracy Zhu: And -- sorry -- three of my club members are here today, and they yield their time and won't need to make public comment. That'll be Jay, Mark, and Johan. Thank you.

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

All Commissioners were in favor.

Motion passed unanimously. Resolutions 24-56, 24-57, 24-58, and 24-60 were adopted.

**D. Request approval for members of the San Francisco Port Staff and Port Commission to travel to Paris in 2025 for the following goals: (1) to deliver abandoned property (historical artworks) to a cultural institution for preservation, study, and public display, (2) engage with representatives at the Port of Le Havre, France, and (3) research activation/placemaking concepts in Paris, France. (Resolution 24-59)**

Director Forbes: Commissioners, this item we put on Consent is really to take those 48 pieces of art that we -- Jermaine Joseph -- found in Crane Cove Park. Arianna Cunha researched and found who the artist was, and found a place for this artwork to be revived after someone tragically perished under Nazi occupation. It would be a great trip for Jermaine and Ari and Commissioner Gilman to return this work to Paris, France. There's also opportunities to see the river in Paris, which has been activated in wonderful ways for our own understanding and to talk with port officials in Le Havre to share business practices and initiatives.

However, last week the Mayor's Office put on a travel ban, and it expands to commissioners, to staff. It asks because of the City's financial challenges that we not travel unless it's absolutely required for safety or for operations. It can be for business development. I could seek a waiver in this instance. I could seek a waiver moving on this resolution and describe why we think it's important. Or we could table this item, and I will work with staff and with the museum to figure out how to get the art successfully transferred. So it's your call, please, Commissioners how to direct me on this one.

President Brandon: Okay. So, Michelle, if we're tabling this and we're not going to vote on it, is this just an informational item or do we need a motion?

Michelle Sexton: You would need a motion to bring it back to the Commission at the call of the Chair. So you could put this on a future agenda. You don't have to determine today when that would be.

President Brandon: I don't think we want it on the agenda.

Michelle Sexton: Okay. Then it would be something that you could take a vote not to adopt this resolution.

President Brandon: Okay.

Commissioner Lee: Can it be modified? Or do we have to vote yes or no on this?

Michelle Sexton: It's a Consent item. So you removed it from the Consent.

Commissioner Lee: Right.

Michelle Sexton: So it becomes a regular item. So you could modify. You could make changes to it.

President Brandon: So I just right now need a motion to approve the item so we can have a discussion. And then we can -- okay. Can I have a motion to approve the item.

Vice President Gilman: I so move that we approve the item for discussion.

Commissioner Engblom: Second.

President Brandon: Thank you. Now I have to open it up for public comment. Is there any public comment in the room? Seeing none, do we have anyone on the phone?

No Public Comment on Item 8D.

President Brandon: Thank you. Public comment is closed. Commissioner Lee.

Commissioner Lee: So my question is -- not that I don't want everybody to go, but does everybody have to go? If a representative of the Port with the art goes --

Director Forbes: Yes.

Commissioner Lee: -- due to the circumstances, is that okay? I don't want to cut people's vacation or whatever they're doing. But I'm just saying if we're under this kind of scrutiny -- in my opinion I hate to approve the whole thing as is. But

maybe limit the number of people that go. That's kind of my part of the conversation.

Director Forbes: If I can comment on that. We wanted Jermaine Joseph and Arianna Cunha to go because they were both very integral.

Commissioner Lee: Sure.

Director Forbes: However, I think limiting the number is a great idea if we're seeking a waiver. Importantly, the museum has offered to pay the fare and lodging for one person. So we may want to pursue that. The travel ban says we can travel with other funds. We can't travel with --

Commissioner Lee: City --

Director Forbes: General Fund or enterprise funds.

Commissioner Lee: That's right.

Director Forbes: But if there are other funds outside, we're eligible.

Commissioner Lee: I would assume that'd be okay. We're just talking about City funds right now.

Director Forbes: Yes. So what you're suggesting would move this from a City -- from a Port-sponsored trip with three representatives to one possibly with the museum paying the fare.

Commissioner Lee: Yeah. I mean that would be the clear part to not really get us in this kind of situation. But if you got one, then that means the other ones have to pay on their own? I would assume or . . .

Director Forbes: Anyone who would want to go would be paying on their own, at their own expense. It really would be not making it a Port-sponsored trip for the others.

Commissioner Lee: So it's either one or the other? It can't be like we sponsor one and then they sponsor one?

Director Forbes: We could. We could try that.

President Brandon: We could ask for a waiver for one.

Director Forbes: We could ask for a waiver for one. We can submit a waiver for however you direct me. We could submit a waiver for one.

President Brandon: Okay.



Commissioner Lee: Yeah, I think that's okay. I mean it's fair for me.

President Brandon: Thank you. Commissioner Engblom.

Commissioner Engblom: I would just say that I appreciate the thoughtfulness of us developing a position on this because I think at a time when this story really deserves to be heard. I think the equity that you spoke of in your report, taking a leadership position on this at a time when narratives are trying to be quieted by other forces, I think the Port can stand as a proud leader in making sure that this story is told. We can't be quiet about this story. If anything, I think the more exposure this story gets, the prouder the Port can be, the prouder San Francisco can be. I think that's important that we try and find a way to tell the story.

President Brandon: Thank you. Commissioner Adams.

Commissioner Adams: I'm in favor of a waiver for one. If they can pay for the other, I agree with my fellow Commissioners. This is a very, very important part of history to talk about. I remember when a young man, he showed it to us. We had a reception out there -- and the pride that he took. It goes back so far in history. This is something that's good. So I'm totally in favor. The only thing they can do is say no.

Director Forbes: That's true.

Commissioner Adams: That's the way I look at it. Anybody else wants to go, they can do a GoFundMe.

President Brandon: Thank you. Vice President Gilman.

Vice President Gilman: I'm absolutely supportive of us uplifting and telling this story. I'm absolutely supportive of having Jermaine and Arianna, the staff who put in countless time, personal time of their own time -- if anyone is going to go accompany this art, those two individuals should be the people who do it. Guidance I guess I want to offer is that we cover the expenses of one as much as possible within that parameters of the museum. So if that means they cannot see the Port Le Havre or do other -- whatever the parameters of what they're willing to do. I think that's important.

I'm comfortable with voting to seek the waiver, but I do just want to note, I think the reason the travel ban was issued, even though we are an enterprise department, I feel also, too, it's a little inappropriate that it applies to enterprise departments. I'm saying that as my own personal feeling versus a General Fund department -- is that it has been widely in the press that the City and County of San Francisco is facing a budget deficit, the kinds it has not seen since the early 2000s. While the story is hugely important, I want us to be sensitive to the optics also of staff traveling to Europe to return art. So I hope, too, that while we seek

this waiver we could also maybe look to see if there are other private funds that could support the other staff member also going to return the art.

So whether there are enthusiasts out there or other members of communities that feel it's very important to tell this story and return this art of someone who lost his life in a Jewish ghetto during World War II, I think we should be open to seeing if we can garner as many resources as possible that are not General Fund or enterprise dollars to ensure that we can send these two individuals to return the art.

President Brandon: Thank you. Thank you. So I do think this is a very important story. I think if it weren't for these two, it wouldn't be shared at the level that it is today. I think it's absolutely wonderful that they have the opportunity to go to France, see the museum, see where the pieces are going to be, do an exchange. I support the museum so kindly and generously paying for one and we ask for a waiver for the other. If by chance we don't get the waiver, please let us know. And then maybe there is something we can do to help because I do think both staff members should be able to go.

Director Forbes: Thank you so much for your guidance.

President Brandon: So what is our motion?

Michelle Sexton: So we can bring this back later with revisions to reflect --

President Brandon: Great.

Director Forbes: I think that's best, we bring it back with revisions based on how the waiver process goes.

President Brandon: Okay. Sounds good.

Director Forbes: Okay. Thank you.

President Brandon: So can I have a motion -- we have a motion. We need to amend it, right?

ACTION: Vice President Gilman made a motion to table this agenda item to a future meeting. Commissioner Engblom seconded the motion.

All Commissioners were in favor.

## **9. PLANNING & ENVIRONMENT**

### **A. Informational presentation and update on interagency work with the San Francisco Planning Department on amendments to the San Francisco General Plan and Planning Code, and the San Francisco Bay**

**Conservation and Development Commission (BCDC) on amendments to the Waterfront Special Area Plan, to align these documents with the Port's Waterfront Plan.**

Diane Oshima: Good afternoon, President Brandon and members of the Commission. I'm Diane Oshima, still working with the Port in a little capacity on some special projects including this one. Happy to be here. I am going to -- this is the presentation summary. Just giving you a -- especially for Commissioner Engblom, since you're new -- just highlights of the Waterfront Plan. Then the work that we are doing to align the policies from the Port, BCDC, and the City and that work that's underway that's been completed for the City amendments. I'll describe those. Then the work at hand really has focused on our work with BCDC on the special area plan amendments. So I'll walk you through that and the next steps. This is an informational presentation just to make sure that you're aware and that we can take public comments and questions at this time.

So the Waterfront Plan. The Port Commission adopted it last year in 2023 following a very lengthy public process, and the Waterfront Plan was produced by this Waterfront Plan Working Group that worked for three years and really created a comprehensive goal and policy structure for the Port that covers these nine topical areas. There are goals that initially the Plan first adopted in 1997 was really focused on what kinds of land uses could be along the waterfront, and the Waterfront Plan Working Group ballooned that up to be a true comprehensive master plan that covers all of these topics including resiliency.

The policies are Port-wide. Then the Plan identifies five different sub-areas listed here for which there are objectives that are targeted for each of those regions of the Port. We started back in 1997 with a very intentional commitment to making sure that we had alignment with the City and the Port because, as you well know, to be able to actually implement any physical improvements on the waterfront is a complicated entitlement process. So having the key agencies all aligned in their commitments on principles and objectives for the San Francisco Waterfront is very fundamental to getting the approvals to be able to actualize projects and improvements along the waterfront.

There was a briefing back in 2023 that went into detail as to what the proposed amendments to the City's documents are, which are the San Francisco General Plan, the San Francisco Planning Code, and the San Francisco City Zoning Map, which were approved in 2023. I'll hit those in just a summary fashion in a moment. Again, our focus right now is the work at hand for BCDC San Francisco Waterfront Special Area Plan with particular focus on the Fisherman's Wharf area and the Exploratorium development.

With respect to the City policy amendments, the San Francisco General Plan has many different chapters to it. The key elements of the General Plan, the Northeastern Waterfront Plan, the Central Waterfront, and the Recreation and Open Space Elements were the sections that received amendments to align with

updated information about what's changed along the waterfront and the policies that came up from our Waterfront Plan update. It's really important for not only the Port but for the City because the waterfront has become part of the larger City fabric. So the policy integration has been helpful for the City Planning Commission and Department as well as it is for the Port to have our key policies and objectives aligned and marching in the same direction.

We also amended the Planning Code and the Zoning Map. The primary focus of those amendments were to expand an existing waterfront design and review process which had only applied to new developments in the northern waterfront. We wanted that same process to be extended over the entire seven and a half miles so that there was a consistency and alignment about the bases under which new developments across Port property would be approved or reviewed. That committee is set up with City and Port design experts to ensure again that any developments are beneficial for the Port as well as the larger city overall.

Those amendments to the General Plan, the Planning Code, and Zoning Map were vetted and reviewed by the Planning Commission and the Board of Supervisors. Mayor Breed signed those into ordinance back in summer of 2023. So now we are focused on the BCDC work at hand. Just a little bit of background about BCDC. They're enabling state legislation -- it's called the McAteer-Petris Act. BCDC has its own master plan for the entire Bay called the San Francisco Bay Plan. Within the framework of the Bay Plan, they have the ability to have special area plans to focus in on localized areas around the Bay, which is the San Francisco Waterfront Special Area Plan that applies to the Port of San Francisco's property.

So the policies that we work with, with BCDC are trying to nest within that alignment with a particular focus as set by the McAteer-Petris Act to limiting and managing bay fill and to promote maximize feasible public [access]. Those are the driving principles for McAteer-Petris. Those are a key focus for the discussions that we have with BCDC. We have an MoU with BCDC to set the administrative framework for our approach to the Special Area Plan amendments. It is set forth for a two-phased approach where the first phase is what we're talking about today, to focus on current and near term policy changes that we need to align the Waterfront Plan with BCDC's Special Area Plan to facilitate near term improvements.

The second phase is really looking at a longer term that incorporates resilience policies that will be informed by all the resilience adaptation planning work that BCDC and the Port are doing now through the Waterfront Resilience Program here at the Port. BCDC has just reached a huge milestone event last week on their Shoreline Adaptation Plan. So there's a lot of content that's coming from those plans that we think have to be brought into the Special Area Plan eventually in a second phase.

One of the key policies that have been kind of problematic for the Port has been the 50 percent rule and how that applies to regulating bay fill along the waterfront. As I noted, McAteer-Petris is focused on minimizing fill. Our piers, the pile-supported piers are considered to be fill in the Bay. So the uses that we put the piers to are subject to BCDC's fill policies. Back in 1971, it was recognized even then that the types of activities that people would like to be able to do along piers was too limited by the basic McAteer-Petris Act which prioritizes water-oriented uses. There was a move in 1971 to broaden that regulation to allow for some commercial recreation/retail type of uses. Visitor retail, restaurants, hotels to be developed on piers as kind of an expansion of the allowable uses under what was known then as the replacement fill policy, which we now call the 50 percent rule.

The reason it's called the 50 percent rule is because embedded within this new policy to allow these commercial uses, the commercial recreation uses had to be limited to just 50 percent of a pier that was going to be built or seismically improved. The footprint of the commercial uses was limited to 50 percent, and the other 50 percent was to be provided as public access or open bay water. The overall size of the pier that was being redeveloped needed to be slightly smaller than the prior pier that it replaced. So it was intended to expand the opportunities for pier development. It was incorporated, this 50 percent rule, into the first San Francisco Waterfront Special Area Plan that was adopted in 1975 to allow San Francisco to do some limited recreational commercial development.

But what we found is that this 50 percent rule was not successful because its limitations did not enable developers to be able to finance pier repairs and seismic improvements to the piers. Despite many different efforts over the course of 25 to 30 years, Pier 39 development was really the only project that was ever approved under that rule. So it became apparent that it was going to be problematic for us. When the first Waterfront Plan in 1997 was approved, that plan also was born of a public process. The public wanted a wide diversity of activities on piers. So we knew that we needed to work with BCDC on amending the Special Area Plan with the 50 percent rule policy being a key focus. We needed to change that policy.

What was resulted is ultimately in 2000, BCDC and the Port Commission approved amendments to BCDC Special Area Plan that affected the Pier 35 to China Basin stretch of the waterfront. In BCDC's Special Area Plan, they call that northeastern waterfront. It was really regarded a grand bargain because what we did in the course of that work was to look at the entire northern waterfront, identify key priorities for where piers could be removed, where parks could be created to meet those bay fill and public access principles that BCDC promoted, and to have the Port fund and implement those as a down payment for them being able to look at revising a land use policy there that expanded the breadth of uses that could be allowed. It was pretty successful in terms of what we were talking about when we were honoring Phil. All of these big parks -- that was the start of doing the big parks that aligned the Embarcadero Promenade, the

[Brannan] Street Wharf, Cruise Terminal, Cruise Terminal Plaza, and removing certain piers -- and also to create the Embarcadero Historic District. So all of those were the public benefits that yielded from these amendments in 2000.

In exchange the Port was allowed to change that 50 percent rule to a new use policy that recognized the Port Commission's duties under the Burton Act by allowing uses that are consistent with the public trust doctrine and the Burton Act. So it aligned the Port, its use, and fiduciary responsibilities with BCDC's policies. Since 2000, under this policy framework we've been able to achieve many more projects as a result of that.

So as a result, we are seeking those same amendments for the Fisherman's Wharf area. We actually back in 1997 to 2000 -- we're trying to achieve the same changes in Fisherman's Wharf as was achieved for the northeastern waterfront from Pier 35 down to China Basin. But the public benefits of public access and fill removal, we did not reach consensus with BCDC as that time. We were not able to come to an agreement as to what that balance of benefits would be. So Fisherman's Wharf has had the 50 percent rule in place ever since. Aside from limiting the types of uses that could be developed on piers in the Fisherman's Wharf area, the 50 percent rule also really limited and constrained the ability of our existing Port restaurant tenants and businesses to make repairs and do seismic upgrades to their piers because there was a legal opinion that interpreted that even if our existing businesses wanted to make these pier repairs, that it would trigger the 50 percent rule for our existing restaurants and businesses, which was obviously a real constraint for us.

So we were extra motivated to get this policy changed. So our current proposal, having gone through the whole Waterfront Plan Update and having reaffirmed the public support of what our objectives are for Fisherman's Wharf, is to now work with BCDC to get the same use policy in Fisherman's Wharf as we now have for the northeastern waterfront so that we can allow any uses consistent with the public trust doctrine and the Burton Act in the Fisherman's Wharf area as well as it's currently applied in the northeastern waterfront. The ability for BCDC to consider this amendment is because of the investments that the Port has made to transform the public access in Fisherman's Wharf. We kind of did that as a down payment in advance to remove the Pier 43. It was a big parking lot that was out there. It was 77,000 square feet of fill that we removed, and we've said that's going to be to justify the removal of the 50 percent rule policy and to create that Pier 43 promenade, which is now the celebration of all the activation that you've been discussing in the progress report this year.

So those are the key objectives for the Fisherman's Wharf area in the Special Area Plan. The other focus of the Special Area Plan amendments affect the Exploratorium. It's a very targeted amendment. The Special Area Plan when it was approved in 2000 required the removal of the pier area, what was called the valley between Piers 15 and 17. When the Exploratorium proposal came in, in 2009, they wanted to retain some of that deck area. As a result they went to



the BCDC and got a Special Area Plan amendment in 2009 instead of removing the fill between Piers 15 and 17 to allow for the fill removal to be removed at another location along the waterfront. That was approved in 2009.

But since 2009, BCDC, the Port, and the Exploratorium have really developed and expanded their reach for resilience adaptation planning. Now there's a shared interest in having the Exploratorium produce a public education program on sea level rise resilience and adaptation. We are proposing that that public education program be produced by the Exploratorium in lieu of having to remove fill elsewhere along the waterfront. There have been some very positive discussions with BCDC on a presentation [for a] public education program proposal that the Exploratorium has produced which has these three program goals to really advance public understanding of sea level rise in the Bay Area and impacts and solutions to elevate public awareness of the regional collaborations and cooperation initiatives to address these shared vulnerabilities and to expand student engagement in that.

Clearly there's been a lot of legwork that's been done by BCDC and the Port in their respective resilience planning, but the Exploratorium by inviting families and children to the waterfront offers an extended opportunity to grow that education opportunity. BCDC has been very positively impressed with their proposed approach, which has multiple elements to it. So some of it is related to public space activations, which I think we're all pretty familiar with in how successful that can be on educating people about climate change and resilience adaptation. But the Exploratorium has existing relationships and has proposed in their program to expand K-12 teacher professional development so that we can start pushing it out through the school districts. This is an opportunity for the entire Bay region as well as San Francisco and the partnership that the Waterfront Resilience Program is also making with the San Francisco School District.

There are many public program ideas that are there that the Exploratorium also proposes to support as well as creating online resources and information so that we have more digital content to be able to be available 24/7. The details are still in discussion with BCDC, but strategically it's in good alignment. So we seek to get that change in the Special Area Plan to allow for this public education program instead of the fill removal requirement that's currently in the Special Area Plan.

In terms of next steps, we have taken this briefing to the Northern Advisory Committee and the Fisherman's Wharf Advisory Committee. It's been very helpful to get feedback. BCDC has introduced this proposed amendment to their commission for public review, consideration, and good commission feedback. It's at this point expected that in February/March we would be seeking the amendment actions from the BCDC Commission on the Special Area Plan. I do want to also acknowledge we have Cory Mann sitting here who's been our partner at BCDC on these Special Area Plan amendments along with Eric



[Beeman] who I believe is in the ether, able to address any questions you may have remotely as well as Emma [Goldbaum] from the Exploratorium who has been the leader of Exploratorium's public education program. So if you have any questions, they're happy to answer them. With that, I'm happy to answer questions, too. Thank you very much --

President Brandon: Thank you very much. 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 9A.

Commissioners' Discussion on Item 9A:

Commissioner Adams: Diane, it's good seeing you again. Very great report. Very thorough. I'm looking forward to you coming back. Thank you.

President Brandon: Commissioner Lee.

Commissioner Lee: I just have a question. So when the BCDC and this 50-50 rule, was that kind of part of the issue about a tenant rebuilding their piers in the past?

Diane Oshima: It has been, and it has definitely been an issue. So what essentially has happened is where repairs were being made to the piers, they were being done in small increments. If you do minor structural improvements, it's less likely to trigger this 50 percent rule. But if you did a wholesale seismic upgrade, then that would be a scale that would trigger this 50 percent rule. As you well know, our restaurant tenants occupy far more than 50 percent of the footprint of the piers that they lease. So there's always been this little dance to avoid triggering that 50 percent rule and still trying to do what repairs were needed and that they could do. I think that we've really run our course on being able to make that balance. So it's --

Commissioner Lee: When you go to this hearing then, are you going to basically -- I mean we're kind of running out of time. I mean nature and everything else -- if they continue holding tight on this rule, it would prevent us from -- I wouldn't even say redeveloping that area but just getting new tenants in.

Diane Oshima: Yes.

Commissioner Lee: You know what I'm saying?

Diane Oshima: BCDC and Port Staff have come a long way. We have been working together for the last 30 years. So they have been very helpful and collaborative about pointing us in a direction where we can get to the

amendments that we need because they do recognize those impediments that the 50 percent rule have created for our pier businesses. So --

Commissioner Lee: Do you feel confident they're going to be a little bit more open-minded, as they say, due to circumstances --

Diane Oshima: Very confident.

Commissioner Lee: [So that's no] issue.

Diane Oshima: No. Historically we've had some conflicts in the direction from our agencies, but I'm happy to report that really there's been such a problem-solving collaborative approach. I think the resilience work of both of the agencies has highlighted that this is not the thing to really be spending our attention on. It's really that the bigger frame.

Commissioner Lee: I know the intention of this whole 50-50 rule back 50 years ago, but now it's kind of changed somewhat. Things are eroding. To preserve -- the whole reason they put that there is to preserve. But if they hold tight on today's standards, that preservation is going to be down in the ocean.

Diane Oshima: That's right.

Commissioner Lee: I hope that they are a little bit aware of that and maybe the new generation of people on that board will realize that because we don't want to take away the history. We want to preserve that history. But just like a restaurant, you don't see what we have in the kitchen and what we have to do. But in the front it looks beautiful, and the food looks great. But in the back we have a blown-up dishwasher or things like that. It's the same basic idea. I just hope that the commissioners on BCDC are more open to what's happening right now. So that's my comment.

Diane Oshima: Yes, thank you. They are.

Commissioner Lee: Okay.

President Brandon: Thank you. Commissioner Engblom?

Commissioner Engblom: Thank you, Diane. That was great context. I really appreciate that. The benefit of understanding how this dialogue has been evolving in our region over the past that you've talked about, I'm really pleased to hear about the collaboration with BCDC. I wonder if just like now's not the time to rest on that collaboration. Like what's the next frontier in thinking creatively about this? I think if you just think about the bounds of what the Port of San Francisco [land] portfolio is like, I just think about the special role that our portfolio plays within the region. I wonder if that has been part of the dialogue. If so, we probably don't have time to talk about it today. But I would just say that my mind

goes to it's not just about sending and receiving within the Port of San Francisco portfolio, but it's about sending and receiving within the greater region.

Because even in my short time on the Commission I've been hearing about some pier assets that are challenging for us to think about, like the dry [dock], for instance. My mind goes to how do we either make sure that the true value of that in terms of bay coverage is truly represented in what our potential is in terms of becoming a sending area for those kinds of assets. That's one thing within our own portfolio, but if you think about other areas that are less developed and really have a lot of wealthy areas in the region -- are looking for ways to preserve their open space. They could in a way become a buyer of those rights. I wonder if we talk about that at all.

Diane Oshima: We haven't in terms of a larger regional discussion. I think that we have a number of different projects. There's been a lot of creative problem solving along the San Francisco Waterfront to provide some case studies or references to see how they might be able to be applied in another location around the Bay. But again I think that the resilience adaptation work is really going to reset the landscape for a lot of that. To the extent that the resilience program here at the Port has been working so closely with BCDC anticipating the kinds of improvements and interventions that are going to be needed to adapt this waterfront to align it with the objections that BCDC is trying to promote for the entire Bay, that too is going to provide a reference point.

Overall I think BCDC and the Port are enjoying a very collaborative relationship now, recognizing this urban waterfront where you have this diverse mix of activities from industrial and open space all the way to commercial and even upland residential, it provides a lot of case study opportunities that hopefully will help other communities thread the needle on how to adapt their shorelines and keep them for the uses that those communities need.

Commissioner Engblom: Thanks.

President Brandon: Thank you. Vice President Gilman.

Vice President Gilman: Thank you so much for the report. Just really happy to hear that we have a great relationship with BCDC. I think the most important thing you said at the tail end is that we adhere to the public trust in the Burton Act. Hopefully if there are other policies and procedures or historical frames that were placed on us, we can work collaboratively with those regulatory agencies to lift them to have more of a modern lens on what we need to be, to be a vibrant, safe, and economically thriving waterfront within the constraints of sort of what our holy grail is, which is the Burton Act and the public trust. So thank you so much for this report and the historical context.

Diane Oshima: Thank you.

President Brandon: Thank you. Diane, thank you so much for this report. And thank you for being here for 30 years and creating --

Diane Oshima: It takes that long.

President Brandon: -- that collaborative, problem-solving relationship that we have with BCDC. You've been the glue that has brought our agencies together over these past 30 years. I remember we had all those joint meetings and how on every project we were like, "Oh, what's BCDC going to say?" And you've just done a phenomenal job. So thank you. This makes a lot of sense. We've come a long way. So I just really want to thank you.

Diane Oshima: Thank you. You've been the glue, too, President Brandon.

President Brandon: Next item please.

## **10. WATERFRONT RESILIENCE PROGRAM**

### **A. Request authorization for the Executive Director to enter into Feasibility Cost Sharing Agreement (FCSA) Amendment 3 with the United States Army Corps of Engineers (USACE) for the San Francisco Waterfront Coastal Flood Study (Study). (Resolution 24-61)**

Kelley Capone: Hi. Thank you. Good afternoon, President Brandon, Vice President Gilman, Commissioners, and Executive Director Forbes. My name is Kelley Capone. I'm the project manager in the Waterfront Resilience Program. I manage the flood study with the Army Corps of Engineers. I'm here today to talk to you about the feasibility cost-sharing agreement and a potential amendment to that. We'll take a look at where we are, some of the things we've done, and what needs to happen to finish up the flood study. The feasibility cost-sharing agreement is the agreement with the Army Corps of Engineers for the partnership to conduct the flood study. So it includes a 50-50 cost share. That cost share, the non-federal sponsor, the Port can contribute our 50 percent of the cost share through work-in-kind or through cash advances. That's part of the agreement.

The first agreement that we entered into with the Army Corps of Engineers is their typical feasibility cost-sharing agreement for three years and \$3 million. That was authorized by the Port Commission in 2018. We entered into that agreement. In February 2021, we did the first amendment to that agreement, and that was to add \$3 million to it for a total study cost of \$6 million. In July 2022, we did a second amendment to that agreement. That added \$10 million for a total project study cost of \$16 million, and we added 50 months for a study duration of seven years, two months. We're going to talk here about the potential third amendment to the cost-sharing agreement, and that would add another \$3.2 million for a total study cost of \$19.2 million and would add another 12 months to the study duration.

This is some of the work we've done to get to where we are today. So in January 2024 we released the draft report that had the draft plan in it. The draft integrated feasibility report and environmental impact statement. We went through many, many public engagement efforts to try and get comments, have the public understand the plan and comment on it. We reached a major milestone in the Army Corps of Engineers flood study process in June of 2024, which is called the agency decision milestone. At that milestone, the Army Corps of Engineers leadership endorsed the draft plan that we had.

This is showing some remaining work that we have. This is where we are now. We are currently updating what we are now calling the recommended plan. So the draft plan that was published in January, we received lots of public comment on it, lots of agency comments, and other reviews. We're now revising that plan into the recommended plan. We'll be preparing the final report, the final integrated feasibility report and environmental impact statement. We're currently doing that now. We'll be working towards preparing a [chiefs] report towards the middle to end of 2026 which is the report that goes to Congress to request authorization and funding.

This amendment is the third amendment. This is a summary of the things that'll happen for this amendment. It'll increase the study cost by \$3.2 million for a total study cost of \$19.2 million. It will add another 12 months to the study duration, and that will have a total study duration of eight years and two months. This agreement will include an accelerated funding clause, which allows the Port to contribute its 50 percent in cash advances or in work-in-kind, either one. So that is the summary of what this amendment will be. This will be to complete it on this timeline where we're working on the final report and the recommended plan and have a chiefs report towards the middle to end of 2026.

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

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

#### No Public Comment on Item 10A.

#### Commissioners' Discussion on Item 10A:

Commissioner Lee: I really have no comment [than other that] we keep seeing all these studies and stuff and millions of dollars keep going by us. I'm always amazed how this works, but I mean obviously you need the money to do it. We want to move forward. I'd just like to know when you start building something. But other than that, I don't have anything against it. Or I'm for this.

President Brandon: To continue the study?

Commissioner Lee: Continue the study.

President Brandon: Thank you. Commissioner Engblom.

Commissioner Engblom: Thank you for the report. It is hard, as Commissioner Lee said, to hear these numbers and not think how to put it into context. The Army Corps is out talking about this program nationally as an exemplar. I happened to be just in Houston and hearing about the scale of what their challenges are, which makes ours look -- I'm not going to say small. But I guess the point I want to make is that I think that we need to remind ourselves to constantly put this into context for people because day in and day out we hear about these millions of dollars of fees and years and years of study. We forget to stop and remind people what's at stake, what's the context.

Our city's at stake. This is important. That's my only point. With absolute respect for what your team is doing because I know how technical this is and how much there is. Just for a reminder for all of us, I think it would help to put it into context, not only what's at stake here in San Francisco but also how is this compared to what other regions are challenged with. Because I think we just stand there and even talk about this is a \$13 [million] project, people will say, "How?" But then if you say Houston's challenge is a \$50 billion problem and however much studies they're spending, I think it's really important that San Francisco doesn't forget to put itself in context. So thank you.

Kelley Capone: Thank you.

President Brandon: Thank you. Commissioner Adams.

Commissioner Adams: Kelley, so by voting on this today -- and I'm looking at the Staff Report -- that means that then it would be authorized -- and we're talking about \$19.2 million, right?

Kelley Capone: The total study cost will be \$19.2 million --

Commissioner Adams: Yeah. And the Executive Director will have the authority to do that.

Kelley Capone: That total cost is a 50-50 cost share with the Army Corps. So we are responsible for 50 percent of that.

Commissioner Adams: Okay. But this is what I'm saying, I think Director Forbes -- so she wouldn't have to come back to the Commission.

Kelley Capone: Correct.

Commissioner Adams: What we decide today is she kind of has carte blanche to just do it.

Kelley Capone: Yes, correct.

Director Forbes: [Unintelligible].

Commissioner Adams: What's that, Director Forbes? What did you say?

Director Forbes: To the figure you're presenting today.

Kelley Capone: Yes.

Commissioner Adams: So that \$19.2 million. Half of that is our responsibility.

Director Forbes: Yes.

Commissioner Adams: So that's about \$9 million.

Director Forbes: Yes.

Commissioner Adams: Okay. Thank you.

President Brandon: Vice President Gilman.

Vice President Gilman: This is an exciting project, and it's necessary. Thank you for the report.

President Brandon: Thank you. Kelley, great report. This is a very exciting, important project. So as far as funding, what is a cash advance?

Kelley Capone: It's an accelerated fund clause. When it's written into the feasibility cost sharing agreement it allows us to contribute cash instead of work-in-kind. So we are responsible for 50 percent of the total, but we can do that as either work-in-kind -- so through our own engineering work --

President Brandon: Or pay directly --

Kelley Capone: Or advance cash as part of that.

President Brandon: Okay. Got it. Thank you. No, this is exciting. I'm just so grateful for our partnership with the Army Corps and really appreciate them working with us. Thank you. All in favor?

Resolution 24-61 passed unanimously.

**B. Request authorization to enter a proposed Memorandum of Understanding with the United States Army Corps of Engineers enabling the Port of San Francisco to advance 1) design of coastal flood defenses described in the San Francisco Waterfront Coastal Flood Study including design of early implementation actions, and 2) construction of early implementation actions, subject to required**



**environmental clearances, to earn potential future credit for these expenditures. (Resolution 24-62)**

Steven Reel: Good afternoon, President Brandon, Vice President Gilman, Commissioners, Executive Director Forbes, Port Staff, and members of the public. My name is Steven Reel with the Waterfront Resilience Program. I lead the engineering and project delivery with the program. This item is a staff recommendation to enter into a Section 221 in-kind MoU with the United States Corps of Engineers. My presentation includes some background information, other agencies and jurisdictions that are actually moving forward with 221 work-in-kind, terms of the 221 in-kind MoU including our proposed scope and the staff recommendation.

So on November 5th, Army Corps Tier 1 meeting was held where Port and the Army Corps headquarters leadership discussed the flood study completion and positioning the flood study for success. Leaders expressed a desire for identification of early implementation actions and for the project as a way to build momentum in a constrained funding environment. At the last Port Commission meeting on November 25th, staff presented the proposed contracting strategy to support the program over the next five years. These contracts will allow the Port to begin design of the Army Corps draft plan including design and construction of the early implementation actions.

The Army Corps typically leads projects but has a mechanism for local agencies to advance work on their own prior to congressional action and execution of an Army Corps cost-sharing agreement. You just heard about the study cost-sharing agreement. This would be for design and construction. This mechanism is the 221 in-kind MoU, Section 221. We are proposing to execute that 221 MoU to allow us to start preconstruction, engineering, and design of the Army Corps draft plan and for design and potential construction of early implementation actions including the Downtown Coastal Resilience Project and the South Beach coastal resilience project.

The contracting strategy presented on November 25th includes program advisory services; north and south contracts to advance the Army Corps plan, design, and engineering; and three contracts to advance project specific designs including the South Beach coastal resilience project. These contracts are intended to support advancing design and construction of the Army Corps plan after executing a 221 MoU. [Other jurisdictions are using 221 MoUs] to advance work ahead of the Corps. Examples include in Nevada with the [Balmoral Keys] ecosystem restoration project, in Denver with the South Platte River project, and Charleston with their coastal storm risk management project.

Some of the specifics of a 221 MoU, the purpose is to allow a local agency to execute design and construction work while preserving the possibility of future credit with the Army Corps. Work done prior to a 221 MoU is not eligible for credit. The MoU includes a very general description of the design and

construction work [one] intends to execute, specifies record keeping requirements, and specifies that eligibility for credit is subject to a determination that the work is integral to the project, completing all necessary environmental review and permits, fair and reasonable relocation payments if that's required, compliance with applicable federal labor laws, federal review and verification of construction work, and an audit to determine the reasonableness of the costs.

Additionally no interest charges are possible on the funds. No other federal funds without federal agency approvals. So if there are other grants, for example, the agencies have to agree. [Creditable] costs are limited to the government's cost estimate for the work. So what would it cost if the federal government were to execute the work? That is the limit that they're willing to pay for. It goes back to the reasonableness of the costs. No credit for no-cost work [and] design and construction performed prior to the effective date of an MoU. No credit for clean-up of hazardous, toxic, radioactive wastes, which are the responsibility of the non-federal interest.

Then federal and local agencies each act independently of each other in their capacity. Executing the MoU does not constitute any federal assurance or commitment regarding approval of the project or federal credits. It does not prevent the government from modifying the project in the future should the government determine that it's needed. Finally, the MoU is not a commitment to budget or appropriate funds for the project.

The proposed scope of work for this 221 MoU is to advance the preconstruction design and engineering of the Army Corps draft plan across the waterfront. This includes developing what we like to say what goes back on top. Modification of utility and drainage systems, phasing and sequencing for implementation. We're also looking to include design and possible construction of the Downtown Coastal Resilience Project between Broadway and Harrison Streets. This project includes Army Corps planned coastal flood defenses, sea wall replacement, engineering with nature elements, and short flood walls around piers. And we plan to include the scope for the design and possible construction of the South Beach coastal resilience project between Harrison and Townsend Streets, which includes coastal flood defenses, sea wall replacement, northbound Embarcadero transit and utility system modifications, and alignment with Piers 30 and 32 and Piers 38 and 40 potential development projects.

So in summary, staff recommends entering a Section 221 MoU with the Army Corps of Engineers to allow the Port to advance design and construction of the draft plan while preserving future credit. The MoU does not bind the Port to execute design and construction nor make expenditures. The purpose is to preserve the ability to be considered for future credit toward the 35 percent local match should we take action. With the 65/35 funding split on design and construction of the draft plan, every \$1 in local expenditures open the doors for \$1.86 potential federal funding. The MoU makes no guarantee that Congress will authorize the Army Corps plan or that the Corps will ultimately provide credit for

the expenditures should we move forward. However, expenditures without an MoU are not eligible for credit. Staff is still working with the city attorney to determine if Board [of] Supervisors approval is also required for this MoU. That concludes my presentation. Thank you --

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

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

No Public Comment on Item 10B.

Commissioners' Discussion on Item 10B:

Commissioner Engblom: Thank you for the presentation. I guess my question has to do with -- I'm sorry if I missed it, but how fast could an MoU be entered into?

Steven Reel: If we stick with the model MoU agreement, which is what we are proposing, we're hoping to execute that by the second to third week of January.

Commissioner Engblom: Okay. Thank you. I guess I just wonder is there any indication from the Army Corps that on their side they would be open to that kind of accelerated timeline?

Steven Reel: So far our discussions with Corps, they are very supportive of the MoU.

Commissioner Engblom: Okay. Thank you.

President Brandon: Commissioner Adams.

Commissioner Adams: Yeah. When we talk about all this funding, I mean I think as a Commission we realized when we got into this, this was going to be a long, drawn, complicated project. Probably the most expensive project ever that the Port has done. A lot of technical -- there's a lot to this. It may be a while before -- we keep spending money, and things are being approved. But I think we have to stay focused on the fact that this is just the process you have to go through. It is very tedious before they even lay anything in the ground. That first spike is going to be ways down the road. That's just how these projects are done, not only here but everywhere.

This is a big project for this Commission. I'm just trying to get my head around everything. Then all this money, all these numbers, all this language, all these things. A lot [of length] and not seeing anything. I'm supportive. Can't quit now. We're in the middle of this now. We went down this road as a Commission and the Port. Everybody put themselves out there. This project has to be

completed. So I support it. There's just nothing tangible for me to look at. It's a lot of stuff we're passing. I agree with [both Steves]. We talk about money, money, money. But I understand this is a common thing. This is a process. This is going to continue.

We knew this wasn't going to be a very romantic project. This was going to be very tough and a tedious project, but at the end of the day this will be something that will benefit the citizens. So thanks, Steve. I appreciate it. I support it.

President Brandon: Thank you. Commissioner Lee.

Commissioner Lee: Again, I have really nothing to say. I think just for the general public it'd be nice to -- it's great the Corps of Engineers chipping in because, boy, if we had to fund this ourselves, it would never hit the ground. We appreciate that. But I think the general public that doesn't know how it really works. These are all great details and everything for an engineer or something, but I think the general public would kind of like to know -- we got to spend this money, but at the same time we're at these stages. We have to do this study and that study. I don't know if you can even do that in a brief summary. But again it's just so much, and us commoners really -- but it has to be done. So I support it. Whatever you guys need, we're here to support it. It'd be nice to have some kind of information a little bit more on the ground. That's only my opinion. Thank you.

President Brandon: Thank you. Vice President Gilman.

Vice President Gilman: I'm happy to move forward with the MoU. Thank you.

President Brandon: Thank you. This is a great project, and this is going to be a history-making project. All the work that has gone into it is just incredible to bring us to this point and to have this great relationship with the Army Corps. So once we sign this MoU, then how does the Army Corps engage with us to make sure we're on the right path to be able to get funding if and when it becomes available?

Steven Reel: That's a great question. Because this puts all the risk on us. So we sign this MoU, but we're not compelled to actually do anything. It just sort of preserves our ability to get future credit if we do take actions for design and construction of the plan. The actions that we take, the Corps will look at it, and they will produce an [integral] determination report at a later date, which says, "You did everything. This fits the plan, and it's eligible for credit," or, "Only this part of it's eligible for credit." So when we've discussed this with them, designs go through steps, and we would like to have the Army Corps participate in our design steps. Looking at our planned design tasks and reviewing our design steps along the way.

So we're discussing with them if that's going to be possible. They don't typically do that. They would need a source of funds in order for their staff to participate. So we continue to discuss with them what might be possible. But at the end of the day, even if we are successful having staff participate along the way, that's not a guarantee. A guarantee is the integral determination report at the end. So it does put a lot on us to move ahead in a way that the Army Corps would move ahead, abiding by all their regulations and guidelines to develop the design and do so in a cost effective manner. But we're not asking for that piece of it today. We're just asking for the ability to enter into this in-kind MoU which gives us the path forward to take action. Without that, we can't take action on our own. We would be waiting for the Army Corps.

President Brandon: Okay. I'm good with that. I know there's no guarantee, but I do wish that there were some kind of -- not even certainty but collaboration to know we are on the right path.

Brad Benson: I just wanted to add one thing to what Steve was talking about. We're proposing today an MoU with a high-level scope, advancing the overall plan. Steve enumerated a couple of those early implementation actions. Before we actually get started on work, we intend to sit down with the Corps team that we're working with now and look at a more detailed scope of work before we start the work. So we want them to nod to the scope of work at the outset, and then we'll later get certainty with that integral determination that comes after you do the work. They have to review the work that you've done. So there is the risk that Steve was talking about, but we're looking at a variety of ways to reduce that risk.

We've got the benefit of the study going on. I know that there's concern about studying and studying, but we'll be working with this team through 2016. So the work that we're advancing during that period of time will have a team to look at the work that we're proposing to do.

President Brandon: So when you say "work," are you speaking of actual construction or are you talking planning and design? Or all of the above --

Brad Benson: We're talking initially what they call pre-construction and design. So we're moving into design on some of these projects like the Downtown Coastal Resilience Project. So yes. It'll initially be design.

President Brandon: So will we have some type of approval before we start construction?

Brad Benson: Yes, the full Commission definitely will.

President Brandon: Not us. I mean from Army Corps to make sure that we're getting credit.

Brad Benson: We're going to need to do all of the environmental work before we start construction. I just want to be clear for members of the public that we're going to have complete CEQA, get all necessary permits, make sure that we've got the necessary NEPA work done. So when that's all done, we would have a final design cleared, and we would bring it to the Army Corps and seek their review of that. We don't think that we're going to get that integral determination report until after we construct things. But just know that it's our intention to bring everything that we plan to do to the Corps for their review if they have the staff funding to review it.

President Brandon: So what if we went through a pre-construction and design process and they say, "No, we don't like that"? Then we go back to the drawing board and redesign --

Brad Benson: We'll be consulting with Port leadership on this. There may be elements of what we're proposing to do that the City wants to do because we care about this great waterfront and maybe an urban design feature, a park or something like that the City wants included in our draft plan. The Army Corps calls some of those things "betterments," and we'll need to make a decision with Port leadership and the Commission about whether we want those elements in our plan knowing that the Army Corps may not cost-share in everything.

But the intention is to review detailed scopes of work, try and get feedback about what the Corps thinks will be integral to the plan before we go and spend a lot of money on it. So that's the approach that we intend to take.

President Brandon: Okay. So . . .

Vice President Gilman: I think that what we're looking for is a little more understanding about how this process will unfold and what the interaction between Port Commission decision-making and Army Corps decision-making will be as we move ahead. So is there more clarity we can provide now?

Steven Reel: I think on our side of the fence when we advance design, we have stage gates at the steps in the design process. So we go through a conceptual design milestone which we would then bring to the Port Commission. Then we go to 35 percent and 65 percent and 95 percent design milestones. Along the way with those milestones would be the consideration of our risk. Per our determination, including any engagement we've been able to have with the Army Corps of Engineers, we would be presenting what we think is our risk exposure that some of this may not be integral. We may be able to identify those things.

If there are betterments that the City and Port want to put in the design during the process and we can identify those as betterments early on, we would bring those forward and note them, that these are likely betterments.

Brad Benson: I just want to talk about the Commission's [sort of] approvals for a moment and compare those to what you're being asked to approve today. What you're being asked to approve today is an agreement with the Corps that would enable potential future credit. You're not actually authorizing staff to do any of the design work that we're talking about, any of the construction work that we're talking about. We have to come back to you after we go through competitive solicitations to get --

President Brandon: That's in the \$21 million and the \$50 million and the \$65 million.

Brad Benson: Yes.

President Brandon: I think we all get that.

Brad Benson: Okay.

President Brandon: That today it's just the MoU.

Vice President Gilman: Yes.

President Brandon: What I'm trying to figure out -- and I've always had a hard time with this -- is just figuring out the overall process for moving forward. How far do we go on our own before we -- I mean is there a milestone? Are we saying we're only going to go to \$500 million before we hit some kind of guarantee that the Army Corps is going to be able to participate or the federal government is able to participate? How far are we going along by ourselves?

Brad Benson: I would say that that's an ongoing dialogue between staff and the Commission. Part of what we're proposing to you today is to get into this agreement so that let's say something happens to the study over the next two to four years. We've got a way to move this resilience work forward in the meantime. The public supports the City moving this work forward. We're not going to get that far down the path and --

So Steve talked about getting to a 10 percent level of design on something like that Downtown Coastal Resilience Project. We'd bring that project to the Commission when we have a 10 percent level of design and seek guidance about whether we're going to more detailed design and construction on a project like that. Now, the purpose of that project is to protect BART and [Muni] from flooding. So there's an urgency around that project. That might be the kind of project where the Commission could say let's proceed even if we don't have clarity that the Army Corps is going to be at our side. But as to the bigger project, maybe you don't want to advance design much beyond 5 percent for the larger plan until we have certainty that Congress has authorized the project.



So I think this is the kind of policy direction that we need from you as we're marching down this path, and we'll keep you up to date about what the Army Corps is saying. I think our key next milestone with the Corps is the chiefs report and whether Congress will authorize the project in 2026. So that would be a key point. We'd take a look together at whether or not Congress has authorized the project. Do we want to keep on spending on the larger plan if Congress has not?

President Brandon: Vice President Gilman.

Vice President Gilman: I actually think you answered my question. So I just wanted to clarify. Maybe I heard you wrong. We have Army Corps staff moving up to the chiefs report in 2026. I just want to make sure I heard you correctly. I heard you say there could be a possibility in 2027 the Corps comes back and says, "We no longer have staff to do these gate check-ins with you, these milestone check-ins. Sorry. You're on your own." And you will come back and tell us as a Commission. Then we need to evaluate risk to see how much we want to do. But we can't even have these conversations without executing this MoU. This is the starting point. Just want to make sure I'm understanding correctly --

Brad Benson: You are understanding what we're communicating. Yes.

Vice President Gilman: So I urge the staff to do everything possible that you can do from a work perspective between now and 2026.

Brad Benson: Yes. And I do want to say -- I don't want to paint the wrong picture. Army Corps projects, civil works projects get adopted across the country. In Republican districts, Democratic districts. It tends to be a bipartisan bill. It's one of the most bipartisan bills that moves through Congress. So our hope is that we're continuing to do work with the Corps, we're ending up with a chiefs report, and we're ending up with an authorized project in 2026 and the first appropriation on their side for design.

I think we're just trying to cover all of our bases here with this MoU. We've articulated the staff recommendation that the City wants to lead design. So this is something that we wanted to do regardless of the political landscape.

President Brandon: Right. I mean we got the [new start] in another political landscape.

Commissioner Engblom: I just want to say one other thing. Maybe it's worth saying that in my mind an even bigger risk would be that the Port lets the Army Corps run this project by themselves. So I just want to say that's even a bigger risk of not doing anything. I think we're doing everything we can. The Army Corps' culture has shifted in some ways because of this project. Their national leadership looks at this project. I think that was covered in the last presentation quite a bit. I just want to say that. But I think an even bigger risk is not doing.

President Brandon: We definitely want to move forward. I was just trying to get a gauge on when do they become a real partner. I mean they are a partner all along the way, just showing from all the reports that we've had. It's a great collaboration. I know we have to do this, but we can't do it by ourselves. So I'm just trying to figure out at what point do we have to say, wait a minute, we may be doing this by ourselves?

Brad Benson: Well, if we get any signal at all from the Corps that their work on this study is stopping in any way or that partnership is not operating at the level that we think it is today, we'll be back before this Commission to tell you about what's going on and get policy direction about the work that we've got going on here. We're trying to clear about the risk. There is some risk in taking on this sort of lead in design and construction. So we're not trying to hide that from you. It's on us to communicate clearly with Port leadership and the Commission at these key stage gates so that you can give us new direction.

President Brandon: Thank you.

Commissioner Adams: I've got a question, Brad. You just said something. I mean I know we're in uncharted waters. But there's a possibility this thing could go off -- say this thing went off the rails, right? What would be our backup plan if all else fails, this thing went off the rails, say a new administration comes in? The Army Corps can't give us the funding that we need. What are the options? I'm sure you and Steven have already got that figured out. What are our options?

President Brandon: Where you going to get your billion?

Brad Benson: Well, with the Corps, the Army Corps is moving in the direction of a chiefs report and a recommendation to authorize this plan to Congress. Congress may not be in a position --

Commissioner Adams: Exactly.

Brad Benson: -- to make a motion to authorize that. Administrations change, right? And so it's not dead. Those reports can be on ice for a while until there's a Congress that will pass it. So that's one.

Commissioner Adams: Okay.

Brad Benson: If we cannot get federal funding through the Army Corps of Engineers, we do not have another source of federal funding like that presently. There's nothing like the Corps' federal funding that can fill in. So it is very key to continue this process with the Corps.

Commissioner Adams: I think also it would be important even if the Commissioners help the staff to lobby on this effort. Brad, I think you hit it correctly. And I know Andre know this. This is a bipartisan project. This doesn't

matter. Maritime. What's happening in this whole project here is something that everybody needs. I just want to know what you guys were thinking if they thought that. Is Leader Pelosi, is she going to be one that this is her district leading the charge on this?

Brad Benson: Speaker Emerita Pelosi has been an incredible advocate for this. She helped the Port along with Senator Feinstein at the time. Get the new start that started this whole effort. We've been back in Washington when travel was permitted talking to her staff about this project, getting really important amendments like the seismic equity language that we got that really supported the Army Corps arriving at a design for this project that will be stable in earthquake country. We've kept her staff up to speed about -- Speaker Emerita Pelosi was there when the draft plan was unveiled down here at Pier 14.

We constantly update her. One of the great things that we've been looking forward to in 2026 is that she'll be in office for that Water Resources Development Act in 2026. So we'd be looking to collaborate with her on that authorization process. But I wanted to say one other thing about like if the federal funding were not there. We've just been off this public engagement process where we had 1000 people participating. The feedback from the public -- they had their critiques of what they liked and didn't like about the plan. But unusually they were expressing appreciation to the City and the Army Corps for doing this resilience work because they thought it was important.

I think we would say to you in the absence of the federal government being there for maybe just a period of time, I think the public expectation is that we're continuing to do our work. Protect the waterfront. Protect these key assets like BART and Muni. Part of the message here is that regardless of whatever the political environment is we're continuing to advance the resilience work.

Commissioner Adams: I would also hope that we would work our two U.S. senators. We were really blessed for a long time to have our senators be from Northern California. We had Feinstein and Boxer. Then we also had [Cama]. But now both the senators are from Southern California, [Bupp] and Padilla. So I'm hoping that we're reaching out to them. Also Congressman Garamendi. We need as much political -- do we have a lot of support coming in the state, too? From the Governor's Office?

Brad Benson: We have met with Senator Padilla's office. Their staff has also helped us on some of these amendments over time. We need to meet with Senator Schiff and establish that relationship. It's been a while since we've talked to the Governor's Office on this project. It might be a good time to make that connection. We know that the Commission has expressed support for these kinds of engagements in the past. So we'll try and communicate with you about those opportunities to talk with folks.

Commissioner Adams: Thanks.

Steven Reel: I wonder if there's even a briefing package for all those hoping to be our next governor, so it becomes part of their platform.

Vice President Gilman: That's a good idea.

Brad Benson: That's a good idea.

President Brandon: Yeah. Any other questions or comments?

Vice President Gilman: Never too early.

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

Resolution 24-62 passed unanimously.

**C. Request authorization to modify Construction Contract No. 2861, WRP Wharf J9 Replacement Project, Phase 1 – Float & Gangway, to extend the substantial completion date and increase the contract value. (Resolution 24-63)**

Chris Horiuchi: Good evening, President Brandon, Vice President Gilman, and Commissioners. Chris Horiuchi. I'm a project manager with the Waterfront Resilience Program. I'm joined here also by Matthew Bell with port engineering, senior structural engineer. We are going to talk about the Wharf J9 project, specifically Phase 1, the float and gangway. It was mentioned earlier by Director Forbes. So we'll give a brief update of the status. As well as talk about a request for extension of the substantial completion date and an increase of the contract value.

So Wharf J9 in Fisherman's Wharf is currently closed to the public due to structural deterioration. But Phase 1 of this project is to install a float to support retail fish sales and provide ADA access to berths. So in February of this year, Port Commission authorized the award of the Phase 1 construction contract to Yerba Buena Engineering and Construction, Incorporated. Yerba Buena is an LBE contractor out of the Bayview neighborhood. The awarded contract was for approximately \$3.6 million with an additional \$360,000 for contingency. The Port was very pleased to receive multiple bids, and the price for this work was well below our engineer's estimate, which was around \$5.3 million.

The funding of this project for Phase 1 -- it's jointly funded by our 2018 Sea Wall General Obligation Bond as well as the Economic Recovery Project. How that's split up -- elements that will become part of Phase 2 such as the float and gangway are funded by the bond and the rest by Economic Recovery. So a real quick reminder of the scope of this project, specifically Phase 1 is to construct a concrete float, aluminum gangway, a landing platform to connect back to [El Segoma] Way. We also have some improvements in utility work along El Segoma Way. Noting that Phase 2 of this project, which would be a separate

construction project, would relocate the float out of the way temporarily, replace the red-tagged wharf, and then bring the floating gangway back to serve a similar purpose.

To update on the current status of this, originally when we issued the notice to proceed, substantial completion of this project was November 1st of this year. As was mentioned earlier, we are now expected to open the float using a temporary certificate of occupancy by the end of December. The quick overview of the reasons why that November 1st date was not hit: first, there was a delay in maintenance dredging under a different contract. The lagoon -- there was significant debris that was found during dredging as well as there was some regulatory approvals that held up the start of that. Our contractor Yerba Buena took on additional scope to remove existing mooring piles. They also hit obstructions, some related to that debris that was found during pile-driving, which slowed down their process.

There was also time spent on time-sensitive repairs. The adjacent Wharf J8 deck that included three new piles. We'll talk about that more on the next slide. But just to note, although we had a delay in schedule, all pending change orders related to this work are within the original authorized 10 percent contingency. So for these Wharf J8 repairs -- and this work was not included in the original presentation to Commission. So we want to make sure we take a few minutes to explain this work here and the timeline of how it is included in this project.

So in October of this year when the contractor was on site, Port staff and Yerba Buena noted a sagging segment of deck at Wharf J8. So Wharf J8 is a Port-maintained timber deck just across the lagoon from J9. It kind of forms the south edge of access to Scoma's Restaurant there. So upon noting the sagging deck and missing pile, the Port promptly addressed the situation. So Port Engineering, Port Maintenance, and Port Real Estate all acted to notify tenants and barricade the area. This occurred right before Fleet Week where there was going to be expected a large crowd in this area. So it was really important to get this barricaded so that people were safe in the area.

A few weeks later in November, Yerba Buena leveled this deck with a new steel beam and three new piles below. This was a really collaborative effort to install this really quickly. The contractor used equipment already on site. The timber piles were supplied by Port Maintenance. Then the steel beam itself was surplus material from one of Yerba Buena's subcontractors Power Engineering, [their yard]. So they were able to get that to site really quickly. So those were completed in November 2024, those three piles. In preparation for that work, the subcontractor Power Engineering sent divers in the area. They looked at other piles along Wharf J8 and noted deterioration underwater of additional piles. Port Engineering reviewed those findings and recommends the replacement of eight additional piles.

So because the project is really about providing this float but also economic recovery of the area, the project team feels it's very important to make sure that the wharf surrounding this lagoon is safe and open as possible. So because of that we do recommend that Yerba Buena and their subcontractor Power Engineering complete this work as part of the current contract. This proposed work requires specialized marine equipment, pile driving equipment that is already on site -- already mobilized. The lagoon is already cleared out of boats. It would minimize future disruption if we can do this work now.

We can save on mobilization and staff costs. We think this work can be done in about two months as opposed to at least a six-month timeline if we were not to use this contract. I will note that the contractor team of Yerba Buena and their subcontractors have been very collaborative, worked very hard to deal with challenges and account for tenant requests, and we have confidence in them to this work. So with that we request authorization to extend the contract duration by 105 days for a new substantial completion date of February 14th. I will note this does not change the opening of the float itself, just the overall contract's substantial completion date. Only these piles would be expected to extend into February.

We also request authorization to increase the contract value by \$300,000 up to \$4.2 million. This funding would be sourced from the Economic Recovery Project since it's not eligible for bond funding. So if given the authorization we would review a cost proposal from the contractor and negotiate a change order for this work. So thank you for your time. I look forward to answering any questions.

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

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

No Public Comment on Item 10C.

Commissioners' Discussion on Item 10C:

Commissioner Adams: I'm in favor.

President Brandon: Commissioner Lee.

Commissioner Lee: Well, you don't have to tell me twice. So definitely yes because once you're already there, we want to get it done. And it's going to be cheaper than moving away and coming back. So 100 percent I'm right behind you.

President Brandon: Thank you. Commissioner Engblom.

Commissioner Engblom: I'm very in support of this. In fact, I would just urge us to make a great communications story out of this because it seems to me it's a good story about an LBE. I don't know. My math is sometimes challenged, but this feels like it's still underneath the original engineer's estimate. And we did extra work. So this is a great story.

President Brandon: Great story.

Commissioner Engblom: Great way to --

President Brandon: You hear that, Eric?

Commissioner Engblom: So I'm in support.

President Brandon: Great story. Vice President Gilman.

Vice President Gilman: Well, I'm going to double-click on that one. No, I'm serious. Especially with the headlines that were in the Chronicle today. I actually think we need to do a case study or write something up and have this profiled, like some sort of spotlight on our website around our contracting and efficiency of government. Because I think it says we're getting eight new piles. You divided that by \$300,000. It's like \$32,000 each. Maybe my math might be slightly challenged, too. That is a bargain in the city for underwater construction work. So I absolutely support the item and hope that we can do something to uplift it and to get the story out there on our website at the least and then a press release or something to really show how contracting can be done right in the city.

Commissioner Lee: Can I add to that?

President Brandon: Sure.

Commissioner Lee: What amazes me is they actually went beyond and found this. Because it's across the way. It's not in their scope. And most contractors will just do what they want. Then when the person saw the deck sagging, to investigate -- I really applaud finally somebody stepping up to say, "Oh, this is my job. I don't want to do that over there." So it's really great to get it done and get that whole area open for the rest of the boats. So whoever found it -- that engineer that saw it sagging, he should be a hero.

President Brandon: Kudos.

Director Forbes: Chris, do you want to tell us who that was?

Chris Horiuchi: I mean I think Steve Reel was one of the -- he bikes by daily and flagged. I don't know the contractor's name that was there. But I think we're also happy that they didn't try to play blame game or anything and say, "We don't want to tell you because we don't want to take responsibility."



Commissioner Lee: That's right.

Chris Horiuchi: It was very open transparency and being able to develop a solution quickly.

President Brandon: That's great. Great collaboration. Thank you so much for this report. This is great. I don't think there's anything else to say.

Chris Horiuchi: Thank you.

President Brandon: We look forward to a great story. All in favor?

Resolution 24-63 passed unanimously.

## **11. NEW BUSINESS**

Director Forbes: Madame President, I haven't recorded any new business. Is there new business?

President Brandon: Is there any new business?

Commissioner Lee: I have a suggestion. We missed Mayor Breed's photo with the rest of the Commissioners today.

President Brandon: Yeah.

Vice President Gilman: Yeah, we did.

Commissioner Lee: But I was suggesting -- and I kind of mentioned to their staff - - if it's possible to invite her to take a picture with us and Port Staff before she leaves office.

President Brandon: Well, we will not have a meeting.

Commissioner Lee: No, but maybe she'll come out, and we'll make a little special effort maybe.

President Brandon: Okay.

Commissioner Lee: We could go to lunch.

President Brandon: That's your new business.

Director Forbes: I'm going to manage expectations. It may be challenging to pull that off before the end of the year, but we will work on it. We absolutely will work on it.

Commissioner Lee: Thank you.

President Brandon: Any other new business? If not -- oh. Hello.

Reva Murphy: I'm sorry. I hope this is the right thing to do. I kind of think of you people like the crowned court, and I should curtsy or something. But I'm an LBE as well. I did put my name in out in front. It was never called, put on the agenda.

President Brandon: I'm sorry. That was under Item Number 9.

Reva Murphy: Yes.

President Brandon: I am so sorry.

Reva Murphy: It's okay.

President Brandon: Okay.

Reva Murphy: In fact, I really am now traumatized I know I have only three minutes, and I do not want to talk fast and sound like a chipmunk in front of you. That's my worst fear. I am a small, disadvantaged LBE as Commissioner Lee mentioned earlier. I'm here today to ask for your help. My name is Reva Murphy. I'm here asking for your help to get paid for \$111,000 for completed work on your Building A at Mission Rock campus, which we completed in 2023. I understand you and the Giants are ball club stakeholders on this project.

These are the facts, and they are indisputable. I started my company RMA or Reva Murphy Associates 25 years ago. I'm a general contractor, woman-owned, small disadvantaged. I specialize in roofing and waterproofing. We've been in business for over 25 years, and I have supported 18 families during those 25 years. We have to be good to be around for 25 years and fight all the big guys that we run into along the way. We're known for our expertise, our experience, and our safety record. We've completed 705 projects in the military, private, and safety sectors. We are ethical, fair, well-respected in our industry.

The Mission Rock project emphasized the use of LBEs. So my company joined two mega GCs as the third tier sub to meet the LBE goals by undertaking the installation of each unit's decks with a sophisticated waterproofing system that demanded proper protection during the time in which it was detailed. This was all explained to the mega GCs. Our crews found extensive abuse to the unprotected surfaces on the third floor, and we reiterated the importance of proper protection to protect the curing decks. After we stated this requirement to the GC, we didn't see further problems. The third floor was the main traffic thoroughfare for all the other trades to go through from one side of the building to the other side.

The damage to the third floor on the apartment decks could be fixed if we used the manufacturer's directions, which we offered to repair for a change order of \$39,000. After this offer, the two mega GCs -- Swinerton and FG Thomas -- went totally silent on us, never answered our calls, never responded. We finished the rest of the 27 floors with the numerous decks that we were given, about 147. We had no issues. When our final bill of \$111,000 -- we went months without any return of our questions, phone calls. We tried to get discussions going. Nobody would answer us. We were met only with silence.

We finally arranged a video conference to discuss this slow payment or no payment problem. The day before the meeting FT Thomas sent a deductive change order for \$99,000 to repair the damage, literally wiping out our final payment. In sum, these mega GCs ignored the photos and the reports of significant damage by other trades to our decks on the third floor. They ignored our request and waited until the end of our work to demand that we absorb --

[Timer beeps]

President Brandon: Go ahead.

Vice President Gilman: Go ahead.

Commissioner Lee: Keep going.

Reva Murphy: Is it okay?

President Brandon: Yes.

Reva Murphy: I don't want to sound like a chipmunk --

President Brandon: It's okay. Go ahead. Go ahead --

Reva Murphy: I'm trying not to speak fast. They demanded that we use this -- [or claim] in light of the obvious damage by the other trades. They not only walked across our decks, but they dragged their equipment across it. They brought their saws, their skill saws, their ladders, everything which cut into our waterproofing. It was an outrageous amount of [fix and nonproven] defect virtually wiping out our final contract payment, which was their whole plan. We tried to pursue discussions to resolve this bombshell, but we were told, "Well, just turn it over to the lawyers," knowing full well that the cost of pursuing a resolution in this manner for a small contractor would be impossible due to the cost and the time demands. A classic example of the big guy's cramming down its will against a small guy.

We are not alone among small business subcontractors who have not been paid for their work on this project. We spoke with Streamline Drywall, [AEG] Painting [and Co-iron], and ourselves. \$111,000 represents 14.5 of our gross

earnings this year, which is devastating, perhaps life-threatening to us. A similar amount of loss to a \$3 billion a year like FG Thomas or a \$4 billion a year like Swinerton is like a mosquito bite. I'll provide you a bullet point summary of the timeline detail of events, but a three-minute timeline doesn't allow me full discussion. I brought you all a leave-behind. I don't again if that's --

President Brandon: Thank you so much. What you can do is give that to the Commission Secretary Jenica, and she will be able to hand it out to us.

Reva Murphy: Oh, okay. Thank you very much.

President Brandon: I really appreciate your patience, and I really appreciate you coming today. Because this item is not on our agenda, we cannot discuss it. But I would like to direct our Executive Director Elaine Forbes to work with you to try and find a resolution and report back to the Commission. Okay?

Reva Murphy: Thank you very much. Now should I curtsy to you and say --

President Brandon: No, no. Have a good evening.

Reva Murphy: Thank you very much. Thank you.

President Brandon: No problem.

Vice President Gilman: And happy holidays.

President Brandon: Is there any other public comment? Did I miss anybody else?

## **12. ADJOURNMENT**

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

The meeting was adjourned at 6:12 p.m.