



# **SAN FRANCISCO PORT COMMISSION**

**AUGUST 12, 2025  
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION**

**HON. GAIL GILMAN, PRESIDENT  
HON. STEPHEN ENGBLOM, VICE PRESIDENT  
HON. WILLIE ADAMS, COMMISSIONER  
HON. STEVEN LEE, COMMISSIONER  
HON. KEN MCNEELY, COMMISSIONER**

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

# CITY & COUNTY OF SAN FRANCISCO

## PORT COMMISSION

### MINUTES OF THE MEETING

August 12, 2025

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

Port Commission Vice President Gail Gilman called the meeting to order at 3:15 p.m. The following Commissioners were present: Gail Gilman, Stephen Engblom, Willie Adams, and Steven Lee. Commissioner Ken McNeely arrived at 3:17p.m.

#### 2. APPROVAL OF MINUTES – July 8, 2025

ACTION: Commissioner Adams moved approval of the minutes. Vice President 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. 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.

#### 5. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction that is not an agenda item. No Port Commission action can be taken on any matter raised other than to schedule the matter for a future agenda, refer the matter to staff for

investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

Public Comment on Items Not Listed on the Agenda:

Maggie Hallahan: Hello Commissioners. My name is Maggie Hallahan. I'm a licensed Coast Guard Captain. I'm a San Francisco Sea Scout Leader. We utilize the waterfront several days a week. We have Native American youth in our community. We have about 120 year-round youth. So, I want to share with you a jurisdiction issue that I'm hoping you'll step up on.

San Francisco Marina has something called Gashouse Cove and it has a gas and diesel fuel dock. Some of the submerged water in this map is part of the area of the Burton Act and I'm hoping the Commission will look into the San Francisco Rec and Park Plan to do the remediations.

You can see where all the testing has been done. There's a remediation area in that upper corner. That area is the only area that PG&E will be doing the remediation. California Water Board has told us, the Deputy Director, has said that the fuel dock can stay there for the whole time that the remediation – it's nothing like Pier 41 – and it's the only gas and diesel fuel dock in San Francisco. The Port has not completed the diesel repair in seven years of their own fuel dock.

These are notes from our kids, our Sea Scouts. They're at school, so I couldn't bring them. But, one of them, Hugh, believes that the submerged water is the domain of Port of San Francisco and that Port of San Francisco should be leaning in. We did go have a meeting with the Port of San Francisco Water Resilience Group and they said, "Yes, some of that area is." But that they just defer to letting SF Rec and Park run it.

So, SF Rec and Park is not telling the truth with how the dredging doesn't have to happen in the fuel dock channel area. It can stay there and the Water Board confirms that.

This is a large meeting that a lot of leaders, Sea Scout leaders were at with the Water Board and the Water Board responded with information in response about not needing to take the fuel dock out.

Also, in 2022, there was a deep research done by PG&E, given to the Water Board, and of that 900 pages, there's only one page of the actual dredging that's going to happen from PG&E.

So there's a lot of things that SF Rec and Park says that isn't actually true. It says that, "That report says there has to be dredging there." But it doesn't and I'd like to have you do research.

And especially speaking up for emergency response for our kids, we need these people to come for us if we need them. And all over the Bay, we need to do work on the Bay. Lind Marine gets their fuel there. All the Emergency Response. This is, the kids put together a list of every emergency response group using that fuel dock over there.

It's -- also that fuel dock has the diesel and gas tanks are deep within the ground under two feet of concrete and it's in bedrock. So part of the reason the Port can't build submerged tanks is because it's all in landfill. So this has been built in 1960s by the State of California's Emergency Response Extraction Site and it should maintain there.

Also, our kids will never swim there because there's a marina to the forward of it and they could get electric shock or worse yet, there's a huge Laguna outfall that's right in that small lagoon producing 460 gallons of sewer water. Thank you.

President Gilman: Thank you, Captain Hallahan for your testimony and I'm going to ask that Port staff continue conversations and follow-up and please brief the Commission on the progress of those conversations. Is there anyone else in the room for public comment on items not listed on the agenda? Okay, seeing no one else in the room, is there any public comment on the phone for items not listed on the agenda?

Jenica Liu: There are no callers, thank you.

President Gilman: Okay, public comment is closed. Next item, please.

## **6. EXECUTIVE**

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

- **Economic Vitality**
- **Equity**
- **Resilience**
- **Key Project Updates**

Director Forbes: Good afternoon, President Gilman, Vice President Engblom, Commissioners, Port staff and members of the public. I am Elaine Forbes, the Executive Director. August is transgender history month, a time to recognize and celebrate the contributions, resilience and leadership of transgender people throughout history. In 2021, San Francisco became the first city in the nation to officially recognize this month commemorating the 1966 Compton Cafeteria Riot in the Tenderloin. In August of that year, transgender women, many of them women of color, and drag queens stood up against police harassment in one of the earliest known, large-scale acts of resistance by transgender and queer communities in the United States.

This historic moment took place three years before Stonewall Riots and helped lay a foundation for the modern LGBTQ+ rights movement. Today the Port of San Francisco stands in solidarity with the transgender community. We honor our city's history as a place of courage, inclusion and advocacy and we recommit ourselves to celebrating the diversity that makes San Francisco so very strong.

I'm going to move now to economic vibrancy. If I could go to the slide deck. First, a Fisherman's Wharf Forward update. Port staff continues to advance the work of Fisherman's Wharf Forward since the last Commission meeting. Staff collected feedback from the Fisherman's Wharf Advisory Committee and the Maritime Commerce Advisory Committee. We also held hybrid outreach meetings that were available in person at Pier One and online. Finally, we conducted an online survey during the month of July and we are really grateful for the feedback we continue to receive.

Port staff work on the design of the new plaza and other elements, we are hearing that stakeholders want us to consider many elements including honoring the history of the wharf and preserving its rustic charm, enhancing the fishing harbor to support the fishers, public spaces that allow for flexibility and relaxation, activation and seating, attracting high quality food options and fixing the existing infrastructure, taking advantage of the views and proximity to the Bay and ensuring the area remains safe and clean.

The next steps for this ambitious project are to finalize the design for the new public plaza, secure the necessary regulatory permits and bring a construction team onboard to meet our very tight construction window to be ready for summer next year. We will be coming to the Commission, next meeting, September, to provide an update on the interim plaza design, our initial plaza design recommendation and we will request authorization to advertise a construction contract.

The Port has maintained its high credit rating. Fitch reaffirmed our "A" rating with a stable outlook. This shows that we are in low risk of default on our debt and strong financial capacity to repay debt. Fitch cited low leverage, robust liquidity and diverse revenue streams. This follows S&P's reaffirmation of our "A" rating with a stable outlook earlier this year. This means we get more favorable borrowing terms should we issue debt for Port projects, and stronger investor appeal.

Fitch also recognized our significant issues related to aging infrastructure, noting that it was our – the significant unfunded capital needs was the biggest drag on our rating and would keep us from an "A+" in the near future.

We acknowledge and have worked with the Commission very diligently in addressing this unfunded backlog of capital which is our biggest financial challenge. We are responding. Staff is updating the Capital Investment Plan, the

CIP, with more detailed asset condition data. We're analyzing future actions from the draft plan for the Waterfront Resilience work alongside potential income from our assets. We will be bring the CIP to the Commission early in 2026.

I want to really congratulate the Commission for guiding this cash-strapped enterprise into a strong financial position and I want to really congratulate our Finance team as well.

And now to Cruise. This past year was nothing short of exceptional for Cruise at the Port. We hosted 90 cruise calls including a record-breaking four calls at Pier 80. We welcomed nearly 3,680 passengers, the second highest passenger volume in our history. We served 16 cruise lines with home part favorites Ruby Princess and the Carnival Legend and we celebrated three maiden calls, the Carnival Legend, Norwegian Jade and Villa Vie Odyssey.

This year also marked another major milestone which many of the Commissioners celebrated with us which is the James R. Herman cruise terminal has turned 10 years old and in this decade we have served three million passengers. Congratulations, especially to Commissioner Willie Adams who pushed for the investment in the cruise ship terminal. It has been very, very, very worthwhile.

We continue to invest in our future. We're completing fender repairs this spring. We're upgrading the bollard system and our terminal operator Metro Cruise has replaced gas-powered shoreside heavy lifts with two new electric heavy lifts. I really want to thank our labor partners at the ILWU for making this such a successful venture, Metro Cruises, the cruise line, and of course, Port staff.

Onward to the Ferry Building which really is demonstrating economic recovery in action. We have new energy at the Ferry Building which is showing dynamic and increased energy. On July 31<sup>st</sup>, I joined Mayor Daniel Lurie, District 3 Supervisor Danny Sauter and Hudson Pacific CEO Victor Coleman for a tour. We previewed two exciting additions to the former Slanted Door space, Parachute Bakery and Arquet restaurant. Arquet will feature wood-fired cooking with Northern California ingredients. Both opening in the coming months, and I'll tell you from the tour, the space looks really great.

We also celebrated the return of Red Bay Coffee which is a beloved black-owned business with a ribbon-cutting ceremony which you see on this slide. There are also other new arrivals, including Nash Bakes Cheesecakes which is already earning rave reviews.

And Hudson is investing in the building with upgrades to interior lighting which should be done by December of this year, exterior lighting on the Ferry Plaza as well, which will be done in 2026, and to the best news, record-breaking foot traffic in first quarter of 2025, Hudson says it's the best quarter they've ever

had, and it's a 23% increase year-to-date. And this is building upon ongoing increases that we've seen from 2020. So it's really robust.

There are upcoming events as well that will be hosted by the Ferry Building including, starting in September, Wednesday lunchtime music and October 2nd, the Mushroom Festival Masquerade. So the Ferry Building really is a shining example of the economic recovery that we're driving here at the waterfront.

Onward to Equity. This summer, our staff led a series of volunteer efforts to beautify Port parks along our waterfront and the results are nothing short of inspiring. Over three events at Bayview Gateway Park, Rincon Park and Crane Cove Park. Staff brought together 60 community volunteers including teams from local businesses. Truebeck, AECOM, Astranis, Jacobs and Dogpatch Paddle. Together, they collected 500 pounds of debris and removed eight truckloads of weeds, transforming our parks into cleaner, more vibrant spaces for everyone to enjoy.

And clean and welcoming parks advance our Equity goal, where we're strengthening the bonds between residents to their neighborhood parks and open spaces. This is community building in action and proof of what teamwork can achieve. And I have many thanks to the volunteers and Port staff who made this happen.

The next event is Friday, August 22nd, mark your calendars. It's the park next to the ramp at Terry Francois Boulevard and Illinois Street in Mission Bay. To get involved, visit [sfport.com/parks](http://sfport.com/parks)

And now to project updates. Amador Street construction, work is officially underway on Amador Street project improvements. The contractor is now mobilized in the field. The project will deliver safe and reliable roadway infrastructure and upgraded utilities in the Southern Waterfront serving our industrial tenants, including the many truckers who have small businesses and are from District 10. These truckers keep goods moving through our Port. It also includes an upgraded pump station to reduce flood risk during major storm events, critical for resilience in the Southern Waterfront.

During this construction, tenant access will be maintained at all times, while there will be some road closure, one lane of traffic in each direction will remain open. We're on track for completion summer next year.

To Resilience, you can take the slides off. The final report of the Flood Study and the Draft Report is still underway. The project team has prepared a draft Final Integrated Feasibility Report and Environmental Impact Statement which is undergoing multiple levels of review at the Army Corps of Engineers. This important final report is anticipated to be made public mid-2026.

And I have a very exciting report, Luiz Barata earned a BCDC award. On August 5th, Luiz Barata who is a Senior Planner and Urban Designer on our Port staff team received the Bay Adapt Award from the Bay Area Conservation Development Commission. This award honors exemplary climate change leaders tackling critical challenges, sea level rise. Luiz was chosen through a rigorous public nomination process and internal selection process. The ceremony will be held September 15th at the Exploratorium.

Luiz leads community engagement for the Port's Waterfront Resilience program and he's working with City agencies and community-based organizations to build climate resilience. A big "Congratulations!" to Luiz. It's also a very proud moment for the Port.

And now, onward to the Living Seawall pilot. There's a video that I get to show you, so I can stop talking. But before we show the video, I really want to thank the Port staff who made this happen. There was a lot of dedication to this project. From the Maintenance Division it's Russ Hamilton, Mike Wetzel, Drew McEwing, Larry Darrington, Ray Dunbar and from the Waterfront Resilience Program, Kelly Capone was the lead. So let me play the video to show you the success we've had with this pilot.

[Video plays]

Thank you for putting that video together, the Communications team. I think it really explains very clearly how important this work is. You know, Seattle, when they rebuilt their seawall, they were able to reinvigorate the salmon fishery and it was one of the very important ecological improvements that came with that rebuild. So we're very excited about what we can accomplish here.

Finally, I would like to share some good news. On a promotion within, that reflects the strength and depth of talent within our organization. I'm pleased to announce that Wendy Proctor has been appointed as the Port's new Deputy Director of Engineering. Since 2023, Wendy has served in the acting role and I'm very delighted that she'll continue in the capacity permanently.

Wendy joined the Port in 2006. Over the past 19 years, she's built a remarkable career here, rising through the ranks as Senior Architect, ADA Coordinator and now Deputy Director. She brings really deep technical expertise as well as a very strong commitment to public service and a very collaborative leadership style. Her portfolio spans capital project execution, historic building rehabilitation, oversight of major partnerships and events like the Exploratorium and Ferry Building, America's Cup and Superbowl, and a key role in our Waterfront Resilience Program to safeguard the waterfront from earthquake and sea level rise.

In her new role, she'll oversee project delivery, construction management and design, inspections, permitting, contracting and code compliance functions

essential to keep our waterfront safe, resilient and vibrant. Please join me in congratulating Wendy on this well-earned promotion.

[Applause]

Director Forbes: Thank you. That concludes my report.

President Gilman: Thank you, Director Forbes, for your report. Is there any public comment in the room on the Director's report? Is there any public comment on the phone on the Director's report?

Public Comment on the Executive Director's Report:

Maggie Hallahan: Again, I'm Captain Hallahan. I have been using, we used to call it, "Fish Alley", Fisherman's Wharf when I grew up and I've been using that water there for 50 years. It has definitely gotten cleaner in the last 20 years. We paddle outrigger canoe, row and sail with our Sea Scouts in that cove sometimes when the weather is poor.

And I just want to say that, you know, seeing the fisherman having, for so many years, to take diesel fuel over, they call it, over water. Actually, we were the first ones to report the oil spill several years ago and we had no idea that it was going to take that long to get the diesel over water tanks repaired.

So, we just want to share with you that it's really vital to keep these questions going. And I noticed in her report, she didn't really specifically talk about marine services and it's really important. As Mariners, Commissioner Adams is a Mariner and he works with these people who risk their lives protecting us on the water. If there was a ferry or some, or one of the big, you know, like something like 1971 when there was an oil crash, we need to keep these areas open.

And that's where the San Francisco Maritime Police is actually at. And I think that they should be added in her report as well, because they're really important for our whole Homeland Security and Bay. So, thank you.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Lee: Well, obviously, good report as usual. A few questions. I see with the Cruise Ship Terminal, there's a number of busses waiting for people to get off. Are those chartered tours, already in advance, or are they bringing passengers to the boats? I mean, I don't know when that picture was taken, but I guess the point I'm trying to make is that, is there some way we can infiltrate the cruise ship – and I think I brought this up before – to get them to go out and do – you know, I don't know what their scheduled tours are – but maybe, you know drop them off in North Beach. Or, drop them off in Chinatown. Or, I know they take them shopping in Union Square. But –

Director Forbes: Thank you for your question Commissioner. I'm asking our Maritime Director to come up and have a conversation with you on that question.

Commissioner Lee: Because we're not, you know, they get to eat for free on the boat. So we're not getting the restaurant traffic. But it would be nice to get the shopping traffic. And I'd like to know if they're really going out there.

Andre Coleman: Good question. Andre Coleman, Deputy Director Maritime. Good afternoon Commissioners. So, it's a combination. So it depends on the nature of the cruise turn, whether it's a home port ship where itinerary originates here in San Francisco and then returns and terminates in San Francisco versus the transit calls that we see, which is probably what you're describing.

And so those transit calls usually shoreside excursions to points of interest in the city or in the region are prearranged by way of the, maybe some travel agencies or tour services here in the region. So a lot of it is prearranged, however, we do have big bus, for example, or others that will, are dialed in with the schedule and will offer their services, or solicit their services while the cruise ship is in Port. [Can we get] –

Commissioner Lee: So –

Andre Coleman: Oh, sorry. Go ahead.

Commissioner Lee: No, I think, I mean, it's a heavy potential especially we're doing so much that we need to, you know, kind of, use, take it to our advantage and try to spread the wealth to some of these small businesses. So that's a great thing. I was just curious when I saw the photo. So thank you for that.

But maybe you can, I mean, we could call the SF Travel or whatever and we can try to –

Andre Coleman: Right.

Commissioner Lee: -- get into those cruise ship concierge and say, "Hey look, we've got these possibilities open." So –

Andre Coleman: Absolutely. We --

Commissioner Lee: -- I look forward to that.

Andre Coleman: I'll be presenting a Maritime portfolio update and we'll, next month, and we'll provide you with some of the work we've been doing behind the scenes with SF Travel and others.

Commissioner Lee: Okay, great. Yeah, I look forward to that one. And then, with Hudson doing so much here in the Ferry Building, it shows that the Gen Z, as

you say, they all want experiences. And we've been doing so much pop-ups, which is great, you know, with all the, you know, open markets and them, with all the diversity of restaurants here. Pier 39 has been doing it for years, so that part has been taken care of, now we've got Central done.

I'm hoping that we can start working on Pier 70 area that the, more for the locals. So I think that's going to be great. So it just shows that the Port, you know, as far as getting the energy back and getting San Francisco to start coming out again and spending money. Small businesses are still hurting, especially at nighttime, you know, they still feel a little shaky about working late. That's my biggest struggle, to get late night dining open again. But in the meantime, let's pump up those 550 tenants we have, which is great.

And, I really like the seawall experiment there, because the kids, you know, for the education fact and also for our future, is important. And I appreciate the Sea Scout comments and I'd like to probably look at that data one day. But I was an Eagle Scout, so, I had a choice, you know, be a Sea Scout or an Eagle Scout. But there's no water in Vacaville. So, I chose to be that. So anyway, I look forward to maybe taking a look at that data.

So that's it for me. Thank you, Elaine --

President Gilman: Thank you, Commissioner.

Commissioner Lee: -- Director.

President Gilman: Commissioner McNeely.

Commissioner McNeely: Sure, thank you. Great report, Director Forbes. Most of the comment, first, congratulations to Wendy Proctor on your elevation. And the work that's being done around Fisherman's Wharf has been fantastic. And I, you know, when I think about our responsibility as custodians for the waterfront for the citizens of San Francisco, the kind of outreach and, that I've seen from staff to the community has been extremely important. And I hope that we can continue that and develop a regular cadence.

I really appreciated your takeaways around honoring the history and creating better public spaces for the city. We can continue that and I think that that goes a long way of building the kind of community support that we're going to need for such a large project.

The, kudos on the Ferry Building and the energy that appears to be around that. Hopefully we can, that energy can spread throughout the waterfront as well.

And, I'll pick up on the, what Commissioner Lee said about the Seawall. What's really interesting around that to me is that you didn't, I mean, we could

always build a seawall, but really thinking about repurposing it and what other kinds of opportunities might exist as we start to rethink and re-engineer that. Something that makes it more of a complement to the bio respect that we have for the Bay, being able to include many of the ecosystems. And then also creating an opportunity for the public to kind of take part in that and to see something that's pretty magnificent. So, I really appreciate the work that the staff's doing around that.

And I can't end without also complimenting you on the strong financial capacity of the Port which is ultimately something that, you know, we're responsible for, and continuing to be good stewards of that. So thank you so much for that.

President Gilman: Thank you. Commissioner Adams?

Commissioner Adams: Yeah, Director Forbes, stellar report. And also, I want to thank my Port Commission Officers, Gail and Steven, they've been doing an excellent job. Port staff, congratulations. Wendy.

Yeah, I really enjoyed the, what we talked about as far as Fisherman's Wharf, revitalization, the economic vibrancy is good too. We've gotten over the 3 million passenger mark. And I knew it would just take a little time, but this light that Mayor Lurie is doing. And he just needed a little time. He's being really contagious and what's happening. You can feel the – I just had lunch down in the stairs in the Ferry Building. You can feel the energy down there, more people. And you can even see it in the city. So clearly, we're rolling in the right direction.

And then, like I said, I wanted to thank, what's that – I can't think – Andre for making that, for explaining what Steven wanted to talk about as far as passengers getting off the ship and where's the revenue coming.

I just got one thing I just personally wanted to say is that I was a little disappointed. I had my retirement parties July 20th, up in Tacoma, and Director Forbes was invited. And no one from the Port of San Francisco was there. But, I did get representation, Mario Cordero from the Port of Long Beach, came. Steve Neal, one of the Port Commissioners. I was disappointed that Director Forbes, or Mike Martin, Andre Coleman wasn't there.

And I've seen other Commissioners treated better, but there was no representation. And people said, "Where's the Port of San Francisco? Haven't you been a Port Commissioner there for 14 years?" And I said, "Yeah." But I also realized other Commissioners that I've been on this Commission with have been treated with a lot more respect than others on this Commission. So I just hope that in the future, everybody's treated the same. Thank you.

President Gilman: Vice President Engblom.

Vice President Engblom: Yeah, Director Forbes, thank you for a great report. I just want to say, I've been following the, you know, just pull out the theme of the Resilience and Waterfront Plan. That is something that San Francisco is definitely taking a leadership on and it's been talked about in our industry for many years as a really innovative plan.

And I've, you know, seen the example, you know, the sort of micro-example of the seawall tiles, those bio tiles. Just, I guess what I want to say is that we're really fortunate to have such an incredible technical team that's been leading us through that. So you know, it's great to see Wendy being awarded and Luiz being recognized. I had the good fortune to work with Luiz for a number of years. We're really lucky to have him on the team.

And, also, the amount of public support that's been coming through in a lot of projects. I think the fact that we're really being careful and thoughtful about that, that really bodes well for us. The one thing in the report that did catch my attention, and it kind of underscores something we've been talking about is, you know, I just think we can't rest on our laurels. While we're really lucky to be riding a good wave of economic recovery, the fact that, you know, the "A" rating, instead of a triple "A" rating. How can we double down on that?

And I'm really glad that you mentioned that you're really focusing on the Capital Improvement Program with the plans, with the teams. Because I think, just like we're taking a leadership role and collaboration, a public outreach leadership, we have to take that same kind of innovative approach to how can we do better in the financial world? Because that drag could really mean the difference, you know, when you really play it out, in a big project like that. That seriously will take us a decade to, you know, 20-year project. We could accelerate that project if we had some really meaningful, transformative financial ideas to help us with our, you know, get from that "A" rating.

So anyway, that just is a reminder for all of us, that you know, we're doing great but we need to dig deeper in that financial innovation world and try to find some people that maybe aren't in the tent with us right now to help us figure that out.

President Gilman: Thank you. Director Forbes, great report. I'm not going to reiterate the comments from any of my Commissioners. I want to again commend Luiz on his recognition for your incredible work, and Wendy, on your promotion, congratulations. You know, we're only, the Port is only as strong as the folks who are part of our team and making things happen every day. So I really want to commend the staff for their incredible work.

And, as we know, we're continuing to move forward. We have our cruise ships happening. We have phenomenal work happening here with the Ferry Building. We have Fisherman's Wharf Forward. So you know, this is our time to shine as we do this great work.

And again, I really just want to reiterate about the Living Seawall. It is a great way for us to understand how to do our Seawall well and right. And also, it's been happening all around us. While North of the Hyde Street Pier is not our jurisdiction, it's Federal. You know, the National Oyster Project does have a living Seawall out there of oyster shells. It was last Tuesday, it was National Oyster Day. And so many restaurants in San Francisco donate their shells, actually, to that project. So I just think it's really wonderful, we're building on the strong ecology of San Francisco and the Waterfront.

So on that note, Director Forbes, did you want to say something? On that note, Jenica, next item please.

## **7. CONSENT**

- A. Request approval of the First Amendment of and fee-waiver for License No. 17173 with Pacific Cruise Ship Terminals LLC for the periodic use of approximately 20,000 square feet of Pier 19 shed for terminal worker parking during cruise calls at Pier 27 with a remaining term of nine months. (Resolution 25-41)**
- B. Request approval of the Operations Agreement (Contract No. OP-0012) with North Bay Distribution, Inc. granting authority to operate three locations at 2031 and 2050 Cessna Drive, and 2131 Icon Way, each in Vacaville, California as a Foreign Trade Zone No. 3 Usage Driven Site for a term of five years, with one option to extend for four years and outlining conditions for the operation of the usage driven site. (Resolution 25-42)**
- C. Request authorization to award four contracts to (1) Arcadis-Lotus Water Joint Venture, (2) COWI-RJSD Joint Venture, (3) GHD-Structus Joint Venture, and (4) Moffatt & Nichol AGS On-Call Joint Venture for As-Needed Engineering and Related Services, each contract in an amount not to exceed \$5,000,000, and to create a pre-qualified pool. (Resolution 25-43, Resolution 25-44, Resolution 25-45, Resolution 25-46, and Resolution 25-47)**
- D. Request authorization to advertise for competitive bids for Construction Contract No. 2882, Pier 9 Roof and Roof Deck Repairs and Pier 33 Bulkhead Roof and Structural Repairs. (Resolution 25-48)**
- E. Request approval of an 18-month renewal, with one 18-month extension option, of SkyStar Wheel, LLC Lease at SWL 301 (proposed Lease No. L-17322) including a resolution recommending the Board of Supervisors waive any applicable requirements of the competitive bidding process with respect to this renewal. (Resolution 25-49)**

**F. Request approval of Proposed Lease No. L-17335 with Sofar Ocean Technologies, Inc., a Delaware corporation for approximately 27,224 square feet of office space and approximately 1,440 square feet of apron space at Pier 26 Annex and Proposed Lease No. L-17336 for approximately 5,693 square feet of shed space at Pier 28, each for a term of three years with one (1) three-year option to extend. (Resolution 25-50)**

**G. Request authorization to execute a Project Supplemental Agreement and a Grant Agreement with Caltrans for the previously approved Port of San Francisco – San Francisco Municipal Transportation Agency Parking Management Pilot. (Resolution 25-51)**

ACTION: Staff requested Item 7F to be continued to the September 9, 2025 Port Commission meeting. Vice President Engblom moved approval of the consent calendar and to continue Item 7F to the September 9, 2025 Port Commission meeting. Commissioner McNeely seconded the motion.

Public Comment on the Consent Calendar:

Pearci Bastiany: Could you remind me of the letter that pertains to Pier 9?

Commissioner Adams: It's D.

President Gilman: D?

Commissioner Adams: D.

President Gilman: D. This is Pier 9 Roofing and Decking Repairs.

Pearci Bastiany: Yes.

President Gilman: Thank you, sir.

Pearci Bastiany: All right, hello.

President Gilman: Yes.

Pearci Bastiany: Hello Commissioners. My name is Pearci Bastiany with the San Francisco Bayview National Black Newspaper. And I would like to submit to your Commission the August issue of our paper where I got my first publication written as a grad student at USF, a first publication titled, "Rotting from the Coast Inward. Sea Scouts Displaced, Waterfront in Decline."

And I personally did the research on this issue to target Pier, excuse me, Pier 9, Pier 48, Pier 49, the Sea Scout Base and the Hunter's Point shipyard where there is evidence of ecological disaster looping where the wooden pilings

underneath all of these piers are literally rotting away. Whole chunks are missing or completely damaged to where they're structurally unsound and you can just go and see yourself. I've got some picture evidence of each of it. The Sea Scouts were gracious enough to send some of their information. I'm sure they were already able to update you.

Now, part of your duties as the Commission, I understand, in the Port of San Francisco, is to make sure the maintenance of our waterfront infrastructure. And part of that comes from revenues generated from the Port operations, which, it doesn't take too much to see the empty Port cranes we have out here. We're not getting enough revenue in the Port. Why? It's because the Port of Oakland has taken it completely over and robbed us of our ability to operate and pay for the repairs of our waterfront.

And so I would encourage the Commission to examine new revenue structures of reexamining, reopening our Port infrastructure in Hunter's Point shipyard, do the remediation work necessary with the community so that that way we can hire some construction cranes to bring in these Panamax ships, unload them, and truck them back to Oakland since we no longer have a railroad beltway to do the work ourselves.

We get a premium from these companies if they can export their product faster and not incur demurrage fees, higher insurance rates. Their crews are literally waiting around here in the Bay, waiting for the Port of Oakland. Meanwhile, the Hunter's Point shipyard's been vacant for 30 years and it used to be the reason why everybody came to San Francisco. We were the Port. This is the Port of San Francisco.

And just look through this, it's a disgrace to see the condition. And you know, you guys are all touting yourselves, pat on the back. But if you just look at the, the wood is deteriorating before our eyes. And what I would hate to see is what happened to the Santa Cruz Pier earlier this year. Just pshhh, washed away with people on it, happen to us.

And this first came to my attention because I just happened to go to the climate for, a Climate Action event for California and Africa. And I'm walking down the gangplank of the Klamath at low tide. And I said, "Oh my God. The pilings are missing! There's whole chunks missing! Somebody's got to talk about this." I went to the June meeting, nobody's talking about it. I went to the July meeting here, nobody's talking about it. I come here, and I've got to go to work and literally squeeze 30 minutes to talk to you guys about what's literally crumbling beneath our feet.

So [I've been the] rest of my time and I hope that we can work together. I did submit like three or four proposals to the clerk over these last two months to work with you guys. Please read my proposals. I got no follow up from you and I would be more than happy to work with you. Thank you.

President Gilman: Thank you, sir, very much. We hear you. I am going to ask staff to reach out and have conversations, again, with the Sea Scouts and with this individual about his concerns. I'm also going to ask under New Business, now that we place an item that we get a briefing on Pier Infrastructure, an informational. What?

Director Forbes: The CIP that's coming?

President Gilman: Yes.

Director Forbes: That we're working on now?

President Gilman: Yes.

Director Forbes: Absolutely.

President Gilman: That that be included in that.

Director Forbes: Absolutely. And I do just want to say, we do have rapid structural assessments. We do inspections and engineering work. We are aware of the substructure conditions. That is something that we are also very concerned about. That is part of our capital backlog that we're trying to address, but that we do, and Wendy could – we'll include a report from the Engineering Team on sort of our green tag, yellow tag, red tag part of our facilities that we're keeping up to date. So you will see that, Commissioners, as well as the public.

President Gilman: Thank you. And we hear you, sir. Okay? Is there any other public comment in the room on the Consent Calendar. And hopefully, when we put this out for bid, we get lots of folks who bid on it and we get some work done. Any public comment on the phone on the Consent Calendar?

Jenica Liu: No callers on the phone, thank you.

President Gilman: Okay, Commissioners. We have a motion. We've had public comment. All in favor to approve the Consent Calendar.

All Commissioners were in favor.

Motion passed unanimously. Resolutions 25-41, 25-42, 25-43, 25-44, 25-45, 25-46, 25-47, 25-48, 25-49 and 25-51 were adopted.

Item 7F will be continued to the September 9, 2025 Port Commission meeting.

## **8. MARITIME**

**A. Request waiver of (1) Port of San Francisco salmon vessel berth rents for a period of six months; (2) Port of San Francisco seafood**

**processors rent for a period of three months in light of economic disruption caused by closure of the 2025 commercial salmon season. (Resolution 25-52)**

Dominic Moreno: Thank you, Jenica. Good afternoon, President Gilman, Vice President Engblom, Commissioners, Director Forbes. My name is Dominic Moreno. I'm the Assistant Deputy Director of Maritime for the Port. I'm here today to request waiver (1) Port of San Francisco salmon vessel berth rents for a period of six months and (2) Port of San Francisco seafood processors rent for a period of three months in light of economic disruption caused by the closure of the 2025 salmon season.

The Commercial Salmon Vessel and Processor Relief Plan supports two key goals of the Port's Strategic Plan. One, Evolution. Evolve the waterfront, and waterfront management practices to respond to changing public and Port needs by supporting legacy Port of San Francisco industries such as commercial fishing as needs change due to economic and environmental conditions. And two, Productivity. Attract and retain tenants to build an economically successful and vibrant waterfront, and in doing so, preserve and enhance commercial fishing at Fisherman's Wharf and at Hyde Street Harbor.

Commercial fishing is one of the Port's and City's most important Maritime industries. It's origin predates the Port and commercial fishing continues today despite both environmental and industry challenges. The industry employs a wide range of San Franciscans and Bay Area residents and has historically generated strong revenues to the Port through it's chain of economics. The local salmon season has been severely compromised in recent years due to environmental challenges such as the increased presence of whales along the Pacific Coast, impacts of drought and the lingering economic impacts of the 2019 Coronavirus Pandemic.

The commercial fishing industry has faced numerous challenges ranging from overfishing, commercial development, ocean pollution, non-native species and other environmental challenges over many decades. Despite these challenges, Pier 45 and Hyde Street Harbor, Fisherman's Wharf, remain one of the West Coast's major commercial fishing centers and much has been done to keep the fish in Fisherman's Wharf.

Major Port initiatives include the 1995 rebuilding of the earthquake damaged Pier 45, the 2001 construction of the \$21 million Hyde Street Harbor -- Commercial Fishing Harbor, excuse me -- the 2012 construction of a new \$2 million Harbormaster's Office, the 2016 Crab Industry Relief Program and most recently the 2024 Crab and Salmon Processor Relief Plan.

Ongoing projects that support the commercial fishing industry include the newly installed J9 Floop Project and a fully-funded capital project to install a new ice machine at Pier 45.

Over the past three years, San Francisco's most important seafood seasons, Dungeness crab and Chinook salmon have either been delayed in opening, shortened or cancelled ahead of the season. For the local commercial salmon population, the California Department of Fish and Wildlife has determined that fishery, that fishery and salmon population to be well below historic averages which resulted in the cancellation of the last two commercial salmon seasons and now a third.

In 2022, CDFW the Department of Fish and Wildlife, reported two million pounds of fish with a gross value of \$10.2 million were landed at the Port of San Francisco. With only \$2.7 million of that, or 386,000 pounds provided by salmon. This is a significant reduction from years past and a disturbing trend. The main legacy fishing seasons in San Francisco are salmon April through fall, crab, November to spring and herring, December to February. The 2022 reporting period was the last full year for the salmon season.

Following 2022, the local San Francisco commercial fishing fleet has suffered a triple hit as years of drought conditions have severely impacted the salmon run, resulting in the cancellation of 2023, 2024 and now 2025's commercial salmon seasons. As a result of the closed sessions, excuse me, seasons, many of the Port's commercial salmon boat owners have been pushed to the brink of economic collapse. Port staff have engaged members of the San Francisco commercial fishing industry to assess the economic impacts of the closed season. The majority of fishing fleet and associated industries are small businesses and the economic impacts have been dramatic.

Much of the salmon's fishing industry earn the majority of their annual revenue in a condensed period depending heavily on the health and quantity of the local fishery. The proposed Commercial Salmon Vessel and Processor Relief Plan will offer berth rent relief for a six-month period and Seafood Processor rent relief for a three-month period.

Port staff recommends a six-month waiver of berth rent for permanent San Francisco salmon fishing vessels who hold a valid State Fish and Wildlife license to participate in the commercial fishery. Port staff estimates that this rental relief would be available to approximately 36 Port of San Francisco fishers and the six-month revenue loss to the Port would be approximately \$41,392.26.

Port staff also recommends a three-month reduction of lease rent for permanent San Francisco salmon receivers who hold valid State Fish and Wildlife Landings either directly or through an agent from salmon boats at their Port of San Francisco facilities. Port staff estimates this rental relief would be available to approximately 17 of San Francisco receivers and the three-month revenue loss to the Port would be approximately \$554,935.

The Port's proposed Commercial Salmon Vessel and Processor Relief Plan will result in a revenue impact approximately \$596,327.26 to the Port. The

proposed Commercial Salmon Vessel and Processor Relief Plan would throw a critical lifeline to the many small business fishing industry men and women during a period of unprecedented financial impacts, provide tangible relief to help sustain this vital historic industry in San Francisco, and demonstrate the Port's ongoing commitment to our commercial fishing community.

Staff recommends that the Port Commission support the Commercial Salmon Vessel and Processor Relief Plan, approve the attached resolution and authorize the Executive Director to provide waiver of rents as described above. I'm joined by Andre Colmen, Maritime Director, and Gabe Mikulich, Hyde Street Harbormaster. We are available for your questions and thank you for your time and consideration.

President Gilman: Thank you, Dominic, for the presentation. Commissioners, do I have a motion so we can move this item?

ACTION: Commissioner Adams moved approval of the resolution. Commissioner McNeely seconded the motion.

No Public Comment on Item 8A.

Commissioners' Discussion on Item 8A:

Commissioner McNeely: Yes, thank you very much for that discussion. Madam President, I will vote in support of the, of the motion. But I would like to raise some concerns that I have. I mean, I completely support, you know, the short-term solution, basically to account for the economic disruption.

My concern is whether or not we are in an era of the new normal. As we think about global warming, as we think about the kinds of disruptions that we're likely to see, my understanding is this, we're maybe two or three years into some type of waiver and my question becomes, yes, a critical lifeline is important. The commercial fishing, of course, is extremely important to our past and our future. Whether or not at some point we consider a longer-term solution to this problem, rather than each year looking at it, since it's likely to repeat and be recurring.

Dominic Moreno: Thank you, Commissioner.

President Gilman: Thank you. Commissioner Lee.

Commissioner Lee: Well, of course, I'm going to support the fisherman and their small business endeavors. And like, as mentioned, you know, they just keep, you know, cancelling the season. And global warming isn't going away and I keep asking whether, if the fisherman can all get together and go to Sacramento and ask if their seasons can be adjusted according to how the whales obviously just do what they want.

But, we're stuck with these old, and this is for a lot of policies that are made on SFMTA and Fire Department, there's a lot of these resolutions were done so long ago that times have changed. And either we can give them temporary relief, but they have to somehow go to Sacramento and ask the Wild Protection Agency if they can, you know, maybe move their season up a little bit, you know, to adjust to this problem. Because even if we give them temporary relief, there's no guarantee that it won't be cancelled again.

So I'm just worried about the industry a lot, so. And I'm going to support it of course, but I think somehow the fishermen should get together. I mean, they do a great job lobbying us all the time, but it's time to go to Sacramento boys. You know, let's tell those, you know, guys, if we can change it one month even. Your crab season can change a lot. So that's my only comment. But I support it. Of course I'm going to support the fishermen.

President Gilman: Thank you, Commissioner Lee. Commissioner Adams.

Commissioner Adams: I think Commissioner McNeely hit the head on the nail. I think we're going to have to have a painful discussion about this. Where does their future lie? Even when we were talking about the development. They're afraid of their extinction and I think, Commissioner McNeely, I don't know if we put a task force together but, there's got to be some painful discussions. It's going to have to really be some painful discussions. What they remember from the past is kind of in the past and what is their new world going to look like? And what is their reality going to look at?

And this is a band-aid that we're actually doing. And I support it, don't get me wrong. But we have to really sit them down and have a conversation. And I don't know if a couple of the Commissioners have to be involved and Port staff. And we need to really talk to them and how they see it. And all sides have got to have a reality grip and have that conversation so, I'd be supportive. I know President Gail and I know Steven's really been involved with them, Steven Lee. But he's right, we've got to, we've got to have a conversation. Thanks.

President Gilman: Vice President.

Vice President Engblom: Thank you for the report. Yeah, I just will build on my fellow Commissioners' comments. This is a tough challenge. I support the short-term motion but I wonder, it's just like everything else. Like, we're taking a leadership on Sea Level Rise. What, the scale and size of fishing for our city, for our State, is enormous. This is a small gesture to get through the short-term together, but how do we, as the Port, take a leadership role in helping, you know, this is important to our mission. It's important to the fisher-fishing industry.

But, you know, we're not the only Port where they're landing, also. It's like a statewide issue. It's a regional issue, just here. We're not, even in our region, there's other – what are other landing sites doing in this issue? And we are San

Francisco, so we should take a leadership role in this conversation or at least offer to and see if there's some way that our incredible team can help maybe bring some resources to the table that maybe the, you know, combined together we could, you know, we work collectively with our fellow Ports and see what's possible. Thank you.

President Gilman: Again, thank you so much for this report. Commission is supportive of the item and we're going to vote for a minute. But I just want to make two, I want to make three comments. Particularly building off of Commissioner Adams comments. I actually do think we need to reach out to our fellow Ports, you know, particularly thinking of Monterey which had been mentioned before and Ports – and I think we need to see if they're, or if you're already part of some sort of conversation, regional or statewide conversation on the issue.

I know there is an association in Sacramento. It's been mentioned by the fishers before and I know there is a statewide council that many of them sit on. But I think we need to have a hard conversation. And I think it has to include the processors. We hear a lot from the fishermen who come here. But when you look at this relief package, it's only 36 vessels and their relief was pretty small. The major relief we're giving is to the processors who in my, who really have not been at the table, or have not come here to Commission. So I really want to be able to involve them.

And I'm happy to participate in those conversations. And if there's not traction among our other Ports on this because they have, I don't know, and I'm just making this up right now. I know only enough to be dangerous. Because they have sardines in Monterey, they're not as concerned. Then we need to take this on for ourselves. Because I do think that times are changing. We can't continue at this pace and, you know, we're not the East Coast. We're not going to be the scallop capital of the world as they are in Massachusetts. Our waters are different and climate change isn't going to change.

So I do think we need to be a little more proactive. And then I also just think for the public, because we have that last public comment on the consent agenda, I think the public needs to understand, we are an enterprise department. And I think this has been like my soap box since I've become President. We don't really get any of your taxpayer money. And so when we do this relief to save something so vital for us, it might seem like a small amount on our overall budget, but this relief of close to \$600,000 is \$600,000 that isn't going somewhere else, that isn't going to our Capital Plan, which isn't going to the pilings at, you know, Pier 9.

So everything is a tradeoff that we do every day for the public good. And I say this more on the dais for the public record that we just can't go with our hand to City Hall, or when you hear of the Mayor's budget, you know, that is a General

Fund department budget, and we are not a General Fund department. And I just think it's really important for the public to understand that.

So on that note, Commissioners, all in favor?

All Commissioners were in favor.

Resolution 25-52 passed unanimously.

## 9. REAL ESTATE & DEVELOPMENT

### **A. Informational presentation to consider and possible action to approve a 12-month extension of the Lease Disposition and Development Agreement with TZK Broadway, LLC, a California limited liability company ("TZK") for the proposed hotel development (the "Development") at Seawall Lots 323/324 and portions of unimproved Vallejo and Davis Street right-of-ways on the west side of The Embarcadero at Vallejo. (Resolution 25-53)**

Ricky Tijani: Good afternoon, President Gilman, Commissioners and Port Executive Director, Elaine Forbes, My name is Ricky Tijani. I'm the Waterfront Development Project Manager with the Real Estate and Development Division of the Port. I'm glad to be making this presentation to you today in response to the request from TZK to get an amendment to extend their LDDA term.

At the executive level, the request is just for 12-month extension. The development that this concerns is the development at the corner of Broadway and Embarcadero. It includes 161-room luxury hotel. Initially when we come back here, we've been looking at 192 but now it's been reduced to 161 luxury in terms of what the market can support. And equally includes a space for Teatro ZinZanni that we're calling the Dinner Theater Space and also a 14,000 square foot public space.

The development costs have gone up. It's now \$169. Before, it was roughly \$142 million dollars. As a quick background on this development, the LDDA was approved by you back in 2019. At that time, we were expecting that it would take roughly two years to close escrow, however COVID-19 hit and created delay in finding financing. And TDK has been struggling since then to find the financing. And of course we know why financing is not available, because the demand is not there, they closed down due to the COVID-19. Tourism and office workers and so forth and so on. But we're recovering now. So because of that, we have to extend the LDDA term to give them time to perform.

Last year, we give them the second amendment to the LDDA that gave them to September this year to complete negotiations of the revisions to the lease term and close escrow. But, however, they need additional time because it's taken, the lenders that are coming in are asking a series of questions that

TZK has to respond to and this is taking quite some time. As a result, even though now this is August, it has three more, three more months before September, but it's anticipating that it's going to need more time.

We've now come to you to get approval for the proposed extension to the lease term. We still need to go to the Board of Supervisors. As a result, TZK is being proactive by saying, "Let me ask for an extension now to get this done."

Current, this the current status of the project. The top of this deck kind of lay out where we are. We currently have an extension that will take us to the, extension from September last year that's taking us to where we are. The key tasks that TZK needs to complete to continue to move the development forward is laid out here with complete negotiation of the proposed lease terms, obtain your approval, go to the Board of Supervisors and hopefully get financing, pull building permit and close escrow.

The key terms of this third amendment is again, 12-month extension. Because TZK is very hopeful, they already have some lenders that provided conditions of commitment. And the approval that we're expecting for the proposed lease term is expecting that it may be able to close escrow sooner than later, sooner rather than use the entire 12-months that is requested now. As a result, they wanted to be able to pay on incremental basis, get 3-month extension and pay \$25,000 for each extension.

Four extensions would get us back to that \$100,000 extension fee. So, but we are recommending that we accommodate him. Also as part of this term is the extension of the deferred amount we provided before, the \$400,000 in accrued transaction cost including building permit fee that is theirs to pay and other cost of our consultant, all that combined is what amounts to this \$414,000, \$411,000 that he will pay when he close escrow.

And this amount is secured by a promissory note and is carrying a simple interest rate of 3%. Part of this third amendment would be updating the Schedule of Performance because currently we are expecting them to close escrow by September of this year. We're going to be changing that to accommodate this extension. So it would be September of next year, or when he's able to close.

Again, this is the key deal why this project is taking longer, getting the financing. This is a complete picture of the current updated Capital Stack. That debt piece, that \$55 million is what is really, really the key here because all the lenders are looking at San Francisco, they're looking at the market. They're asking very tough questions. And that is why they are saying, "Look, the existing lease terms need to be reversed."

Because when we enter into, when we structured this lease back in 2019, the world was totally different. The economy condition is different. Now, this is where we are. So the lender are saying, "We need to go back and change some

of this stuff in order for us to be able to accommodate you.” So, generally this is the current Capital Stack.

For the benefit of the new Commissioner, this is the location of the site. It's at the corner of Broadway and Embarcadero, almost across from Pier 9. And this is an aerial view of the, of the site. Currently, the site is being used for surface parking, which is not desired and best use.

So in terms of the next steps and timeline, we will be completing negotiations, provide the proposed revisions to the lease terms and then secure approval and TZK will find financially and hopefully will start construction the year after.

Here are some diagram and pictures of the site. It is a triangular site and this is the site layout. The park is to the left. And here are the elevations of the proposed hotel building, it's a four-story building. And here is another view, a rendering of the building at night. And here is a view of the park, showing that gazebo where Teatro ZinZanni may have a spill out of their activities to use the park.

And here's another aerial view of the proposed development. And that concludes staff presentation. We're recommending approval of the proposed resolution that comes with this staff report. Thank you.

President Gilman: Thank you, Ricky. Commissioners, do we have a motion to make this an action item?

ACTION: Commissioner Adams moved approval of the resolution. Commissioner McNeely seconded the motion.

#### Public Comment on Item 9A:

Jay Wallace: Thank you. Good afternoon, Madam President, Commissioners. My name is Jay Wallace. I'm here on behalf of TZK Broadway LLC. We're seeking your approval of the 12-month extension. We've been at it for a long time. We've been at it so long that I think Commissioner Adams, you're the original and we're pleased that you're still here and in support of our project.

And to the new Commissioners, you haven't seen us before. Welcome, we're looking forward to working with you as well to say nothing of our esteemed Steven Lee and President Gilman.

The project is going along well. We work closely with Ricky and Scott on a regular basis. Financing has been a challenge. There's no doubt about it. It's a – we face the problem every day of the investment community across the globe says I can buy a foreclosed Four Seasons, you know, on Market Street for \$500,000 a room to build a new hotel in San Francisco, all union, built all union,

operated all union is substantially more than that. But we have the best location in the world. We're proud to be your partner. The staff has done a great job. We intend to complete the project this year and move forward as expeditiously as possible.

So with your support, we will continue to work hard and we will bring a wonderful, new hotel to the corner of Broadway and the Embarcadero with a new home for Teatro ZinZanni and a new public park. And I'm happy to answer any questions, thank you.

Commissioners' Discussion on Item 9A:

Commissioner Lee: Hey, Jay, can you come back for a second? So, you look tired.

Jay Wallace: I've gotten old.

Commissioner Lee: [Laughs]

Jay Wallace: I just, one little quick story. I do, have some project at Treasure Island as well. I made a presentation there and the President of the Commission said, "It's been so long, you lost your hair."

[Laughter]

Jay Wallace: So if I look – I know, it's pretty – you can laugh at me. But yeah, I look tired. You're right. But keep going Commissioner.

Commissioner Lee: So you're, you know, we have this problem with Pier 30/32, obviously, you know what's going on there. And you know, just things been going on. I mean, when I was on the Entertainment Commission, I was going to, I was ready to give you your permit for that, but we're still here and we're still waiting for that great theater.

I like how its been reduced so you can, you know, with the times. But, are you that close right now? If we give you this extension, are we ready to close the deal?

Jay Wallace: We certainly think so. I mean, I can't speak for the lending community but we talk to them every day. We have, we have secured most of the financing that Ricky put up on the Capital Stack and we are seeking the last little bit to close the financing. Once that happens and we document the transaction, we'll be ready to pull a building. We have some modifications that we have go back to, for the building permit issuance, but modifications are reduction in size, not expansion so they should be relatively simple.

We're going from a, as Ricky said, 194 rooms. It's actually 164 rooms now, not 161. We found a little extra space to enhance the size. But, yes, we hope that we will be able to secure the financing in the next few months, finalize that, document that and move forward.

Commissioner Lee: I think I've heard that maybe interest rates might be coming down this fall, will that help you too?

Jay Wallace: That certainly will help, for sure. I think the biggest challenge we face, as I said earlier, is the fact that there's a number of foreclosed hotels in San Francisco and that's a challenge. But as the market cleans itself up, we know that we have the best location with the best partner, the Port of San Francisco, and we will continue to move it forward and succeed.

Commissioner Lee: Yeah, I would definitely hold onto that, by your pinky if you have to, because it is a great location. So.

Jay Wallace: Fabulous.

Commissioner Lee: I mean, I hate to have you lose it after all these years.

Jay Wallace: Thank you.

Commissioner Lee: So I'm in support of giving you an extension.

Jay Wallace: Thank you.

President Gilman: Commissioner McNeely.

Commissioner McNeely: Yes, Jay, I had a couple of questions as well. And I agree with Commission Lee. I think it's a, it sounds like a wonderful project. I'm getting educated on it. It sounds like a great project, great location and could be a great catalyst for what we'd like to see in revitalizing this part of the Embarcadero.

My question is, "With this extension, what's your level of confidence that the financing will take place?" And I don't quite understand the hesitation of the lenders at this point. It sounds like you've had to, again, I'm coming on to this new, but it sounds like you've had to rescale your project in a way that made your creditors more comfortable. And is that, is that the lingering item that kind of is allowing you to kind of figure that out and then go forward with your lenders?

Jay Wallace: I'd say it's that and, this maybe sound crass, but I, you know, I'll say it anyway. The markets don't just care about great location. They, you know, what we face in the marketplace is it's on a ground lease, so that takes a whole host of, whole group of lenders off the table. They won't touch a ground lease.

It's an all union project, start to finish, every day, every day when we turn on the lights, it's a union project. That takes a whole group of lenders out of the picture. It's a, we're using C-PACE Financing which is a tradition, it's a well-known and well-respected form of financing. It's cheaper debt than most debt today. It's how this building was actually built with C-PACE Financing.

But there's a group of lenders that don't want to participate in C-PACE. So 100 lenders in America are doing hotel investment, shrink it by a third, a third, a third. We really get a chance to talk to 10 or 12, you know, 10 or 20 lenders. And they're warming up to San Francisco. They, we've heard COVID shut things down completely. The hospitality industry was crushed in this city.

We then went through the people sleeping on the streets and the homeless encampments. People didn't want to do business in San Francisco. Mayor Lurie has brought a great, fresh, breath of fresh air and we are seeing a lot more interest and we are very confident that we will get the financing done, so confident that we continue to spend our money, our private equity, our personal money on the project. And that will not, that will not cease.

Commissioner McNeely: Thank you.

Jay Wallace: Sure.

President Gilman: Commissioner Adams.

Commissioner Adams: Jay, you know I support this. I've been on the Commission so long and I know Director Forbes would agree. We have seen so many of these projects, even with the development of the housing and the Pier 30/32. People keep coming back, right? [Scott,] the Giants, this thing is always moving back and forth. And you're doing two projects. You're doing this and Treasure Island, right?

Jay Wallace: Yes sir.

Commissioner Adams: Yeah, it's, it's difficult. I believe you're going to get there. We're living in, with the markets and everything, it's kind of volatile. And I don't think a year is unreasonable to something that I think this city and it's rebirth will really enjoy. I think we're going to enjoy this when it does happen and I think this Commission and the Port staff and the Executive Director will all look back at this and realize this was just a part of the process of growing through this. This is, this is difficult.

So I, I support it. And I, I can only imagine the frustration you have. I mean, I mean, a lot of crazy things are happening. We could wake up one day this week and San Francisco could be like D.C. I mean, you just never know from day to day what's happening in this crazy country. Never say never. But anyway, you have my support.

Jay Wallace: Sure.

President Gilman: Thank you. Vice President Engblom.

Vice President Engblom: Jay, I really appreciate you taking time to explain some of the, you know, your thoughts about this. I guess my only thought is, you know, and I support this because the team has worked with you closely and they're coming, you're coming back and asking for a year. You know, a year ago we asked for a year. I'm just wondering, are we asking for enough time? Is that enough flexibility?

I trust the team that this is the right request and it sounds like, you know, with – it's all timing. So I just, I hope that – because the cost escalation statistic that was mentioned is really, you know, obviously a big concern to you and to the project. So, I guess that you're asking for a year, so I support that. And I really appreciate you sharing your thoughts and keeping your expertise involved. Thank you.

Jay Wallace: Thank you.

President Gilman: Well, thank you Jay. And thank you for sticking with it. I remember when this first was a concept as a North Beach resident and all of the community outreach you did way before I was on this Commission, actually. And all the community support for this to be a sole source. I'm teeing your team for your commitment to ZinZanni which moved because of the Port, and because of us for America's Cup. And this all predates me sitting here in this chair.

But I'm really excited that you guys are finally moving forward. And I will just say, I really hope you get the financing nailed down and get moving. Because with tariffs and everything, I would hate to see your construction costs escalate any more. So thank you so much. And Ricky and Scott and the team, thank you for working so diligently with this partnership.

Commissioners, we have a motion on the table. All in favor?

All Commissioners were in favor.

Resolution 25-53 passed unanimously.

## 10. PLANNING & ENVIRONMENT

- A. Request authorization to amend the Harbor Traffic Code to establish parking restrictions for large vehicles on Port property to align with recent amendments to City Administrative and Transportation Codes. (Resolution 25-54)**

Mike Martin: Good afternoon, Commissioners. Mike Martin, Assistant Port Director and Chief Operating Officer here today to give you, kind of a brief verbal presentation of the context of the amendments to the Harbor Traffic Code that are before you.

So as you can see, it's a fairly targeted amendment to the Harbor Traffic Code relating to the parking of large and oversized vehicles. This is meant to harmonize our Port street regulations with those that are now, that will be in effect in the rest of the city after actions taken by the Board of Supervisors and the San Francisco Municipal Transportation Agency Board of Directors.

These restrictions are crucially paired with an intent and a resourcing of the City to engage in a lot of outreach with recreational vehicle occupants and particularly those using recreational vehicles as homes on different city streets. The goal here is to try to sort of address that issue by engaging with these individuals and families living in the RVs to see if they would be able to get into City-operated or City-made available temporary shelter and permanent housing.

And the idea is that there would be a large vehicle Refuge Permit Program under which the occupants of the RVs, as long as they're working through that process and agreeing to abide by certain Good Neighbor provisions would receive a permit to be able to continue parking on city streets with the hope for outcome being eventually they obtain that shelter or housing and then at that time the City could buy back the Recreational Vehicle so they wouldn't continue to be used as housing on the streets.

Port staff has been engaging with the various City agencies, as well as MTA and the Mayor's Office about the overall program as well as the parking restrictions themselves. And if you adopt these amendments, we'd continue to engage with SFMTA to ensure enforcement because that really is the foundation of our recommendation that you pass this is ultimately what we're going for is one set of rules that would be enforced throughout the city including Port streets.

Because if we didn't, if you didn't adopt this item that's before you, create a situation with a different set of restrictions on Port property that could potentially incentivize large recreational vehicles or other vehicles without parking permits to come to Port property to evade enforcement. And that's obviously an outcome that would disrupt the businesses of our tenants as well as our own operations. And so, we're hopeful that you will adopt the resolution before you today.

So that is the context, and I'm happy to answer any questions about the Port's involvement with this effort. We're also joined in the audience today by Eufern Pan, the Assistant Chief in the Mayor's Office for Health, Homelessness and Family Services who can answer any questions you have, if you have any, about the broader program. But we look forward to your questions and feedback. Thank you.

President Gilman: Thank you, Mike. Commissioners, is there a motion to move this item?

ACTION: Commissioner Adams moved approval of the resolution. Commissioner Lee seconded the motion.

No Public Comment on Item 10A.

Commissioners' Discussion on Item 10A:

Commissioner Lee: I mean, of course, we have to support this ordinance because as they are moving throughout the city, they're going to moving to different locations. The ones that don't want to participate. So they're going to find whatever space they can, and I'm sure it's going to be coming down here.

My only, my only concern is, I mean, definitely support, as long as they want to move into the next housing or whatever we can provide them, but what I don't like is all the clutter, you know, that comes with it. They start bringing all their bicycles and things like that. Is there a way that part of the permit say that they have to keep the area clean or uncluttered or, or there's full of, you know, accumulated trash and things. It's just so unsightly. And also, like, it creates kind of a hazard for other people.

Mike Martin: Thank you for that question, Commissioner. I'll invite Miss Pan to answer.

Eufern Pan: Good afternoon Madam President and Commissioners. My name is Eufern Pan of the Mayor's Office. To answer your question, yes. As part of the Refuge Permit Policy, permitholders will be required to sign and adhere to a Good Neighbor Policy which we'll be posting on the public website for all to understand and to be able to know of.

And so that, the Good Neighbor Policy includes keeping the area around their vehicle clean, allowing DPW to clear debris if required. And not adhering to that policy will be cause for revoking the permit.

Commissioner Lee: And you will have, kind of, monthly inspections then to go out and take a look.

Eufern Pan: Typically, enforcement will come through request from 311. It's usually complaint-based in terms of how the street teams are generally operationalized to be able to respond to requests across the city. And so this would come under the typical protocols for that.

Commissioner Lee: So there's not really, even though they're giving them a permit to park there and live there, how do you monitor to be able to, if there's some available housing for them?

Eufern Pan: Yes. So –

Commissioner Lee: How do you engage if you don't go out there?

Eufern Pan: Thank you for your question. So the permit, the purpose of the permit is to be able to temporarily stay in your vehicles while the City works with the permitholder to move them into housing. So as part of that, permitholders will be provided Case Management Services.

And so they will be assigned a Case Manager which, who will be responsible for weekly check-ins with that permitholder, working with them towards finding appropriate housing for them to move into.

Commissioner Lee: And so, if they don't participate or say they change their mind, you can revoke their street permit.

Eufern Pan: That is correct. That is also part of the permit conditions, and –

Commissioner Lee: Okay.

Eufern Pan: -- yeah.

Commissioner Lee: Okay. That's all the questions I have.

Eufern Pan: Thank you.

President Gilman: Okay, Commissioner McNeely.

Commissioner McNeely: Yeah, I had a, also a question about the Vehicle Refuge Permit Program and that is, does that then require the vehicle to be located to an area where there is that, a temporary, a temporary space allowed for those vehicles for that 12-month period? Or, let's say for instance, a vehicle parks on the Embarcadero and requests the Refuge Permit Program. Does that vehicle stay in front of the Ferry Building or close by the in proximity for 12 months as it works its way through the process?

Eufern Pan: Thank you for your question. So to clarify, the Refuge Permit will only exempt a vehicle from the new two-hour parking limit. It does not, it does not exempt them for any existing parking restrictions that would apply to the city street as of today.

And so, if they were already on a Port street, my understanding is that they will not be able to stay in there, at that specific parking spot more than 24 hours beyond what was permitted, by what was paid for in that parking space. And so that, those rules will continue to apply. Existing, other existing conditions, like street cleaning, and what, so on and so forth will continue to be –

Commissioner McNeely: To apply.

Eufern Pan: -- apply. Yeah.

Commissioner McNeely: Okay. Thank you.

President Gilman: Commissioner Adams.

Commissioner Adams: I'm in support. First of all, I applaud the Mayor for putting this task force together. And everything that I need to know is right here. It says, if we don't adopt this, "the outcome would undermine goals of the citywide program, create negative impact for the Port's business, residents and Open Space." That says it all that I need to know right there and I am going to support the Port staff recommendation.

President Gilman: Vice President Engblom.

Vice President Engblom: Yeah, I guess my only question, I guess it's kind of like, "Why is this coming to Commission?" Because, I'm not sure, this feels like something that, it's part of, I mean, generally I'm supportive of this. So I guess that's my question. Why is this coming to Commission?

President Gilman: For changing code.

Mike Martin: Effectively, this Harbor Traffic Code is something that can't be, sort of, adopted in the way the amendments to the Port code were adopted at the Board of Supervisors. So you're in control of these specific regulations, so we had to bring this item. And we had to bring this item on the open calendar, because it is –

President Gilman: Because it's changing code.

Mike Martin: -- amending a regulation.

Vice President Engblom: Okay, that was, that's kind of just a process question that I had. So, I'm supportive.

President Gilman: Thank you. And again I think, all of us want to, I think are in agreement too on this Commission that we commend the Mayor for bringing this forward and for SFMTA for addressing this issue which has caused a lot of concern for neighborhoods, particularly the Southeast Sector of our waterfront has been hit hard by this. And I really want to acknowledge their struggles and the struggles of District 10.

And I really hope people take advantage of the myriad of programs that the City is offering to help people secure housing. Because this Commission is supportive of this. So Commissioners, all in favor?

All Commissioners were in favor.

Resolution 25-54 passed unanimously.

## 11. NEW BUSINESS

Director Forbes: I have recorded some New Business. The first is an update on facility conditions which we will work into the Capital Improvement Plan, a report to you. Also for us to work with the Sea Scout representative and report back to the Commission on our findings as well as the gentlemen who issued, had an article in the Bayview paper.

Finally, and I don't know if I'll get this one exactly right, but that we need to have creative ways and think differently, and get into conversations with the fishers about the viability of the fisheries and business going forward, and see how we can contribute to a positive outcome for the fishers.

President Gilman: Yeah, and I think all, just, Director Forbes, because I know there was a lot of this meeting today, so I don't want to lose it. The processors.

Director Forbes: Processors.

President Gilman: So I think we need to form a working group. I don't think the Fisherman's Wharf Advisory Committee, the, I can't, how the acronym's pronounced, I don't think that's the venue.

Director Forbes: FishWAC

President Gilman: So I think it needs to be something outside of that. And seeing maybe if that's something that can be, maybe that's something we can work through our lobbyist, it's something we can work through, or Boris, with our other California Ports who are having similar challenges. We can't be the unicorn on this issue. We should be working collectively.

Director Forbes: That's fantastic. And we actually have a meeting with the California Association of Port Authorities just this week. So it's an opportunity for me to bring up this conversation and start the dialog.

President Gilman: Yes.

Commissioner Lee: I think if we help them organize a little bit with that, because I think it's going to have to be beyond city limits here. It's going to have to be like a statewide issue. So if we can help, you know, with, you know, supporting it with our lobbyists maybe, you know, to get them a little organized.

President Gilman: Yeah, the California Association –

Commissioner Lee: Yeah.

President Gilman: I think it'd be a great venue for you to bring it up in. But I think we want to participate and you have Commissioners who would like to participate if you need –

Commissioner Lee: Right.

President Gilman: -- if you need us to.

Director Forbes: That'd be great.

Commissioner Lee: And then one thing, I would like to have our Communications person talk to this young graduate here that a lot what he said is because he doesn't understand. I mean, I was kind of like him when I joined the Commission as I didn't know, but now that I've been here so long and what it takes, I think if he understands. And also, we have a federal government that cut our budget a lot. So we were ready to break ground and now things have slowed down.

So I think if Eric somehow can communicate with him and say, "Look, we understand. We're on it but it's a process and it costs millions and millions of dollars that we don't have." And all these projects are taking a little money away from us, 20 meters from South, you know, and all these things are just nickeling and diming us. We have to give relief to the salmon fisherman. These are money that, like President Gilman said, we don't have. It basically sets us back.

So somehow the communication has to go out a little better to these younger people and say, "Look, we're on it but it costs money and we have seven and half miles to deal with." So somehow we can start engaging on that, that'd be great.

Commissioner Adams: And on top of that, we are not in competition with the Port of Oakland. The Port of Oakland is a container port.

Commissioner Lee: Totally different.

Commissioner Adams: We're a boutique port. We're totally different. Plus, the Port of Oakland has the airport and the Port and the days that – at one time the Port of San Francisco was the largest port on the West coast back in the day. But a lot has changed. And the leadership back then went a different direction.

And now it's LA/Long Beach which is the largest port, then Oakland, and then Tacoma and Seattle. And he doesn't understand the dynamic. They're not in competition. I think the Port of San Francisco is doing the best they can with their Maritime, trying to get general cargo, cruise ships and stuff that they can do. But we have five hundred some leases. He may not know that.

Commissioner Lee: Right. I think – yeah.

Commissioner Adams: And the largest probably is the Giants. Right? So, and then we do a lot of developments that they don't do in the Port of Oakland. So I don't think he understands that, right? It's totally different, a landlord port and a maritime. And he doesn't understand, you have to explain. I appreciate his passion, but he just needs to understand.

President Gilman: Yeah, absolutely.

Commissioner Adams: And maybe Andre could write something up for him so he could look at it and decide that there is a difference. Thanks.

President Gilman: Actually, sorry, I'm so sorry. We're all just on this point, because I think it's so lovely actually to see a young person and do public comment and have this passion, is maybe we could do an Op Ed in the paper and sort of explaining that we are a landlord port now. The rich history, honoring the history, I think it important particularly for the Bayview community, but understanding that it's not our decision just to all of a sudden decide that we're going to become a container shipping port again.

So, I think maybe we could have Andre, I think it would be actually appropriate, the communications, it could be appropriate under your penmanship. Maybe just explain who we are and what we do a little bit. And the opportunities for all of our internships and all the things that we do do to in-reach to the community. It might be a good, we can see if they'll publish it for us. They may not, and then we can put it on our website. But it could be worth it.

Commissioner McNeely: Madam President, may I add something to that? I mean, I think that I understand his passion and some of the factual background was inaccurate. But he felt very passionate about it and there are probably many people, particularly young people that may feel, that may be similarly situated. So I'd like to not treat him just as an individual, that this is kind of a one-off.

I think there may be others, maybe entire communities that might think the same way. So perhaps, I like the President's thought around perhaps even an exploration in the same newspaper where he did his research, or maybe a response from the Port, or an Op Ed, or something that explains what we do and how we do it.

Director Forbes: I think that's great, a great recommendation.

Commissioner Adams: Or even a podcast on Maritime from Andre that reaches out to that generation and I think, yeah, I think so.

Commissioner Lee: I think just, you know, just basic education. What we're doing now compared to all, I mean, just, they're smart enough. They know. He just, he just got a little excited looking – I got that way too looking under Aliotos.

[Laughter]

Director Forbes: We all feel that way.

Commissioner Lee: You know? Sorry.

President Gilman: I think we have to acknowledge, it's complex. People don't understand that –

Commissioner Lee: Right.

President Gilman: -- we're not North of the Hyde Street Pier. Right? That we're not the Marina Green.

Director Forbes: That's right.

President Gilman: That that's federal property. You know? So I just think there's complexities to what we do. Folks don't understand that we're not every street that's across the street.

Director Forbes: Right.

President Gilman: So I just think it's nuanced and whether you're young, old, lived here, born and raised here or just moved here yesterday, I just think the more we can do –

Director Forbes: More education.

President Gilman: -- but to engage the next generation of San Franciscans will be the key for the long-term success of the Port.

Director Forbes: Absolutely.

President Gilman: When we're all in our wheelchairs coming up to do public comment to whoever's sitting on this dais.

[Laughter]

Hopefully not in our wheelchairs. I'm never going to be in one. But, I'm just saying, you understand it. So on that note, Commissioners, I think you have our, I think you have our new items.

Director Forbes: Thank you.

President Gilman: Is there any other New Business? Can I get a motion to adjourn?

## **12. ADJOURNMENT**

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

The meeting was adjourned at 4:57 p.m.