



SAN FRANCISCO PORT COMMISSION

**NOVEMBER 18, 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
NOVEMBER 18, 2025

1. CALL TO ORDER / ROLL CALL

Port Commission President Gail Gilman called the meeting to order at 2:00 PM. The following Commissioners were present: Gail Gilman, Stephen Engblom, Willie Adams, Steven Lee, and Ken McNeely.

2. APPROVAL OF MINUTES – OCTOBER 7, 2025

ACTION: Commissioner Adams moved approval of the minutes. Commissioner Lee seconded the motion. The minutes were approved unanimously.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

No Public Comment on Executive Session.

4. EXECUTIVE SESSION

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

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

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

(a) Property: Pier 23 Cafe

Person Negotiating: Port: Scott Landsittel, Deputy Director, Real Estate & Don Kavanagh, Property Management

Negotiating Parties: Lei Levi; Representative of Pier 23 Cafe

Under Negotiation: ___ Price ___ Terms of Payment X Both

The Port and Pier 23 Cafe are negotiating a proposed Lease Amendment to restructure and potentially extend the existing Lease term. In this executive session, the Port's negotiators seek direction from the Port

Commission on factors affecting the price and terms of payment, including rental amount, percentage rent, and required investments in the facility.

Present: President Gail Gilman
Vice President Stephen Engblom
Commissioner Willie Adams
Commissioner Steven Lee
Commissioner Ken McNeely

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Scott Landsittel, Deputy Director, Real Estate and Development
Don Kavanagh, Senior Property Manager
Michelle Sexton, General Counsel

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER (Discussion and Possible Action)

(a) Discuss anticipated litigation matter pursuant to California Government Code Section 54956.9(d)(4) and San Francisco Administrative Code Section 67.10(d)(2) (Discussion and possible action):

As Defendant As Plaintiff

Discussion of anticipated litigation by and between the Port and Bauer's Intelligent Transportation, Inc. related to events of default in connection with Port Leases L-16206, L-15004 and Parking Agreement No. 003805 at 401 Terry Francois Boulevard, Pier 50 Shed A and Shed C, and Pier 96, respectively.

Present: President Gail Gilman
Vice President Stephen Engblom
Commissioner Willie Adams
Commissioner Steven Lee
Commissioner Ken McNeely

Also present: Elaine Forbes, Port Director
Michael Martin, Assistant Port Director
Jenica Liu, Commission Affairs Manager
Scott Landsittel, Deputy Director, Real Estate and Development
Kimberley Beal, Assistant Deputy Director, Real Estate and Development
Jennifer Gee, Senior Property Manager
Justin Bigelow, Deputy City Attorney

Michelle Sexton, General Counsel

(3) CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE
APPOINTMENT – Port Executive Director (Government Code Section
54957(b); San Francisco Administrative Code 67.10(b)).

Present: President Gail Gilman
Vice President Stephen Engblom
Commissioner Willie Adams
Commissioner Steven Lee
Commissioner Ken McNeely

Also present: Jenica Liu, Commission Affairs Manager
Michelle Sexton, General Counsel

5. RECONVENE IN OPEN SESSION

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

No Report.

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

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

6. RAMAYTUSH OHLONE LAND ACKNOWLEDGEMENT

The Commission Affairs Manager read the Ramaytush Ohlone Land Acknowledgment.

7. ANNOUNCEMENTS

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

any item. Public comment must be in respect to the current agenda item. For in-person public comment, please fill out a speaker card and hand it to the Port Commission Affairs Manager. For remote public comment, instructions are on the first page of this agenda. During public comment, dial *3 to be added to the queue. An audio prompt will signal when it is your turn to speak.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

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

Public Comment on Items Not Listed on the Agenda:

Lei Levi: Thank you. We, the Pier 23 Café family, want to sincerely thank all of you at the Port of San Francisco for helping us get to this moment, especially the efforts of Scott Landsittel and Don Kavanagh. Getting this proposal presented to you today has been an important journey for us. And we hope this means a resolution is near.

We believe our request is fair. We have been Port of San Francisco tenants in good standing for a majority of our 40 years as leasee. Post-pandemic, with work-from-home policies, economic downturn, changing customer patterns, our business, with the current rent structure, is unsustainable.

We have never questioned the terms of our lease until now. After much analysis, we discovered that our rent was based on a footprint that is mostly outdoor space. This means, for all the winter months for close to 40 years, we have paid rent on primarily unusable space.

Revising our footprint and lease terms feels necessary and timely. Our family has demonstrated our commitment to Pier 23 Café. And we value our longstanding partnership with the Port of San Francisco. As a multigenerational business, we request to extend our lease terms by 15 years.

Our hope is that the commissioners and the decision makers recognize our family's dedication to the survival of Pier 23 Café, putting our heart and soul into making it one of the most iconic San Francisco legacy businesses. Thank you.

9. EXECUTIVE

A. Executive Director's Report

Director Forbes: Good afternoon, President Gilman, Vice President Engblom, commissioners, Port staff, members of the public. I am the Port director, Elaine Forbes. November is Native American Heritage Month. It's a time to honor and celebrate the deep histories, cultures and contributions of Native American communities.

Across the nation, Native people once spoke more than 300 distinct languages, each holding unique traditions and wisdoms. Though colonization threatened to erase these voices, Native communities have endured and continue to teach us about resilience, stewardship and belonging.

As we observe this month, the Port reaffirms its commitment to truth, respect and inclusion, recognizing indigenous presence and honoring the responsibility we share to care for the shoreline and the future together.

Next, I'd like to take a moment to recognize our own Commissioner McNeely. He was recognized and named one of the 2025 San Franciscans of the year by the San Francisco Examiner. We're very proud that you were honored in this way, as you embody San Francisco's values. And you make a lasting impact on our city, per the Examiner. This will be celebrated December 3rd at the Julia Morgan Ballroom. Congratulations, Commissioner.

Commissioner McNeely: Thank you.

Director Forbes: All right. I'll begin my slideshow. Let's move to economic vitality. Earlier this month, the Port issued our financial statement for the year ending 2025. This is a historic year to our balance-sheet position, a 55 percent increase from \$624 million to \$967.7 million.

Why this happened is because we accepted infrastructure like the parks at China Basin and Bayfront, and we issued bonds on our waterfront resilience program so very proud of staff, very proud of this commission for continuing to advance improvements to our property that, in fact, hit our bottom line.

All right. To Fleet Week -- I want to take a moment to thank everyone who contributed to Fleet Week this year. It was October 5 through 13. We had to pivot, as you know, because of the federal shutdown. But nevertheless, Port staff persisted. We welcomed dignitaries from Canada and Colombia.

And we successfully relocated Fleet Week to Fisherman's Wharf at the 11th hour, which was a very good change. I want to thank our maritime, maintenance and real estate divisions for pulling it off. And the crowds actually matched 2024. So it was really, really well done. Congratulations.

Next, to the Big Art Loop -- earlier this month, the Port joined in a festival unveiling the art pieces in the Big Art Loop portside collection. It consists of 10

large-scale pieces, one of which you see -- one of which you see right outside of Pier One.

It was just a wonderful experience and event that was put together. Eventually, this art loop will bring in 100 large-scale pieces over three years, creating a 34-mile walkable, bike-able art trail throughout San Francisco. We're very proud to be part of it.

I want to thank Amy Cohen, who I see in the room, and also the maintenance, real estate, planning and engineering and security team, who have pulled this off. It's quite lovely. And you can see the public really enjoying the pieces. So well done.

Then, to Dreamfest in Bayfront Park -- last month, Dreamfest was in Bayfront Park. It was an outstanding success. It was a dual-format event, which featured Benson Boone at Bayfront Park while Metallica performed at Chase Center. On October 15th, Bayfront Park reached its full capacity of 5,500 guests, a reflection of the really strong demand, seamless coordination and the excellent partnership with our city partners to make this happen.

This delivered real benefits for the waterfront and surrounding communities. And we're just very, very thrilled about how this went for our parks. Okay.

Then, I would like to discuss the CBD and that we are establishing an entertainment zone, which will be -- we've seen these other places in the city. This is a really exciting thing to come to the wharf. It will be a destination area where bars, restaurants, breweries and wineries can sell drinks to go. Patrons can enjoy those drinks in outdoor common areas during events.

Next step in creating this zone includes legislation from Supervisor Danny Sauter, development of a full management plan and community input and collaboration. But this will be a good improvement. And it will really create a vibrancy in that space for the public.

Now, to Pier 80 -- the Port is preparing to stage more concerts at Pier 80 next month. In December, dance music like DJ -- Swedish House Mafia and Four Tet will be performing from December 29 to 31 inside Shed A located at the southern edge of the pier.

The performances are approved for 15,000 people per night. We are proud to continue our collaboration with Non Plus Ultra and Golden Voice, our partners for Portola Music Festival. And this is really exciting to see coming together. Bringing the public to Pier 80 is a really important thing for the Port of San Francisco. For more information, see Pier80NYE.com.

I think this is my favorite part of the report actually under the equity area. The Port recently installed a new human hoist at the dinghy dock in South Beach Harbor. It's an upgrade from the manual-powered hoist with a new electric -- it's a new electric model.

It was specifically installed for Bay Area Association of Disabled Sailors, which is headquartered nearby at Pier 40. The hoist is built to support safer and easier transfers of individuals with disabilities getting off and on the boats. The power lift requires minimal assistance to make the water more accessible to more people.

And it's part of our ongoing work to improve access and create a better waterfront experience for everyone. Congratulations to the maritime division, very, very well done.

Now, to resilience, as you know, commissioners, you continue to steward our waterfront resilience program, an innovative and important partnership with the U.S. Army Corps of Engineers to protect our entire property and the city from flooding, earthquakes and sea-level rise.

We've entered a critical and exciting next phase where the city is designing what goes on top of that new line of defense. The Port is working closely with the SFMTA and city planning to integrate transit, mobility and public-realm design into the next generation of waterfront improvements.

The coordination with the SFMTA is essential. The Port continues to engage our community partners. We're hosting waterfront tours at Urban Transformation Summit, joining the World Economic Forum water site visit and partnering with the Exploratorium and planning to deliver climate-resilience training for Alice Griffith residents in the Bayview.

Our nature-based shoreline work in Heron's Head was featured at the State Estuary Conference, strengthening vital regional partnerships. The Army Corps work is advancing on that waterfront flood study. We are expecting to have the chief's report completed next year, which will be a very major milestone for us. And that will be the beginning of unlocking the federal investment that we've been looking so hard to achieve.

The SFMTA has begun an important effort, has launched the Embarcadero connectivity plan. This is a long-range transportation plan for the city's eastern shoreline, aimed at keeping the neighborhood moving and planning for better connected future along the Embarcadero.

This is part of the waterfront resilience program, part of what we need to see in order to move forward. They're kicking off their first phase on December 7th and December 10th along with an online survey and webinar for Port tenants.

We invite the public to participate in this planning effort. You can learn more on the Port's website, SFPort.com/WRP.

All right. Fisherman's Wharf Forward -- I'm very, very happy to announce that we are underway. The demolition of Smokehouse on Al Scoma Way is nearing completion. I hope the public gets out to see that. The initial work on Alioto's demolition will be on the inside of the restaurant, hazmat abatement.

But then, in early December, we will see the demolition begin. We'll be placing fencing around Alioto's starting this month, which will lead to temporary sidewalk and traffic lanes along Taylor Street between Jefferson and the Embarcadero. We anticipate that the demolition will be completed by January with the new plaza construction starting in February. We are on track, commissioners.

Now, to more great financial information, you agreed and recommended to staff that we move forward on a COP refunding for the cruise ship terminal debt. When we went to Port Commission in October, we said, well, we'll save about \$2.3 million. But the market has improved. And so we're going to save \$3.4 million. So that was a very good action you took. And I want to thank Karolina in the finance team as well as Meghan Wallace for making this happen for us.

I want to share with you news that SF Heritage honored Brookfield and the Port for Building 12 rehabilitation project at Pier 70 on October 24th in their landmark luncheon. We're very excited that the adaptive reuse of this building is getting that sort of attention. Congratulations to all.

Finally, I'd like to ask that we close our meeting today in memory of Karen Pierce. Karen Pierce has been a longtime activist in the southern waterfront. She contributed very, very much to the SAC. She was a friend of Port staff. She worked with Port staff to find more ways to engage the community authentically.

She was involved for many, many years. She also represented the SAC in the waterfront plan work. So she gave countless, countless hours to the Port and community relationship and to stewarding the southeast. We'd like to close in memory of Karen and to send our best wishes and condolences to her family.

And I'd like to point out that her daughter is already very involved in following in her mother's footsteps. So Karen leaves a long legacy with us and through her family. And that concludes my report. Thank you, commissioners.

Public Comment on the Executive Director's Report:

Alice Rogers: Good afternoon, commissioners. I'm Alice Rogers. And I just briefly want to thank the executive director for recognizing Karen. I only got to work with her briefly on -- well, three years on the waterfront plan update. But she was an

exceptional addition to the work. And I didn't know she passed. And I'm so sorry of the news. But I thank you very much for recognizing her.

Commissioners' Discussion on the Executive Director's Report:

Commissioner Lee: I'm always the first one. Elaine, I can't believe this is also -- it's kind of your last full report. Oh, man. It's amazing how much we've done in the last 30 days. I went to all the art openings. I'm glad -- I'm all about repurposing and having all those artwork that are coming out of storage from Burning Man to be part of this project.

And it's just amazing how fast Port staff gets it up there. I mean, there was nothing -- there was no whale there at first. And then, the next day, there's a whale there, you know. So I mean, it's crazy.

Entertainment is what, you know, drives my -- you know, I've been doing that for 40 years. And it's really going to help the Port a lot. And with the concerts and just bringing in all that extra business, as long as, you know, we keep the safety -- I just worry about the amount of people. And that's always my thing.

The entertainment zone is going to help that central waterfront area a lot. I'm hoping that it reaches down to the Pier 23 area to help the businesses there because people are going to be driving a lot more people down this summer if we could get that done. So I'm all for it.

But I'm just amazed how much is going on and, you know, we can actually find the money to do this. So it's just crazy. So good job. And I'm going to miss your reports because this is -- since I've been here almost four years, it's just amazing on reading these things every meeting. So great job.

Kudos to the whole Port staff for keeping the place clean and getting and getting the stuff up and running and making sure that our tourists have a good experience here at the Port. And also, we have to support our tenants. And everybody does a great job on this Port. So I'm proud to be a commission on this Port.

President Gilman: Thank you. Commissioner McNeely?

Commissioner McNeely: Yes. Thank you. Director Forbes, I join my fellow commissioner in congratulating you and the staff on a very robust and very accomplished list of accomplishments in this report. The level and quality of the work that you and the team continue to produce is impressive and without forsaking our mission around resilience and equity.

So I applaud you for that. A couple of shout outs on particular issues -- particular accomplishments -- the art has just been just phenomenal. And I think

that it is a real testament to creative thought around how can we envision greater attendance and participation in the area.

I was hosting some folks from out of town. And it appeals to tourists and residents alike. It is amazing. And it shows what kind of city we are, being creative and responsive. The entertainment zone -- I hope this is the first of a few. I mean, I think I also join in the idea and the notion that this could be a real draw to the waterfront in many different ways and happy to see that and great success.

I'm really happy to see the progress on Fisherman's Wharf Forward and the work done on the plaza. It looks as if we're going to meet our summer target to have the plaza open. I hope we can continue to stay on track with that. But it's absolutely great work. And congratulations to you and the staff around that.

President Gilman: Commissioner Adams?

Commissioner Adams: First of all, I want to congratulate Commissioner McNeely again on a well-deserved reward in being honored as one of the top 20 movers and shakers in San Francisco. It's great to have you on our commission. Director Forbes, what do I say? As always, you and your team -- it's amazing.

A lot of your team members were peers. Now, you've developed them into leaders. And this report is just -- it just keeps elevating things. As we've talked many times, there were people in the city that wrote the city off and the Port and said -- they were writing our obituary that we weren't coming back.

But we're coming back slowly but surely. And you can definitely see the changes. Congratulations on a great Fleet Week. Congratulations on what the James Herman Cruise Terminal is doing. And maybe one day within the next five, six, seven years, we'll have a million passengers a year coming in to our great city. It's going to happen. Sometimes, things just takes time. And I'm excited about that.

And then, the demolition of Alioto's and the Smokehouse -- you know, in ways a foregone memory, but now we're gazing into the future of what's coming in to our waterfront. It's an exciting time. Right. And you can almost feel the magic. I even feel even a different atmosphere in the city whether I'm walking on the waterfront, up at Union Square.

I just feel there's a different magic. And the hope is back. And for a while there, I felt it was like lackluster. But I feel the fire and the passion is back in San Francisco and what it's going to look like.

I wanted to say one other thing, the art. I know I -- the mayor and even the Port, what we're doing with art -- the younger generation is -- who would have

ever thought the Port of San Francisco had like a gallery down here and have these exquisite pieces of art that people come. Right.

And only thing missing -- and I know we'll get back there -- is getting back to those 30 million tourists a year that came to visit our really vibrant and great city. And this report is just so much to think about what you've done. And like Steven and the rest of the commissioners, I know this will be one of your last reports. But boy, it's stellar. Thank you.

President Gilman: Thank you, Commissioner. VP Engblom.

Vice President Engblom: Thank you, Director Forbes. I guess I want to opine a little bit about the power of strategic planning and seeing the results of that. I was talking with one of the staff members during the break about how important it is that we do plan. Sometimes, that feels like that can be thankless work.

But in my mind, I think seeing the -- a big statistic like a 55 percent increase year on year, that's not magic. That happened because of years of slow thoughtful planning about how to transform large pieces of land and important urban design, important economic strategies, important resilience plans.

I mean, that's the kind of -- you know, I think we have to remind ourselves. And I was thinking about it as I heard different angles of different aspects of your report. You know, it's the way that we bounce back and survive in an unexpected thing like a government shutdown.

We have a plan. There's a team behind that. There's a plan about why we're involved in that and then, you know, a plan for entertainment. I think seeing the benefits of these major events happening flawlessly, planned and executed and managed -- that's what the Port is doing.

And then, even -- you know, I love that you touched on the human hoist. I mean, that's a plan, an equity plan, a commitment to it, executing against the plan. So you know, I just think we should be asking ourselves what is it -- you know, in my mind, the art is a wonderful thing that's happening.

I think it's something we can be more on our front foot about and be more thoughtful about and say, okay, we have these incredible things happening now. Is there a strategic plan around that? Because it is -- in my mind, it's a very important part of our tourism economy.

And it's something that I think that I see other cities being more thoughtful and strategic about. So anyway, that's kind of -- you know, in addition to the compliments I heard and share with my other commissioners, I just wanted to remind ourselves that these things don't happen by magic. They're sometimes long. And we're getting to reap the benefit of them today. Thank you.

President Gilman: That's it? Okay. Director Forbes and Port staff, I associate myself with all of my commissioners' comments. I think we can see that, particularly coming out of the pandemic where things along the waterfront were looking pretty bleak, I mean, the whole city was but particularly for us counting on tourism, cruise, excursion, things that were hit hard -- as I learned on Saturday touring with Metro Cruise and the brothers and sisters of the IEWW behind the scenes of seeing the turnaround of a cruise ship, cruise is bigger than ever.

And so we are coming back whether that's cruise, whether that's the amazing work that the whole Port staff is doing but particularly Amy Cohen on the art front. The waterfront is coming back and vibrant. And we're here to support all of our tenants in their success as we uplift everyone.

So I really want to commend the staff and your leadership, Director Forbes, on getting us there. It is truly amazing. Who would have ever thought that we would be one of the largest park facilitators or art facilitators in the City and County of San Francisco? It's truly amazing.

So I just really want to thank you for your report and want to really uplift and have us think about from a strategic perspective, as VP Engblom said, how we really are nimble and fluid and pivot as trends change. You know, things aren't the same as they were even five years ago.

You know, Commissioner Lee says it often. Younger individuals want experiences. They aren't maybe as familiar in just having a neighborhood joint that they want to go to. So things pivot and change. And something I learned on my expedition to the cruise ship terminal is that ships are only getting bigger.

The 3,000 passengers is going to start to be viewed as boutique. As someone who has never cruised, that's a little horrifying. But yes, for the industry, it is. So how do we look at Pier 80? And how do we look at opportunities to have a second terminal for berth?

How do we look at new trends, like the entertainment zone, which was quite massive, will have a lot of stakeholder involvement from the Fisherman's Wharf community benefit district to the land side, which is not, you know, on Port property -- how do we make that inclusive for tourists but also inclusive for the very neighborhoods that live along the waterfront, as someone who does, being North Beach, Chinatown and the residents that live just south of that waterfront?

So I think we have a lot to capitalize. And the Port staff is doing an amazing job. And with that, Jenica, next item, please.

10. CONSENT

A. Request approval of amendment to Lease L-16662 with California Barrel Company LLC to allow the construction of interim open space

improvements as a permitted use on Port shoreline property (portions of Seawall Lot 349 and Pier 72) being developed as part of the Potrero Power Station Mixed-Use Development Project. (Resolution 25-70)

- B. Request for retroactive authorization to modify Construction Contract No. 2848, Roundhouse 2 Roof, Solarium, and Windows, to extend the substantial completion date. (Resolution 25-71)
- C. Request authorization for the Department of Public Works to advertise, award, and oversee construction of Contract No. 2873, Pier 96 Crane Demolition with a not-to-exceed budget of \$5,255,218. (Resolution 25-72)
- D. Request authorization to advertise a Request for Proposal for Employment Administration, Payroll and Related Services for Port Workforce Development Programs. (Resolution 25-73)
- E. Request approval to adopt the 2026 Port Commission calendar, which sets dates outside of regular meetings held on the second Tuesday of each month, and on the fourth Tuesday during the months of February and April. (Resolution 25-74)
- F. Resolution authorizing settlement of litigation between cross-complainants the City and County of San Francisco, by and through the San Francisco Port Commission and the People of the State of California, by and through the City Attorney (collectively, the "City"), Cross-Defendants Pilot Thomas Logistics, LLC ("PTL") and General Petroleum, LLC (collectively "Pilot Thomas") in connection with a complaint filed against the City by PTL on September 8, 2022 for damages related to a fuel leak at Hyde Street Harbor, entitled Pilot Thomas Logistics v. City and County of San Francisco et al., San Francisco Superior Court Case No. CGC-22-601688 (the "Action"). The material terms of the proposed settlement include payment of \$5 million to the City, mutual releases, and performance by Pilot Thomas of all remediation work necessary to comply with an October 25, 2024 Cleanup Order issued by the California Regional Water Quality Control Board. (Resolution 25-75)

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

No Public Comment on the Consent Calendar.

All Commissioners were in favor.

Motion passed unanimously. Resolutions 25-70, 25-71, 25-72, 25-73, 25-74, and 25-75 were adopted.

11. REAL ESTATE & DEVELOPMENT

A. Informational presentation to consider and possible action to approve License No. 17283 between Port and the Institute of Contemporary Art for a two-year license agreement to use the Pier 24 Annex as a free public art exhibition space, and to facilitate public and private events on the premises. (Resolution 25-77)

Scott Landsittel: Good afternoon, commissioners, President Gilman, Vice President Engblom. Good to be here. I'm Scott Landsittel, real estate deputy director. I'm here with colleagues, David Le, Amy Cohen, Kim Beal and others, who have helped put together the license we're about to discuss and happy to stay on the art team for a little while.

If we go to the presentation -- so Pier 24 Annex is an asset that sits in a pretty iconic location underneath the Bay Bridge. It was improved by its previous tenant, the Pilara Foundation, and was used for 15 years Pilara's exhibition space, gallery and collection storage space.

It's about 27,000 feet and, as the pictures reflect, is in tremendous condition. It was improved significantly with previous work done in 2010 to establish the facility in its condition. Pilara vacated the facility earlier this year in June at expiration of their lease.

In the run-up to the expiration, Port staff really considered how to maximize the utility of the location and of the space. Unfortunately, there are significant facility constraints that we're bound by. One is an occupancy -- a low limit of 93 people. We also have a BCDC permit that requires public access.

And though Pilara did do major improvements to the premises, hurdles going forward are with increased occupancy and density and load of the building. Pretty major improvements would be required, both structurally and with egress improvements to the facility.

We explored alternative uses, such as office, that would yield significant revenue for the Port. And that's something that, frankly, we're still considering down the road as we look at alternatives for future use but, again, are constrained by these kind of bounds within which we're working with with the current facility, which really led us to try to capitalize on the energy and activity on the waterfront and use the facility as an event space.

Staff did outreach and research on event demand, use of the space as an event venue and did get quite a bit of feedback that this would both be an attractive venue but also that the space required some improvements to open it up to facilitate that activity.

The Institute of Contemporary Art is a nonprofit organization established in 2022 that recently had a location at 345 Montgomery, where they activated a free public gallery. We engaged in a discussion with ICA and found that really there was a great alignment of use for the space.

They have a nomadic model, kind of a purposely nomadic model where they're running a program to intentionally activate vacant properties throughout the city on a temporary basis so really as a stand-up or pop-up art exhibition space and something to draw interest and activity to real estate locations including this one.

There is a public purpose. The exhibitions are free to the public. The 345 Montgomery space was open five days a week from 11:00 to 5:00. And ICA operated educational programming at these facilities but also, it's important to note, facilitated events at these same facilities where they would both source and manage execution of both public and private events.

And here are a few examples of some of the spaces that ICA has -- or the art that's been curated into spaces that have been in and around the city over the last few years including the 345 Montgomery space. In our discussion, right, the - ICA is intent on establishing at Pier 24 Annex a venue for exhibitions of art open to the public all the time and then also, in parallel, will work with the Port to facilitate event activity to drive revenue and capitalize on that interest and demand is something that the Port is not really capable of executing on its own.

On the screen here is one of the exhibitions that ICA is currently working on with Dominique Fung and Heidi Lau, which they would hope to debut this spring in this facility, I think March of 2026. This exhibition would run for a number of months next year and, again, be a new public exhibition and in addition to the great art that is establishing itself up and down the waterfront.

So the proposed use and license terms -- as I mentioned, this will be public exhibition space where we would facilitate events. In the event that the event eclipsed the 93-person occupancy limit, a temporary use permit would be required for those activities, which would be permitted through the Port permitting desk.

And here, I outline the terms of the agreement. So it's a two-year license with a target commencement of January 1, 2026. We're trying to hit that target. Monthly license fee of \$10,000 a month that would be paid on a semi-annual basis really with accrued event revenue such that ICA is able to fund operations and f -- through fundraising support their operation and rent for the facility and then a 50-50 share of net event revenue that is able to be produced from the facility.

An important thing to point out is that ICA will really act as a steward of the building. Port staff have struggled with -- upon acceptance of this facility, figuring

out a way to maintain both the condition and perhaps enhance the viability and use of the facility for both office use in the future and events.

So one of the things that ICA brings is, one, kind of the watchful eye of someone on site every day keeping it clean, operating in good condition. And then, ICA has committed to invest some of their own capital to do some light demo in the space to open it up and make it more functional generally.

And again, the ICA team will promote and coordinate events both that they source and procure or ones that are leads through the Port that we can direct to this facility.

So in summary, the benefits that Port staff sees to the Port are: the quick activation of a vacant space that was just brought back to the Port; a new attraction and community benefit on the waterfront adding to the art loop and the art trail, really augmenting what's already been established; leveraging the temporary occupancy both to collect revenue but also to continue to explore a future long-term use and potentially additional investment to increase the utility of the space; and then, again, the ongoing revenue and care of the facility.

Next steps -- we hope to get the license approved with action today. ICA -- once the license is executed, will step in to do some of their prep work and set up for their first exhibitions, which they hope to start within the next six months. We're targeting May of 2026.

And I'll leave it just with a quote from our mayor about waterfront or -- ICA and I think just generally keeping on the team of kind of how great art is within the city right now and everything that's happening and really the spirit of art kind of bringing the city back to life of late. And open it up for questions and comments. Thank you.

President Gilman: Thank you, Scott. Do I have a motion to move the item?

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

Public Comment on Item 11A:

Ali Gass: Hi, everyone. I'm Ali Gass. I'm the founding director and chief curator of ICA San Francisco. I mostly just want to say thank you so much to the Port Commission, to Scott and the entire team that's been working with us. We are really thrilled at the prospect of this partnership and the potential to activate Pier 24.

I'll just quickly say that ICA San Francisco has had a wonderful amount of press in the last few weeks, as we've announced our commitment to evolving into this nomadic model to activate significant architectural sites and public sites

around San Francisco, really seeing contemporary art, as all of you have been talking about, about a really incredible cultural and economic force for our city that's really inextricably entwined with the mission of ICA.

So we're just incredibly excited. Thank you, guys, so much for having us here today. I'm happy to answer questions, if helpful.

Alice Rogers: Good afternoon again, commissioners. It's my hearing aids, I think. I'm Alice Rogers. And I just want to say that I think this is a brilliant solution. It's just the kind of thing we thought was a pipe dream when we were working on the waterfront plan update to do pop-up installations while long-term solutions came together for the piers.

And the activation that you've been doing around the Ferry Building and all of that has been spectacular. But this is an even longer term pop-up that really, as was just said, maintains the integrity of the site over time while longer term development can happen. So I am cheering this on. Thank you.

Enrique Landa: Commissioners, Enrique Landa. I'm the project sponsor of the power station project. I'm also a partner with the ICA, who will be activating part of our site. And I cannot think of a better partner to come in and activate our waterfront than them.

They have shown an incredible resiliency from where they started in Dogpatch to what they've done to the Financial District and now bringing their power to the waterfront, having heard from all of you, the power of arts. I can tell you, as a partner, they've been terrific for us. I can't wait to see them at our site and also at Pier 24. Thank you.

Commissioners' Discussion on Item 11A:

Commissioner McNeely: Sure. I think it's a very creative solution. I'm happy to hear about it. I had a couple questions. I have attended the exhibit at the current facility, photography, which is very impressive. I think it's a great space for art. I'm also on the board of SFMOMA.

And I know that SFMOMA -- one of their most anticipated and participated events was SFMOMA On the Go, when the Fisher wing was being built. And they had exhibits and installations around the city. They were very, very popular and really drove traffic to the museums. And I'm confident that this can do the same thing.

I had a couple of questions for you, Scott, around the -- sort of a long-term use of the pier. And that is around the capacity limits. My understanding, from our earlier discussions, it's the result of the weight. Or perhaps I'm mistaken of something else that was --

Scott Landsittel: Yes. It's really a classification of the space within the building code, right, that dictates the limits on occupancy and, as such, the seismic requirements and exiting requirements. Right. So once kicked up to a higher threshold with a more dense use that's a permanent use and you move out of the current designation, it triggers a required structural upgrade under California building code.

I believe, in this location, the substructure is in pretty good shape. It's really the superstructure that would need to be upgraded. And then, there would need to be additional exiting built or established to handle that occupant load. Those are two things I know of.

Commissioner McNeely: Sure.

Scott Landsittel: But the --

Commissioner McNeely: Is the current limit going to be an impediment though to the success of the space?

Scott Landsittel: Well, I think that's the elegance here with events. Right. So on a daily basis with the exhibitions, right, it's unlikely that we would exceed the 90-person limit at any given time during the day. If there were specific events --

Commissioner McNeely: Events. Yeah.

Scott Landsittel: -- ICA would submit for a special-event permit, which would be processed through the Port's permit desk, which would establish kind of the rules within which that tenant would work for that specific event, both handling the additional occupancy -- for example if you had 100 people plus in there or more, you might have to institute fire watch to just manage life safety and exiting.

So there are things that would be implemented on a temporary basis that could facilitate those events. But they're not permanent fixes --

Commissioner McNeely: I see. I see.

Scott Landsittel: -- which is why events are compelling because you can, for short periods of time, use the facility in a much more --

Commissioner McNeely: Efficient way.

Scott Landsittel: -- efficient way.

Commissioner McNeely: Makes a lot of sense. This is a two-year term. What happens if a long-term tenant surfaces during the course of this term? Are there provisions for that?

Scott Landsittel: Yes. Within the license, we have a -- kind of there's really a mutual-termination option, right, that we've established with six months' notice. We've committed to allow ICA at least a year to run the first exhibition because they need the time to allow for that commitment and development of that program.

Beyond that really, it's to be seen what happens. And yes. There's a potential that we may have another opportunity that presents itself that is sensible for the Port to pursue. And we would have an opportunity to get the space back. That's not dissimilar to what happened at 345 Montgomery where Vornado had a tenant step in or a deal negotiated, who will ultimately move into the space that ICA is currently vacating.

Commissioner McNeely: All right. Sounds good. Thank you so much.

Scott Landsittel: Yeah.

President Gilman: Thank you. Commissioner Lee?

Commissioner Lee: I really have no questions. We had a discussion earlier about this lease. All I could say is arts and entertainment is, again, the experience that the mayor is looking at. When I came to Port three years ago, I told staff that we have to give the opportunity because we had so much real estate available.

And I think this space is already like turnkey. You could just move right in and get started right away, which is great. I wish them all the luck. I mean, I kind of have a little art gallery myself. And it's not easy. But you know, hey, it's all about giving the experience and having more traffic on the Port. So I'm 100 percent supporting this issue -- this lease. So invite us to your grand opening.

President Gilman: Commissioner Adams?

Commissioner Adams: I'm in support. This is a beautiful space. This is about culture. This is the right time, place in our history. And it's endless. And opportunity for artists and art -- it's a part of our society, our culture to express that. And it's a part of the new vibe of the San Francisco waterfront.

And I think it will enlighten people. I hope people get off the cruise ship and people come o -- that they will go inside and that they advertise very well, so we can showcase this. This is something that's another side of the Port they haven't seen. And plus, the space is beautiful. So I'll be voting in favor for it.

President Gilman: Thank you. VP Engblom?

Vice President Engblom: I'd just like to congratulate the team for swift and sure action. This is great -- a great news story. I do have one minor question though. The term steward -- is that -- can you --

Scott Landsittel: Well, I think I was -- they are -- it's actually -- under the license, it's a nonexclusive use under the license. Right. There still will be event use. And I think I used the word steward really just to indicate that there would be someone there as kind of the keeper of the space to keep watch and help us manage the facility.

So with the license, for example, ICA will manage kind of a baseline in terms of management of the systems in the facility, right, the mechanical system, the security in the facility such that we know it's being maintained in good condition, again, really with the purpose of making sure that the space itself does not deteriorate given the condition.

Vice President Engblom: That's it.

President Gilman: Well, I think this is a phenomenal item. I'm absolutely supportive. And I think it's really great to continue to have spaces like this, particularly one that is open to the public without a mission, which I just think, as stewards of a public trust and public land, is really important.

So with that, we have a motion, and we have a second, commissioners. All enthusiastically in favor, say aye.

All Commissioners were in favor.

Resolution 25-77 passed unanimously.

11. REAL ESTATE & DEVELOPMENT

B. Request determination of the Department of Homelessness and Supportive Housing's ("HSH") compliance with option exercise conditions and affirmation of 24-Month extension of Memorandum of Understanding No. M-17094 for continued use of a portion of Seawall Lot 330 for the Embarcadero SAFE Navigation Center. (Resolution 25-78)

Kimberley Beal: Good afternoon, President Gilman, Vice President Engblom, commissioners, Executive Director Forbes. I'm Kimberley Beal, assistant deputy director for real estate. And I'm joined today by: David Le, who is the property manager for the Ferry Building South Beach area; Emily Cohen and Dylan Schneider, with the Department of Homelessness and Supportive Housing.

And today, we're seeking the Port Commission's affirmation that HSH has met the conditions required in order to exercise an option to extend under MOU M-17094 for an additional 24 months. And this MOU covers use of a portion of a Seawall Lot 330 for the Embarcadero Navigation Center.

So to provide some context, in 2019, the Port Commission approved Resolution 19-16, authorizing construction of a temporary Navigation Center on a portion of Seawall Lot 330. Under MOU M-16518. This initiative was part of the mayor's broader strategy to expand shelter capacity and address unsheltered homelessness in San Francisco.

The original MOU was for a 32-month term. That 32 month covered five months for construction, 24 months of actual operation. And there has been a three-month demobilization period for the site. This MOU also included one 24-month option to extend subject to Port Commission approval.

HSH submitted their notice of this exercise of option on October 26, 2021 under Resolution 21-45. The Port Commission found that HSH had complied with the exercise-of-option conditions and affirmed HSA's exercise of option.

So under the current MOU, which is M-17094, it was approved by the Port commission on October 10, 2024 under Resolution 23-45. I'd like to mention that 2023 was the first year that this Navigation Center actually was actively occupied at full capacity because, of course, we originally entered into the agreement in 2019. It opened in December of 2019. COVID hit March of 2020.

And so with social distancing and everything that it took to ramp up, again 2023 was really the first year that the center acted as intended with full occupancy. With the new MOU, it established an operating term from December 30, 2023 through December 31, 2025.

Like the prior MOU, it also included an option to exercise -- a 24-month option to exercise, which is contingent upon HSH meeting specific conditions. If approved, operations would be allowed to continue through December 31, 2027 with a six-month demobilization period at the site where they would then need to surrender by June 30th of 2028.

So the reason we're here today is because this extension is not automatic. It is condition. It requires HSH meet three key conditions, those being: provision of dedicated services, so this includes a public safety presence and cleaning services and designated areas; quarterly reporting, where HSH must submit detailed reports on crime-statistic programs, utilization and community impact; as well as good neighbor policy compliance where HSH and Five Keys, which is the site operator, must maintain strong community engagement and address neighborhood concerns proactively.

So by extending the MOU, it supports several of the Port's strategic objectives: one being equity because the Navigation Center serves vulnerable and historically marginalized populations; that of economic recovery because the Port does receive market rent for the property, so that ensures a steady income; economic growth, as the center contributes to public and safety, which are foundational to revitalizing the waterfront; and engagement, as HSH and Five

Keys maintain open communication with the community through the Embarcadero Community Advisory Committee, or ECAC.

So at this time, I'd like to introduce Emily Cohen, deputy director of communications and legislative affairs with the Department of Homelessness and Supportive Housing. Emily will walk us through: a background on the Embarcadero Navigation Center and its role in addressing homelessness: a summary of operations at the site since 2019, including the services provided and community engagement efforts; and lastly, a detailed review of how HSH has met the option-exercise conditions. And so with that, I will turn it over to Emily.

Emily Cohen: Thank you very much, Kim. Good afternoon, commissioners. Good afternoon, Executive Director. My name is Emily Cohen. I'm with the Department of Homelessness and Supportive Housing. And as Kim said, I'm going to give an overview of how we've been operating in the community for the past six years and the work that we're doing to live up to our goals and the expectations set in the MOU.

I also want to note that we're joined today by several folks who are instrumental in making this all possible. Steve Good from Five Keys is here if there are operational questions. Also, Captain Hurwitz from Southern Station is here, as public safety has been a critical part of the success of this project. And Alice Rogers, the chair of the Embarcadero Community Advisory Committee, is also here. So thank you all.

A little background -- no mystery or surprise to anyone in this room, but we are facing a monumental challenge in our community around affordability, particularly for the lowest income members of our community. And that results in significant homelessness.

In our 2024 point-in-time count, we identified over 8,000 people living -- experiencing homelessness in our community with about 4,000 of them being unsheltered. We have made incredible strides those in recent years to move more people off the streets and indoors.

We have 13 percent fewer people sleeping on the streets than we did in 2022. And that count was our lowest in 10 years. And having critical shelter capacity and interim housing capacity is essential to continuing to offer people a safe, dignified place off the street and improve conditions for everyone in San Francisco.

We serve -- we shelter and house -- the city shelters and houses over 15,000 people every day. And the demand continues to exceed what we have available.

We have a fairly robust temporary shelter program with just under 4,000 units of shelter available throughout the city. Some of those are in Navigation Centers like the Embarcadero, more emergency shelters. We have some temporary hotel vouchers, some tiny homes or cabins that we use.

And we have -- our shelter system is incredibly well used. And you can see, in September, we had a 98 percent occupancy rate across our Navigation Center component of the shelter system. And system wide, our occupancy rate averages about 92 percent every single night so very well-utilized system.

We've also added and diversified our shelter system in recent years including a new shelter serving older adults. We've also added recovery-focused shelter and expanded partnerships with the Department of Public Health to provide more intensive clinical care within our shelter sites.

The Embarcadero Navigation Center is a critical component of this portfolio. As Kimberley mentioned, we opened in 2019 to provide shelter to adults experiencing homelessness in a welcoming and supportive environment. We have partnered since the beginning with Five Keys schools and programs to operate the site.

They provide 24/7 staffing. They provide case management, meal -- two meals a day, laundry, shower and hygiene services, wellness checks, support groups, social activities and a robust engagement process with the neighborhood.

So the option to extend, as was mentioned, our MOU does include the option to extend for an additional two years to December 31, 2027. And we, of course, would like to take advantage of this option with your approval. We understand, you know, that there is a potential that development on the site could begin sooner than the end of this MOU. And with the agreed-upon notice, we will vacate when needed. We don't want to get in the way of anything -- the long-term development.

We have worked into the MOU a six-month wind down. That will give us time to move all 200 guests either on to permanent housing or into comparable shelter if there's not permanent housing available and physically wind down the site, which if you've seen it, that won't be the easiest thing to do super quickly but we can do in six months.

So the option to exercise the extension really focuses on our ability to continue to live up to our MOU commitments, which include public safety, dedicated cleaning, reporting -- regular quarterly reporting and abiding by our good neighbor policy.

So public safety in the safety zone, which you can see on the map here -- and although we have -- our partners at SFPD have faced some staffing

challenges in 2025, we have continued to partner to ensure regular deployment of SFPD to the safety zone through a strategy of combining overtime patrols from Southern Station, which are in effect now, are provide coverage seven days a week from 11:00 a.m. to 9:00 p.m.

We're also supplementing that with SFPD community ambassadors, who began in April of this year, and are in the safety zone Monday through Friday, 10:00 a.m. to 8:00 p.m. with focus on specific hotspots including the Beale Street cul-de-sac and the parking lot adjacent to the Navigation Center.

In August of this year, SFPD graciously assigned Sergeant Smith from Southern Station as our liaison. And so we have a dedicated person that we work with very closely at Southern Station. And that partnership has been essential to ensuring a much more robust coverage of the police and safety personnel in the area.

Dedicated cleaning -- this is an area where Five Keys has really excelled and leaned in. Since April of this year, in response to increased concerns from the community, Five Keys went from cleaning the perimeter a couple of times a day to cleaning hourly.

So on an hourly basis, their staff is walking the perimeter of the site, picking up trash, discouraging loitering, reporting up things that they can't clean themselves -- so if they need Public Works to come in and take something large out of the area, they can do that -- and maintaining situational awareness about what's going on in the neighborhood.

They keep a daily log of any interactions they have with people outside of the property who might be loitering or lingering as well as calls that they get from the community. And they -- in fact, we'll get to it, I think, in a moment or -- they've also launched, with the financial support of the Department of Homelessness, a neighborhood ambassador program to complement the services that they were already providing.

So that would free up their site staff to focus inside the property and on their clients while dedicating two staff people every day to the outside of the property and even across the street to the pier to help address any issues or behaviors that might be going on. And that, again, is happening from 6:00 a.m. to 9:00 p.m. daily.

Reporting requirements -- we are required to report monthly. And that is done through the Embarcadero Community Advisory Committee. We report on the operations of the program. We report on publicly available crime stats. We report on neighborhood concerns and responses. And then, those are posted on our website and distributed to all members of the community advisory committee.

Our good neighbor policy was developed in partnership with the community and as a part of our grant agreement with Five Keys to operate the site. And the policy will remain in place throughout the operations of the program. It includes nine key areas. I won't read them all to you. But they are on the slides.

And we are evaluating all of our providers now much more stringently in terms of how they live up to the good neighbor policy. And we have seen Five Keys meet and excel at every one of these items that are listed in the policy. And frankly, just to say that this has become a model that we learned at the Embarcadero and that we've done in partnership with all of you and has now spread to all of our shelter sites so definitely learned a lot through this process.

And the interdepartmental letter of commitment -- this is a supplement to the MOU. There are many departments involved in the success of any shelter or Navigation Center, both from within the project and the clients that are served, to its integration in the neighborhood.

And certainly for this project, the Department of Homelessness, the Port, the police department, Public Works and the Department of Emergency Management are all critical to the success. As we went through the community-engagement process leading up to the request to extend, we revised the interdepartmental agreement based on feedback from the community. And a signed version of that is included in the file.

As I mentioned, we have an Embarcadero SAFE Navigation Center community advisory group, which was started when the project opened and has really been an instrumental tool, I would say, for the community to hold the city accountable to all of our commitments and, again, big thanks to Alice for chairing it gracefully and firmly and holding our feet to the fire when we start to slip.

And we will continue to work with the advisory committee throughout operations of the project. You know, and the project -- the committee has leaned in to really understand what's going on within the site and also is a voice for neighbors who might have a question or concern about the conditions outside the site, frankly, that may or may not have anything to do with the project itself.

But people experiencing homelessness or people loitering and hanging out outside do cause concern. And so this advisory group is the perfect venue for that and, again, has become a model for what we do in other communities as well.

So leading up to this meeting and to this request to extend, we've held three meetings with the advisory committee. One was our regularly scheduled quarterly meeting, two special meetings. We have presented to the Northern Advisory Committee. And they submitted a letter of support. And we also presented to the South Beach/Rincon Hill/Mission Neighborhood Association

earlier this month. And I will stop here and happy to take any questions when the time is right. Thank you.

President Gilman: Thank you, Emily.

Kimberley Beal: Thank you, Emily. So to conclude, Port staff has reviewed the documentation and performance metrics that have been submitted by HSH. We find that HSH has met the option-to-exercise conditions outlined in the MOU and are, therefore, recommending that the Port Commission affirm HSH's exercise of the option to extend the MOU for an additional 24 months.

And if affirmed, the Navigation Center will be allowed to continue operations through December 31, 2027 with a final surrender date of June 30, 2028. And with that, both Emily and I as well as the other folks here on the team, are available to answer any questions that you may have.

President Gilman: Thank you, Kimberley. Do I have a motion, so we can move this item?

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

Public Comment on Item 11B:

Mark Hall: Good evening. I'm Dr. Mark Hall. I live about a block from the Navigation Center at the Brannan. The Navigation Center has certainly made a change in our community but not in a good way. Some of the things I've heard I thought were interesting. I'm still waiting to be outreached by somebody. And I've lived there for quite a while now.

I've witnessed people from the Navigation Center go to where the addicts are/were in the Beale Street cul-de-sac and go back to the Navigation Center. So I'm assuming there's no drug testing by anybody. The residents at the Brannan asked me to read a letter to you. It's been submitted with exhibits, photographs. Let's see how fast I can read it.

As the Port considers whether to review the lease for the Embarcadero SAFE Navigation Center, we ask that you carefully review the city's performance under the existing memorandum of understanding. While the city has met some of its obligations, several key provisions have not been fully implemented.

Most notably, the commitment to provide dedicated police officers for the safety zone has never been fulfilled consistently. Today, we have police coverage with voluntary overtime instead of assigned officers, as required by the MOU. Furthermore, coverage is for weekdays only. There's no staffing at all on weekends.

And since the shelter has opened, our neighborhood has suffered significant blight. The adjacent park, the Beale Street cul-de-sac has been plagued by open drug use. And our market, which was in operation for 35 years, had to close because of shoplifting, threats of violence and actual violence coming from the same people. That's unwelcome.

The shelter has recorded the highest overdose rate of any block in the city, even exceeding the Tenderloin. One major factor in that -- that contributed to these problems was the Department of Homelessness and Supportive Housing's past practice of referring the most acutely affected individuals, those struggling with severe addiction and mental illness, to this site.

That decision overwhelmed the staff, destabilized operations and led to a blight in the surrounding area. The Embarcadero is one of San Francisco's greatest treasures, a jewel on the waterfront that should be safe and welcoming to everyone. The mayor has made recovery one of his top priorities. But yet, we are still plagued by open drug use.

To the city's credit, HSH, SFPD, DPW, OCII, Port and Five Keys have worked hard in the past few months to improve the conditions around the shelter. But we still continue to see open drug use. If the Port renews this lease, it must do so with firm conditions, full compliance with every provision in the MOU, strict adherence to safety measures -- [timer beeps] almost got it.

President Gilman: I'm sorry, sir. I believe we have your letter. So thank you very much.

Mark Hall: Thanks a lot.

Vice President Engblom: Thank you.

President Gilman: Next person for public comment, please?

Alice Rogers: Good afternoon again, commissioners. I'm Alice Rogers. And I'm here as co-chair of the Embarcadero Navigation Center Advisory Committee where I serve with Rick Dickerson for almost 16 years. I apologize for reading. But there are some points I want to make for sure.

As you've seen in your packet, our committee is supporting the MOU before you today. I want to elaborate on this a bit from my perspective as the chair and really just from my personal chair's perspective, not speaking for the committee.

This new MOU is the most responsive that we've had to date. The provisions attempt to address the community concerns about reporting high drug use in and around the center, vandalism resulting in blighted conditions on your

Beale Street cul-de-sac and loitering, gathering around the center with a significant proportion of people engaged in drug use, sales or its aftermath.

All of this unfortunately is common in pockets throughout the city. But this has happened on our watch over time. And when we insisted that the Navigation Center was only responsible for the population within its confines, we ignored the reality that, when there is a vulnerable population, predators follow.

Thankfully, our prior Southern Station captain called out the situation for what it was. Then, Brandi Marshall of Five Keys stepped forward to make Five Keys a part of the solution. And ultimately, all city agencies collaborated to walk back the devastation that was unfolding.

The new MOU includes critical incident reporting, radically increased supervision of Port property adjacent to the center with logs recording the conditions and new Five Keys ambassadors walking the area to troubleshoot, problem solve and diffuse incidents.

This last is an unprecedented addition, and it's a miracle in the current budget environment. And we want to thank Emily Cohen enormously for pulling it off. For now, we are likely the most privileged shelter in the system. But I truly hope -- and Emily has said -- that the model -- that this becomes the model and the new standard for all shelters.

And before I leave, I want to thank David Le and Jasmine Kuo from OCII for really walking back the damage that happened to the Beale Street cul-de-sac. Thank you.

President Gilman: Thank you, Alice. Next person, please.

Shelley Constantini: Hello, commissioners. My name is Shelley. And I manage the Rincon Hill Dog Park. I'm also frequently at the Brannan Street Wharf and along the Port walkway. And I want to raise a public safety issue affecting both residents and the dog park community.

We've seen an increase in open drug use in the area since the Navigation Center began. Now, especially since the benches were removed from the Beale Street -- we call it the Navigation Center cul-de-sac, but Beale Street cul-de-sac - - that change has pushed more activity outward toward the wharf, the walkway and into the surrounding blocks.

As a result, dogs and children are now ending up passing extremely close to the active drug user without any warning or context. Just to give you a sense of what I mean, we often see people slumped over onto their own laps or onto the floor. Their head is down with the substance still in their hand.

The dogs and kids can walk right by this. Most of the dogs are off leash in that area. Sometimes, they're inches away. And there's nothing in the environment telling the public that this is a real exposure risk. It only takes like one granule of fentanyl to, you know, kill or harm a dog.

I read a -- or I saw a video this morning just in Nextdoor that a dog ate a methamphetamine and was like tweaking and going crazy in the veterinarian office within the last 24 hours. Citywide, there have been confirmed cases of dogs exposed to fentanyl.

For those of us who manage dog safety every day, this is beginning to feel like a very real concern. And because the activity from the Navigation Center naturally spreads outward, the dog park is now affected -- I mean, it has been affected the whole time. But --

What our community would really appreciate is simple safety signage throughout the neighborhood, guidance on what to do if a person or pet is exposed, access to Narcan and basic training for residents, dog walkers and volunteers, coordination with city partners who specialize in overdose and poisoning response, early interventions to help prevent a serious incident at the wharf or the dog park or, you know, in the surrounding area.

This isn't isolated to one spot. Patterns from the Nav Center area are impacting multiple public spaces. Clear signage, safety information and Narcan preparedness would make a meaningful difference. We all love the wharf and these waterfront areas. We want to help keep them safe and welcoming for everyone.

I have another second. I'm a dual citizen of Italy and the United States. I have seen how the cruise ship emissions have contributed to air quality and pollution in the port cities of Italy. As San Francisco considers cruise ship expansion, I hope environmental and health impacts are thoughtfully included. Thank you very much for your time.

President Gilman: Thank you so much. Is there any other public comment in the room? Is there no one else in the room? I just want to make sure. Is there any public comment on the phone?

Jenica Liu: We have one caller on the line.

President Gilman: Caller, please give us your public comment. Can we open the line?

Katy Liddell: Yes. Can you hear me?

President Gilman: Yes. We can. Please give us your public comment.

Katy Liddell: Okay. Good afternoon, commissioners. My name is Katy Liddell. And I am the co-chair of the Port's Northern Advisory Committee and also a member of the Embarcadero Navigation Center Advisory Committee. Both groups have submitted letters to you in support of the Nav Center.

I was very surprised and disappointed yesterday, just yesterday, to hear of the change of personnel working at the Nav Center. We had based our recommendation on the improvements which have taken place over the past few months in the surrounding area for there have been problems.

Because the clients at the center are able to come and go as they please, this has caused loitering, drug use and vagrancy at the Beale Street cul-de-sac, the Brannan Street Wharf and the adjoining sidewalks. I've personally walked by many times to witness this.

Thanks to the Port and to David Le in particular, the benches were removed from the cul-de-sac to discourage loitering. Things are slowly getting better. I am personally still supportive of the center's extension. But Five Keys and the city must continue to improve the area. We, the neighbors, have worked hard with Five Keys and HSH personnel to make this happen. It must continue. Thank you.

President Gilman: Thank you, caller. Do we have any other people on the phone for public comment.

Jenica Liu: We do not. Thank you.

President Gilman: Okay. Public comment is closed. But before we transition to questions from the commission, I'm going to ask -- we have two special guests in the room. I'd like to -- I want to recognize Steve Good, who I think I see in the audience, who is the CEO and president of Five Keys, if you could come make some remarks, please, and maybe walk us through operations of the center.

And I think it might be necessary for you also to define harm reduction for the commission. And then, I'd like to hear from the captain of Southern Station, who I also thought was in the room, about security measures. Then, I'll open it up for commissioner comment.

Steve Good: Sure. Thank you. As stated, I'm Steve Good, the CEO of Five Keys. Currently, we operate about 18 different properties across the state, providing services and shelter. At the Embarcadero Nav Center, I first want to address the change in leadership.

We recently changed our on-site assistant director and the other director at the location not for a performance reason but part of our routine of providing new opportunities for staff to transition throughout the city and work at our different sites as part of a cross-training exercise that we routinely do.

It also provides an opportunity for a fresh set of eyes to come in to the shelter and see, perhaps, things that the other site managers had not seen. We've found it to be an incredibly effective way of making sure that the quality that we expect at our shelters remains high.

Operations at the shelter -- so as Emily presented, the daily operations include wellness checks and our staff meeting with the case coordinators where we have a one-to-25 ratio, daily meals, cleaning. And one of the most important things that was talked about is our good neighbor policy where we go around the neighborhood, pick up trash.

That was actually something -- I believe it was Five Keys' idea when we first came -- bid on the project. We proposed the idea that we implement a good neighbor policy with a hotline for the surrounding community to call should they see something.

It's been an incredibly effective tool, albeit as limited in its scope of what we can do. We can encourage people to leave. We can provide them help and support if they're in crisis. But we have no real authority to force them to move. But through building relationships, which is our entire model of how we work, treating the residents as guests and seeing them as individuals as who they are and developing that relationship plays a big piece in the effectiveness of that.

One of the key things about Five Keys and our operations is we don't have security at any of our sites. Our ambassadors are cross-trained from custodial to security to being the ambassador. And the idea being is individuals don't really respond well to authority figures when they're disenfranchised and have just a long history of negative experiences.

The idea being that the ambassador who is building a relationship with you, checking in daily with you to see how you are doing is the same person that's trained in de-escalation should there be a conflict and we actually have to have the function of a security person stepping in.

And those are the same individuals that do the perimeter checks and pick up garbage. With the implementation of our street teams now, again it's taking the approach of community building, checking in with people, relationship building and seeing how the individual is doing and using the relationship approach to try and move people along and encourage them to not loiter.

We also offer assistance if folks need it. We encourage folks to get into treatment and anything we can do along those lines. We've seen it being very productive. But again, we're limited in what we can actually do in terms of making folks move.

I also want to point out that the individuals that are around the Embarcadero center that often people see and they associate as being residents

of the shelter -- the majority of folks that we run into that are doing loitering we know aren't residents of the shelter. They're individuals that have found their way out to one of the most beautiful parts of the city and want to enjoy the sun and fresh air out here as well. But I could easily see how they could be confused as being a resident of the shelter. So that's important.

The other thing that I just want to leave you with is homelessness is a big problem in San Francisco, as we all know. And it's here. And if go away, the homeless individuals aren't going to go away. But the tool you currently have to try and reduce the loitering, the drug use, the encampments and graffiti goes away as well.

And we think that we've made a real important improvement in the area. So thank you. Are there any questions?

President Gilman: So I think I'm going to just have you sit down. And we're going to ask the captain to speak. And then, commissioners will make comment. And Mr. Good, you might be invited back up to answer a question.

Amy Hurwitz: Hi. Good afternoon. Good afternoon, everyone. My name is Amy Hurwitz. I'm the captain of Southern Station. And I was not expecting to speak today. So you'll get genuine, unrehearsed answers. If I had the opportunity to take questions, I would be more than happy to.

So what I can do -- I'm not here to give my opinion one way or the other. But what I can do is I can tell you about my experience.

President Gilman: That's what we're looking for.

Amy Hurwitz: So what my experience has been has been a lot better than many sites that we deal with, that we work with. And I understand that public nuisance crimes and drug use on the street are things that people do not want to deal with as residents in the area because I don't want it next to my house. I understand that people don't want it next to their house.

So we are doing the best that we can to sort of make that go away. Now, that said, we are under a staffing crisis. Like there is no joke about it. And people still expect us to do exactly the same amount that we had. So Southern Station is rolling with anywhere from 60 to 70 officers.

So when I was a sergeant at this station 12 years ago -- I started working when I was 11 -- we had 150 officers. So we are really short. We're trying to make up with it by having officers come in on overtime. And that is what's happening.

So we have officers filling shifts and coming in on overtime. They're giving up their free time with their friends and their family. And they're coming in, and

they're working here. So the other thing that we're doing -- because we're not filling all of the shifts. We're just not.

But the other thing that we're doing is we have ambassadors. And the ambassadors are there every day. We have four ambassadors assigned. And they're doing a great job. The other thing that, you know, I find pretty amazing is, you know, the Five Keys ambassadors and the people that are working from the shelter or with the shelter to make the neighborhood better.

That is something I haven't really seen before. And I think it's super helpful. It makes our job a lot easier. So -- yeah. We haven't had any major incidents to speak of lately, which is great. And most of it is, you know, sort of the lower-level stuff. So -- thanks.

President Gilman: Thank you, Captain.

Amy Hurwitz: Great.

President Gilman: So commissioners, before we go to commission questions, the questions need to be for our staff. And that right now is being represented by Amy Cohen and Kimberley Beal. And if they need support from our special guests, which are the operator and the captain, they will seek. But I just want to caveat that before we go into commission discussion. And on that note, Commissioner Lee, do you have questions for staff?

Commissioners' Discussion on Item 11B:

Commissioner Lee: Yes. It's only different because -- you know, I was on the entertainment commission 10 years. And usually, I get to talk directly to the captain because, you know, a lot of this stuff sounds very familiar. It's a little different situation because homelessness is very -- a tricky issue.

A few things -- on the staff changes that has happened that we hear from public comment, it seems like it just kind of recently must have happened because this extension came up before. And we didn't have this kind of contention.

It seemed to be okay. At first, before I heard all the public comment, you know, I thought, hey, this has always been -- even before I was a commissioner on here, I always see the Navigation Center -- and I use the Embarcadero a lot, every day almost. And I don't see much activity.

Now, a lot of times, I know in Chinatown -- and I do more nightlife stuff -- the ambassadors and maybe some of the outreach people are during the day. There's nobody at night. And I don't know if these occurrences are happening at night or what. But I know there's a staffing issue. I know we're short officers in both -- in this department -- I mean, this situation, on the entertainment situation.

So I'm just saying, are we giving them some more time for this new staff member, new manager of this facility to ramp up and, now that you hear all the public comment, to do something about it? I have a few questions like, what happens when the ambassadors are in the safety zone, and they come across these people that are maybe not residents of the shelter?

I see that there's other departments. But I don't see DPH. Isn't DPH supposed to reach out to them as well to -- and I know, you know, they don't want help. It's an issue. You know, you can't really touch them. And this is the same situation in all neighborhoods.

I don't know how you guys address that. Do you talk to them and say, "Hey, come to the shelter?" I mean, what is your procedure when you run into these people in the safety zone?

President Gilman: So I'm going to ask Emily Cohen to come up.

Emily Cohen: Thank you, Commissioner, for the question. I'm going to unpack it. I think there are a couple important questions that you raised in there. One was the recent shift for the site manager from Five Keys. And you know, we fully support Five Keys to deploy their staff in the way they feel is best for their own professional development and for the operations of the site.

That said, the program and the onsite staff continue to report to Brandi Marshall, who is the deputy over housing under Steve at Five Keys. And she has been the lynchpin to sort of making this all work. She's the one who pulls us all together and says, we need to move here, do this, do that differently.

And so that leadership remains steadfast. We are very confident in Five Keys' ability to staff. The assistant managers are not changing at the site. And so I think there's plenty of continuity to ensure that the site continues to be very, very well run. So we are very confident in Five Keys and their ability to manage their onsite staff.

In terms of the ambassadors -- the other question you asked -- in terms of the ambassadors in the neighborhood -- now, we have two sets of ambassadors. We have SFPD ambassadors, which the captain can speak to, as well as the HSH-funded ambassadors from Five Keys.

And their role is to really have a lot of situational awareness about what's going on in the community and to intervene to the extent possible. Right. So they will do -- they will be walking. They're a mobile team walking around the neighborhood, around the zone.

And if they encounter somebody who is experiencing homelessness, what they can do is say -- they can't offer them a bed right at the Nav Center because we have a centralized placement process. But they can call it in and say, h --

they could ask them, "Do you want shelter tonight?" And if the person says yes, they will call the hot team. The hot team will come and place that person into shelter that night.

So we don't want to encourage people to come and camp near the site. We don't have a you-can-come-right-in process for that reason. But the ambassadors can absolutely offer somebody a place to be. And our team will come and make that placement.

Another thing that they do is obviously picking up trash. If they see graffiti that might be -- you know, not what they can get in the immediate moment, they will report that in to Public Works for support. They also will ask people who are loitering to move on.

So they can ask people who are hanging out -- they can ask people -- if they feel safe doing it -- if they're using substances, to not use substances there. Now, they're not the police. They can't enforce the law. They can't force somebody to move. But they have built relationships with folks on the street.

And they say, "Hey, you know, you're right by a Navigation Center. Your behavior here is actually kind of hurting it for the rest of us who are trying to do this work." And sometimes, it works. And sometimes, it doesn't. If things escalate, we can always call the police.

Commissioner Lee: So I have one -- what about if they're having a mental health --

Emily Cohen: Yes. Absolutely.

Commissioner Lee: -- I mean, is that a DPH issue? Or --

Emily Cohen: Under Mayor Lurie's leadership, we have reorganized neighborhood street teams that include the integration of our traditional outreach as well as behavioral health and law enforcement. So what we ask all of our ambassadors to do is to call that in.

So if somebody is having a medical emergency, which includes a psychiatric emergency, we ask you to call 911. And our integrated street teams will respond -- or 911 dispatchers will figure out who the response team is. It's either an integrated street team or SFPD depending on the severity of the situation.

And public health is absolutely a partner in that. They weren't listed on the MOU because we have a separate agreement with public health, But they are at the site. They operate a clinic at the site and provide shelter health services onsite.

Commissioner Lee: Okay. So like I say, I'm a true believer of public safety and neighborhood -- the good neighborhood policy actually started with the entertainment commission. And other departments have used it. I mean, I authored that. And I'm glad that you're using it because it does help.

Captain, in the past, other captains, when we had issues with nightclubs and neighbors, they used to have neighborhood meetings and training with the club owners. I think this is something that they're asking for maybe to do some kind of Narcan training, you know, for their dog -- I mean, I think they're asking for Southern Station to maybe have a monthly meeting with the neighbors to kind of like mitigate some of this and help them train and know how to deal with some of the situation -- and it really helps a lot.

I think Captain [Orks] was the starter of that meeting with us back 20 years ago when it was the war against fun. You know, it was nightclubs against neighbors. It's a very similar situation. And that really helped with the captain meeting with the neighbors and maybe with the staff of the Navigation Center so -- because, you know, for the last six years, I mean -- really amazing how suddenly something had changed abruptly because we didn't hear this before.

So anyway, that kind of ends my comments. I mean, I'm still supportive of the Navigation Center. I think it's just a little work with the neighborhood and maybe with the new staff to get back in sync. So that's kind of my comments for this one.

Emily Cohen: President Gilman, if I may respond very briefly --

President Gilman: Sure.

Emily Cohen: -- just to assure you, Commissioner, that SFPD is at our quarterly meetings with the neighbors very much engaged and a part of this. The call for Narcan training is interesting. You know, all of these ambassadors are trained to use Narcan. Overdose reversal unfortunately has become a part of our work and is something that all the Five Keys staff are trained to do, the SFPD ambassadors, everyone is trained to do.

If the neighbors want a voluntary Narcan training, we could bring DPH in to provide that. But that'd be on an individual volunt -- [crosstalk]

Commissioner Lee: Yeah. I mean, I'm just saying, because you can't be there 24/7 every single minute. Right.

Emily Cohen: Yeah. We should all be trained. We should all be trained.

Commissioner Lee: Yeah. I mean, I think the neighbors want to know. And they want to be trained. It's not that difficult. And if it's available, we -- my staff all knows how to use Narcan at the clubs because it could happen. Right. And it's all

free training. But I just think it's just a good neighborhood community thing that you guys can set up. I'm done.

President Gilman: You're good? Okay. Awesome. Great suggestion.
Commissioner McNeely, do you have any questions for staff?

Commissioner McNeely: Yeah. I mean, I did have a question about the ambassadors. Right. But I think I better understand now. I was confused as to whether or not there was one set or two sets, so one set reporting in to the operator, Five Keys, and then one set supporting the SFPD.

I think one of your statements during the staff presentation, you stated that there was now -- or perhaps this was from the city -- of hourly walking along the perimeter. Is that something that's recently started? Or has that been engaged for a while?

Emily Cohen: Thank you, Commissioner, for the question. Originally, in our original work plan with Five Keys, it was three times a day. And now, it is increased to hourly. And that increase changed in April of 2025 after we started to see more complaints and concerns raised from the neighbor. So --

Commissioner McNeely: Okay.

Emily Cohen:-- it was responsive.

Commissioner McNeely: And that was a result of community meeting where you were able to --

Emily Cohen: Yeah.

Commissioner McNeely: -- to address some concerns. Are there other items that the communities raised that you are yet to implement or have it kind of in the game plan going forward?

Emily Cohen: You know, I think most of it is baked into the plan --

Commissioner McNeely: Mm-hmm.

Emily Cohen:-- into the MOU in the interdepartmental letter. A big advocacy push from the neighborhood group was the removal of the benches from the Beale Street cul-de-sac, surprisingly complicated. Even though I've worked in government for 10 years, it shouldn't be that surprising. Took a while to get the benches removed. They are now removed.

You know, we wanted the -- we added the Five Keys ambassadors. That's a recent addition as a request from the neighborhood. And then, really working with PD to ensure staffing of the safety shifts are our top priorities.

Commissioner McNeely: Is there -- someone made the point that some of the loitering going around may not be folks actually admitted to the facility. Is there a way of -- I assume that this is open 24 hours. And residents are able to come in and out at any time.

One question I would have is whether or not they're able to exit, get illegal substances, reenter. How does that work? How do you safeguard against that or even vice versa?

Emily Cohen: Absolutely. Thank you for the question. Illegal substances are not permitted in any shelter site in San Francisco. So if guests are found to have drugs on site, they will be confiscated and asked, you know, to move -- to remove the drugs from the site. It will result in a write-up. And a certain number of write-ups can result in removal from the shelter.

We don't want to remove somebody immediately. It just pushes a challenge to the street. It is an opportunity for case management, an opportunity to talk to that person about their substance use and how it's impacting their life. And we hope that we can leverage that moment into treatment or into a service plan.

When that doesn't happen, we do, of course, have the lever to remove somebody for bringing illegal substances onto the site. People -- this is not part of the carceral system. People, of course, are free to come and go as they please. And they do. Some people are working. Some people have family that they're visiting.

But we've made it as homey as possible inside because we want people to hang out inside. You know, we've got outdoor space. We've got covering for hot sunny days or rain. We want to make -- we have a little dog park area.

We want to make sure people feel as comfortable as possible doing their chilling and their hanging out within the property rather than -- I mean, the Embarcadero is pretty nice. You do want to go out and walk along the water and be part of the community as well. But we want to encourage folks to stay in.

Commissioner McNeely: Yeah. Thank you for that. And just to comment -- you know, these are really challenging interests to balance. And I applaud your ability to balance these, listening to the community. I think we can never over communicate to our residents and encourage their participation and solution and strategy around it.

So I applaud you on that. And I would encourage even more outreach. And if we can increase the number of ambassadors to kind of deal with and monitor the situation, likely the better.

President Gilman: Thank you, Commissioner. Commissioner Adams?

Commissioner Adams: Wow. I was here in 2019. I chaired that meeting. Boy, it was a doozy. We had 30 police officers in this room. We had about 500 people for and against. And you know, this is -- from -- those that were for it were for it. Those were against -- you know, everybody can be judgmental.

Nobody wanted it in the neighborhood. Right. You know, anybody can wind up homeless. Some people wouldn't want that. I appreciate you coming out today and coming out and expressing your concerns. I express that nothing is perfect.

But let me tell you what happened in 2019. At the time, Mayor Breed said we've got to do something bold. Our director put her neck out there on the line. And this commission -- we listened to everybody. And we said we need to do something that's right.

And FDR said it best. A nation can be strong without being cruel. And some people think they can probably never wind up homeless. But that's where it went. And we supported that. And I hear you. There should be law and order. I agree with you on that.

People should feel safe in the neighborhood. But nothing is perfect. Several years ago, we renewed this. Not one single person came. Alice always shows up. Some people only come when it's their issue. Alice is always here.

President Gilman: Yeah.

Commissioner Adams: And Alice was here. And Alice spoke on it. And Alice go, it's still a work in progress, but we're getting be -- I've never seen you guys here before. I didn't see you in 2019. And I didn't see you two years ago. I see you tonight. I didn't see you. I didn't see you. Maybe you were here in 2019, but I didn't see you when we had that big meeting. And like I said, I appreciate that.

But everybody, I think, is working hard as they can to try to make this happen. And I said, I know -- I lived on 388 Beale. Nobody wanted it in that neighborhood. Ma'am, if you sure have something to say, you could have said it at the mic.

But I'll just tell you that. But that being said, we're doing the best we can. And your concerns will be listened to. But you think it's perfect, everything that they're doing? No. It's not. But this was something that was needed in this community, in this neighborhood, this homeless shelter.

And it'd be nice to move it somewhere else. And one day, because it's Port property, it's going to be gone. But I will speak what I have to say as a commissioner because I voted for it. And some of my neighbors -- because I lived on 388 Beale -- stopped speaking to me because they didn't want it in that neighborhood.

Where do we go? What do we do? We're a money-making organization, a Port. But also, we have a social conscience. And when I feel that they're trying to do the best that they can do and then those that donate their time to help those that are in need -- because I know some people that are homeless. I don't walk by them. I don't treat them any differently because I might just be doing better than them.

I could be that way myself one time. But we need to help. And all you guys on the advisory committee -- I'm sure Alice can find a spot for you on the advisory committee. Work with us to try to make it better. But we've got to help them just like we've got to listen to your concerns that you want to s -- I lived in that neighborhood. I wanted us -- I want a safe neighborhood too.

But I don't think all of the people that are in the shelter are causing a lot of the other problems. And there's other people in this city roaming around causing problems that come in there with them. And if somebody in that shelter is doing something they shouldn't be doing, they should be gone, straight up. I think they should be gone. They shouldn't be there.

And I'm going to vote in favor of this. And we have another one down in the Dogpatch. And until our society ever deals with this homeless problem, we're going to have to deal with it. And we can't run. And we can't hide from it. I guess I could go live in a gated community. But now, what do they do? They ram cars into jewelry stores. And they -- 20, 30 people jump out, and they grab everything.

This is a part of our society now. I don't like it neither. But we've got to deal with it. I have not heard any shootings down at the homeless shelter. I have not heard of any shootings or any assaults -- at least the director has not reported this to me as a commiss -- or any of the other commissioners. I haven't heard that.

Fentanyl -- it's bad and a lot of the other things. But work with us as we're trying because we want that neighborhood to be safe. I used to go to that grocery store that you're talking about. Yeah. They're right. Look what happened to all these Walgreens stores that had to close down. I get it. I understand.

Look at Delancey Street. Know what that's about? It was started for people that got out of prison. We try to get society to give them a second chance. The president of my union started that along with some politicians in this city, the late John Burton, Pelosi, Art Agnos, to give people in this society another chance and not look down on them.

So I'm going to vote in support of it. You want my number ever to talk to me, I'll sit down, be willing to have lunch with you, listen to your concerns and run it up the flagpole. I will fight with you. But I ask you to fight with us to help to make it better. And when we have these meetings, show up because, like I said,

I've never seen you before. And I've been on this commission 14 years. I've never seen you here before. Anyway, I'm done.

President Gilman: Thank you so much, Commissioner Adams. Commissioner Engblom?

Vice President Engblom: Well, complex issue -- I want to thank our residents, people coming and being part of the process and letting us know what's going on like the volunteers on the advisory committee. That's what makes our city great. Thank you for people who are volunteering in the neighborhood. I'm a dog owner. So hearing these stories, they're very upsetting.

You know, thank you to the operator and the police captain for coming to talk to us. It's a really complex issue. I believe though, as a point of process, we're being asked about the MOU.

President Gilman: Yes.

Vice President Engblom: So I think, in addition to hearing all the concerns that we have to address as a city, I just -- I believe that I've heard that the operator is meeting the conditions --

President Gilman: Yes.

Vice President Engblom: -- as per the staff. So that's why I will be supporting this effort. Thanks.

President Gilman: Thank you, Commissioner. [sighs] I just want to say, as someone who was with Commissioner Adams back in 2019 when we had that hearing and as someone -- transparency, full disclosure -- who's dedicated 25 years of her life working on anti-poverty, homeless issues and economic security issues, I think it's really important to remember that everyone in this community has a seat at the table to come to the advisory committee.

As someone who has sited supportive housing in District 2 and across this city, we need an equitable distribution of Navigation Centers, of affordable housing, of supportive housing. And I have never seen a neighborhood negotiate such a strong good neighbor agreement as I saw in 2019.

We have shelters in other parts of the city that originally, when they were founded in the 1980s and '90s, didn't get this kind of response all throughout the Tenderloin. The Tenderloin community deserves the same benefits as the community along the waterfront.

And I want to commend the Department of Homelessness and Supportive Housing for stating that this is now the benchmark for how they move forward

with their contracts and supporting them in financing Five Keys to be able to up their ambassador program.

This is an issue of poverty. This is an issue of disenfranchisement. This is an issue of system involvement that Commissioner Adams was right. As a society, we need to solve it. And each and every one of us has an obligation. Socrates said we all must care for all of our members of society, those with means and those without.

I think, as a commission, we've tried really hard to balance and hear the neighbors. And soon, as Commissioner Adams said, this Navigation Center will be gone. And I hope that all of you will support the housing, both affordable and market rate that's going in at the site because that's what's going to come to Piers -- to Seawall Lot 30/31 -- 32. That's what's going to happen.

But until then, I am honored as president of this commission that I'm helping 200 of my fellow San Franciscans have a safe place to sleep every night, to receive the resources, the care and the love that they're getting every night because, to me, no one should be outdoors.

I live in North Beach. I walk by people in Washington Square Park all the time who are actively using or are having issues with substances. I would never judge whether those people are unhoused or not. There are people in the condos across the street from us who, I'm sure, are using substances in their homes.

And I hope that everyone with substance-abuse issues receives the treatment, love and support they need. And I have every faith that is happening at this site and at every site across San Francisco that we operate. So for that reason, I will be voting to support this. And I believe we have a unanimous decision at this commission. So I'm going to call for the vote. All in favor of extending the MOU with the Department of Homelessness and Supportive Housing for another two-year period, please say aye.

All Commissioners were in favor.

Resolution 25-78 passed unanimously.

11. REAL ESTATE & DEVELOPMENT

C. Request approval of a proposed Memorandum of Understanding with the San Francisco Municipal Transportation Agency for the management, operation, and enforcement of on-street and off-street public parking facilities on Port property. (Resolution 25-79)

Jennifer Gee: Good afternoon -- President Gilman just stepped out -- Vice President Engblom, commissioners, Director Forbes. I'm Jennifer Gee, the senior

property manager for the southern waterfront in the real estate and development division.

I'm here today to request your approval of a proposed MOU with SFMTA. This MOU covers the management, operation and enforcement of the Port's public parking facilities, which includes on-street parking, which are the meters and colored curbs, as well as off-street parking, which are public parking lots.

This proposal reflects a huge collaborative effort across all Port divisions. I wanted to take a moment to recognize the folks who made this MOU possible: Kimberley Beal, Albert Han, Annette Mathai-Jackson, Becca Benassini, Scott Landsittel, all of our Port property managers, the team's maritime, planning and environment division and our finance division and a special shout out to Kyle Thomas and our security team as well as Tim Felton and our maintenance crew, who will be working closely with us in real estate to manage the properties under this MOU, and, of course, our partners with SFMTA, who are here today and have been instrumental in shaping this proposal.

The Port oversees a mix of public and private parking on our seven-and-a-half miles of waterfront. Under the Port's harbor traffic code, we manage metered street parking, public parking lots and private parking areas for tenants, maritime operations, contractors, fleet and trucker operations.

Today, we're proposing a shift to bring all Port-managed public parking, both on-street and off-street, under one unified management model through an MOU with SFMTA. The goal of this new structure will modernize and streamline how we manage parking, improve customer experience, boost the Port's financial performance and align with the city's broader parking system.

The proposed MOU meets several of the Port's strategic objectives. The MOU allows the Port to tap into SFMTA's existing infrastructure and expertise, which will improve efficiency, reduce administrative burdens and, ultimately, retain more of the revenue generated from our public parking assets.

Effective parking management will also improve access and usability across Port property, which will make our property more attractive to current tenants and future prospective tenants, which will, in turn, drive more activity and economic activity along the waterfront.

Through SFMTA's operator contracts, the Port will be aligning with SFMTA's LBE goals, which promotes inclusive and equitable contracting and opportunity. This MOU also supports the Port's broader effort to modernize how the Port operates and reflects its commitment to evolving the waterfront to meet the changing needs of the public and our stakeholders.

So let's take a quick look at the current parking at the Port. In fiscal year 2023, parking and citation revenues brought in approximately \$21.2 million in

total operating income for the Port. That revenue came from four main sources. About 40 percent came collectively with SFMTA -- or sorry -- from SFMTA with 27 percent from SFMTA-managed on-street parking plus 13 percent from citations issued by SFMTA.

About 56 percent came from leased parking lots. And the remaining 4 percent came from Port-managed individual parking stall agreements, which are spaces reserved for tenants, maritime users, contractors and fleet truck operations.

Since 1996, the Port has partnered with SFMTA to support on-street parking operations. Today, that includes about 370 parking meters and roughly 1500 on-street parking spaces. Under our current agreement with SFMTA, SFMTA handles meter procurement, programming and installation, revenue collection, citation processing and enforcement and event-related traffic control as needed.

The Port retains 100 percent of the gross revenues from both parking fees and citations. In return the Port reimburses SFMTA for administrative and operational costs. While the formal agreement expired back in 2017, both agencies have continued to operate under its terms.

This graph shows the revenue trend under the SFMTA agreement and how the partnership has continued to generate consistent revenue for the Port between fiscal year 2018 and 2025. For our off-street public parking lots, they are run a little bit differently.

The Port currently controls 11 public parking lots. Four of those lots are currently leased to Reimagined Parking, formerly known as Imperial Parking or Impark. Six lots are leased to SP Plus-Hyde Parking joint venture. And one of the lots is operated directly by the Port through the SFMTA partnership.

Under the lease model, the lease gives the operator the right to use the parking lot for parking operations. The operator handles revenue collection, cleaning, maintenance, security and utilities. Most sites are unstaffed and offer minimal services. The operators keep 33 percent of the gross revenues under the lease agreement.

It's also worth noting both leases are expired. The lease with Reimagine Parking expired in 2005. And SP Plus expired in 2022. The one lot managed under the SFMTA port model mirrors the on-street parking agreement. This map shows the locations of the off-street parking lots that are proposed under the SFMTA MOU.

So let's take a closer look at how the current partnership with SFMTA is performing. Under the existing model, the Port retains, again, 100 percent of the

revenue from both parking fees and citations. SFMTA is reimbursed for their administrative and operational costs.

This slide shows the revenue versus reimbursements over the last three fiscal years. On average, the Port nets about 72 percent of the total revenue after reimbursing SFMTA. That net revenue goes directly into the Port's general operating fund. The data here reflects on-street metered parking and the one public lot managed under this model.

You'll also notice a slight increase in expenses in fiscal year '23-'24, which reflects when the Port aligned with SFMTA's initiative to upgrade outdated meters and pay stations citywide to newer space pay-by-license meters. The Port retains ownership of the new equipment, which means future costs are limited to maintenance and repairs unless replacement is required when the equipment is damaged beyond repair or reaches the end of its useful life.

So what is the impetus for change and expansion of the Port's partnership with SFMTA? One is the proven success with SFMTA on the on-street parking model. Our existing partnership with SFMTA has been effective and reliable. In contrast, our off-street lease model has delivered lower financial returns and offers limited flexibility.

Also under the lease model, private operators keep a significant share of the revenue but provide minimal onsite services, often just the bare minimum in terms of maintenance and security. Building an in-house parking program would require major investments by the Port in technology, staffing, operational expertise.

These are resources that the Port does not currently have. Expanding our partnership with SFMTA offers a more integrated, efficient and cost-effective solution and also aligns with the city's broader parking program. This MOU still preserves -- it keeps the Port in the driver's seat as it still preserves the Port's policy oversight and operational control but reduces the Port's administrative workload, freeing up staff to focus on broader property management and planning priorities.

This transition would replace the outdated lease agreements with a centralized citywide management approach, one that's more modern, more efficient and better aligned with the Port's long-term goals.

So let's talk about the terms of the MOU. The MOU will continue SFMTA's management of the on-street parking, which includes, again, the meters and the colored curbs. The MOU will also expand SFMTA's role to include 11 of the parking lots, which fall into two categories: seven metered lots, which are pay-and-leave lots where users pay at a kiosk or a pay station; four operator-managed lots, which are a little bit more complex sites that may require special event coordination, validations, on-site staffing.

The MOU also allows for facilities to be incorporated or removed at any time by the Port. SFMTA will provide full operational support for all Port-managed parking assets, which includes meter procurement, installation, maintenance and repairs, revenue collection and citation processing, enforcement and compliance, signage and curb painting.

SFMTA will also handle all the administrative functions such as financial and data reporting, account management and system oversight, regular performance and maintenance reporting, monthly parking programs, validations and special-event parking.

Under the MOU, the Port will continue to retain 100 percent of the gross revenue from both parking fees and citations. Port will reimburse SFMTA for administrative and operational costs. Due to their complexity for the operator-managed lots, the Port will piggyback on SFMTA's existing operator contract, which is a flat-fee model where SFMTA or their contractors will handle daily operations for a fixed monthly fee. There is no fixed fee for the metered lots.

When this transition happens, the Port will be responsible for maintenance, security, utilities and cleaning across all of the parking facilities. For the operator-managed lots, the Port may choose to use SFMTA's third-party contractors for repairs or maintenance when needed as well.

The MOU will take effect once approved by the Board of Supervisors and executed by both parties. Either Port or SFMTA can terminate the MOU within one year's written notice, effective at the end of a fiscal year. The Port also has the flexibility to terminate a specific parking facility or a part of one at any time for any reason.

All right. So the project fiscal impact for initial investments, to get the expanded program up and running, the Port will fund initial setup, which includes purchasing and installation of the new pay stations, fabricating and installing regulatory signage.

Something to highlight, in 2023, the Port was awarded a \$200,000 grant from Caltrans which will help to offset the costs of the purchase and installation of 28 multi-space pay stations. Ongoing costs -- while staff expects net revenue to increase, a portion of that income will go toward reimbursing SFMTA for their expanded operational role.

We also anticipate higher operating expenses for cleaning, maintenance, utilities and security as well as deferred infrastructure and capital repairs. Overall however, staff projects a positive fiscal outcome from this MOU that's driven by full revenue retention, improved enforcement and compliance, operational efficiencies, increased internal capacity, alignment with citywide systems and policies and an enhanced customer experience overall.

The expanded partnership with SFMTA offers the Port a range of operational, financial and strategic benefits. By leveraging SFMTA's citywide infrastructure, staffing and technology, the Port can modernize our parking operations without having to build a program from scratch, which means lower administrative burden, reduced capital investment and a more efficient system overall.

Transitioning our off-street lots from a revenue-sharing model to direct public management gives the Port full revenue retention, better enforcement and stronger support for our financial recovery and long-term stability. Unifying all parking operations under a single system also improves the public experience with consistent signage, rates and enforcement across the board.

And finally, the MOU gives the Port the flexibility to adapt as needs evolve with built-in safeguards to ensure that we stay aligned with the Port's strategic priorities. In closing, Port staff recommends that the Port Commission approve Resolution 25-79. I welcome any questions that you may have. Our partners, Rob Aicardi with SFMTA, is also here to answer any technical questions that you may have as well.

President Gilman: Thank you, Jennifer. Can I get a motion to move this item?

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

No Public Comment on Item 11C.

Commissioners' Discussion on Item 11C:

Commissioner McNeely: I have no questions. It seems like an elegant solution.

President Gilman: Commissioner Lee, do you have any questions on this item?

Commissioner Lee: Okay. [laughter] So I have the pleasure of working with Robert Aicardi from SFMTA because I volunteer on the Portsmouth Square Garage in Chinatown. And I work this guy for the last so many years. At first, we started off as the rough -- you know, I used to complain to him a lot. But he's actually become -- understanding where I come from for the community standpoint.

So I kind of -- I'm used to working how SFMTA runs their garage. But I have a few questions and maybe for Jennifer. Okay. So we lease out -- currently, we lease out the lots. And they retain 33 percent of the income. So going to this model, obviously it's going to be a lot less burden on staff because we're kind of short.

But how much of the 33 percent are we going to retain? Because, you know, there's going to be costs. Right. Of course, we've got to -- you know, they all like technology because I keep hearing from Robert that we've got to upgrade our little gates.

Jennifer Gee: Me too. [laughs]

Commissioner Lee: So I'm sure this is going to happen at the Port. And I'm just saying that, you know, right now, we lease it out. We do it ourselves for -- the operator is getting 33 percent. So we're giving basically 33 percent away. Do you find that this program is going to be able to save us the 33 percent?

Jennifer Gee: Well, so for the revenue cost structure under the MOU, we'll receive 100 percent of the revenues for parking fees as well as citations. Currently, we don't receive any revenues on citations from the lease model -- under the lease model.

President Gilman: [Interesting].

Jennifer Gee: Yeah. And so we expect the revenues to increase because, not only will we be retaining that 33 percent, but we'll also be gaining an additional revenue stream.

Commissioner Lee: So we don't get any ticketing at all on the parking lot. So if anybody's --

Jennifer Gee: Yeah.

Commissioner Lee: -- in violation --

Jennifer Gee: Yeah.

Commissioner Lee: -- they just basically skate.

Jennifer Gee: Basically. Yeah.

Commissioner Lee: Okay.

Jennifer Gee: They can.

Commissioner Lee: All right. And then, on the maintenance part, you kind of mentioned you're going to use outside contractors when they need it.

Jennifer Gee: Yeah.

Commissioner Lee: What about our own maintenance people? I mean, are --

Jennifer Gee: Yeah.

Commissioner Lee: -- we that short that we're going to put people out of a job?

Jennifer Gee: No. No. Don't put me in that position with Tim. [laughter] No. So we have the first right of refusal. So if our maintenance crew can do it, we'll do it.

Commissioner Lee: Okay.

Jennifer Gee: But if it's a job that might be too big for them, we can contract out with DPW, who SFMTA contracts out with. Or we also have the opportunity to also contract out with the subs under their operator contracts.

Commissioner Lee: Okay. So my last request, if we go ahead and move forward with this is to fix the Pier 30/32 -- getting out of the parking lot after an event because it takes an hour to get there. So I'm hoping, if SFMTA takes over, they will correct all this flow. I'm going to call Robert Aicardi every time if I get stuck out there. So --

Jennifer Gee: I think I'll call Robert Aicardi as well if --

Commissioner Lee: Okay. Good.

Jennifer Gee: -- I get complaints. No. But we definitely are working towards that. That is an issue that we are aware of. And we are planning to partner with SFMTA to prevent that from happening.

Commissioner Lee: Especially Pier 3 --

Jennifer Gee: Mm-hmm.

Commissioner Lee: -- you know, trying to get into Pier 3 and trying to dodge not only people but those scooters that are going 60 miles an hour --

Jennifer Gee: Yeah. Yeah.

Commissioner Lee: -- I mean, I don't know how -- if that's even part of their jurisdiction. But I know it's SFMTA. Maybe they can work together partnering with the bike --

Jennifer Gee: Pier 3?

Commissioner Lee: -- well, the bike lanes and going into the parking lot. I mean, I'm hoping that this becomes a synergy that all departments -- because the way SFMTA -- he has the garage. Somebody else has the bike lanes. So I'm hoping

that there's going to be a communication with both departments if we decide to move forward with this.

Jennifer Gee: We're definitely partnering with SFMTA. They're the parking experts. I think we've tried to establish ourselves as the parking experts for quite some time. And we're just not those people.

President Gilman: Yeah.

Commissioner Lee: Okay.

Jennifer Gee: So we're looking to the experts to help us.

Commissioner Lee: Okay. Good because -- yeah. Public safety is number one for me.

Jennifer Gee: Agreed.

Commissioner Lee: So I just -- I don't want anything else to happen. So -- all right. I'm done.

President Gilman: Thank you.

Jennifer Gee: Thank you.

President Gilman: Commissioner Adams?

Commissioner Adams: I'm going to vote in favor. Thank you.

Jennifer Gee: Thank you, Commissioner Adams.

President Gilman: Commissioner Engblom?

Vice President Engblom: No further questions.

Jennifer Gee: Thank you.

President Gilman: Thank you so much, Jennifer. I support the item and have no questions. Great interdepartmental coordination. So we have a motion, and we have a second. All in favor of this item?

All Commissioners were in favor.

Resolution 25-79 passed unanimously.

12. ENGINEERING

A. Informational presentation to consider and possible action to approve amendments to the 2025 Port of San Francisco Building Standards Code. (Resolution 25-80)

Matthew Bell: Coming through? All right. Good evening, commissioners, President Gilman, VP Engblom and Executive Director Forbes. I'm Matthew Bell. I'm the Port's acting chief harbor engineer. And I have a short presentation on our updated building codes. All right.

So a little background -- so amongst our many roles as a port, we are a local building department. And we are separate from the Department of Building Inspection in San Francisco. So all local building departments in the state are required to enforce the latest State of California building codes. But we can and we do add local amendments to the state's codes.

So the combination of our local amendments and the state's codes coming up will be called the 2025 Port of San Francisco Building Standards Codes. And confusingly, the 2025 codes will come into effect at the start of 2026. [laughter]

So we've been working on the code update for several months now. Our goal going into this are kind of up on the screen. We're very aware that the waterfront has unique engineering and architectural requirements. But also, the Port is part of San Francisco. And we want our regulations to be as similar as possible on both sides of the Embarcadero.

So one way we achieve this is we align our amendments with DBI's amendments. This provides consistency. And it also ensures that the Port is implementing citywide ordinances that change or impact building code language. Beyond that, we try to actually minimize new requirements.

The state codes are now over 7,000 pages long. And DBI has a lot of San Francisco amendments as well. So what we do in the Port code primarily is we have our own administration section because we run our business a little differently than DBI. And then, we also add some technical requirements specific to waterfront construction.

And as part of the cycle, we know that these are not perfect documents. So we just try to clean things up and correct typos and clarify things and whatnot. So again, we wanted to minimize new requirements. But we did make some changes that we wanted to bring to the commission's attention.

I think, for the folks sitting up here, the appeals are probably the big one. So we have not actually gotten any building code appeals in many, many years. Kind of the way the Port works is pretty unique. And our plan review staff are engaging with tenant projects, developer projects early.

So we know what's coming. And we're discussing any potential issues well ahead of time. Previous versions of the code have referred to a Port building code review board for appeals. But because we haven't actually gotten any appeals, this group hasn't been engaged at all.

So with this update, we took the opportunity just to simplify the code language. So we worked with the city attorney and confirmed that, ultimately, you all sitting up here have the appeal authority to hear any challenges to code interpretations made by the chief harbor engineer.

So we've updated the language to refer to the Port Commission whenever the code talks about appeals. And so if an appeal were to occur, we have some thoughts on how we would provide the commission with independent technical expertise, so you can make an informed decision.

We've started talking to DBI about modifying an existing MOU that we have with them, mostly for plan check and inspection services to potentially allow their board of examiners and their access appeals board to hear our appeals and then basically provide a recommendation to you all.

So we're still talking about that. We could, of course, also just form a group of technical experts that's appropriate for whatever the appeal might be. So again, this is probably not something that we expect to come up. But we are planning ahead. And once we have a little bit more clarity on the procedure, we'll publish something on our website so that it's clear to you all and it's clear to anyone who might need to file an appeal.

And then, the next item is actually not a change. And it relates to our fees. So according to the state building code, building departments can charge fees to cover their administrative costs. But these fees cannot be used to just supplement the jurisdiction's revenue.

So at this point, we are not increasing our fees, which have been lower than DBI's since they increased their fees in 2023, and we did not. So as part of this code-update cycle, we did a financial review. And we did confirm that our fee intake covers our direct staff costs and our software costs for administering permits.

So that's good news. But that said, we've kind of recognized the need to do more in-depth fee studies in the future to account for overhead costs and things like that. And we plan to make that a regular practice as part of kind of the end of fiscal year.

So once we go through that exercise and if we feel like fee increases are justified, we would be coming back to you all for approval. And then, a small technical change relates to under-pier plumbing, which gets a lot of abuse from waves and floating debris and such.

So we certainly have our own technical requirements that go above what the California building code says. But working on our own projects, we kind of realized that some of our code language was a little too restrictive. So we've made some slight changes to allow different kinds of piping materials that are appropriate for under the pier but just making the language a little less strict.

So those are kind of the highlights. Again, we just didn't want to add too much. So it's not a long list. So I'm already at the last slide. This explains some of the next steps in timing. So prior to this meeting, we've posted the codes online and sent public notices. Obviously, we're here in the hearing today.

But absent any groundbreaking public comments, we're asking the commission to approve the resolution to adopt the 2025 Port of San Francisco Building Standards Code today. If you approve, we'll file the code with the state Building Standards Commission.

We will be making some small minor corrections that we've noticed during the public comment period, which are some dates referencing old versions of the code. And we have one instance of kind of a duplicate line in our green building code that I just happened to find today. So we're going to fix that too.

So once we file with the state, the new code would take effect in January. And it would be in effect through the end of 2028. We will be able to come back to the commission for any changes during that three-year period. We will have to. So for example, if we go through the analysis and determine that we need to increase our fees to cover our costs, we could come back to you and request approval for that.

We're also working with the mayor's PermitSF initiative. And if that produces any policy changes that require language changes to our code, we'll come back to you all as well. So that concludes my presentation. Happy to answer any questions or open it up to public comment.

President Gilman: Okay. Thank you, Matt. Do we have a motion to move this item?

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

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

Vice President Engblom: I don't have any questions. I really appreciate the report and am fully supportive.

President Gilman: Thank you. Commissioner McNeely?

Commissioner McNeely: I have no questions.

President Gilman: Commissioner Lee?

Commissioner Lee: I have one. [laughter] While you were doing your research because -- I'm -- you know, police code, planning codes, building codes -- did you find that a lot of these codes that were there for 20-something years or 30 years do not apply to current standards and technology?

I mean, maybe DBI is a little different. But I know, in the planning code and -- I'm just curious. I mean, I'm glad you guys are doing it because this is what I fight when we open a small business. We always run into these codes that are 20 years old. Did you run into anything like that?

Matthew Bell: We definitely found, you know, language that was unfortunately still in the code that was kind of referring to the code that had been in effect, you know, two or three cycles ago.

Commissioner Lee: Yeah.

Matthew Bell: And we tried to clean that up. I won't say that we caught everything.

Commissioner Lee: Right.

Matthew Bell: That's also part of why we try to duplicate what DBI does as much as possible because they have --

Commissioner Lee: I'm really glad you take --

Matthew Bell: -- much more staff.

Commissioner Lee: -- the initiative to do it because, you know, when I talk to other people and they say, oh, whatever. But you guys actually took the initiative to do it. I'm really glad.

Matthew Bell: Yeah. And we acknowledge that these are not perfect documents. So if there's some inconsistency that comes up, you know, we have a lot of processes to kind of work with that and come to a resolution and come to a common understanding.

Commissioner Lee: I just hope that our department or the Port is another model for other departments to do the same. So that's end of my comment.

President Gilman: Thank you. Commissioner Adams?

Commissioner Adams: No questions.

President Gilman: I have no questions for you, Matt. Thank you so much. We have a motion, and we have a second. All in favor of this item?

All Commissioners were in favor.

Resolution 25-80 passed unanimously.

13. NEW BUSINESS

Director Forbes: Commissioners, I have not recorded new business through the meeting. Is there new business?

Commissioner Adams: I have a special point of privilege, Madam Chair, that Commissioner Engblom sent us all [unintelligible] about the blue water. And we give him his time to speak. He's been very patient with us today.

Vice President Engblom: Thank you, Commissioner Adams. I'll pass this out to my fellow commissioners. First off, I'd like to thank the Port and my fellow commissioners for sending me to the American Association of Port Authorities meeting last month. That's why I wasn't here with you all last month.

One of the things that most impressed me was how well connected and well respected our Port staff was at the AAPA. Boris Delepine, Dominic Moreno and Simon Betsalel really did us proud. And I really appreciated them spending time with me, helping me meet people and to network.

And one of the things that -- I have mentioned this blue economy, which is a very important multi-trillion-dollar economy globally, that is squarely in line with a lot of what we, as a port, do. You know, marine transportation, ocean tech, coastal resilience -- this is an economy that is threading its way through all of our real estate, all of our maritime, all of our resilience programs and really becomes, I think, an important communication tool with our labor partners and our community partners.

So the point of my -- so that happens. I was really impressed -- one of the meetings really reinforced my interest in this area. I learned from our colleagues at the Port of San Diego about how they really become more proactive with organizing this as a blue-economy initiative, which really was very inspiring. They are very interested -- and our Port team has already had follow-up meetings with them learning about that they're interested in us being colla -- complementary partners.

I also think that this is a really important way for us to move in line with our responsibilities with the Burton Act and the public trust in that it's a way to be forward thinking with our current maritime partners. So you know, in the past couple months, we've talked about some of the challenges with the fishing

industry, some of the things that we've been very interested to have come and gone with new energy economies.

I think being more organized and more proactive with this is very important. Just last month also, a couple weeks ago, there was the Norwegian tall ship at Pier 17, which was an amazing global initiative with Norway. Our partner for the zero-emission ferries has been globally building an identity for their own economy and private sector to go out and partner globally. So I think there's a lot of opportunities.

And then, you know, so I guess my ask here is to ask staff to look into this as a way to help us be more efficient, more organized around the blue economy in general. I think it makes a lot of sense. It's in line with a lot of what I hear Mayor Lurie talking about.

It gives us an opportunity to create a platform with private sector in terms of -- you know, San Francisco is the global hub of technology, the global hub of VC. The blue economy right now could really use a place and a thought partner in all of this that, you know, we can bring all that energy and excitement to help us be more efficient in our efforts.

And I think, you know, building on the success we already have, I think now is the time to seize the opportunity and be more proactive. So that's it. Thank you for the opportunity to speak.

President Gilman: Of course, Vice President Engblom. And thank you for all of your thoughtfulness in putting this together and for the feedback loop on the conference. I know I appreciate it. Is there any other new business from commissioners?

14. ADJOURNMENT

ACTION: Commissioner Adams moved to adjourn the meeting in the memory of Sister Karen Pierce. May she rest in peace. President Gilman seconded the motion.

President Gilman: We are closing in the memory of Karen Pierce this meeting today. Thank her for her service to the Port of San Francisco and the southern waterfront. And I adjourn this meeting in her honor.

All commissioners were in favor. The meeting was adjourned at 5:51 PM.