

SAN FRANCISCO
PORT COMMISSION

MARCH 10, 2026
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

MICHAEL MARTIN, ACTING EXECUTIVE DIRECTOR
JENICA LIU, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO

PORT COMMISSION

MINUTES OF THE MEETING
MARCH 10, 2026

1. CALL TO ORDER / ROLL CALL

Port Commission President Gail Gilman called the meeting to order at 2:15 p.m. The following Commissioners were present: Gail Gilman, Stephen Engblom, Willie Adams, Steven Lee, and Ken McNeely.

2. APPROVAL OF MINUTES – FEBRUARY 24, 2026

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

(a) Property: Seawall Lots 323 and 324 and the two adjacent street stubs (Paper Streets), located at Broadway Street and The Embarcadero
Person Negotiating: Port: Scott Landsittel, Deputy Director, Real Estate & Development; Ricky Tijani, Waterfront Development Project Manager
Negotiating Parties: Jay Wallace and Darius Anderson (collectively, TZK Broadway, LLC.)
Under Negotiation: ___Price ___ Terms of Payment X Both

The Port and TZK Broadway, LLC (“TZK”) are negotiating a proposed amendment to the Lease Disposition and Development Agreement

("LDDA") between the Port and TZK. 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 and manner and timing of payments of the consideration for the leasing and financing required to develop the subject property as indicated in the LDDA. The executive session discussions will enhance the capacity of the Port Commission during the public deliberations and actions to reset the price and payment terms that are most likely to maximize the benefits to the Port, the City and People of the State of California.

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

Also present: Michael Martin, Acting Executive Director
Jenica Liu, Commission Secretary
Scott Landsittel, Deputy Director, Real Estate and Development
Wyatt Donnelly-Landolt, Assistant Deputy Director, Real Estate and Development
Geoff Lewis, Development Strategy and Finance Senior Analyst
Ricky Tijani, Waterfront Development Project Manager
Grace Park, Deputy City Attorney
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 X 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: Michael Martin, Acting Executive Director
Jenica Liu, Commission Secretary
Kimberley Beal, Assistant Deputy Director, Real Estate and Development
Jennifer Gee, Senior Property Manager
Karen Chan, Property Manager
Justin Bigelow, Deputy City Attorney
Michelle Sexton, General Counsel

5. RECONVENE IN OPEN SESSION

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

No Report.

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

ACTION: 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 Secretary 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. In-person public comment may be made at the speaker podium in the hearing room during the relevant agenda item. For remote public comment, instructions are on the first page of the 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))

No Public Comment on Items Not Listed on the Agenda.

9. EXECUTIVE

A. Acting Executive Director's Report

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

Acting Director Martin: Good afternoon, President Gilman, Vice President Engblom, commissioners, Port staff and members of the public. My name is Michael Martin. I am the acting executive director. And this is the acting executive director's report for March 10th.

As I begin this month's report, I want to start by acknowledging that March is Women's History Month. At the Port, Women's History Month is an opportunity to uplift the stories, leadership and contributions of women, past and present, whose work, advocacy and vision continue to shape our workplace, our waterfront and our communities.

This year's Women's History Month is guided by the national theme, "Leading the Change: Women Shaping a Sustainable Future," which honors the vital role women play in designing solutions that support environmental stewardship, economic resilience, educational advancement and social justice.

Throughout history, women have been central to movements for equity, labor rights, environmental justice and community wellbeing, often advancing change while navigating systems not designed with them in mind. At the Port, we recognize and celebrate the women whose leadership, expertise and dedication keep our operations moving and our values grounded in service and impact.

We look forward to taking time this month to honor women's history, uplift present-day contributions and continue building a culture of inclusion and belonging here at the Port. Thank you for joining us in recognizing women's history and the many ways women continue to shape the Port today.

Moving forward, I'm very excited, in alignment with Women's History Month, to celebrate Bay Area BIPOC women makers on Saturday, March 28th with a day of delicious food, crafts and community at the Embarcadero Ferry Terminal Plaza just south of this building.

The event runs from 9:00 a.m. to 2:00 p.m. Entry is free and open to the public. And food and drinks will be available for purchase. Pop-Ups on the Plaza is a series of events celebrating Bay Area BIPOC entrepreneurs including businesses in Foodwise's Building Equity program, which has been exciting and very successful in providing a path forward for BIPOC makers to grow into a more permanent role with the Ferry Building Farmers Market.

Pop-Ups on the Plaza is a Port-sponsored event brought to you by Foodwise and is proudly funded in partnership with the San Francisco Human Rights Commission.

Moving to Fisherman's Wharf, I'm pleased to let you know that the Board of Supervisors last week officially approved the Fisherman's Wharf entertainment zone, a major win for the northern waterfront. As we have seen at Pier 39's entertainment zone, during designated special events, bars and restaurants will be permitted to sell alcoholic beverages to go within a defined waterfront area, which will enhance the visitor experience by allowing guests to enjoy those beverages as they enjoy live entertainment and programming throughout the district.

The Fisherman's Wharf Community Benefit District will leverage this new designation through recurring high-impact events designed to drive foot traffic, extend visitor stays and generate measurable economic impact. As you can see on the slide here, I'm very excited to see that this zone sort of straddles the line for Port property and the landside.

We're excited to see what we can do on our property to enhance our tenant's work much as the CBD has done with our grant. But by bringing in our neighbors to the south, I think it's a real good way to foster neighborhood cohesion and also really give people new things to explore.

If they're only used to coming to our property, they could see the landside businesses and vice versa. So we think this is a great opportunity. And we're excited to work with all the stakeholders to come up with new ways for people to be attracted to our property. I want to give a big thank you to Supervisors Danny Sauter, Stephen Sherrill, Rafael Mandelman and Shamann Walton for supporting this legislation.

Staying in Fisherman's Wharf, I want to note the Crab Crawl. After selling out in its debut year, the Fisherman's Wharf CBD, in partnership with the Port, brought back Crab Crawl for a second year, honoring National Crab Day last Sunday, March 8th.

Crab aficionados, once again, scuttled through the city's iconic waterfront district sampling exclusive crab creations from six seafood establishments. The self-guided tasting tour celebrated the Bay Area's most beloved crustacean and the unbeatable restaurants in Fisherman's Wharf.

Moving to this area, I wanted to report that we're working closely with the Office of Economic and Workforce Development and the Downtown SF Partnership, a 43-block community benefit district representing the Financial District and Jackson Square to join their special assessment district when they expand in 2027.

This is sort of part and parcel of what we were talking about during the budget discussions about where we really see a role for the Port to play in investing in the quality and the conditions of our property to help our businesses and to help visitors really see the clean, safe and vibrant waterfront we all want to see.

This district was established in 2019 to ensure clean, safe streets and a thriving public realm. And it has since become a leader in urban innovation and a key partner to the city in downtown revitalization. They're conducting an early renewal to accelerate the recovery of downtown and expand its footprint. And that's where we come in.

So we've tentatively agreed to work with them to enter the district. What we'd like to see is using their work to bring in some cost-effective additions to the baseline services we provide. We've invested a lot in cleaning and security in these areas on Port property.

But what we want to see are things like ambassadors, special event services, when we need more people out helping people enjoy the events as well as potential activations in small sort of tactical ways to sort of have a little bit more cohesion.

When you leave the Embarcadero BART and muni stop, you'll walk out. You'll see the Downtown SF ambassadors welcoming you, asking you if you have anything. We'd love to see those same ambassadors welcoming people off the ferries and having that sort of seamless connection with downtown that we really feel. And we really feel like we're a part of the Financial District. And our vibrance -- we want to lift up the Financial District.

So we're very excited to see this move forward. We're continuing to work with them on the exact contours of that. What we'll be doing is entering conversations with our tenants as well in the areas shown here. And you'll see that the area spans basically from just south of the Agriculture Building up to Pier 7.

So we'll talk with our tenants about participating with us and then hopefully bring something back to you in the spring to get your direction on moving forward in the process so more to come on that one. But it's an exciting development that we're hoping to move forward very quickly.

Moving just north of Pier 7, we have Waterfront Restaurant. Our retail portfolio is excited to offer a new offering. So this restaurant will be offered by our consultants at Maven Retail. The marketing effort seeks to identify parties interested in leasing and rehabilitating this property and giving it a new life.

This location is really, I think, advantageous. It's so scenic with the Bay Bridge views as well as Treasure Island. But it's also on a high-foot-traffic area between this building and the Exploratorium. And so we're really optimistic and interested to see what kind of proposals come in. We'll obviously keep you abreast of that as the offering moves forward.

Moving southward to Crane Cove Park, I'm excited to report that San Francisco Opera's fourth seam of Boheme Out of the Box will launch in Crane Cove Park on April 11th and 12th as part of a series of outdoor performance throughout the region.

These free, live performances will be an intimate one-hour version of La Boheme, a popular work of love and loss among a group of bohemian artists. The performances take place in a converted shipping container turned mobile opera stage.

The Crane Cove Park performance will include a first-act workshop put on by SF Opera before the shows where families and children will be invited to participate in free activities, which will be critical for people like me with a very small child. But I'm super excited to take advantage of all of it.

And for people like me who aren't opera aficionados, they'll also be broadcasting live English translations that you can listen to on your personal mobile devices so, really, an event for all and not just those who enjoy opera in its own right.

We're grateful to the opera for their partnership in bringing this work to the waterfront. And we're very excited to be the kickoff location for this year's series. Crane Cove Park is amazing. It has a great waterfront backdrop. And to have these extra activities come through and liven it up is just a real opportunity that we can't wait to take advantage of.

Speaking of opportunities we can't wait for, the Bay Lights are returning. The Bay Lights, which illuminated the western span of the Bay Bridge before coming down in 2023 will return with a grand lighting on March 20th. The grand lighting will debut on the primary north-facing installation, the historic view of San Francisco long associated with the lights.

But it's important to note that a second phase of the project designed to expand visibility to additional Bay Area communities will be introduced following completion of final safety testing and agency review so more lights to come after this initial return.

The lighting event will also honor the 92nd birthday of former mayor, Willie Brown, a longtime supporter of the project for whom this bridge's western span is formally named. The Bay Lights project was initiated by Ben Davis, founder of Illuminate.

Now, I want to take you through a few capital projects. When we talked about our b -- in our budget hearings last month, we talked about the benefits of having a significant amount of grant funds come in over the pandemic and the years afterward that is really allowing us to deliver an unprecedented number of capital projects over the next few years.

And so I wanted to highlight a couple of those for you here. They aren't the most sexy projects of all time. But they really represent opportunities for us to bring back to leasable space and try to improve our portfolio and improve our performance starting with the Pier 29 1/2 bulkhead.

So to the left of this picture is Pier 29 1/2. And in there is a separate office facility that was actually used by the America's Cup organization when they were here. It needs a lot of upgrades including electrical, HVAC systems, hazardous material abatement, window repair, electrical improvements, flooring and carpeting, drywall repair and painting and security improvements.

But I'm happy to report the project began last August and is nearly complete. And we hope to start marketing the space to new tenants this summer. I'm going to harken back to a long-time-ago conversation we used to have at this body about the grain silos at Pier 90.

That became an attractive nuisance as urban adventurers, trespassers would go into the grain silos, take social media videos showing their daringness and basically scared us because we were worried about them getting hurt and also, obviously, the liability of them coming onto our industrial areas in unsafe conditions.

So we made a part of our grant strategy during the pandemic getting money to pull these down. So we're not taking down the silos themselves. What we are demolishing right now is the steel structures and small buildings that adjoin the silos, which are the entry points for those urban adventurers.

So we're excited to state that that work is almost complete. And we're also demolishing the timber wharf. We expect that to be complete during the in-water work window later this year. So the whole project, hopefully, is all wrapped up by the end of this year.

But in the meantime, we'll be taking advantage of the removal of the landside buildings and closing off all other access to the silos. And at the end of the project, again, we'll have more leasable space near our berths for potential other maritime tenants in our maritime industrial facilities so a real win-win project there.

This is another grant-funded effort. But it is not a capital project. In some ways, it's a procurement of a crane barge. So we obtained dollars and went through the process of procuring the construction of a new crane barge that will allow us to perform waterfront work including reconfiguring berths, berth repairs, waterfront development projects and disaster response.

This is huge for us as we maintain our property. And thinking about the rapid structural assessment information item we did for you as part of the budget, we talk about how closely we monitor our pile-supported facilities of which we have acres and acres of facilities that have -- supported by piles.

This barge will allow us, when needed, to do repairs ourselves with our teams and not have to go out to the contractor community, being subject to inflation, being subject to the contracting pipeline. So this is really going to be a huge step forward for our operation and one where we can really have a more systematic approach to making sure our structures are safe and continue to be used to generate revenues.

So we expect the rest of this work and the commissioning to take place over the course of this year including a transit through the Panama Canal. And we look forward to receiving it in early 2027 and placing it into service.

This next item is very fortuitous on a day where I joined David Beaupre and Jai Jackson, of our planning and environment division, for the kickoff of the mayor's street-safety interdepartmental working group. I'm very glad to report the Port has begun work on the Terry Francois Boulevard bike-pedestrian safety project.

This is the part of Terry Francois Boulevard that stretches between China Basin Park and Mission Rock Boulevard. Anyone who's out there knows that that is a beehive of activity of every mode of transport. You have bikes. You have pedestrians. You have scooters. You have trucks doing work. You have cars, all trying to use the same part of pavement.

At the same time, Mission Rock phase one really put a beating on this piece of property. And so we're excited to partner with Port -- excuse me -- Public Works and the SFMTA to have a combined road rebuild as well as a safety project.

So we're going to have new asphalt paving, new roadway striping and signage, physical concrete barriers separating the bikes from the car areas,

accessibility features for people with disabilities and narrower driveways to reduce the conflict areas as people move through the working waterfront. Construction began on February 28th. And we're expecting it to wrap up before the end of March.

One more item before I close, which is a preview of more details to come. So I want to thank: director of maritime, Andre Coleman; government affairs manager, Boris Delepine; and commission president, Gail Gilman, for traveling to Washington D.C. last week to participate in the American Association of Port Authorities Annual Legislative Summit.

AAPA represents 130 public port authorities across the Americas and serves as the primary advocacy voice for the economic and strategic value of ports at the federal level.

Our delegation held in-person meetings with congressional members and staff, advancing key priorities including: securing continued funding for the Port infrastructure development program, which is funding our Amador Street rebuild in the southern waterfront right now; urging swift passage of the Water Resources Development Act, which is a key factor in our waterfront resilience program partnership with the Army Corps of Engineers; and reinforcing broadly the critical role ports play in the national economy.

We're going to schedule an informational presentation for you for this and our other engagements over the last month. It's been a really rich month of engaging with the state and federal governments. And we're looking forward to discussing more with you at that time. So with that, I'm concluding my report. And I'm happy to take questions.

President Gilman: Thank you, Mike. Is there any public comment in the room on the executive director's report? If there is, just go to the dais. Okay. I'm not seeing any public comment in the room on the executive director's report. Is there any public comment on the phone?

No Public Comment on the Executive Director's Report.

Commissioners' Discussion on the Executive Director's Report:

President Gilman: Okay. Thank you. Before we go to commissioners' comments, I just wanted to make one acknowledgment that I think is really important that, right now, we are a country at war.

And I just want to say, on behalf of the commissioners, we -- at least for me, my hearts go out to everyone who's lost their lives in this conflict. And I hope that our men and women in uniform around the globe, our citizens and the citizens of Iran are safe in this time of conflict. So with that said, I'm going to open

it now for commissioners' comments on the executive director's report. Commissioner Lee?

Commissioner Lee: Why do I always go first -- Director -- it was a great report, obviously lots of things happening. I'm going to skip over -- since I came from the entertainment background, I'm happy that finally the entertainment zone is approved so more festivals. And now, people can walk the promenade with their beer in their hands now without getting in trouble. So that's a great thing. That should bring a lot of people in during the summer.

Crab crawl has always been good. I didn't get to go -- too much activity for Chinese New Year, Lunar New Year stuff for me. These partnerships with the downtown, it's great. We should participate. There's a lot more stuff, South of Market, Bayview. It's always good that we are open to these partnerships, which it's great.

Look forward to see who's in that Waterfront Restaurant. I have already talked to Scott and referred a bunch of people to him. So that's great there. The lights are great, glad that's back. I mean, we're cleaning up. Everything that COVID has damaged is now coming back. And we're cleaning up very well.

The rehabilitation of Pier 29 is great. All this cleanup -- I'm really looking -- it was mentioned at a previous meeting about bundling all our maintenance from Vice President Engblom. And I'm looking forward to hear more about that because, the more money we can bundle together to save money in the future, we can use more for this.

What I'd like to know is, as you clean up these piers, now that the mayor signed some kind of incentive programs to do more filming in San Francisco, I always love watching Nash Bridges still where they actually -- when they say they're on the corner, they're actually at the right corner. And they're not talking about they're in the Mission. And they're talking like they're -- that street in Chinatown or something.

So I like to see that at the Port. And they were filming everything on Nash Bridges on the Port. And that's more revenue for the Port. It's more PR for San Francisco. So I hope maybe, during our rehabilitation, we could clean up some of our shed space and make it a temporary studio for some of these people coming in.

I'm glad that we're removing finally a lot of that stuff on Pier 90. When I first joined the commission, I was getting emails from people in the neighborhood that kids were skateboarding on the roof. There was holes there. And I think you guys put this big concrete barrier just to block the entryway. So I'm glad that's being cleaned up.

We're making very great strides. And you know, for the amount of money that we have to deal with and the amount of staff we have, I mean you're doing an amazing job, which is great. It makes our job a lot easier. And so just keep it going.

And I mean, I don't know what to say. It's amazing every time I come to a meeting how much more progress. So good job. And good job to the staff.

Acting Director Martin: Thank you.

President Gilman: Thank you, Commissioner Lee. Commissioner McNeely?

Commissioner McNeely: Yes. Just a few comments. Mike, great report. It's very clear that you and the staff are working tirelessly to create more exciting reasons for citizens to visit the waterfront. And that's very important. And this is all exciting. Is there any reason why Pier 39 is not included in the entertainment zone? Is it already one? Or is it --

Acting Director Martin: Yes. So Pier 39 has its own entertainment zone for its lease area.

Commissioner McNeely: Okay.

Acting Director Martin: And so they've actually had a couple of events already. They're able to self-contain it a little more. And we sort of wanted to spread that potential activation to the landside.

Commissioner McNeely: So I can't walk with my glass of wine from Pier 39 down Jefferson? Or can I?

Acting Director Martin: Not as yet. I just want to highlight you can only do that under special events when they happen.

Commissioner McNeely: Not tonight? Okay. [laughter]

Acting Director Martin: We are not yet the French Quarter.

Commissioner McNeely: Good to know.

Acting Director Martin: But we do see -- having been to the first Ferry Building event, you can really see that it invites -- there were way more families there than I expected. It's not just people trying to tie one on. It's people that want to have a lovely drink, a stroll with a drink. So my hope is we can bring that to the landside as well.

Commissioner McNeely: Yeah. That's fantastic. For the Waterfront Restaurant, is that space exclusively a restaurant space? Or are there other options that

might be available for the space or a combination of restaurant and something else?

Acting Director Martin: It has always been a restaurant space. It's interesting. I think we're offering it to see what people want to bring us. We're not high bound to that. [crosstalk] It's a large space. One thing we've seen a lot of really highlighting around the Super Bowl time is that a lot of people want to come and have special events on our property.

Commissioner McNeely: Mm-hmm.

Acting Director Martin: So that maybe an opportunity to make -- to see some real value there. But obviously, we also want to have the public being able to enjoy it being on the waterfront. So I'm excited to see what we get.

Commissioner McNeely: Yeah. And is that a two-story space? Because --

Acting Director Martin: It is.

Commissioner McNeely: -- there could be an opportunity for -- to have both.

Acting Director Martin: Yeah. It's really a lot of space including the outdoor space, which is well wind protected. So like I said, it's going to be a real opportunity for somebody to really imagine something new.

Commissioner McNeely: All right. Well, thank you. Thank you. And congratulations to you and the staff for, again, continuing to create exciting moments for the public to visit the waterfront. Thank you.

Acting Director Martin: Thanks.

President Gilman: Thank you. Commissioner Adams?

Commissioner Adams: Excellent report, Director Martin. And to the staff and to all the women in the room, our sisters here, happy Women's Month and to our president, Gail Gilman.

And I dedicate my comments today to the great actress, who was a recipient of the Chairman Award, Viola Davis, at the NAACP awards, and to the legendary Supreme Court Justice Ruth Ginsburg, who graduated at the top of her class in 1959 but could not find a firm willing to hire her. She had three strikes against her. She was Jewish, female and a mother. May she rest in peace.

I also want to say, going back to the Waterfront Restaurant, I've eaten there for many, many years. And it's nice to know -- I appreciate Ken asking things that could be done there, whether reception -- do we get much traction --

there used to be a lot of special events at the cruise terminal, weddings and things like that.

How is that, Mike? I don't hear much about that anymore. Are they still renting that out? I know it's expensive to really rent that out because of that great view up there on the second floor. Is it still being rented out?

Acting Director Martin: It is. That's part of our management agreement with Metro Cruise. So they do have events there. And we also have some of our events. So we'll be having our Breakfast of Champions event up there. And we had -- State of the City came with Mayor Breed.

I believe there was a [CBD] breakfast there last month. So they do have events. They are expensive. It's a beautiful building. And we're proud of that. But yes. They definitely do use it.

Commissioner Adams: I appreciate you highlighting -- you haven't gotten into it. We'll hear from President Gilman and then Vice President Stephen on his event that he held on Friday. And I was really glad to see that you were en force in Washington D.C. I was going to ask, did they meet with the maritime administration? I don't think you did?

President Gilman: A representative was at the reception.

Commissioner Adams: [Did] --

President Gilman: I can get back to you.

Commissioner Adams: Okay. Was it a commissioner?

President Gilman: It was a commissioner.

Commissioner Adams: Okay. All right then. Thanks.

Commissioner Adams: And then, the rehabilitation at Pier 29 -- it's good to know that that's almost completed. That's been a long work in progress.

Acting Director Martin: So I just want to highlight it's 29 1/2. So 29 is still the work we're doing with CAST to stand up the arts venue -- CAST and Art + Water. 29 1/2 is next to it. But it's an office space that we think is a great location for somebody that wants that kind of space.

Commissioner Adams: What do you think -- has anybody shown interest in it?

Acting Director Martin: We haven't offered it yet. You know, it is a tough time for class B and C office space as well in the city. But we'll see what we can do.

We often find different types of tenants, who don't find space in more normal places, really like our spots. So we're going to give it a shot.

Commissioner Adams: Okay. And then, what do you see, Mike, do you think would be something that would want to go -- once the demolitions happen out at Pier 90, what do you see as a tenant or someone that would want to take that -- would go in there?

Acting Director Martin: So we have ongoing discussions with the building materials tenants down at Pier 92 and inland from there. Some of them have talked about expansion. You know, there is a challenge with the berth. It's not really a usable berth.

You know, there were different proposals for that land. A long time ago, I remember there was a modular housing factory proposal. But I think having that space in that location sort of at the sort of pivot point between Pier 90 and as you go around the corner to Pier 80, there may be some interest. But right now, we're just focused on getting it cleaned up and seeing what we can offer.

Commissioner Adams: Thank you.

President Gilman: Thank you, Commissioner. Vice President Engblom?

Vice President Engblom: Thanks, Mike. Great presentation. A couple thoughts -- just seeing the range of the items that you presented, I think, with very few exceptions, I think the theme -- the connecting theme through all of them were that we're doing these in partnerships with other neighborhoods, other agencies, other entities.

And I think that that's a really strong message that, you know, we're stronger together with our sister agencies across the city, leveraging momentum in other parts of the neighborhoods, bringing our economic strength to -- and sort of tourism numbers. So I think, just in general, that's a really exciting message that I took away.

One thing -- let's see. Commissioner Adams mentioned the event that we had on Friday. Just a quick report -- I want to thank the Port staff that worked with Centers for Sea Level Rise to host a blue economy workshop. We had over 50 participants including our sister ports from San Diego, Los Angeles, Richmond and Humboldt Bay.

There were also key participants from state and regional educational participants at all levels of education. In particular, I heard a new term, K through 14, which is a really interesting term, as well as community college and systems that are very interested in this workforce development topic.

So there's a lot of talent and effort going on in this space. And I'm really pleased that we are able to host the event. It was very interesting to see presentations -- the speakers including our own Dominic Moreno as one of our speakers. And it was great to hear what other ports are doing.

I would say that others have been on a strategic path in this topic longer than we have. That's not to say that there aren't a lot of things happening here in San Francisco. But I think that, as we sort of stand up our strategy around this, I think it really is a -- there's an incredible opportunity to understand -- like Port of Los Angeles has this really strong program called AltaSea that's very mature and very robust. There's been a lot of investment. But they're also reaping a lot of benefits from it.

And San Diego has been incubating a lot of small businesses. And it's pretty interesting. In fact, one of the small entrepreneurs from Dogpatch, a company called Reefgen, is not prototyping something down in San Diego. So you know, again, there's a lot of stuff happening here in San Francisco. And we have to find our space in this.

I think the other city ports are very collegial. They want to participate. They want to collaborate with us. It's not a sense of competition. I think it's actually -- we can help each other out. One idea that was raised was there is a sort of coalescing interest in having a center of gravity for sort of a -- so to speak like a front office for this, you know, California blue economy center.

So maybe that's something that we could think about if some of our office space -- I really believe that, somewhere in this whole dialogue, the fact that we're here at the global center of venture capital, global center of AI, the fact that we're building one of the most high-profile resilient waterfronts. We have a big near-term push on clean energy at our port.

I think that that really -- you know, it aligns with this. So this is not a topic that's a new thing. It's really just sort of helping us make more out of things we're already doing. And I think that it gives us a great opportunity -- OEWD was here from the city family. They're very bullish on this idea. So I think there's a lot of things we can be doing. So with that, I'll pass. But thank you for the presentation.

President Gilman: Well, thank you, Vice President Engblom. And also, thank you for bringing this forward to us. I think this is really exciting about the blue-green economy. And Mike, thank you for your report. I have some comments. But I think, just dovetailing because I also got to spend a lot of time with the Port of San Diego, when I was at AAPA at the legislative summit -- and I know we're going to get a fuller report.

But I do want to just uplift how important these summits and going to Washington D.C. and collaboration with our fellow California ports, particularly

ports that are not maritime heavy, either from cargo or shipbuilding, because together we are a mighty force.

And for us to push to have, you know, the Port infrastructure development project, which is federal funding, to get that support cruise, which it normally does not right now -- it can do roadways. It can do other things -- partnership with San Diego is key when we're doing those lobbying visits, and we're in front of both the California delegation, which is the full delegation of the p -- individuals representing us, not red or blue.

It really is important that we work together and have this sort of interconnection between our ports. And I think San Diego in particular is the most aligned with who we are and what we're trying to achieve. And it was just really, really nice -- and to see how much even Oakland, Los Angeles and Long Beach care about some of the very same things that we care about -- the 35 percent design rule -- that's come down from the Army Corps, which is going to make it hard for us to move our sea-level rise projects unless we get some concessions in how they account for that.

They had the very same issues even when Oakland leads with we are the largest refrigerated port containers on the West Coast. And Long Beach leads with something else. I think that through line of us all collectively working together is really, really important.

So I'm excited to hear from the staff that I got to travel with when they report back to us. It was a great lobbying and educational seminar with a whole commissioner session on the second day in the morning. So I'm very excited that I got to attend and represent the Port of San Francisco and the City and County of San Francisco.

But these things are important. If we're not at the table, particularly with this administration, we're not going to get our message across. And it really resonated with some folks that were unlikely suspects. So I think it was really positive thing for us to do.

And it was amazing that, simultaneously while we were there, this was happening back here. So I just wanted to thank VP Engblom for helping orchestrate this. It just strengthened our collaboration.

I also wanted to say, again, great partnership with the Fisherman's Wharf Community Benefit District. I went to the Crab Crawl again this year. Two hundred folks registered for it, most of them local San Franciscans. And they had a lot of walk-up business. And it was a jam-packed event, gorgeous weather.

And I really want to urge everyone, even though it is somewhat walled off for construction purposes -- but you can still peak in if you walk around the back side -- it is amazing to see Alioto's down. You go to Wharf J 9. And you can see

straight through, even with the Smokehouse construction happening, right through the bay.

The vision is there and alive. And I am so excited to see this plaza come to life this summer and really activate the waterfront. Folks are excited. You could see people looking. And on Sunday, with the weather, it was packed down there. So it was a really great event.

And then, just finally, I had just one question about the downtown San Francisco partnership, which I think is wonderful. But I was just curious if it operates like a traditional CBD or BID. And if so, does that mean that, since that -- even though I know we have sub-leasers, we are technically the landlord. So would we be buying into this program? Or is this something that we pushed onto our tenant if there is a fee structure that's like a traditional benefit district?

Acting Director Martin: It's like that. We're unique in terms of how our property gets looked at. But effectively, the goal with the further discussions of mechanics is how that would work.

President Gilman: Okay.

Acting Director Martin: So that's something that we want to sort of work out what the services are we're looking at on our side. And then, we'll talk to our tenants about participating. But we expect to make an investment ourselves too, not on the order of what we've invested in Fisherman's Wharf.

We don't think that level of investment is needed here. But certainly, like I mentioned, the ambassadors and the special-event services we need for things like Fourth of July and Fleet Week are going to be really helpful to us.

President Gilman: Okay. Yeah. I was just more curious about how it mechanically would -- so I will wait for you to come back and brief us on this item. I'm excited about it. But it's normally a percentage of commercial footage or space. So some landlords observe it Some landlords push it down in a triple net lease. I'll be very curious when you come back with the mechanics of --

Acting Director Martin: And the added complication is all of the leases affected here have different provisions. So that's part of what we're working through with the help of our attorneys and OEWD.

President Gilman: Thank you. It's very exciting. It's exciting to see all this activity everywhere along our waterfront from Crane Cove and opera to the northern waterfront. So thank you so much for your report.

Acting Director Martin: Thank you.

President Gilman: And that concludes comments. So next item, please.

10. CONSENT

A. Request for retroactive authorization to modify Construction Contract No. 2857, Crane Cove Park Playgrounds and Dog Park, to extend the substantial completion date. (Resolution 26-11)

B. Request approval of a proposed Memorandum of Understanding with the San Francisco Police Department for the periodic use of Pier 94 for Emergency Vehicle Operations Course Training. (Resolution 26-12)

C. Request authorization to accept and expend a grant from the San Francisco County Transportation Authority in the amount of $4,973,000, including $4,500,000 for the Mission Bay Ferry Landing Project and $473,000 for Ferry Gate B improvements. (Resolution 26-13)

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

Public Comment on the Consent Calendar:

Alice Rogers: Good afternoon, commissioners. I'm Alice Rogers from the South Beach-Rincon-Mission Bay Neighborhood Association. And we just want to appreciate the work that the staff put in to securing that grant for the ferries at Mission Bay and elsewhere. We know that, in this current condition, it's not the easiest. And thank you.

All Commissioners were in favor.

Motion passed unanimously. Resolutions 26-11, 26-12 and 26-13 were adopted.

11. REAL ESTATE & DEVELOPMENT

A. Informational presentation to consider and possible action to adopt Proposed Leasing Efficiency Policies and Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event Rates, effective upon adoption. (Resolutions 26-14, 26-15, 26-16, 26-17, and 26-18)

Rebecca Benassini: Good afternoon, commissioners. I am Rebecca Benassini, your strategic portfolio manager. And hello, everyone in the audience. The items before you today I'm going to describe in a little bit of detail. So please bear with me. But Michelle will be on hand to help me to explain why we have four resolutions to cover them all.

Okay. Getting right into it, the presentation today -- I'll help you understand parameter rates. I'll do an overview of our portfolio. We'll do some market

updates. I'll go over the rates. And then, I want to go over in a little bit of detail the proposed leasing efficiency policies that comprise most of the resolutions.

So just to kind of ground us and to step back, it might be helpful for some of the newer commissioners. What are parameter rates? So the administrative code requires that city property generally be competitively bid unless there are special findings made.

This works really well for most of city property because most departments aren't leasing, you know, 800 agreements at a time. It doesn't work that great for the Port. So the first about 25 years of the Port Commission's existence, staff brought every lease to the Port Commission to consider.

There was a tremendous innovation in 1993 when staff and the commissioners got together. And the commissioners delegated to staff the authority to lease property so long as they met minimum parameter rates. And that's what these are.

So to set these rates, I get together with everyone in the room -- or most of real estate and development and most of the maritime staff -- thank you, everyone, for helping me. We also hired a consultant. One of the principals who helped author the report, Leo Ma from Century Urban, is here with me to answer any questions that might come up.

We look at the market. We look at our portfolio. We look at how leasing is going. And we propose these rates. Generally, the rates are set every year. The last couple of years, it's taken us a bit more time than every year to come forward. And we think it makes more sense to bring this before you in time with the two-year budget because the rates kind of affect the revenue that we get in the budget.

So going forward, we'll be bringing the parameter rates to you every two years along with Meghan's budget. So those are the parameter rates. I also just want to note that they sit alongside the four other rate schedules that are published. So with these five rates, these sort of comprise the quick handbook to leasing at the Port.

All right. The Port's portfolio -- so it helps, when you're thinking about each of these rates and why there are so many pages in your exhibit A that tells all of the rates for all of our property, to just think about how diverse the property is.

So the pie chart on the left -- you've probably heard we have seven-and-a-half miles of waterfront. You might have heard we have about 834 acres of land. We also have about 530 commercial property agreements, about 25 million square feet of space under contract.

So the pie chart shows the roughly 25 million square feet of space and how it's sort of laid out. And just sort of to quickly -- there's a lot shown here. But I'll just highlight what's important for you to kind of keep in your brain. Twenty-eight percent of the land is that kind of light blue -- or dark blue to light blue. Those are all maritime uses.

So about 28 percent of the lease space is maritime. Twenty-seven percent is shown as utilities. That's a very large number because, currently, we have a lot of property under lease to PG&E, submerged land to do some restoration and rehabilitation of that property. So that's a large number. Fifteen percent of the land is under master tenancy. And about 5 percent is under parking.

The figure on the right shows our vacancy rate for shed space and office space. Those are what we track kind of consistently. And as you can tell, over the last three years, it's a bit stable, which is good. Office vacancy has come down just a bit. And the shed vacancy took a big dip, and that was great. And that was because we signed an entire Pier 29 shed lease. So that had a big impact on that number.

Now, where do we get our revenue? This pie chart shows the revenue that we received in '24-'25 from our property lease agreements -- all of our lease agreements. It shows about $131.6 million in the pie chart. And again, that upper right-hand side, all those kind of blue-shaded pieces of the pie are maritime uses.

They make up about 27 percent of the revenue, so 28 percent of the land square footage, 27 percent of the revenue so very consistent there. The remaining 63 percent of the revenue in the pie chart is made up of -- just kind of quickly going through a couple of them -- parking, 18 percent of our revenue; shed and land -- shed, land, including indoor-outdoor kind of space -- that makes up 22 percent of our revenue; master tenants, 14 percent of our revenue; office, 7 percent.

And then, those little slices in the orange on the right-hand side, those are all retail and food and beverage. So we spend a lot of time with the commission talking about what kind of food tenants we're going to have. That makes up about 13 percent of our revenue.

So just so you have that in your mind in terms of where we get our revenue, how our square footage is arrayed -- and the figure on the right combines the two pie charts, so the dollars per square foot by use types.

All right. That's the background on our property. Now, let's think about our enviros. We sit in San Francisco. The market conditions for the city have obviously been changing over the last couple of years. I'm going to go through industrial and then office.

So the figures here are the industrial market for the city. The one on the left is vacancy or availability. One number includes sub-leasing space. The other one is just sort of what's vacant on the market. They track together. As you can see, vacancies still going up in the industrial market, which includes the manufacturing, storage and industrial space.

Asking lease rates still going down although indications -- this was the third quarter of 2025 is when this data was tracked for the roughly 20 million square feet in the city. It seems like it's plateauing. So we might be getting close to hitting sort of the bottom of the market.

Similar story on office -- obviously, a much higher vacancy rate than industrial space, and lease rates were still going down although they really seem to be plateauing. These graphs are tracking about 100 million square feet of office space. And the overall story is that we believe we are now maybe going to see the lease rates start to come back up. But time will tell in the next quarterly report.

So being cognizant of the fact that we are still in a recovering market, we have a couple of different leasing incentives we'd like to offer under new leases. These are fairly consistent with what we've done in the past. But they're a bit more tailored and easier to manage.

So for new office leases, we propose to allow up to two months of free rent -- rent abatement -- for spaces that have been vacant for at least six months. And then, we'd like to have some flexibility on sublease sharing to the extent a tenant needs to sublease their space for one reason or another. So we would share that sublease revenue where we would get 50 to 100 percent of the sublease excess revenue.

For shed leases, we propose one month of rent abatement per lease year for leases that are at least three years. And for the maritime leasing incentives, very similar to what we've been doing in the past, we used to call them triple-threat tenants. We've changed that so that we're just saying any maritime type of business that is using apron, shed space, berthing space, that we are able to offer them office space at a 75 percent parameter rate, which is consistent with what we've been doing for the last few years.

And we want to be clear that, if they're using the land next to the berth to berth their vessels, that that land would be offered for no charge so long as they're leasing the apron space, the shed and the office space. So those are our proposed leasing incentives.

Also want to note that the parameter rates include our special event rates. So this could be anything from leasing -- or renting a picnic table for your big family reunion event on up to the San Francisco Marathon. So just as

background, we had 44 major events last year, generated about $343,000 in special event revenue.

Arguably, the more important thing is that these events bring literally millions of people to the waterfront. So we want to make sure we're getting paid for the use of our land. But we also want to make sure that we're focusing on the big headline, which is we want people on the waterfront.

So the parameter rents include a number of fee waivers requested. These have been requested over the last several years. They include events that are sort of routinely held at the Port and have been very popular. They include things like Fleet Week, Ferry Plaza Terminal events, Juneteenth, also city or federal-sponsored activations.

We also offer that -- or we keep in the resolution that the executive director would have the authority to waive fees for new special events that come to us so long as they're meeting public trust goals and that they aren't taking staff time or taking up space that would otherwise have generated revenue for the Port. So we have a little bit of wiggle room in case there are special events that come to us that hadn't come to us before.

Okay. So exhibit A lists all of the parameter rates. Just as an overview, they kind of take account two things. First, we're still in a softened and recovering market. So we want to be cognizant of that. But we also want to take account of the fact that it's been three years since we reset our rates. And inflation has caused many things to go up in price.

So many locations have increased between 8 and 10 percent from the 2023 minimum rates. There are several locations that, for one reason or another, they've been vacant -- Pier 35 offices -- they've been vacant or in poor condition -- Pier 68 trailers. Or they've been sort of not properly set. And this is -- I want to note the curb fronting Pier 15. There was quite a high fee for that curb where buses pull up to let off school children in front of the Exploratorium.

So several rates have been brought down. Those are the ones I want to highlight for you. The others, for the most part, have gone up. We've increased telecom rates. Those are very demand at the Port. We have new rates for drone shows. And we've built in a 3 percent increase that we'll just automatically adjust to in July 2027. Okay. Those are our parameter rates.

The second part of the presentation, I want to focus on process improvements. This is the result of conversations I had with Kim and Scott looking at the real estate and development sort of process of leasing. And we really focused on what barriers do we have to leasing.

We looked at over 20 years of resolutions and policies And we tried to identify roadblocks, roadblocks to reaching tenants, to marketing spaces,

roadblocks our property conditions present and, finally, even getting back spaces from unsuccessful tenants. So we're very pleased to present these six policy changes to you.

The first one -- this policy builds -- number one is to allow the Port to pay broker commissions in a wider variety of cases than we are now. So this policy would build on our ability to use brokers for our vacant food-and-beverage locations. And under the policy, we would be allowed to execute leases with tenants who are represented by brokers. Or we'd be allowed to retain our own broker for office, shed, land.

And we would pay that broker commission so long as it's at market -- at a competitive market rate and that the executive director judges that signing the lease is in the best interest of the Port because, presumably, we would get much more lease revenue than we would pay out in leasing commissions.

So we summarize a number of ways we could pay this broker commission. I just want to point out that one of those could result in us signing a lease that is below parameter rent because we would sign the lease. And we could potentially have the tenant pay the broker in exchange for lower rent.

So I just wanted to point that out because that's one of the items in the resolutions. Staff are pretty excited about this. Brokers are big players in San Francisco commercial real estate. They're the gatekeepers. And many tenants don't look our way because they're represented by a broker.

So we think this could be significant in a couple of places. Round House that is vacant right now -- it would be great to have brokers either help us or to meet tenants who are represented by brokers. And there are a number of land locations where we have a large amount of land available. And we could encounter land brokers.

Commissioner McNeely: May I ask a question right now, Madam?

Rebecca Benassini: Please.

President Gilman: Yeah.

Rebecca Benassini: Please.

President Gilman: No. No. No. Because we haven't done public comment yet --

Commissioner McNeely: Okay.

President Gilman: -- so you need to wait, commissioner.

Rebecca Benassini: Sorry.

Commissioner McNeely: That's okay. I'll write my question down.

Rebecca Benassini: I'm like I'm not saying no. [laughter]

President Gilman: No. Sorry. It threw me off.

Rebecca Benassini: So the second policy aligns Port Commission approval to when the board approves leases. So the current policy is that the Port Commission approves leases five years or more and a million dollars -- or a million dollars or more to the Port.

The Board, right now, approves leases that are 10 years or more or a million dollars in revenue. We'd like to align those two. And this will really focus all of our time on items that require sort of substantial public review versus those that are more routine leasing matters.

And under this policy, the Port Commission approval would stay with whatever the board approval is. So if the city charter language changes, then the Port Commission approval would just move in line with whatever the board would like to see in terms of lease approvals.

Item three is the retail leasing policy replacing -- we've already changed the retail leasing policy from 2011 to allow competitive processes managed through a broker. The resolution before you would make additional edits to make it more clear in terms of what steps staff take when we are presented with a lease amendment proposal or a new lease proposal from existing tenants.

So it would require that tenants submit financial data, a plan to improve their business. Port staff would walk the premises with the tenant, review their business plan or materials for what they consider to be their future business plan and then consider the tenant's lease history, market conditions, the reasonableness of the plan and assess the impact on the Port.

And then, we would come forward to the Port Commission to seek your direction. So that policy would sort of clarify some of those steps. The fourth policy is giving staff authority to waive de minimis late charges or finance fees. This would really help us clean up some of our accounts receivable books.

What has happened in the past -- or I'll just say what -- the policy would give staff the authority to waive de minimis charges in two cases: one, when outside circumstances cause a late payment. It literally happened to some of our staff members where a UPS truck was late. And it had a number of checks in it. The tenant thought they paid on time. Then, they get the late bill and are confused about why we're charging them late fees. And we're not able to waive those. And they just sit on the account for months or years.

So we would be able to waive the late fee in that circumstance or, if a tenant made a reasonable error, there was some date change. And they didn't realize that, but they're otherwise a timely-paying tenant. So it would authorize staff to waive up to $300 up to two times a year for tenants in good standing.

We would also be allowed to waive more than $300 but only if the invoice size was the only reason the late fee was bigger than $300. So it was one late payment. But the invoice was so large that the fee that we charge is higher than $300. So we could do that up to two times a year as well.

It's important to know that, right now, our accounts have about $3,300 in de minimis late charges for 130 tenants. So we're talking about a lot of tiny two and three-dollar fines. We think this would really help us support positive relationships with our tenants, have a clear way that we would do this and also just maintain accurate records.

Policy number five would significantly expand the tenant improvements a tenant could do before moving in and receive rent credits. Our current policy dates back a couple decades. It provides a couple dollars per square foot for new paint or for new carpeting.

We'd like to expand this based on what we know about all the things our property could use in terms of getting prepared for tenant occupancy to allow a tenant to propose work that they would need in order to move in. And we would consider and then negotiate rent credits with them in order to do that work.

And there wouldn't be a dollar cap. Staff would just consider whether or not in it's in our financial benefit to consider that lease and provide those rent credits. That's policy change number five.

And the last one has to do with mutual termination agreements. Current policy allows staff -- and this does not occur very often. In speaking with the assistant deputy director, we typically sign a handful of mutual terminations a year. So right now, staff have the authority to sign a mutual termination agreement for leases up to $20,000 per month.

We would increase this to $30,000 per month. But more importantly is that fourth bullet down. We currently can only sign the mutual termination agreement if the tenant kind of definitively documents that they are financially nonviable. We would change that to financially nonviable, or they pay us a termination fee equal to half of their remaining contracted rent.

We think this would save some of gray area in determining whether or not they're not financially viable, give us a fee equal to half of what we would have expected in the rest of their lease term. And we would get the property back in the condition that we want it in. So that's what's really important to us. And we will save on legal costs and get back releasable space.

All right. Before you are four resolutions that we're recommending adoption for. I know there were six policies. And the reason for that difference is that the first resolution includes two policies along with the parameter rates. They're just really to do with leasing.

And in speaking with our city attorney, it made more sense to keep the parameter rates and the leasing policies regarding tenant improvements and Board of Supervisors/Port Commission approval alignment in that one resolution. I really appreciate your time. And I'm happy to take questions at the right time.

President Gilman: Thank you, Becca. Commissioners, do I have a motion to move this item?

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

No Public Comment on Item 11A.

Commissioners' Discussion on Item 11A:

Commissioner McNeely: Thank you, Madam President. Thank you for the presentation. I mean, it all sounds like very reasonable and sound policy changes to advance the business. So congratulations on that and for being very -- a thoughtful approach to creating policies that kind of drive revenue but also appreciate the interests of our tenants as well.

I had the question about the broker commissions. And I was interested about the rationale before. Is it a commission rule that -- or was there some other rationale that prohibited us from working with brokers in the past?

Rebecca Benassini: You've got it exactly right. So we worked with brokers. And then, we stopped working with brokers when we had very strong market conditions. And there was a view of, why are we paying people to bring us tenants? Tenants are knocking down the door.

So we stopped paying. And then, we began again in 2021 was when we began that pilot program to work with brokers just on food and beverage. And we've had success. And we want to have the ability to do it again.

Commissioner McNeely: Okay. That's all I had. Thank you.

President Gilman: Okay. Thank you. Commissioner Lee, do you have any questions?

Commissioner Lee: Well, Rebecca, welcome back.

Rebecca Benassini: Thank you. Thank you.

Commissioner Lee: Only you can do this kind of report. I mean, when I first started, these are the conversations we were having, right, in the beginning. And then, you left. So I'm really happy that, finally, we're down to the process. And I just have a few things. When was the last time that this was actually -- was it like -- we've gone through this whole process again?

Rebecca Benassini: Yes.

Commissioner Lee: I'm just curious.

Rebecca Benassini: July 2023 is the last time you all approved parameter rents.

Commissioner Lee: And I mean, the incentive programs -- everything is kind of everything that I kind of envisioned when I first came aboard this commission. And it's going in the right direction. I'm curious, do we have -- and I asked this question before.

And I know it comes from the city hall. The brokers -- do they have a term limit, like how long we use these brokers? Like how long do we get to use Maven? I mean, there's a ton of other brokers. And the same thing, like you say, when we're in a good rental market, they're just sitting around doing nothing an getting commission on -- and I don't like that.

And we're not out of it yet. We still need broker partnerships. But I'm just curious, is there term limits? Is there a pro forma? Is there something that the commissioners get to evaluate their performance before they get a renewal? Is there anything like that?

Rebecca Benassini: I can tell you a little bit. And Scott Landsittel might have even more recent experience than me. So we currently have two contracts with two brokers. One of them has received a commission because we've signed a lease. The other one is still working. And they've been working since 2021. And to my knowledge, I don't think they've received any commission yet because there's been no lease.

Going forward, we are anticipating looking at the city's bench of brokers. They have maybe nine that are prequalified. And we may proactively look at contracting with one of them. And we are anticipating potentially a fee-for-service model where they just help us with marketing materials. We're kind of paying them on a consulting basis.

Or we could do a commission basis where they do market the site. But the exact concern you have raised is one that has been raised in the past and we're definitely cognizant of. And that is you get into a contract with a broker. They don't perform. And then, how do you terminate it?

All of our contracts and the two that we've signed already have very strong termination language. I haven't gone through the termination process with one of our brokers yet. But our attorneys try to protect us to make sure that, after --

Commissioner Lee: Sure.

Rebecca Benassini: -- X period of time, if nothing has been done, then we can terminate and move on.

Commissioner Lee: So there is a monitoring in place. Yeah. Because I'm sure a lot of brokers would love to be a broker of the Port. And like you say, you might have one broker right now just kind of idling around and not doing much. And our job is to try to get these things leased as fast as possible.

We've given them enough incentives, looking at these policy changes. Let's see. I'm curious, on these little transactions, like you say these late charges and stuff, if we don't amend these policies, what do they do? Just stay on the books forever?

Rebecca Benassini: Yes.

Commissioner Lee: That's -- I mean, nobody goes in there to dir -- nobody goes in to say, hey, you know, this $3,000 is kind of a waste of paper?

Rebecca Benassini: Yes. Yes. It is literally stacks of paper with little tiny rows that we always see on our collections staff members' desk. And they're emailing people. You still owe this amount. And --

Commissioner Lee: Yeah. It's a waste of time.

Rebecca Benassini: There's usually a back and forth. Like tenants don't know what it's about. It's sort of like an unclear charge or -- if it's gone on for a couple months. So that's the kind of thing -- back and forth we want to get out of. So they can focus on the bigger-value collection.

Commissioner Lee: Yeah. I mean, it's a waste of time especially -- people change, and they forget what it was. And it drives me crazy too. I don't have anything really -- the TI -- great incentive programs for especially new people. I mean, we're not out of it yet. We're going to have to do this for a little while. I think it's a good policy upgrade. So I'm in support of this resolution --

Rebecca Benassini: Thank you, Commissioner.

Commissioner Lee: -- here, Rebecca.

Rebecca Benassini: Thank you.

Commissioner Adams: Meticulous, [articulate], very thorough. It's not a lot of questions. The only thing I can say I'm going to support this. This is so long overdue. And we trimmed a lot of fat off we should have trimmed off a long time ago. And we're expediting something. You've got my support. Thank you.

Rebecca Benassini: Thank you.

President Gilman: Thank you. VP Engblom?

Vice President Engblom: Yeah. Hi, Rebecca. Thank you very much for the presentation. And also, I want to say hello to Leo, who was a classmate of mine. So [laughter] I haven't seen you in a long time, Leo. It was great to hear your voice. And I just looked around --

Rebecca Benassini: Ask him a really hard question. [laughter]

Vice President Engblom: -- [crosstalk] hear your name. Sorry. Thank you for everything you presented. I'm very supportive of this. And it was good context for me because I wasn't here the last time this was looked at. So it's really helpful to see some of the statistics throughout our whole portfolio.

I am very supportive of everything that was presented. I would just ask that, as we move forward, sort of in line with a couple of our last conversations the past couple months, is like how does this dovetail in like -- okay. So it's all great to bring the brokers back. But then, what are we asking them to do?

Because I think that's what I'm really interested in is how -- I think brokers perform the best when you ask them the right question. Like we need people who are thinking about our whole portfolio. And so whether it be for the real estate or the industrial or, you know, just sort of really thinking proactively about how to position the whole portfolio, so they're not doing it -- it's not a transactional broker relationship. It's not like one property, one property, one property.

So I'm really interested to hear how you think we can be more strategic with them because I'm sure you've thought about that. And that's not what we're talking about today. But I would love to hear your thoughts on that maybe in an upcoming meeting. And that's my request.

Rebecca Benassini: Thank you.

President Gilman: Thank you, Becca, for the report. Again, I just want to echo what my other commissioners said. These are the right items for today. It's streamlining processes. It's giving authority to the staff where they need it. I've always been a big proponent of us using brokers, particularly for some of our assets like Ferry Plaza East or our butterfly space that has been vacant the whole time I've sat on this commission that are just hard properties because of some of the infrastructure improvements they need to make the investments.

And we seem to vacillate between these very small spaces that need a lot of investment like the Butterfly space and Ferry Plaza East, which is huge needs a lot of investment. So I really think a broker relationship, the right ones, can absolutely help us do that with strong oversight.

So I'm a huge proponent of the package and really am liking the delegated authority back to staff and the ability to waive these fees and aligning us with the Board of Supervisors. You know, we should all be on the same page about what our approvals are. So thank you. This all makes sense.

Rebecca Benassini: You're welcome.

All Commissioners were in favor.

Resolutions 26-14, 26-15, 26-16, 26-17 and 26-18 passed unanimously.

11. REAL ESTATE & DEVELOPMENT

B. Informational presentation identifying key factors the Developer and Port staff will evaluate for potential to improve the feasibility of the proposed redevelopment of Piers 30-32.

Christine Maher: Good afternoon, commissioners. I'm Christine Maher, development project manager for the Port. And with me here today for this six-month update on Piers 30-32 are my colleague Wyatt Donnelly-Landolt and Jesse Blout from Strada Investment Group.

I'll start off the presentation with just some very recent background on Piers 30-32 followed by an overview of the factors that Port staff and Strada will evaluate for potential to improve project feasibility and then close with next steps.

Last year, the commission approved terminating the ENA for Seawall Lot 330 and Piers 30-32 and replacing it with two new site-specific agreements with Strada affiliates. This was done to advance the development of much needed housing at Seawall Lot 330 while allowing time to evaluate feasibility improvements for Piers 30-32.

The new ENA for Piers 30-32 paused active negotiations for 18 months while we collaborate on ways to improve the project feasibility which, as you'll recall, is challenged by a $125 million give or take infrastructure funding gap, the availability of federal funding for new infrastructure in San Francisco, the unprecedented office market vacancies and the complexity and timing of the Port's seawall resiliency project.

The ENA also required updates to the Port Commission: at six months, which is why we're here today, to identify factors that would be evaluated as a way to improve project feasibility; at 12 months, to present the results of this

evaluation; and then again at 18 months hopefully for approval of a new schedule of performance for the project.

So we've identified six strategies that we will evaluate as a means of improving the project feasibility all within the parameters of Senate Bill 273, which was the project-specific legislation that was passed back in 2023. The first strategy is using an alternative construction methodology to accommodate three floors within the existing height limit as opposed to two floors with a mezzanine, which is what you've seen before.

The second is reducing or altering the project scope. Examples could include reducing the amount of pier construction needed or changing some of the retail to higher-revenue uses. Third is potentially the phasing of community benefits to reduce upfront cost and better align benefits with the availability of public financing sources.

Fourth is identifying additional locally controlled sources, such as taxes and fees that could help close the gap. Fifth is exploring opportunities to streamline the regulatory framework, which could result in shortened entitlement and construction durations. And sixth is monitoring the office market for improvements, as market conditions remain the most significant factor impacting the project's feasibility.

The next six months will provide the opportunity for Strada and Port staff to deeply explore the factors we've identified today and then return to the Port Commission to present the findings of this analysis at the 12-month update. We've obviously still got some work to do.

But given the size of the project and the market changes we've started to see over the last six months, Port staff and Strada are optimistic that some combination of the factors we've identified today will put the project in a strong position to move forward when the right office opportunity comes along. That concludes the presentation. Port staff and representatives from Strada are available to answer any questions. Thank you.

President Gilman: Thank you so much for your presentation. So before we go to our conversation, is there conversation in the room? Does anyone want to do public comment on this item? Alice, come on up.

Public Comment on Item 11B:

Alice Rogers: Thank you. Hello again, commissioners. Alice Rogers, president of the South Beach-Rincon-Mission Bay Neighborhood Association. And I just want to applaud, as does the entire neighborhood, the ongoing conversation to make the pier viable. So many people have been so disappointed about the separation of the two properties. We understand the conditions. But it is very heartening to

know that the dialogue is going forward. And there still could be hope. So keep it up.

Commissioners' Discussion on Item 11B:

Commissioner Lee: I'm just curious. So I know they want to put the piers on hold, which is disappointing for the neighborhood because, you know -- and especially us. We're looking for another possible way to park cruise ships. I'm just curious, are we allowing -- and I think we are. Right? We're allowing them to look for a viable partnership in just the pier project without really attaching themselves to the seawall high rise?

Wyatt Donnelly-Landolt: Yeah. So last summer's action separated the projects. What this allowed us to do is Seawall Lot 330 to advance. That generates public financing through the IFD/CFD combination that the Port's used on other sites. That generates around $60-ish million depending on different interest rates for funding infrastructure at Piers 30-32.

Commissioner Lee: For the pier itself.

Wyatt Donnelly-Landolt: For the pier itself.

Commissioner Lee: Okay.

Wyatt Donnelly-Landolt: Without Seawall Lot 330, the gap that was identified and has been known for a long time, which is about $125 million, grows. So we wanted to move that forward to put the piers in the best position they can be to move forward. I think we had hoped there'd be more improvement in the office market and we'd see potentially state or federal funding come in to fill that gap. Given a combination of factors and the continued kind of challenges in the office market, it prevented the whole project from moving --

Commissioner Lee: Sure.

Wyatt Donnelly-Landolt: -- which is why we did that separation. And so --

Commissioner Lee: But the $60 million is only allocated to the pier. Correct? [They] cannot use that money --

Wyatt Donnelly-Landolt: It's allocated to that portion of the waterfront so --

Commissioner Lee: Okay.

Wyatt Donnelly-Landolt: -- not necessarily the pier but also think of the seawall there, which is a portion of the project and protecting that to make sure --

Commissioner Lee: How is it going with the building of the high rise? Have they found funding for that gap?

Wyatt Donnelly-Landolt: For the Seawall Lot 330 project?

Commissioner Lee: Yeah.

Wyatt Donnelly-Landolt: That -- can I speak to that?

President Gilman: Michelle? Michelle?

Wyatt Donnelly-Landolt: Okay. So that project is continuing. We're working through transaction document negotiation right now, an LDDA and a lease. And we --

Commissioner Lee: So initially --

Wyatt Donnelly-Landolt: -- hope to bring that forward soon.

Commissioner Lee: So initially, if I was an investor of Pier 30-32 and I know there's $60 million potential, wouldn't that be an incentive to find somebody outside the market to be a partner of Strada to --

Wyatt Donnelly-Landolt: Yes.

Commissioner Lee: -- [do the pier]?

Wyatt Donnelly-Landolt: And I think Strada is hopeful to proceed with the project. It's not necessarily about partnership here. It's more just about the infrastructure needed. The total bill for infrastructure -- and this is before you build any building -- is somewhere in the ballpark of $400 million. So that $60 million is really just a seed fund.

Commissioner Lee: So Strada actually --

Wyatt Donnelly-Landolt: And so --

Commissioner Lee: -- they're trying to find partners?

Wyatt Donnelly-Landolt: -- and so what this item is about is trying to look at the project -- and this is just ideas. We're going to come back in six months --

Commissioner Lee: Sure.

Wyatt Donnelly-Landolt: -- with a lot more meat. We wanted to preview the ideas. So when we come with all the details, it's not a total --

Commissioner Lee: I'm just asking -- I'm just asking for progress. That's all.

Wyatt Donnelly-Landolt: And so -- yeah. So I think the progress is, in six months -- these are the ideas. We're going to come with a lot of details of here is how much this policy change will impact that gap, how much it will change the numbers. I can tell you directionally, for example, fitting three stories into the 40-foot height limit instead of two and a half has a very positive benefit. We need to do a lot of analysis to understand what that quantification is.

Commissioner Lee: And again, you're talking about Pier 30-32.

Wyatt Donnelly-Landolt: Yes. Pier 30-32.

Commissioner Lee: Okay.

Wyatt Donnelly-Landolt: So that will close the gap. But I can't say today how much. We need to look --

Commissioner Lee: No. I'm not asking --

Wyatt Donnelly-Landolt: -- at the pro forma. And there's a balance of it's not necessarily you just add square footage. You may reduce other things as well --

Commissioner Lee: No. No. I get --

Wyatt Donnelly-Landolt: -- [and do it also more] --

Commissioner Lee: I just -- I just w --

Wyatt Donnelly-Landolt: -- so yeah. That's where we're going.

Commissioner Lee: Yeah. Okay.

Wyatt Donnelly-Landolt: And we want to put it in a position, I think, as c --

Commissioner Lee: I just want to tell the public --

Wyatt Donnelly-Landolt: Yes.

Commissioner Lee: -- because the public is really interested on [developing].

Wyatt Donnelly-Landolt: Yes.

Commissioner Lee: And for us as a Port, the cruise ships bring income to us. So since they got the entitlements, I'm looking to see where we're at.

Wyatt Donnelly-Landolt: Yeah.

Commissioner Lee: You know, are they actually looking for partners separately? Okay. They got their people for th --

Wyatt Donnelly-Landolt: I think -- yeah.

Commissioner Lee: Okay.

Wyatt Donnelly-Landolt: What they are doing right now is we are looking at the project to make this as financially feasible as possible and position it in an incredibly challenged market. Like --

Commissioner Lee: Sure. Sure.

Wyatt Donnelly-Landolt: -- there is improvement and narrative improvement. But as Becca showed in her last presentation, we're still in the mid-30s on an office vacancy rate. And the office is the economic driver for this project.

Commissioner Lee: No. I get it.

Wyatt Donnelly-Landolt: It needs a tenant to move forward.

Commissioner Lee: Sure.

Wyatt Donnelly-Landolt: You know, they're constantly talking [on that front].

Commissioner Lee: I'm not asking [when] --

Wyatt Donnelly-Landolt: But there's a lot of other pieces. So I think --

Commissioner Lee: Yeah. I'm just asking where we're at. Are they soliciting --

Wyatt Donnelly-Landolt: Yeah.

Commissioner Lee: -- two separate deals? You know, there's people that might not be interested in housing, per se. But they look in at the potential of the retail. And also the Port -- you know, our incentive is to have another place to park ships. The neighborhood wants the improvement. The neighbors want the improvement. She's asking, I think, that the -- we just want to know --

Wyatt Donnelly-Landolt: Yeah. Our goal --

Commissioner Lee: -- where we're at and --

Wyatt Donnelly-Landolt: -- is to deliver --

Commissioner Lee: -- maybe there's somebody out there listening that they could talk to Strada. They might be interested in partnering with Strada for this

particular project. So I'm just -- hey, I'm just asking the questions. And you can tell me more if you [want]. [laughs]

Jesse Blout: Thank you, Commissioner Lee. My name is Jesse Blout. I'm a partner at Strada. Just to clarify, we do have a financial partner for this project. The issue isn't whether we have the investor. It is whether we have a feasible project.

Commissioner Lee: Okay.

Jesse Blout: And so what we're engaged in with the Port team and separately on our own -- we're doing things -- is to sort of -- how do we sharpen our pencil to address some of those feasibility challenges that we talked about when we were before you this past -- last year, which you guys made the policy decision to say, okay, go ahead and get the housing built.

Commissioner Lee: Sure.

Jesse Blout: We have a housing crisis. It's a great project. And it generates this upfront $60-plus million to be invested into the future project across the street. What we're doing now, as Wyatt mentioned, is we're kind of turning over every stone to see, what can we do both on kind of bringing down the cost, building a more efficient project, which is what Wyatt was talking about.

But also, how do we reduce the regulatory timeframes? Because one of the things that's really challenging about this site is, you know, we're building in the water. There's a lot of challenges with driving piles in the water. There's a lot of challenges with the --

Commissioner Lee: Sure.

Jesse Blout: -- permits you need for all of that.

Commissioner Lee: Right.

Jesse Blout: How do we streamline and do some of that frontend work now so that, when we actually do hit that feasibility point, we're actually ready to go? We're also doing a lot kind of on our side of the ledger looking at construction. Wyatt mentioned we're proposing to build this with cross-laminated timber building.

Are there things creatively we can do to lower the cost by even building pieces of this offsite and bringing it in when it's ready? You know, we're doing everything we can. We're spending money in furtherance of that. So you know, I will say, just to reflect the end of this -- the opening presentation, we are feeling, I would say, more optimistic than we even did last year.

The market is getting better. Even though there's still a high vacancy rate, demand at the sort of top end of the market is very strong. And so we are feeling more optimistic every day that we're heading towards feasibility. And we're not quite there yet. But --

Commissioner Lee: I mean, I think you're on the right track because we do have a mayor that wants things to move. I mean, he's looking outside the box. He might get more cooperation with the environmental people. I mean, I just -- at least you're telling the public you guys are not just sitting there.

I think there was a time where the -- where we thought, okay, they're going to put this pier on hold and build their building first. At least they know that you're treating it separately. And I just want to make sure that the --

Jesse Blout: Yes.

Commissioner Lee: -- public knows and also as Port because we really -- we keep looking for another place to put another cruise ship terminal or at least to park a boat.

Jesse Blout: yes.

Commissioner Lee: And I think that's going to be probably the first place to go. So we're kind of anxious to hear what's going on. So that's the only questions I had.

Jesse Blout: Yes. We're anxious too.

Commissioner Lee: And I'm hoping anybody out there -- want to partner with you, maybe call you up --

Jesse Blout: Yeah. Well, if you can --

Commissioner Lee: -- give you the QR code.

Jesse Blout: -- find a tenant -- we only need to prelease half the building before we start. So --

Commissioner Lee: Okay.

President Gilman: Okay.

Jesse Blout: Yeah. Thank you.

Commissioner Lee: Perfect.

President Gilman: Thank you, Jesse. Thank you, Wyatt. Commissioner McNeely? [laughs]

Commissioner McNeely: I don't really have any questions. Thank you for the great presentation. It looks like there's real good faith on both sides as we move forward on it. So I'm happy with what I see. Thank you.

President Gilman: Commissioner Adams?

Commissioner Adams: Before I speak, Mike, I know you r -- if you've got anything to say, I would like for you to talk. If you've got to something to say, then I want to go behind you if you've got something to say.

Acting Director Martin: I echo the great presentation and the comments from our partner. I'm glad we split these up. I think the housing project is very important for the city right now. And it's going to create dollars to move forward with these other ideas to try to square the circle and make this happen. So I'm looking forward to moving forward in this process. And I'm glad we're having this check-in to confirm that we all want to do that.

Commissioner Adams: Thank you. Madam President, hey, excellent -- you know what? This is excellent. We're at where we're at. And I like it. And you know, it says something -- Strada is here in the house. They haven't walked away. They're here. He showed up. He was sitting in the back. He came up and ready.

And we're at where we're supposed to be. This is a very complicated project. And we know and we -- the building trades -- everyone's on board. [Rudy] and [Larry] came down here and put their reputation, their stock and tr -- and we support them. But this is going to be a great project.

And if it was so easy, it would have been done before. This is a complicated project. [The worry is] a lot of people have walked away from this. It's like David versus Goliath. This is a very, very tough project. And I think they may be on to something by splitting this thing up. And that's okay. That's okay.

We're going to get one. Hopefully, we'll get the other. But I'm okay with that. And I know the community might be a little upset. But sometimes, we live in a society, everybody wants everything right now. And sometimes, we've got to be patient because, in projects like this, my time on this commission -- they just take time.

And there's all ups and downs. And this thing goes sideways. And you'll be back again. And things change on a dime. There's nothing perfect that comes in. So I think that we're kind of right where we need to be. And I appreciate the effort. I'm sure you've had a lot of sleepless nights. I think you've had a couple

more gray hairs since I've seen you because this is complica -- but this is exciting.

And I feel a lot of energy into that. And we'll get both projects. I really believe it'll happen and the housing. And I think, as a whole, San Francisco is really going to benefit from this. And I think this will be a landmark in our city. And tourists, one day, will be able to come to see this and understand the complexity of what it took.

And the commissioners -- we have to be really patient so does the staff. And I just think that this is just a part of the growing pains. And we're getting there. And I can definitely tell you're working 24/7 on this. And when it gets there, we'll be where we need to be with a couple more twists and turns. So I really appreciate this and stand in full support.

President Gilman: Thank you, Commissioner. Vice President Engblom, do you have any remarks?

Vice President Engblom: Yeah. I do. Thanks for the presentation, Wyatt. And thanks for being here, Jesse. And also, I want to thank Alice for being here on behalf of your community. I think it's really exciting to have -- hear the community say that they're really pleased with the amount of dialogue going on but also concerns about the project being split.

And I really appreciate this methodology, the six, 12, 18-month check-in. I look at this list though. And I just wonder, has the project sponsor considered -- I mean, I applaud the idea about coming and saying, "Hey, we could squeeze three stories into 40 feet." But is now the time to ask? Do you have the appetite to ask for a modest increase in the 40 feet?

You know, we're looking at something that -- I feel like this is an incremental -- you know, maybe we're going to improve the margins around the edges. But you know, before -- you know, when the arena was proposed here, we were talking about a much bigger amount, you know.

But 40 feet across the street, if I remember right, the podium is 65 feet across the street. Is that correct?

Wyatt Donnelly-Landolt: The height here is governed by the waterfront ballot measure. So the inland seawall lot site has a higher height limit of 105 feet. Here, it's 40 feet. So to raise --

Vice President Engblom: Understand.

Wyatt Donnelly-Landolt: -- that, you would have to go back to the ballot. I believe the state legislation also has 40 feet in it. And that was set at the state. So you need -- so that's the limiting factor there why the 40 --

Vice President Engblom: Sure.

Wyatt Donnelly-Landolt: -- feet. But the alternative construction methodology allows you to get additional floors there within that same height limit.

Vice President Engblom: Got it.

Wyatt Donnelly-Landolt: Yeah.

Vice President Engblom: My understanding -- like a class-A office space, you would be -- you're going to go with the Achilles heel of a ceiling height and going in and saying, "We've got three stories." But they're all kind of, you know -- they're supposed to be amazing class-A --

Jesse Blout: Yeah. I'm --

Vice President Engblom: And again, this is a calculus that we have to do. But do you want to go through that exercise of everything -- everybody understands there's a lot of changes that would have to happen. But we're talking about $125 million piece of infrastructure.

Jesse Blout: Yeah.

Vice President Engblom: And then, the other concern I have is then I see a line like, "Better align certain benefits with the availability of public funding." Does that mean that, potentially, we're going to back -- everybody's talking about this pool. Like I'd love to see the pool. Right. But then, we're going to come back and say, if we had three stories, we had 50 feet, we had 45 feet, we could have paid for it because we could have had a three-story class-A building instead of a two story or a --

Jesse Blout: Yeah.

Vice President Engblom: -- three-story compromise building. I'm just asking a question.

Jesse Blout: Yeah. Those are really good questions, questions we're also asking ourselves. And the only reason to even consider trying to squeeze three floors into 40 feet is because we're looking at the cross-laminated timber methodology, which allows a cleaner lid on the ceiling.

You know, and we, frankly, haven't done the analysis to figure out how much pier it'll actually cost us. We're in the middle of that right n -- how much pier cost it'll save us, I should say. We're in the middle of the analysis. I don't want to hold that out as some, you know, panacea. It's just one of many factors we're looking at --

Vice President Engblom: Yeah.

Jesse Blout: -- to sort of figure out where we can shave cost. I mean, the big idea behind this project when we originally proposed it is still true, which is taking the overall pier deck down from 11 acres to six-and-a-half or seven, saves a tremendous amount of cost and has all these other additional benefits to the bay and everything else. So now, we're on the edge of trying to cut and shave and do whatever we can to reduce cost to get to feasibility. And that's just one of many ideas.

Vice President Engblom: Okay.

Wyatt Donnelly-Landolt: And I think a combination of the factors is what we really want to emphasize here. None of the single factors is going to close the $125 million gap. We want to put everything on the table and look at all the options and present those and understand each of them in isolation and then in combination.

Phasing of benefits is one option that we can look at. We want to look at the other ones as well and then have the full conversation about what we think is the best path to proceed to make the project happen. And I think we want to move this quickly.

You know, the 18-month timeline within a real estate development project is quite quickly. And we want to strike when we have an opportunity and keep moving this forward. And I think these are, you know, small pieces that, in combination, can become big.

So in 18 months -- or 12 months now, we're in a position where, if the right tenant comes along, we're ready to go with the project. And that's what this is all about, putting it in a position, so we can execute on that original goal and move the piers forward.

Vice President Engblom: Okay. Then, my other question was, are we -- like is now a time to ask about full range of allowable uses? Is there some reason why we're only talking about office?

Wyatt Donnelly-Landolt: So office is the economic driver. It's the allowed use here. It's high revenue. And it generates the money to do a lot of the work and supports the other pieces, the public benefits. The other uses within that, the retail, are complementary. You really need the office to drive the economics within the site.

So residential is not allowed on water under the trust. And then, hotel is not allowed via ballot measure. It was in the late '80s, early '90s that it was banned along the waterfront. There are events and -- like special events,

concerts. That's not as revenue generating as office. But it could be a complementary use that we look at here and other sites as well.

Vice President Engblom: So just clicking on office for a second -- sorry -- hotel, I guess it's sort of like back to these regulatory potential limiters on the project. Is there any appetite to look at something like that that would add economic momentum to the project? Or is that -- does the project sponsor and do we still believe that office is the way to go?

Jesse Blout: I'm not going to speak to the policy decision about hotels on the waterfront. That's out of my pay grade. But we did look at hotels as an alternative early on in our analysis. You know, I will say that, office, when office is functioning, the market pays way more than hotel.

Vice President Engblom: Okay.

Jesse Blout: So just -- it doesn't pencil.

Vice President Engblom: Those are my questions. Thanks.

President Gilman: Okay. Thank you, Vice President Engblom. Thank you for this presentation. I, as I've said for a long time, fully support this project and supported decoupling the pier with the housing. I think, just like this, just as a side note, I'd like to have an update on the housing project. Great story in the Chronicle, but I'd like to also understand the affordable components and how you're moving forward with that obligation to the city and to the neighborhood to help keep it more economically diverse.

And I also did want to just point out just because the public could be confused, or maybe -- just I want to be clear that there are no cruise ships right now in the developer's plan. You know, there is an opening up and shrinking of the pier and the pool and some other water activities but not a cruise ship. Hopefully, we s --

Acting Director Martin: There is a berth actually.

President Gilman: But is it for a cruise ship?

Acting Director Martin: It can accommodate a cruise ship. It won't be a --

President Gilman: I didn't know it was that big.

Acting Director Martin: -- high-volume berth. But it's something that we wanted --

President Gilman: Okay. I didn't know -- [crosstalk]

Acting Director Martin: It was a key part of 30-32 is that deep-water berth.

President Gilman: I thought it was like for a ferry. Okay. So my bad -- I got that wrong. I completely take that back, public. Yes. There could be a cruise ship. I thought it was only like a ferry service or smaller ships. I didn't realize it could actually be a cruise ship.

So thank you for also contributing to that as a secondary berth for us for smaller ships if that still happens. I forgot about that. So thank you. I thought it was just smaller vessels. But that's great to have a network around the waterfront because, hopefully, we still do Pier 80 someday. So that's wonderful.

Yeah. So I think we all are very happy for these updates. And we hope to hear back from you because this is exciting. And I can't wait to swim in that pool. So on that note, next item, please. And apologies, public, for my forgetfulness.

12. PLANNING & ENVIRONMENT

A. Informational presentation on draft Port of San Francisco guidelines for the naming of Port facilities through recognition and commemoration of individuals, places, and events.

David Beaupre: Good afternoon, commissioners, President Gilman, Vice President Engblom, David Beaupre, deputy director of planning and environment. Thank you for the proposal on the proposed guidelines for recognition and commemoration, not as exciting as maybe some of the prior items you've had on the agenda but something that's important and necessary nonetheless.

Please bear with me on this dry presentation. [laughter] So here is our agenda. We're going to go over the types of recognition and commemoration, location, eligibility and then the procedure for advancing any type of recognition or commemoration.

The purpose of this is to inform those that are proposing recognition and commemoration of the Port's process and to aid in making decisions for who or what should be recognized along the waterfront. We have two types of recognition that we're covering here, either a monument or memorial or a commemorative plaque or marker.

A monument or memorial is a statue, site furnishing or other structure erected to commemorate a famous or notable person or event. And then, we have commemorative plaques or markers that could be used within a space or along a facility.

The types of recognition are either naming a discrete and identifiable location such as a building or a specific room within a building or a park or an open space. And a dedication is a general space or area such as an entryway,

an aisle or a thoroughfare that can involve a plaque or display expressing an honor so really a dedication towards a group or a person as opposed to naming a facility or location.

This talks a little bit about the location and the placement. We think placement should be at or near the scene of an event or in a place closely or logically related to the event as possible. So obviously, events or people or activities that have a relationship to the waterfront is important or public spaces that are oriented to ensure legibility, minimize pedestrian congestion, enhance visitors' enjoyment of the space.

So the location and naming or dedication -- we could name or dedicate buildings or structures. But we would not propose to change an existing dedication unless there are extraordinary circumstances of the Port or city interest and no other new facility can be so designated. Any location can be ineligible on the grounds of regulatory prohibition and for naming and dedication criteria for -- eligibility must be fully met.

So eligibility -- for persons, we're saying to be an eligible person to recognize, the person must be deceased or fully retired from public or private service for no fewer than two years except under circumstances to be determined by the Port Commission. A person also should have made a unique special or significant contribution to the Port.

And then, on the place, I'm not going to go through all of them. But the most important one is, again, what I shared earlier, that it should be associated with important historic or event activities [with the lives of the person] and be a notable -- or sustain [the] nurture community traditions and identity of the space or feature.

Persons honored for dedication shall meet the following criteria, again be deceased or fully retired from public service or private employment for no fewer than two years. Or the person may be unique or special or a significant contribution to the Port, its mission and has not been previously honored in a meaningful way by the city.

Getting close -- so our procedures for recognition or memorial are to -- for the individual or the group of folks to have established qualifications on why a site would want to be dedicated or memorialized for them, have a public informational hearing at the Port Commission. Cost should be on the nominator for the dedication or memorial, although the Port Commission and the executive director have the ability to waive that.

We would take a commission action approving it. We have the ability to reverse an action we have taken and then have the expression of the commemoration. And then, we want to make certain that, oftentimes, when

you're doing dedications or commemorations, it -- oftentimes, it's done in a time at a person's death that can be an emotional period of time.

So we think that there's a good reason to have a 90-day wait period before the final action is taken after it's brought in front of the Port Commission. And that is it. I'm available for any questions. Thank you.

President Gilman: Thank you, David, so much for this presentation. Is there any public comment in the room on this item? Is there any public comment on the phone?

No Public Comment on Item 12A.

Commissioners' Discussion on Item 12A:

President Gilman: Okay. Public comment is closed. I'm going to leave it up to my commissioners now to be in conversation about this. Commissioner Adams, I know this is something that you care deeply about. I hardly call on you first.

Commissioner Adams: Yeah. I was going to say to Alice, Alice, did you see the back of this? Our good friend, Corinne Woods, is on the back of this.

Alice Rogers: That's [unintelligible].

Commissioner Adams: She was like the sixth commissioner. She really was. I think this is good. But I'll just say this. I think -- and this is my own -- I think people should be honored while they're alive and to get their flowers. I honestly believe that.

The bridge here is named after Willie Brown. And Willie is still living. And normally, we honor people when they're dead. And their family comes. But that person never got to see that appreciation and how people felt. And I think, when people put the time in, they should be recognized.

And I don't see anything wrong with that. So other than that, I agree with it. But would like to see those that serve -- especially those that served on the commission or those that work for the Port staff, directors, people that have been here and given their heart and soul to this Port, they really believe. And they have a passion.

I think that they should be honored and see something for their work even in a small way. I think it's about being humble. It's about being grateful. And I know Kim Brandon -- she almost did 30 years here as a commissioner and one of the longest-serving commissioners in the City and County of San Francisco. And LeRoy King was another one.

And I think people like that -- they deserve -- and LeRoy's gone now. But Kimberly is still alive here. And she's with us. She's in good health. And she deserves it. She gave us everything in her tank. And there's a lot of staff members that were here a long time.

And I can even just think about what happened during COVID. There's a lot of people that have done a lot of long service that we never get to see, the commission. There's a lot of staff that never come to these meetings. We never get to see them.

And we always get to see David. We see Mike. We see Andre. But there's a lot of other heroes that work at that Port that we never get to see. And I think Mike's got a staff of 250. And they're working, and they're grinding day in and day out. And they retire. And we give them a little plaque and stuff like that. And they ride off.

But it would be nice to honor them or to have something special in this Port for Port people c -- everybody that believes in this mission that we're all doing because, you know, it's a thankless job a lot of times. But I just think -- and even community people, people like Alice, Corinne.

Corinne came here more than people that were tenants in this Port -- her and Alice. They're always banging for people. A lot of people only show up when they're self-serving for their own agenda. Alice is always here speaking on things, you know, and like Corinne was. And there's other people. So yeah. That's my thoughts. Thank you.

President Gilman: Thank you. Commissioner McNeely?

Commissioner McNeely: Sure. Thank you. And thank you for the presentation. I know it could be tedious, but it's very important work. And I think it's important for us to have a system of rules and standards so that we're not making up rules as we go along and creating an environment where it appears that we're not being as consistent as we should.

I think the rules seem very reasonable. And my understanding, from reading the drafts, is that it does make an exception, I believe, for not necessarily but fully retired as well as an option. And then, the Port Commission always has the opportunity for exceptions under the consideration of the commission. So it seems well thought out and transparent. So I appreciate the work on it from staff.

President Gilman: Thank you. Commissioner Lee, do you have anything [you need to say]?

Commissioner Lee: Well, I mean, I'm all for it. I think we should go back to where the -- who actually was at the waterfront in the 1800s. I'm all about education and who actually, when we started the Port in the 1800s to where we are now and all

the -- whether it's politicians, where it's advocates or neighborhood groups, we should recognize them.

I was even thinking, you know, like past commissioners like Commissioner Adams was saying but not in the sense that we have to name everybody. But I mean, I think there's been -- bodies have made improvements on this Port that we sh -- have probably been forgotten.

But the big guys, like Senator Burton and things like that, you know, I mean, streets, I get it. But the general public are tourists. They don't know who these people are. And I think, if we can educate like, hey, you know, this person did this for the Port -- even we have a promenade. How come we don't have a walk of fame, you know, with stars on the promenade of people where tourists can actually see and who they are.

Those are the kind of monuments that I think will educate -- not only just give tribute but educates the people that come visit us because that's what we are. We're supposed to be a landmark historic port. And we should educate the people and give tribute to people who actually kept this port going.

So that's my only comment is to find spaces that are not so included like -- you know, we could put our pictures in Pier 1. But who goes in Pier 1, right, just the staff. Right. If we could get somewhere where people walk by, you can see who -- and ask questions. You know, I think these -- location is going to be very, very key in my opinion.

David Beaupre: So maybe just to respond to that a little bit -- and I left out a little bit about next steps in my presentation. So I'll add that and respond to what may have been a question there. We do have quite an interpretative program up and down the waterfront that we're always updating where we try to recognize historical people that have made contributions.

You'll see them on some of the pylons right out in front. And they're not only historical people, but we try to keep them and match them with current people as well. So in front of Pier 9, we have stories about historic bar pilots and current bar pilots.

And out front, we have stories about the produce market and the fresh market that we have today. And so the next steps that we'll be bringing to you are coming back and approving this policy in the spring. And then, there are some current thinking about a proposal for a naming of a plaza in Fisherman's Wharf. So that recognizes some historical figures as well.

Commissioner Lee: And even it's just small plaques, you know, a wall of fame, you know, just little plaques. I mean --

Acting Director Martin: To add to that, I think the interpretative point that David is making is the history point. And I think weaving the naming with some interpretative material like we're hoping to do in Fisherman's Wharf, I think is going to be very much in line with what you're talking about and could give us a sort of template to do this going forward.

Commissioner Lee: Even if we had a QR code, you know --

Acting Director Martin: Yeah.

Commissioner Lee: -- next to their name, and they can --

Acting Director Martin: Yeah.

Commissioner Lee: -- you know, find out who this person is. I mean, I think that's a great thing to teach the public what's going on.

Acting Director Martin: That's great.

President Gilman: Yes.

Vice President Engblom: Thank you, David. Thank you for getting this conversation started. I would like to see us really push really harder on this because I think this is a good start. I just wonder -- like I think about -- you know, I've seen presentations about how very significant -- I guess I have a lot of thoughts. Like we're sitting in an environment that's very sponsorship rich.

And I see this limited to like this idea about, if you nominate somebody, you have to pay for the plaque. Like that's okay. But I think we should think much bigger about this. Like we -- I think about -- you know, I got a tour of Mission Rock. And I saw how they have this program of doing the commemorative bricks on the -- you know, that help -- it's helping to pay for a real space.

And I think we're sitting in a deficit. When we look at these big programs, like we see these like mind-numbing gaps that have to be filled in funding things. And I would like to see some sort of tie between -- like I think this started out with a discussion about let's honor people who have dedicated their lives and have made major contributions to our waterfront.

That's a very clear mission. I would like to see, is there a way to tie that to some sort of sponsorship program that, you know, we could somehow achieve both filling some of our funding gaps and offering some way for corporate sponsors or philanthropies to come in and say, "Hey, we really -- we see that this person made a lifelong commitment to the waterfront. And we would like to sponsor that for the next five years."

I think about Salesforce Park. You know, when you look at the capital stack of how that park was paid for, they have a very real line item that says this -- a big gap was filled by Salesforce stepping and saying, we're going to name that park.

And then, within that, there's all these educational programs up on that park that had to be paid for. So I guess I think this is a great start. I would like to just ask, can we do more with it? Because we have so many things we want to do.

And then, also, I would say maybe we don't just limit it to just static places. But this could be, you know, commemorating or naming events also. Every meeting we have, we're talking about these incredible entertainment events that are happening on the waterfront. Couldn't that be a way to honor somebody as well that somebody who made a really big commitment to, you know, pushing us to think creatively about how some of our piers could be used?

Like there could be a commemorative concert series, like naming it after that. So every time people come to a concert, they hear this person's name. And it's memory. It's not just about a plaque that maybe nobody -- people stop talking about it five years from now, you know.

But when they hear the name over and over again at the concerts -- so I just think -- I get really excited about this idea. But I want to push us to do more with it because also I think about -- we have to rebuild our whole seawall. Think about all these opportunities that we're going to have for the next 100 years to commemorate people. So thank you for getting us started. And just hopefully my comments kind of stir some more thinking about this.

President Gilman: Thank you. I think these are all great ideas. I think we just started down this path particularly around -- which you put in these guidelines, embracing people who are still living with us. And also, I think some of the ideas -- you know, I just do want to say there is a model for those pavers.

The Friends of Joe DiMaggio Playground is something that me and my husband contributed to. I get to look outside my window every day and see our little placard there. And so does everyone who rides the 8AX. So I mean, I do think there's a model for that kind of thing.

And then, I am really interested in exploring if there is a market and if [there is a there there] on the corporate side but -- just because -- I think what's great about this commission is we all have different perspectives. I want to be a little careful on the corporatization and monetization of the waterfront.

To me, that just needs to have a lot of guardrails to do it well and to do it right. But I'm happy to have staff explore it because I do think it could be really interesting. And I also love the idea of sort of this living, breathing way of maybe

a concert promoter wants to talk about the [Phil Asher], you know, someone -- you know, I'm trying to think of someone from San Francisco every time they do a concert series to help commemorate them or Bill Graham. So I do think it's really exciting. So this is great work. So thank you and the staff for that.

Commissioner Adams: [Steven] -- and also too -- the James Herman Cruise Terminal is named after our second president. And originally, I was on that committee. Gavin appointed me to that committee. And I was the only labor guy on there. It was mostly all business people.

And they were thinking about having it the San Francisco Cruise Terminal. And it winded up, you know, being the James Herman Cruise Terminal. And David, you will remember that and how important that was and his work, you know, with Delancey Street and -- him and LeRoy King, just all the great people that made that contribution.

And this waterfront has evolved from a full-fledged working waterfront now to this Embarcadero that's this tourism -- I mean, it's just changed. And it's just transformed. And we're showcasing it. And we're living in our time just as the old-timers lived in their time.

And I think that's what makes it so great. And I think sometimes people say, how come we don't have this or we don't have that? Well, we've got five commissioners up here. Everybody's got different backgrounds, Ken from the business world. Stephen's an architect. Gail is in the nonprofit. Steven Lee is a renaissance man, business man. Steven Lee is every -- he's everything, you know. And me, I come from labor and the humanitarian.

So we're all together and all these great thoughts. And I do agree that we do find something that -- we have a standard. We make it. But we can do some things because this is our waterfront. And I think this is a really exciting time. And we may never get this chance again. So I think we strike on it.

David, this is the guy here -- and I'm just going to say it. David Beaupre is one of these guys that should have his likeness because David Beaupre is a guy that I have seen since I have been here. And for years, day in and day out, he contributes. He's one of those unsung heroes. And he doesn't wear a cape.

And I'm going to publicly say that about David. And Alice will tell you that. He shows up. He doesn't want to be recognized. And he puts his heart and soul, takes time away from his family.

And he's one of these guys -- I don't want him to pass away. I want him to know that we appreciate him now. And that's why I'm saying it. That's why I think it's so important. So David, I'm just pointing you out right now on full blast. Thank you.

President Gilman: Absolutely. Thank you, David. And thank -- to all the Port staff for what they do. I just want to add one more note. Willie made me think of this too. I think that we should draw a distinction in these protocols and how we do this of interpretative signage and things like you shepherded at Crane Cove Park, which I have read them all when I've gone down there.

It's different than kind of, I think, than like a naming and an honoring. And I think sometimes they get conflated. And I think it would be great, when you come back, to really separate those two items for the commission and for us --

Commissioner Adams: Yeah.

President Gilman: -- because there's a difference between the two. And I'm a big believer in the interpretive program. So who knows? Maybe one day it'll be the David Beaupre Interpretative Program Center of the Port of San Francisco -- just putting it out there. So on that lovely note, Mike did you want to say something?

Acting Director Martin: No. I think this was a great discussion, a lot of good food for thought. You know, this was a good proposal to put out and start with. And we'll take that into account and bring it back to you. You know, it seems like there's a number of directions that have been brought up that I think I'm excited to explore and see what we can do. So thank you very much.

President Gilman: Thank you, Acting Director. So Jenica, next item, please.

13. NEW BUSINESS

Acting Director Martin: Commissioners, I've recorded the last item, several things on that one relating to namings and dedications. I also heard the Seawall Lot 330 update as to the affordable housing plan in particular. Do you have additional new business?

President Gilman: Commissioners, please?

Commissioner Adams: Stephen --

Vice President Engblom: What?

Commissioner Adams: -- remember at the last meeting, you had said something about -- I know you were going to meet with Mike and them about this blue greenway. But you wanted some people to come in here and talk. And you were talking about some things. Can you say something about that? Remember you were mentioning it at the last meeting that -- somebody to come in and do an assessm -- how we --

Commissioner Lee: The bundling?

Commissioner Adams: The bundling, you remember you made mention to all that. And you and Mike were going to talk about that.

Vice President Engblom: Yeah. Well, I think there's just two things. The bundling was more of a program management approach to our deferred maintenance and pier maintenance as opposed to the blue economy. My understanding is, on the blue economy side, we have a staff team developing a strategy for that.

And then, I'm not sure -- I mean, Mike and I have talked about it. But I don't know if we have an action item. So it might be good to state that as an action item around that.

Acting Director Martin: Sure. That's definitely new business, looking at new approaches in public-private partnerships for capital work and maintenance and stewarding our facilities. And we have a couple different threads going, VP Engblom and I, about the different ways we could bring that forward. So I'll work with him to try to bring forward an information item on those.

Commissioner Adams: Well, Mike, what I wanted to [give back] -- and I think he had mentioned some -- how does that -- because he kept mentioning the tech world and having tech companies. And I thought -- I understand, why wouldn't tech companies be interested in coming here and stuff like that? And I wanted to know more about what you guys [were -- what you] talk about with that, right, because I don't want the Port to ever lose its autonomy, you know.

Acting Director Martin: Autonomy? Is that what you said?

Commissioner Adams: Yeah.

Acting Director Martin: Yeah.

Commissioner Adams: I don't want ever the Port to lose its autonomy --

Acting Director Martin: Yeah.

Commissioner Adams: -- or a tech company to come in to think that they could run the Port. That's not their job to run the Port. I could see them partnering. But I think we have to remain autonomous and have control over the Port of San Francisco because it's under the Burton Act.

Acting Director Martin: Hundred percent. No. I think the blue economy incubator is intended to find early-stage, not well-capitalized companies and figure out how we can use the Port's assets in terms of our land, our water access to help them grow their businesses.

Commissioner Adams: Right.

Acting Director Martin: And that will have benefits for the environment, for those companies but also for the Port's portfolio. So that's the work that's underway where we've actually retained a consultant to help us do a survey of other programs at other ports including the Port of San Diego and the Port of L.A., those two that were mentioned at last Friday's event here.

So we're excited to bring that forward to you. I imagine that's in front of you in the next couple months to just start talking about what a program might look like for us.

Commissioner Adams: Okay. Thank you.

Acting Director Martin: But we are not letting the tech companies take over the Port. I guarantee you that.

Commissioner Adams: Okay. Yeah.

President Gilman: And that's exactly how San Diego does it so -- that I've learned. And I know you know too.

Acting Director Martin: But we're open t -- [crosstalk] that's why we want to do the survey is that's the one that has resonated with me the most. But I want to see what else is out there, so we can do it all.

President Gilman: San Diego was telling me about [unintelligible]. Yeah.

Commissioner Lee: So I've got one --

President Gilman: Commissioners, are there any o --

Commissioner Lee: -- I've got one more. So I'm still curious to see, as you're doing your cleanup on the sheds and even the Pier 90-96 area, I want to know the possibility of -- again, going back to temporary movie studio space, you know, whether it's temporary, whether it's rental for six months during a series, I want to see what's available.

I really -- we're hearing all these cleanups and all these different -- I got lost, you know. Can we get an informational thing on what open spaces we have possibly available to do big projects like -- you know, it would be great to have another TV series in San Francisco again.

But even that, you know, all the auto -- you know, there's a lot of filming before of cars. You know, like the car industry was doing their new cars, driving to the waterfront, whatever. They need places to film. So I'm just wondering if we could have a future informational of what open spaces that are possible, that's feasible.

And I'm sure we could get cooperation with the film commission to see what we can do because that was one of the comments, I think, when -- one of the actors -- they were filming something here. And they were saying we needed more temporary studio space in order to come back here rather than go to Oakland --

Acting Director Martin: Yeah.

Commissioner Lee: -- or go here. But we have space.

Acting Director Martin: Yeah. No. This is a recurring conversation that actually came to us a few times when I was real estate director. So we have a very close relationship with the Film Commission, which is now being consolidated to the one larger organization. But they actually handle our film permits already under an MOU.

Commissioner Lee: Yeah.

Acting Director Martin: And you know, the challenge with our facilities is, for example, if you want a sound stage, it's got to be soundproof.

Commissioner Lee: Sure.

Acting Director Martin: And it's got to have good acoustics. And our working waterfront sheds do not really have that. So it's an investment. But we could absolutely put together an information [and talk to you] --

Commissioner Lee: Yeah. I just want to see --

Acting Director Martin: -- about that and see what's out there.

Commissioner Lee: -- there might be some outside investment, you know, from the movie industry to invest in it because, if they maybe do another series in San Francisco, you know, they might have money to invest in fixing it up.

Acting Director Martin: Yeah. No. And the city just re-upped its movie -- you know, film-incentive program as well. So there maybe reasons for productions to come back here despite our overall cost.

Commissioner Lee: I mean, we've got the space. We've got the parking. We could park their trucks. You know, I know Treasure Island was taking a lot. But now that they're all remodeled, they're not doing it anymore. So why not us?

Acting Director Martin: Fair enough. We've recorded the new business. And we're happy to bring that one back.

Commissioner Lee: Okay.

President Gilman: Thank you, Mike. I think just -- sorry. Just to put a pin in that one a little bit, please, before you come with your presentation, do some cross-referencing work with the staff on Treasure Island just because it's a little more complex. And I think the ROI was hard. So I just think we should learn from those lessons as another city department that also has dealt with this. That's all. I just wanted to uplift that.

Acting Director Martin: Thank you for that.

President Gilman: You're welcome. Okay. We've recorded our new business. Can I get a motion to adjourn?

14. ADJOURNMENT

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

The meeting was adjourned at 5:22 p.m.