[Lease Agreement Extension - SkyStar Wheel, LLC - Observation Wheel - \$11,000 Monthly Base Rent with Annual Increases Plus a Percentage Rent of 8% - Estimated Revenue \$1,800,0001

Resolution exempting from the competitive bidding policy set forth in Administrative Code, Sections 2.6-1 and 23.33, approving Port Lease 17322 for the continued operation of an observation wheel at SeaWall Lot (SWL) 301 between the Port of San Francisco and SkyStar Wheel, LLC for a period of 18 months with one 18-month extension option, to commence on November 1, 2025, through April 30, 2027, for a monthly base rent of \$11,000 with annual increases plus a percentage rent of 8%, for an estimated revenue of \$1,800,000; and adopting environmental findings under the California Environmental Quality Act.

25

WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and Charter, Section B3.581, give the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco: and

WHEREAS, The Port Commission at its meeting on April 11, 2023, after a public planning process that maximized public participation in public discussions about existing waterfront activities, regulations, challenges, public desires, and needs to incorporate diverse viewpoints and perspectives to develop policy recommendations, adopted an updated Waterfront Plan (the "Waterfront Plan"); and

WHEREAS, The Waterfront Plan included a stakeholder engagement process for waiver of competitive bidding requirements in advance of the submission of such proposals to the Board of Supervisors for consideration of a waiver of the City's competitive bidding policy; and

WHEREAS, On November 1, 2023, the Port and SkyStar Wheel, LLC, a Missouri limited liability company ("SkyStar"), entered a six-month license for a portion of SWL 301; and

WHEREAS, During the license period, Port staff sought stakeholder feedback and explored the potential to competitively bid the site for an observation wheel and concluded that a competitive process was unlikely to result in more than one proposal; and

WHEREAS, The Port Commission approved Resolution No. 24-15 on February 27, 2024, adopting findings under the California Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.) and Chapter 31 of the San Francisco Administrative Code (collectively, "CEQA"), and approving an 18-month lease ("Lease 17136") to continue SkyStar's use of a portion of SWL 301 that will expire on October 31, 2025, subject to any necessary approvals by the Board of Supervisors ("Board") including a waiver of the City's competitive bidding policies; and

WHEREAS, The Board adopted Resolution No. 194-24, which was enacted on May 1, 2024, and waived competitive bidding procedures for Lease 17136; and

WHEREAS, Port staff desires to renew the SkyStar Lease as an appropriate interim use of the site that generates revenue for the Port, creates foot traffic that helps activate the Fisherman's Wharf area, maintains economic momentum from the Port's current investments in the recovery of the Fisherman's Wharf portfolio, and supports the goals of the Port's Fisherman's Wharf Forward project; and

WHEREAS, Port staff and SkyStar have negotiated an additional lease ("Renewal Lease No. 17322"), to allow SkyStar to continue Wheel operations at the site for an initial 18-month term, with an option for SkyStar to extend the term for an additional 18 months, including base and percentage rent increases and other terms and conditions as described in the staff report accompanying Port Commission Resolution No. 25-49; and

WHEREAS, The Renewal Lease No. 17322 allows a temporary continuation of the existing use of the site, with the same maximum intensity of use, and is therefore within the scope of the project evaluated by the Planning Department and for which the Port Commission adopted findings under CEQA in Port Commission Resolution No. 24-15; and

WHEREAS, On March 16, 2023, the Planning Commission certified the Final Environmental Impact Report (Planning Case No. 2019-023037ENV) ("FEIR") for The Port of San Francisco's Waterfront Plan; and

WHEREAS, On October 30, 2023, the Planning Department issued Addendum 2 (Planning Case No. 2023-009039ENV) ("Addendum 2") to the FEIR, which analyzed the environmental impacts of the relocation to and operation of the Wheel in Fisherman's Wharf for a period of up to three years, and identified the following mitigation measures to be potentially applicable to relocation and operation of the Wheel: M-CR-2a, Procedures for Accidental Discovery of Archeological Resources for Projects Involving Soil Disturbance; M-CR-2b, Archeological Monitoring Program; M-CR-2c, Archeological Testing Program; M-CR-2d, Treatment of Submerged and Deeply Buried Resources; and Mitigation Measure M-AQ-4c, Best Available Control Technology for Projects with Diesel Generators and Fire Pumps (each as further described in the FEIR and collectively, the "Mitigation Measures"); and

WHEREAS, On June 11, 2024, the Planning Department issued a Memorandum to File (Planning Case No. 2023-009039ENV) ("Memorandum to File") pursuant to the requirements of CEQA, analyzing an extension of the operation of the Wheel beyond the initial period analyzed in Addendum 2, including the construction of a new foundation shifting the Wheel approximately 15 feet west and 2 feet south from its then-current location, and determined that the modifications to the Project would not cause new significant impacts or result in a substantial increase in the severity of the impacts identified in Addendum 2, and that no new or revised mitigation measures would be required, which Memorandum to File was confirmed

as applicable to Renewal Lease 17322 by Planning Department staff in correspondence dated July 11, 2025; and

WHEREAS, San Francisco Administrative Code, Section 31.19(c)(1) provides that the Planning Department must reevaluate a modified project and that, "[i]f, on the basis of such reevaluation, the Environmental Review Officer determines, based on the requirements of CEQA, that no additional environmental review is necessary, this determination and the reasons therefore shall be noted in writing in the case record, and no further evaluation shall be required by this Chapter"; and

WHEREAS, In correspondence dated July 11, 2025, Planning Department staff confirmed that the Memorandum to File is applicable to Renewal Lease No. 17322 and that no additional environmental review is necessary; and

WHEREAS, On August 12, 2025, the Port Commission adopted Resolution No. 25-49, approving the Renewal Lease No. 17322 for 18 months and one 18-month extension option with SkyStar Wheel, LLC, and recommending the Board of Supervisors waive any applicable requirements of the competitive bidding process with respect to this renewal; now, therefore, be it

RESOLVED, The Board of Supervisors adopts the Environmental Findings in Port Commission Resolution No. 24-15 as its own; and, be it

FURTHER RESOLVED, The Board of Supervisors finds: that competitive bidding procedures would be impractical or impossible due to a likely lack of competition for a short term opportunity to continue operations; the timely and successful execution of the proposed short term lease would help attract visitation to the Port for the benefit of new and old businesses alike; the urgency of providing support to the recovery of Fisherman's Wharf and maintaining uninterrupted operations; and for these reasons, it would be in the public interest

to waive competitive bidding procedures so the Port may enter into a lease with SkyStar Wheel, LLC; and, be it

FURTHER RESOLVED, That the Board of Supervisors waives application of the competitive bidding procedures in Administrative Code, Sections 2.6-1 and 23.33 to Renewal Lease No. 17322; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby approves the Renewal Lease No. 17322 for a period of 18-months with one 18-month extension option, between the Port of San Francisco and SkyStar Wheel, LLC for a portion of SWL 301; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Renewal Lease No. 17322 being fully executed by all parties, the Port shall provide a copy of the final contract to the Clerk of the Board for inclusion in the official file.



City and County of San Francisco Tails

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Resolution

File Number: 251017 Date Passed: November 04, 2025

Resolution exempting from the competitive bidding policy set forth in Administrative Code, Sections 2.6-1 and 23.33, approving Port Lease 17322 for the continued operation of an observation wheel at SeaWall Lot (SWL) 301 between the Port of San Francisco and SkyStar Wheel, LLC for a period of 18 months with one 18-month extension option, to commence on November 1, 2025, through April 30, 2027, for a monthly base rent of \$11,000 with annual increases plus a percentage rent of 8%, for an estimated revenue of \$1,800,000; and adopting environmental findings under the California Environmental Quality Act.

October 29, 2025 Budget and Finance Committee - RECOMMENDED

November 04, 2025 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 251017

I hereby certify that the foregoing Resolution was ADOPTED on 11/4/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

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Date Approved

Daniel Lurie Mayor