

1 [Term Sheet Endorsement and Exemption from Competitive Bidding Policy - National
2 Park Service - Alcatraz Island Embarkation at Piers 31-33]

3 **Resolution endorsing the term sheet between National Park Service (NPS) and the Port**
4 **Commission for a Memorandum of Understanding outlining the business terms for an**
5 **Alcatraz Island Ferry Embarkation site located at Piers 31-33 on The Embarcadero at**
6 **Bay Street including a form lease for ferry service to Alcatraz Island with a future**
7 **concessioner selected by NPS and a form lease with the Golden Gate National Parks**
8 **Conservancy to provide associated amenities, and exempting the Memorandum of**
9 **Understanding and leases from the competitive bidding policy set forth in**
10 **Administrative Code, Section 2.6-1.**

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12 WHEREAS, The Golden Gate National Recreation Area (GGNRA), established as a
13 unit of the National Park Service (NPS) in 1972, encompasses more than 80,000 acres of
14 coastal lands in Marin, San Mateo and San Francisco counties; and

15 WHEREAS, One of GGNRA's most prominent sites is Alcatraz Island which is
16 historically significant as part of early coastal fortification systems and later as a federal
17 prison; and

18 WHEREAS, Since 1972, the Port of San Francisco has served as the embarkation
19 point for tourists and local residents visiting Alcatraz Island; and

20 WHEREAS, NPS is empowered by the federal government to issue a bid prospectus
21 and to select a ferry concessioner through a competitive process every 10 to 15 years; and

22 WHEREAS, The Port has periodically negotiated leases with ferry concessioners for
23 locations for embarkation to Alcatraz Island, with the embarkation point moving from Pier 41
24 to Pier 31½ as different ferry companies have been selected through the NPS ferry-bid
25 process; and

1 WHEREAS, The Port and NPS share a common goal of enhancing the Alcatraz visitor
2 experience through significant investments in landside and waterside capital improvements –
3 to improve the ease of movement of the more than 1.5 million visitors each year – and
4 interpretative installations and site amenities including food, retail, and restrooms; and

5 WHEREAS, Alcatraz Island, access to which is controlled by NPS, is a one-of-a-kind
6 visitor destination, attracting thousands of people each day to the waterfront and providing
7 revenues roughly double the amount the Port would expect for a similar use not associated
8 with Alcatraz Island; and

9 WHEREAS, In 2008, the Port’s Executive Director and the GGNRA Superintendent
10 began discussions about NPS selecting a long-term embarkation point at the Port; and

11 WHEREAS, Port staff, based on site criteria developed in conjunction with NPS staff,
12 identified the following five potential Port properties for a permanent Alcatraz embarkation
13 location: Piers 19½, 29 ½, 31½, 41, and 45 Shed A, as detailed in a December 3, 2009
14 informational presentation to the Port Commission; and

15 WHEREAS, NPS completed a draft Environmental Impact Study under the National
16 Environmental Policy Act to support its site selection process and Port staff in coordination
17 with NPS staff identified Pier 31½ as the preferred Alcatraz embarkation site; and

18 WHEREAS, Pier 31½ is part of the Northeast Waterfront area, where retail, food and
19 beverage, and ferry service are allowable uses under the Port’s Waterfront Land Use Plan,
20 the City Planning Department’s Northeastern Waterfront Area Plan, and the Planning
21 Department’s Northeast Embarcadero Study issued in June of 2010; and

22 WHEREAS, NPS has developed a conceptual project (“Project”) for Alcatraz ferry
23 service and amenities within the bulkheads and portions of the Piers 31 and 33 sheds and the
24 Pier 31½ marginal wharf (the “Site”); and

1 WHEREAS, The Site is currently operated for ferry service to Alcatraz Island with
2 supporting food and beverage, and the Project would expand existing uses to include a visitor
3 contact station and ancillary retail uses; and

4 WHEREAS, NPS controls Alcatraz Island and is empowered to select a ferry operator,
5 and NPS has determined that a long-term embarkation site is desirable to improve the quality
6 of the visitor experience; and

7 WHEREAS, NPS has partnered with the Golden Gate National Parks Conservancy
8 (“Conservancy”) - a local nonprofit dedicated to conservation of GGNRA lands through public
9 education, historic interpretation, public access, and capital improvements - as part of its long-
10 term plan for an Alcatraz embarkation site; and

11 WHEREAS, The Conservancy has a proven track-record of developing and operating
12 memorable and stimulating visitor experiences in nationally- and internationally-renowned
13 destinations including Alcatraz Island cell house tours, the Museum Store, Golden Gate
14 Bridge Welcome Center, Crissy Field Center, and Lands End Visitor Center, among others;
15 and

16 WHEREAS, The shared vision of a unified visitor experience - from site entrance and
17 orientation, to ferry embarkation, to Alcatraz Island and jailhouse – requires specialized
18 knowledge of and experience in historic interpretation and education; and

19 WHEREAS, Access to Alcatraz Island and an embarkation site with a visitor contact
20 station and retail and food and beverage amenities presents an important opportunity to
21 provide public-serving, cultural, historic and other significant public benefits to the people of
22 the City, the entire Bay Area region and beyond, including an opportunity for a significantly
23 improved one-of-a-kind waterfront destination that will achieve public access objectives for the
24 Site while adding an attractive mix of uses and destinations along the waterfront; and
25

1 WHEREAS, NPS and Port staff have negotiated, on a sole source basis, the Term
2 Sheet attached as Exhibit D to the Memorandum to the Port Commission dated July 7, 2016
3 (the “Term Sheet”), which sets forth the essential terms upon which the Port and NPS will
4 negotiate in good faith to reach agreement on a final Memorandum of Understanding (“MOU”)
5 regarding the Project and two forms of leases that will be attached to the MOU – one with the
6 NPS-selected concessioner for ferry service and the other with the Conservancy for a visitor
7 contact station, retail, and food and beverage uses; and

8 WHEREAS, That retaining the high-revenue generating, maritime Alcatraz embarkation
9 use on Port property is a priority for economic and visibility reasons, with no similar use able
10 to attract the number of visitors and economic activity generated by the internationally-known
11 Alcatraz Island; and

12 WHEREAS, As set forth in Administrative Code, Section 2.6-1, the Board of
13 Supervisors’ policy is to approve only such proposed leases involving City property or facilities
14 that departments have awarded to the highest responsible bidder under competitive bidding
15 procedures, except where competitive bidding is impractical or impossible; and

16 WHEREAS, The Port Commission recognizes that achieving the Port’s goal of
17 retaining the Alcatraz embarkation site on Port property requires negotiating directly with NPS
18 and NPS’s selected partner, the Conservancy and directed staff to seek a determination that
19 the proposed Project is exempt from competitive bidding requirements pursuant to
20 Administrative Code Section 2.6-1 with respect to the Project; and

21 WHEREAS, On July 12, 2016, the Port Commission approved Resolution No. 16-30
22 endorsing the Term Sheet and authorizing the Executive Director of the Port, or her designee,
23 to execute the Term Sheet and present the Term Sheet to the Board of Supervisors for its
24 endorsement and a determination that the proposed Project is exempt from competitive
25 bidding requirements pursuant to Administrative Code Section 2.6-1; and

1 WHEREAS, The Term Sheet is on file with the Clerk of the Board of Supervisors in File
2 No. 161166, and is incorporated herein by reference; and

3 WHEREAS, The Port and NPS wish to obtain the endorsement of the Term Sheet by
4 the Board of Supervisors; and

5 WHEREAS, The Board of Supervisors has reviewed and considered the proposed
6 terms for a Memorandum of Understanding as set forth in the Term Sheet; now, therefore, be
7 it

8 RESOLVED, That the Board of Supervisors exempts the Memorandum of
9 Understanding from the competitive bidding policy set forth in Administrative Code,
10 Section 2.6-1, including (1) a lease for ferry service to Alcatraz Island with a future
11 concessioner selected by NPS and (2) a lease with the Golden Gate National Parks
12 Conservancy; and, be it

13 FURTHER RESOLVED, That should the San Francisco Port Commission, NPS-
14 selected concessioner and the Golden Gate National Parks Conservancy agree upon
15 mutually acceptable terms for the lease and development of the Alcatraz Island Ferry
16 Embarkation site at the Site, this Board of Supervisors shall not disapprove such proposed
17 agreements solely on the basis that they do not satisfy the competitive bidding policy set forth
18 in Administrative Code, Section 2.6-1; and, be it

19 FURTHER RESOLVED, That the Board endorses the Term Sheet, substantially in the
20 form presented to the Board; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors' endorsement of the Term
22 Sheet does not commit the Board of Supervisors, the Port or any other public agency with
23 jurisdiction over any part of the Project to approve the terms of the final Memorandum of
24 Understanding, form leases or other transaction documents or grant any entitlements to NPS,
25 nor does either Term Sheet endorsement foreclose the possibility of considering alternatives

1 to the Project or mitigation measures to reduce or avoid significant environmental impacts or
2 preclude the City, after conducting appropriated environmental review under the California
3 Environmental Quality Act (“CEQA”), from deciding not to grant entitlements or approve or
4 implement the Project, and while the Term Sheet identifies certain essential terms of the
5 proposed transaction with the City through the Port Commission, it does not set forth all of the
6 final, material terms and conditions of the transaction documents for the Project; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary
8 actions committing City to implement the Project, and the provisions of the Term Sheet are
9 not intended to and will not become contractually binding on the City, unless and until the Port
10 Commission has reviewed and considered environmental documentation prepared in
11 compliance with Administrative Code, Chapter 31 and CEQA for the Project and the Port
12 Commission, and as applicable, the Board of Supervisors and the Mayor, have approved the
13 terms of the final transaction documents for the Project.

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