

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place
Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

July 2, 2024

Antonette Sespene
General Manager
Alcatraz City Cruises
Pier 3, The Embarcadero
San Francisco, CA 94105

Re: Board of Supervisors Resolution No. 345-24

Dear Ms. Sespene:

On June 11, 2024, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 345-24 (Urging Hornblower Group to Swiftly Negotiate a Fair Contract with IBU's Alcatraz City Cruises Workers), which was enacted on June 21, 2024.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

- One copy of Resolution No. 345-24 (File No. 240652)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: board.of.supervisors@sfgov.org.

Sincerely,


Angela Calvillo
Clerk of the Board

ll:ak:jw:ams

- c. Members of the Board of Supervisors; Supervisors Aaron Peskin, Connie Chan, Dean Preston, Ahsha Safai, Rafael Mandelman, Matt Dorsey, Hillary Ronen
Tom Paulino, Mayor's Liaison to the Board of Supervisors
Eileen F. Mariano, Mayor's Manager of State and Federal Legislative Affairs
Andres Power, Mayor's Policy Director
Paul Yoder, Karen Lange, Erica Smith, City Lobbyists - Shaw Yoder Antwih Schmelzer & Lange

1 [Urging Hornblower Group to Swiftly Negotiate a Fair Contract with IBU's Alcatraz City
2 Cruises Workers]

3 **Resolution urging Alcatraz City Cruises' operator, Hornblower Group, to come to the**
4 **table regularly and in good faith to swiftly negotiate a mutual contract with the workers**
5 **of the Inland Boatmen's Union of the Pacific (IBU) that adopts wage increases and**
6 **protected benefits and ensures stable and safe working conditions for the men and**
7 **women fueling San Francisco's waterfront economy and operating its ferry transit that**
8 **are commensurate with the Bay Area standard among similar unionized companies in**
9 **San Francisco.**

10
11 WHEREAS, Alcatraz Island, now operated by the National Park Service (NPS), has
12 been an important historic marker and focal point of San Francisco lore, as well as a valuable
13 tourism generator since opening to the public in 1973, drawing 1.7 million people to the
14 waterfront annually; and

15 WHEREAS, San Francisco's full recovery from the recent economic downturn will in
16 large part depend on waterfront tourism returning to pre-pandemic levels; and

17 WHEREAS, The Alcatraz Ferry is run by Hornblower Group's Alcatraz City Cruises,
18 founded in 1980 and headquartered at Pier 3 on San Francisco's waterfront; and

19 WHEREAS, Hornblower Group, which operates ferries, excursion boats, and
20 previously an inland cruise line, generates approximately \$3.4 million in annual rent for the
21 Port of San Francisco, although a significant sum of rent went unpaid during the pandemic;
22 and

23 WHEREAS, Hornblower Group filed voluntary Chapter 11 petitions in the United States
24 Bankruptcy Court for the Southern District of Texas on February 21, 2024, as part of a
25 recapitalization plan with an alternative investment firm; and

1 WHEREAS, Concurrently, Hornblower Group was acquired by Strategic Value
2 Partners, LLC to provide a significant equity investment in the business; and

3 WHEREAS, Additionally, Hornblower Group will receive \$121 million in new-money
4 financing and its debt will be reduced by approximately \$720 million; and

5 WHEREAS, There is currently an open enforcement case at the Bay Conservation and
6 Development Commission (BCDC) with respect to Hornblower's permit for Pier 3, with a
7 pending draft agreement stipulating penalties and required safety improvements on site; and

8 WHEREAS, The workers of Alcatraz City Cruises voted overwhelmingly in October of
9 2022 to be represented by the Inland Boatmen's Union of the Pacific (IBU); and

10 WHEREAS, Negotiations for an initial contract have continued for almost two years,
11 with 36 separate meetings of the parties, with no resolution in site due to Hornblower's delay
12 tactics; and

13 WHEREAS, Unlike companies such as Blue & Gold Fleet and Golden Gate Ferry,
14 Hornblower has refused to pay lost wages to employee negotiators while at the table in good
15 faith bargaining, thus creating an extended financial burden for these workers, including
16 draining their vacation pay; and

17 WHEREAS, Despite this cost burden, Alcatraz City Cruises workers have offered to
18 make themselves available almost every day until this contract dispute is resolved, and still
19 have met with a tepid response and paltry offers to meet on average twice a month; and

20 WHEREAS, Although wages and benefits continue to be a core concern of any fair
21 contract, the workers have identified securing stable and set scheduling as a top priority,
22 given Hornblower's practice of changing worker schedules at the last possible minute; and

23 WHEREAS, Workers have become frustrated with the slow pace of negotiations and
24 lack of good faith bargaining, and have made it clear that Hornblower's tactics are no longer
25 tolerable; and

1 WHEREAS, The escalating tensions culminated in a strike authorization vote of 91% of
2 the workers and a four-hour Unfair Labor Practice strike on May 25, 2024; and

3 WHEREAS, Should the parties continue to fail to reach an agreement on a mutual
4 contract, workers will likely seek to continue to picket their employer, drawing adverse
5 attention to Hornblower and possibly to the Port and the waterfront community, which could
6 cost the City due to loss of sales tax revenue and even rent, if Hornblower should fail as a
7 business, further hampering the City's ability to bring back tourism to pre-pandemic levels and
8 market strong job opportunities to potential workers we need to fuel the economy's growth;
9 now, therefore, be it

10 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
11 joins the beleaguered workers operating the Alcatraz City Cruise ferry lines and their union,
12 the IBU, in urging Hornblower to come to the table regularly and in good faith to swiftly
13 negotiate a mutual contract that adopts wage increases and protected benefits and ensures
14 stable and safe working conditions for the men and women fueling San Francisco's waterfront
15 economy and operating its ferry transit that are commensurate with the Bay Area standard
16 among similar unionized companies in San Francisco; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors joins these workers in calling
18 for retroactive reimbursement for any lost wages or vacation time used by the brave workers
19 who have been forced to serve at the negotiating table for 36 separate sessions deliberately
20 spread out over two years; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
22 to transmit a copy of this Resolution upon adoption to Hornblower's Alcatraz City Cruises, the
23 Port of San Francisco, the National Park Service, the Office of Representative Nancy Pelosi,
24 and to the Mayor.



City and County of San Francisco

Tails

Resolution

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

File Number: 240652

Date Passed: June 11, 2024

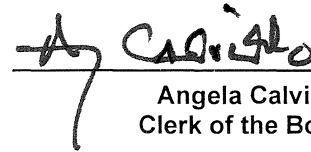
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June 11, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240652

I hereby certify that the foregoing
Resolution was ADOPTED on 6/11/2024 by
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Angela Calvillo
Clerk of the Board

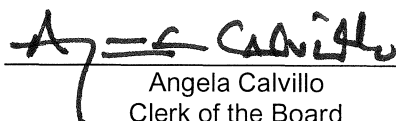
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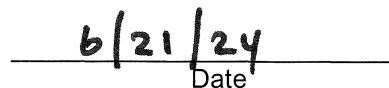
London N. Breed
Mayor

6/21/2024

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.


Angela Calvillo
Clerk of the Board


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July 2, 2024

Dale Dualan
Public Information Officer
San Francisco Maritime National Historic Park
National Park Service
2 Marina Blvd. Bldg. E
San Francisco, CA 94123

Re: Board of Supervisors Resolution No. 345-24

Dear Mr. Dualan:


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12 been an important historic marker and focal point of San Francisco lore, as well as a valuable
13 tourism generator since opening to the public in 1973, drawing 1.7 million people to the
14 waterfront annually; and

15 WHEREAS, San Francisco's full recovery from the recent economic downturn will in
16 large part depend on waterfront tourism returning to pre-pandemic levels; and

17 WHEREAS, The Alcatraz Ferry is run by Hornblower Group's Alcatraz City Cruises,
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21 Port of San Francisco, although a significant sum of rent went unpaid during the pandemic;
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4 financing and its debt will be reduced by approximately \$720 million; and

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21 contract, the workers have identified securing stable and set scheduling as a top priority,
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2 the workers and a four-hour Unfair Labor Practice strike on May 25, 2024; and

3 WHEREAS, Should the parties continue to fail to reach an agreement on a mutual
4 contract, workers will likely seek to continue to picket their employer, drawing adverse
5 attention to Hornblower and possibly to the Port and the waterfront community, which could
6 cost the City due to loss of sales tax revenue and even rent, if Hornblower should fail as a
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22 to transmit a copy of this Resolution upon adoption to Hornblower's Alcatraz City Cruises, the
23 Port of San Francisco, the National Park Service, the Office of Representative Nancy Pelosi,
24 and to the Mayor.



City and County of San Francisco

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Resolution

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File Number: 240652

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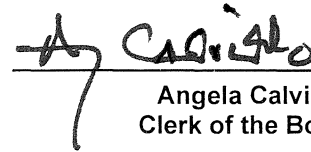
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June 11, 2024 Board of Supervisors - ADOPTED

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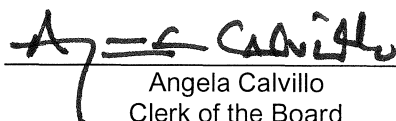
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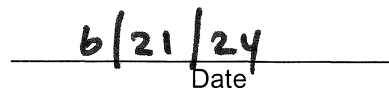
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Angela Calvillo
Clerk of the Board


6/21/24
Date

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July 2, 2024

Paul R. DePrey
Superintendent
San Francisco Maritime National Historic Park
National Park Service
2 Marina Blvd. Bldg. E
San Francisco, CA 94123

Re: Board of Supervisors Resolution No. 345-24

Dear Superintendent DePrey:

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9 **San Francisco.**

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11 WHEREAS, Alcatraz Island, now operated by the National Park Service (NPS), has
12 been an important historic marker and focal point of San Francisco lore, as well as a valuable
13 tourism generator since opening to the public in 1973, drawing 1.7 million people to the
14 waterfront annually; and

15 WHEREAS, San Francisco's full recovery from the recent economic downturn will in
16 large part depend on waterfront tourism returning to pre-pandemic levels; and

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2 the workers and a four-hour Unfair Labor Practice strike on May 25, 2024; and

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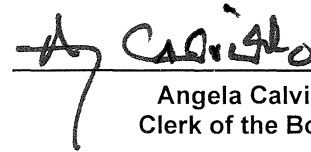
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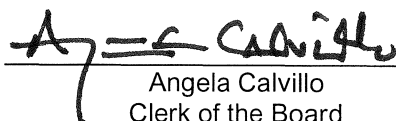
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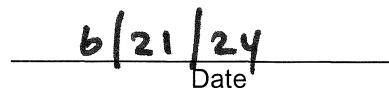
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July 2, 2024

The Honorable Nancy Pelosi
Speaker Emerita
1236 Longworth House Office Building
Washington, DC 20515

Re: Board of Supervisors Resolution No. 345-24

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14 waterfront annually; and

15 WHEREAS, San Francisco's full recovery from the recent economic downturn will in
16 large part depend on waterfront tourism returning to pre-pandemic levels; and

17 WHEREAS, The Alcatraz Ferry is run by Hornblower Group's Alcatraz City Cruises,
18 founded in 1980 and headquartered at Pier 3 on San Francisco's waterfront; and

19 WHEREAS, Hornblower Group, which operates ferries, excursion boats, and
20 previously an inland cruise line, generates approximately \$3.4 million in annual rent for the
21 Port of San Francisco, although a significant sum of rent went unpaid during the pandemic;
22 and

23 WHEREAS, Hornblower Group filed voluntary Chapter 11 petitions in the United States
24 Bankruptcy Court for the Southern District of Texas on February 21, 2024, as part of a
25 recapitalization plan with an alternative investment firm; and

1 WHEREAS, Concurrently, Hornblower Group was acquired by Strategic Value
2 Partners, LLC to provide a significant equity investment in the business; and

3 WHEREAS, Additionally, Hornblower Group will receive \$121 million in new-money
4 financing and its debt will be reduced by approximately \$720 million; and

5 WHEREAS, There is currently an open enforcement case at the Bay Conservation and
6 Development Commission (BCDC) with respect to Hornblower's permit for Pier 3, with a
7 pending draft agreement stipulating penalties and required safety improvements on site; and

8 WHEREAS, The workers of Alcatraz City Cruises voted overwhelmingly in October of
9 2022 to be represented by the Inland Boatmen's Union of the Pacific (IBU); and

10 WHEREAS, Negotiations for an initial contract have continued for almost two years,
11 with 36 separate meetings of the parties, with no resolution in site due to Hornblower's delay
12 tactics; and

13 WHEREAS, Unlike companies such as Blue & Gold Fleet and Golden Gate Ferry,
14 Hornblower has refused to pay lost wages to employee negotiators while at the table in good
15 faith bargaining, thus creating an extended financial burden for these workers, including
16 draining their vacation pay; and

17 WHEREAS, Despite this cost burden, Alcatraz City Cruises workers have offered to
18 make themselves available almost every day until this contract dispute is resolved, and still
19 have met with a tepid response and paltry offers to meet on average twice a month; and

20 WHEREAS, Although wages and benefits continue to be a core concern of any fair
21 contract, the workers have identified securing stable and set scheduling as a top priority,
22 given Hornblower's practice of changing worker schedules at the last possible minute; and

23 WHEREAS, Workers have become frustrated with the slow pace of negotiations and
24 lack of good faith bargaining, and have made it clear that Hornblower's tactics are no longer
25 tolerable; and

1 WHEREAS, The escalating tensions culminated in a strike authorization vote of 91% of
2 the workers and a four-hour Unfair Labor Practice strike on May 25, 2024; and

3 WHEREAS, Should the parties continue to fail to reach an agreement on a mutual
4 contract, workers will likely seek to continue to picket their employer, drawing adverse
5 attention to Hornblower and possibly to the Port and the waterfront community, which could
6 cost the City due to loss of sales tax revenue and even rent, if Hornblower should fail as a
7 business, further hampering the City's ability to bring back tourism to pre-pandemic levels and
8 market strong job opportunities to potential workers we need to fuel the economy's growth;
9 now, therefore, be it

10 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
11 joins the beleaguered workers operating the Alcatraz City Cruise ferry lines and their union,
12 the IBU, in urging Hornblower to come to the table regularly and in good faith to swiftly
13 negotiate a mutual contract that adopts wage increases and protected benefits and ensures
14 stable and safe working conditions for the men and women fueling San Francisco's waterfront
15 economy and operating its ferry transit that are commensurate with the Bay Area standard
16 among similar unionized companies in San Francisco; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors joins these workers in calling
18 for retroactive reimbursement for any lost wages or vacation time used by the brave workers
19 who have been forced to serve at the negotiating table for 36 separate sessions deliberately
20 spread out over two years; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board
22 to transmit a copy of this Resolution upon adoption to Hornblower's Alcatraz City Cruises, the
23 Port of San Francisco, the National Park Service, the Office of Representative Nancy Pelosi,
24 and to the Mayor.
25



City and County of San Francisco

Tails

Resolution

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

File Number: 240652

Date Passed: June 11, 2024

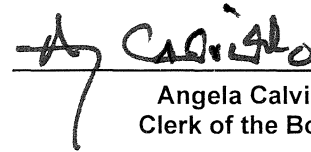
Resolution urging Alcatraz City Cruises' operator, Hornblower Group, to come to the table regularly and in good faith to swiftly negotiate a mutual contract with the workers of the Inland Boatmen's Union of the Pacific (IBU) that adopts wage increases and protected benefits and ensures stable and safe working conditions for the men and women fueling San Francisco's waterfront economy and operating its ferry transit that are commensurate with the Bay Area standard among similar unionized companies in San Francisco.

June 11, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240652

I hereby certify that the foregoing
Resolution was ADOPTED on 6/11/2024 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board

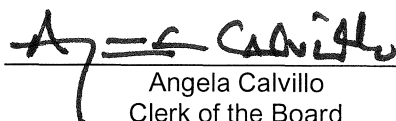
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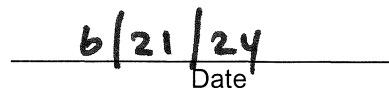
London N. Breed
Mayor

6/21/2024

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.


Angela Calvillo
Clerk of the Board


Date