

[Administrative Code - Waiving Contracting Requirements for a Port Lease - CAST at Large LLC]

Ordinance waiving the contracting requirements of the Administrative Code for tenant improvements performed by CAST at Large LLC, a prospective Port tenant, or its agents, for a lease with the Port of San Francisco for property at Pier 29, approved by the Port Commission.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings and Purpose.

(a) Under the Burton Act (California Statutes of 1968, Chapter 1333, as amended) and City and County of San Francisco Charter Appendix B, Section B3.581, the City and County of San Francisco acting by and through the Port Commission ("Port") leases property for various business uses, subject to Port Commission approval where required under the Port's policies and Board of Supervisors ("Board") approval where required by Charter Section 9.118.

(b) The economic downturn as a result of the COVID-19 pandemic has had a negative impact on the Port's leasing revenue due to loss of tourism, vacant office space, and a sharp reduction of visitors to the waterfront.

(c) By Resolution No. 278-22, the Board authorized the Port to accept and expend up to \$115,887,377 in relief funds from the State's General Fund (originally sourced from the American Rescue Plan Act), and included approximately \$10,000,000 to be used for "tenant

1 Improvements to attract and retain tenants.” The Port plans to provide a portion of these
2 funds, as well as up to \$10,000,000 from the Port’s Harbor Revenue Fund and other granted
3 monies (subject to approval by the Port Commission and the Board to accept and expend
4 such funds) (collectively, “Tenant Improvement Allowance Funds”) not to exceed
5 \$20,000,000, directly to tenants at negotiated milestones or upon lease or lease amendment
6 commencement as a tenant improvement allowance to, among other things, invest in agreed-
7 upon improvements to Port facilities.

8 (d) The Port has determined that providing Tenant Improvement Allowance Funds
9 directly to tenants with new or amended leases is a commercially reasonable and effective
10 method to achieve greater economic recovery and revenue generation than would otherwise
11 be achieved without the Tenant Improvement Allowance Funds.

12 (e) Tenant improvements to Port facilities paid with Tenant Improvement Allowance
13 Funds may in some circumstances be subject to the provisions of Chapter 6 of the
14 Administrative Code regarding contracting for “public works” projects.

15 (f) In Ordinance No. 85-23, the Board waived certain Chapter 6 contracting
16 requirements, solely for certain leases approved by both the Port Commission and the Board.

17 (g) Port now requests extending the waiver for a lease that does not require Board
18 approval, specifically, a lease (the “Lease”) with CAST at Large LLC, a California limited
19 liability company (“Tenant”), for Port property located at Pier 29, San Francisco. Pursuant to
20 Port Commission resolution 25-21, a copy of which is in Board File No. 250454, the Lease
21 was approved by the Port Commission on April 22, 2025. The 30-month Lease includes a
22 construction period of up to six months and a two year operating term. The Lease also
23 includes a potential two (2)-year option to renew, subject to Tenant’s satisfaction of certain
24 conditions.

1 (h) Tenant's sole managing member is Community Arts Stabilization Trust, Inc., which
2 is a Bay Area nonprofit leader in arts real estate development, community partnerships, and
3 property management of arts facilities. Tenant's proposal is for interim activation of Pier 29 as
4 an arts and culture hub, with anchor uses including artist residency and public gallery. The
5 proposal includes a sublease with Art + Water, a new organization formed by the Hawkins
6 Project, a San Francisco-based nonprofit associated with author Dave Eggers' philanthropic
7 endeavors and JD Beltran, an artist and educator.

8 (i) The requested waiver would allow Tenant or its agents to undertake repair and
9 maintenance work to the Pier 29 shed, as well as upgrades to electrical, plumbing, and fire &
10 life safety systems to allow for the safe use and occupancy of the Pier 29 shed, without
11 requiring Tenant or its agents to comply with Chapter 6 contracting requirements.

12 (j) By providing a waiver of the Chapter 6 contracting requirements for tenant
13 improvements to be performed pursuant to the Lease, this ordinance will reduce potential
14 costs to the Port and Tenant and would achieve greater economic recovery and revenue
15 generation that would otherwise be achieved.

16 Section 2. Administrative Code Chapter 6 Waiver; Prevailing Wage, Apprenticeship,
17 and Local Hire Requirements Retained.

18 (a) The Board of Supervisors waives Administrative Code Chapter 6, to the extent
19 Chapter 6 would otherwise be applicable to tenant or base building improvements performed
20 by Tenant or its agents under the Lease and paid for with Tenant Improvement Allowance
21 Funds, as defined under subsection (c) of Section 1 of this ordinance.

22 (b) This ordinance does not waive the requirements of Labor and Employment Code
23 Division II, Articles 101, 103, 104 and 108 regarding payment of prevailing wages,
24 apprenticeship, and local hiring.
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1 (c) This ordinance does not waive any other City requirements, including Charter
2 Section 9.118, nor does it mandate that the Port enter into or amend any lease, or require the
3 Port Commission or the Board of Supervisors to take any action with respect to a lease or
4 lease amendment. The Port Commission retains discretion under this ordinance to make
5 decisions regarding Port property in a manner that serve the needs of the Port.

6 Section 3. Effective Date.

7 This ordinance shall become effective 30 days after enactment. Enactment occurs
8 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
9 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
10 Mayor's veto of the ordinance.

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12 APPROVED AS TO FORM:
DAVID CHIU, City Attorney

13 By: /s/ Annette Mathai-Jackson
14 ANNETTE MATHAI-JACKSON
15 Deputy City Attorney

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