

1 [Lease Agreement Extension - SkyStar Wheel, LLC - Observation Wheel - \$11,000 Monthly
2 Base Rent with Annual Increases Plus a Percentage Rent of 8% - Estimated Revenue
3 \$1,800,000]

3

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

12

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

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

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

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

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

7 WHEREAS, The Port Commission approved Resolution No. 24-15 on February 27,
8 2024, adopting findings under the California Environmental Quality Act (California Public
9 Resources Code, Sections 21000 et seq.) and Chapter 31 of the San Francisco
10 Administrative Code (collectively, “CEQA”), and approving an 18-month lease (“Lease 17136”)
11 to continue SkyStar’s use of a portion of SWL 301 that will expire on October 31, 2025,
12 subject to any necessary approvals by the Board of Supervisors (“Board”) including a waiver
13 of the City’s competitive bidding policies; and

14 WHEREAS, The Board adopted Resolution No. 194-24, which was enacted on May 1,
15 2024, and waived competitive bidding procedures for Lease 17136; and

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

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

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

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

8 WHEREAS, On October 30, 2023, the Planning Department issued Addendum 2
9 (Planning Case No. 2023-009039ENV) (“Addendum 2”) to the FEIR, which analyzed the
10 environmental impacts of the relocation to and operation of the Wheel in Fisherman’s Wharf
11 for a period of up to three years, and identified the following mitigation measures to be
12 potentially applicable to relocation and operation of the Wheel: M-CR-2a, Procedures for
13 Accidental Discovery of Archeological Resources for Projects Involving Soil Disturbance; M-
14 CR-2b, Archeological Monitoring Program; M-CR-2c, Archeological Testing Program; M-CR-
15 2d, Treatment of Submerged and Deeply Buried Resources; and Mitigation Measure M-AQ-
16 4c, Best Available Control Technology for Projects with Diesel Generators and Fire Pumps
17 (each as further described in the FEIR and collectively, the “Mitigation Measures”); and

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

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

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

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

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

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

19 FURTHER RESOLVED, The Board of Supervisors finds: that competitive bidding
20 procedures would be impractical or impossible due to a likely lack of competition for a short
21 term opportunity to continue operations; the timely and successful execution of the proposed
22 short term lease would help attract visitation to the Port for the benefit of new and old
23 businesses alike; the urgency of providing support to the recovery of Fisherman’s Wharf and
24 maintaining uninterrupted operations; and for these reasons, it would be in the public interest
25

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

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

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

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

12
13
14
15
16
17
18
19
20
21
22
23
24
25