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

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

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

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

WHEREAS, NPS is empowered by the federal government to issue a bid prospectus and to select a ferry concessioner through a competitive process in accordance with the National Parks Service Concessions Management Improvement Act of 1998 and its implementing regulations which specify that concession contracts will generally be awarded for a 10-year period; and

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, Access to Alcatraz Island and an embarkation site with a visitor contact
station and retail and food and beverage amenities presents an important opportunity to
provide public-serving, cultural, historic and other significant public benefits to the people of
the City, the entire Bay Area region and beyond, including an opportunity for a significantly
improved one-of-a-kind waterfront destination that will achieve public access objectives for the

Mayor Lee; Supervisors Peskin, Farrell
BOARD OF SUPERVISORS
Site while adding an attractive mix of uses and destinations along the waterfront; and

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

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

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

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

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

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

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

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

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

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

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

FURTHER RESOLVED, That the Board of Supervisors' endorsement of the Term
Sheet does not commit the Board of Supervisors, the Port or any other public agency with
jurisdiction over any part of the Project to approve the terms of the final Memorandum of
Understanding, form leases or other transaction documents or grant any entitlements to NPS, nor does either Term Sheet endorsement foreclose the possibility of considering alternatives to the Project or mitigation measures to reduce or avoid significant environmental impacts or preclude the City, after conducting appropriated environmental review under the California Environmental Quality Act ("CEQA"), from deciding not to grant entitlements or approve or implement the Project, and while the Term Sheet identifies certain essential terms of the proposed transaction with the City through the Port Commission, it does not set forth all of the final, material terms and conditions of the transaction documents for the Project; and, be it

FURTHER RESOLVED, That the Board of Supervisors will not take any discretionary actions committing City to implement the Project, and the provisions of the Term Sheet are not intended to and will not become contractually binding on the City, unless and until the Port Commission has reviewed and considered environmental documentation prepared in compliance with Administrative Code, Chapter 31 and CEQA for the Project and the Port Commission, and as applicable, the Board of Supervisors and the Mayor, have approved the terms of the final transaction documents for the Project.
Resolution endorsing the term sheet between National Park Service (NPS) and the Port Commission for a Memorandum of Understanding outlining the business terms for an Alcatraz Island Ferry Embarkation site located at Piers 31-33 on The Embarcadero at Bay Street including a form lease for ferry service to Alcatraz Island with a future concessioner selected by NPS and a form lease with the Golden Gate National Parks Conservancy to provide associated amenities, and exempting the Memorandum of Understanding and leases from the competitive bidding policy set forth in Administrative Code, Section 2.6-1.

November 16, 2016 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

November 16, 2016 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 29, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 161166

I hereby certify that the foregoing Resolution was ADOPTED on 11/29/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved