

1 [Lease Agreement Exemption - SkyStar Wheel, LLC]  
2

3 **Resolution exempting from the competitive bidding policy set forth in Administrative**  
4 **Code, Section 2.6-1, the potential lease on a portion of the east end of Sea Wall Lot**  
5 **(SWL) 301, with SkyStar Wheel, LLC, for the continued operation of an observation**  
6 **wheel; and adopting environmental findings under the California Environmental Quality**  
7 **Act.**

8  
9 WHEREAS, California Statutes of 1968, Chapter 1333 (the "Burton Act") and Charter,  
10 Section B3.581, give the Port Commission the power and duty to use, conduct, operate,  
11 maintain, manage, regulate, and control the Port area of the City and County of San  
12 Francisco; and

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

18 WHEREAS, The Waterfront Plan included a stakeholder engagement process for  
19 waiver of competitive bidding requirements in advance of the submission of such proposals to  
20 the Board of Supervisors for consideration of a waiver of the City's competitive bidding policy;  
21 and

22 WHEREAS, In July 2023, the Port was notified of the opportunity to move the SkyStar  
23 Wheel (the "Wheel") from Golden Gate Park to Fisherman's Wharf; and  
24  
25

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, SkyStar, approached the Port requesting an 18-month lease (the “Lease”)  
5 for the portion of SWL 301 upon expiration of the License; and

6           WHEREAS, The Lease allows a temporary continuation of the existing use of the site,  
7 with the same maximum intensity of use, and is therefore within the scope of the project  
8 evaluated in Addendum 2; and

9           WHEREAS, Port staff offered an opportunity for stakeholder feedback at the  
10 Fisherman’s Wharf Advisory Committee meeting on January 10, 2024, and received favorable  
11 feedback on SkyStar’s request; and

12           WHEREAS, Port staff reported the stakeholder engagement feedback at the February  
13 27, 2024, Port Commission meeting; and

14           WHEREAS, Port staff determined that initiating a competitive bidding process is  
15 unlikely to generate a competing investment interest prior to April 30, 2024, when the SkyStar  
16 Wheel temporary license expires; and

17           WHEREAS, Port staff recognize the urgency of providing support to the recovery of  
18 Fisherman’s Wharf, which has been beset by the pandemic and associated economic  
19 downturn, resulting in the closure of many longstanding Port tenants; and

20           WHEREAS, At its meeting on February 27, 2024, the Port Commission through  
21 Resolution No. 24-15 authorized the Port Executive Director or her designee to seek Board of  
22 Supervisors authorization to waive the competitive bidding policy set forth in Administrative  
23 Code Section 2.6-1 for the potential lease of a portion of SWL 301 to SkyStar; and

1           WHEREAS, A waiver of the competitive bidding policy will ensure uninterrupted  
2 operation of the Wheel and provide a much-needed activation, bringing additional foot traffic  
3 to the area to help drive economic recovery to Fisherman’s Wharf; and

4           WHEREAS, According to SkyStar, after three months of reported operating  
5 performance, Wheel ridership in December 2023, was 165% more than passenger ridership in  
6 December 2022, and 120% more in January 2024, than when the Wheel was in Golden Gate  
7 Park; and

8           WHEREAS, In accordance with the Waterfront Plan stakeholder engagement process  
9 for wavier of competitive bidding requirements, based on the lack of meaningful competitors,  
10 the Port’s interest in maintaining operations and the pending license termination on April 30,  
11 2024, the time and expense in pursuing a competitive process would be impractical and not in  
12 either the Port’s or public interest; and

13           WHEREAS, In Resolution No. 24-15, the Port Commission adopted findings,  
14 conclusions, and certain mitigation measures (collectively, the “Environmental Findings”)  
15 under the California Environmental Quality Act (California Public Resources Code, Sections  
16 21000 et seq.); now, therefore, be it

17           RESOLVED, The Board of Supervisors adopts the Environmental Findings in Port  
18 Commission Resolution 24-15 as its own; and, be it

19           FURTHER RESOLVED, The Board of Supervisors finds: 1) 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; 2) the timely and successful execution of the  
22 proposed short term lease would help attract visitation to the Port for the benefit of new and  
23 old businesses alike; 3) the urgency of providing support to the recovery of Fisherman’s Wharf  
24 and maintaining uninterrupted operations; and 4) for these reasons, it would be in the public  
25

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

3 FURTHER RESOLVED, That the Board of Supervisors waives application of the  
4 competitive bidding procedures in Administrative Code, Section 2.6-1 to a short term lease,  
5 should the Port Commission and SkyStar Wheel, LLC, agree upon mutually acceptable terms  
6 of a lease for a portion of SWL 301, provided, however, that any lease or other agreement  
7 shall remain subject to Charter, Section 9.118.



City and County of San Francisco  
Tails  
Resolution

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

File Number: 240258

Date Passed: April 30, 2024

Resolution exempting from the competitive bidding policy set forth in Administrative Code, Section 2.6-1, the potential lease on a portion of the east end of Sea Wall Lot (SWL) 301, with SkyStar Wheel, LLC, for the continued operation of an observation wheel; and adopting environmental findings under the California Environmental Quality Act.

April 03, 2024 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

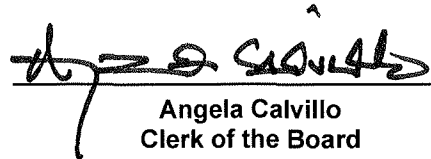
April 24, 2024 Budget and Finance Committee - RECOMMENDED


April 30, 2024 Board of Supervisors - ADOPTED

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

File No. 240258

I hereby certify that the foregoing  
Resolution was ADOPTED on 4/30/2024 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
London N. Breed  
Mayor

5/1/24  
Date Approved