



SOUTHPORT ATLANTIC

January 8, 2018

VALUATION OF PORT OF SAN FRANCISCO DRY DOCK "EUREKA"

HISTORY

The Eureka was delivered in 1945 by its builders, Pollock-Stockton Shipbuilding of Stockton, California and was designated by the U.S. Navy as YFD-71 and named "Steadfast". The designation was later changed to AFDM-14 and appears that the Eureka was the last of the YFD class constructed during the World War II.

The Eureka is a three section welded steel drydock designed for self-docking. The Eureka was designed to have a lifting capacity of about 17,500 long tons.

Prior to coming under the ownership by the Port of San Francisco about 1998/99 the Eureka was stationed at San Diego.

PHYSICAL DESCRIPTION

The Eureka is currently described as follows:

Length of pontoon:	528'-0"
Length overall:	569'-0"
Breadth overall:	118'-0"
Width between wingwalls (molded):	90'-0"
Clear width between fenders:	86'-0"
Height overall:	52'-2"
Height of wing deck above pontoon deck:	36'-0"
Height of pontoon deck at centerline:	16'-2"
Rated lifting capacity:	Not Rated



GENERAL DESCRIPTION

The three pontoon sections of the Eureka are divided into sixteen (16) ballast compartments, eight (8) on each side of ten (10) void centerline tanks. Ballasting is accomplished through gravity flooding. Each ballast tank has one flood valve. Each tank is connected to an adjacent longitudinal tank via suction valves. There are four (4) emergency crossover valves that connect adjacent tanks transversely.

VALUE

It is our opinion that in its present condition the Eureka has a negative value. If the Eureka was repaired in such a manner that it could obtain a certified lifting capacity of about 10,000 long tons then it would have a Market Value of about \$500,000 (United States Dollars Five Hundred Thousand) for a sale between a willing seller and a willing buyer.

VALUATION SUPPORT

Southport Atlantic has been active in the sale, purchase and the ordering of newbuilding floating drydocks for over thirty-five years and has maintained records of the availability and sale of drydocks during that period of time. The value stated above is based not only on historical drydock data but also on our knowledge of the current drydock secondhand market.

Relatively few drydocks are sold annually, in some years it might only be one or two, therefore to establish a market value it is necessary to reach back a reasonable period of time. The last reported sale of a drydock on the United States West Coast was our sale of the "Diligence" ex. U.S. Navy AFDL-48. This drydock, constructed in 1955 (ten years younger than the Eureka) of reinforced concrete with a lifting capacity of about 4,000 long tons, was sold in late 2013 for \$275,000 and exported to Peru.

In 2015, Southport Atlantic valued a sister to the Eureka for \$750,000 but that dock's service life was mainly spent in fresh water and it had just completed a repair period including drydocking and bottom coating.

As to the Eureka's unrepaired value it should be noted that currently there are no suitable recycling facilities on the U.S. West Coast. Recently the owners of a 1970 built drydock located in the Pacific Northwest sold it for recycling in Mexico. After removing all hazardous material and arranging for transportation to Mexico the sale COST the owners several million dollars.



TERMS OF VALUATION

The valuation of the Eureka as set forth above is solely a statement of our opinion of the fair and reasonable market values of the Eureka as of today's date and should not be taken to apply to any other date. No assurance can be given that such a valuation can be sustained or realized in an actual transaction. In giving such opinion we have assumed in all respects the accuracy of the information concerning the characteristics of the Eureka as set forth above. Our opinion is based in part on information supplied to us by the Eureka's owners or obtained by us from such other sources as we deem appropriate. We assume no responsibility whatsoever for the accuracy of such information concerning the Eureka. We note that some of the information available to us may be inaccurate or out-of-date. We have not conducted an inspection of the Eureka or its records, if they exist. We assume that the Eureka is in the condition noted in the information supplied to us by its owners. This valuation letter is solely for the purpose of expressing our opinion as to the Eureka's value in the conditions as stated in this valuation letter and it is understood that we express no opinion as to the actual condition of the Eureka in any respect. Nothing contained in this valuation letter constitutes any representation or warranty as to condition, value or any other fact or matter, and no one is entitled to rely on any statement or matter contained in this valuation letter as a representation or warranty made by us. All persons are cautioned to conduct such independent investigation as they may deem necessary in order to determine the accuracy of any statement, matters or opinion set forth in this valuation letter. This valuation letter has been provided solely for the use of the Port of San Francisco and it is not for circulation or publication without our written consent and no responsibility can be accepted to any other person.

Howard F. Yaffe
On behalf of Southport Atlantic