

## **ATTACHMENT 1: PROPOSED CHANGES TO THE STRATEGIC PLAN**

**(Clean Version)**

### **MAYOR, CITY & COUNTY OF SAN FRANCISCO**

Honorable Mark Farrell

### **SAN FRANCISCO PORT COMMISSION**

President Kimberly Brandon

Vice President Willie Adams

Commissioner Leslie Katz

Commissioner Doreen Woo Ho

### **A MESSAGE FROM THE PORT**

The Port of San Francisco is building new uses to serve the City while continuing its maritime heritage, and working to make the San Francisco waterfront resilient. The Port's great diversity of uses draws more than 24 million people to the waterfront for employment, transportation, exploration, entertainment, recreation, or simply to enjoy the Bay. The richness and diversity of these experiences, connected by generous public open spaces at the edge of San Francisco Bay make the Port's waterfront a world-renowned attribute of a top international city – yet the Port remains true to its heritage – preserving its working waterfront and its history.

### **THE STRATEGIC PLAN**

The Strategic Plan is an operating guide to achieving the Port's vision of a vibrant and diverse waterfront. The Strategic Plan functions alongside the Port's 10-Year Capital Plan, which provides an assessment of capital needs and available resources, and the Waterfront Land Use Plan, which provides goals and policies for long-term use and improvement of Port property. Together the Capital Plan and the Waterfront Plan provide the framework for the Strategic Plan. The Strategic Plan sets the projects, programs, partnerships and stewardship work over the next five years, to achieve the Port Commission's policy objectives for the waterfront.

This Strategic Plan articulates the Port's vision for integration with the City and delivery of its modern-day mission. The Port managers will employ this Strategic Plan to set operational goals, determine actions, and mobilize resources that will continue to maintain and improve San Francisco's vibrant waterfront.

## **WHO WE ARE**

The Port of San Francisco is a public enterprise agency of the City and County of San Francisco, responsible for managing the waterfront for the people of California, as mandated by the Burton Act that entrusted the Port to the City and County of San Francisco in 1969. As trustee of the property, the Port is obligated to promote maritime commerce, navigation and fisheries, as well as to protect natural resources and develop recreational facilities for public use.

## **WHAT WE DO**

With an annual operating budget of approximately \$103.2 million, the Port of San Francisco owns and operates maritime facilities and commercial real estate along 7½ miles of the waterfront. The Port oversees a broad range of maritime, commercial, and public activities, and is involved in a diverse range of businesses, including real estate property management, cargo and cruise shipping, ferries and excursion boats, ship repair, commercial fishing, and harbor services.

## **OUR FACILITIES**

From Aquatic Park in the north to Heron's Head Park in the south, Port property is a complex mix of piers, structures, seawall, and open land, and is home to more than 500 tenants. Most of the piers' bulkhead buildings, seawall, and waterfront structures along The Embarcadero were built before World War II and many have historical distinction. The Port's Pier 70 is endowed with the West Coast's oldest collection of resources associated with the historic ship building, steel manufacturing and ship repair industries.

The Port is also home to many of San Francisco's leading tourist attractions, including the Ferry Building, AT&T Park, the Exploratorium, Alcatraz Landing, Pier 39, Fisherman's Wharf, and Hyde Street Pier, which draw more than 24 million visitors annually to the Port's northern waterfront.

## **OUR CHALLENGES**

In the coming years, the Port faces mounting threats from natural disasters and aging infrastructure. The Port's three-mile seawall, constructed over 100 years ago, is the foundation of the City's edge, protecting businesses and transportation and enabling them to thrive. With a century of erosion and structural deterioration, plus the threat of earthquakes and predicted sea level rise, the Port is leading the City effort to develop a program to seismically improve the seawall. The Seawall Earthquake Safety Program also must incorporate sea level rise adaptation designs to protect Port facilities and operations, City lifeline and utility systems, and adjacent upland neighborhoods and the Downtown.

## **OUR MISSION**

The Port of San Francisco manages the waterfront as the gateway to a world-class city, and advances environmentally and financially sustainable maritime, recreational and economic opportunities to serve the City, Bay Area region, and California

## **OUR VISION**

Deliver vibrant and diverse waterfront experiences that enrich the City and San Francisco Bay

## **OUR GOALS**

The Port will realize its Mission and Vision and address its challenges through seven goals

### **#1 RENEWAL**

#### **RENEWAL:**

Enhance and balance the Port's maritime and economic purpose, rich history, and its changing relationship with the City, so the waterfront continues to be a treasured destination.

#### **RENEWAL OBJECTIVES:**

1. Develop community-supported recommendations to update the Waterfront Land Use Plan, including land use policy direction for the Northeast and South Beach waterfront areas.
2. At Mission Rock (Seawall Lot 337) and Pier 70, complete entitlements necessary to create new mixed-use waterfront neighborhoods to serve residents, visitors, and commercial and industrial/PDR businesses.
3. Expand the Blue Greenway and incorporate major new waterfront parks and public access into new neighborhoods while maintaining industrial maritime berthing and ship repair operations.
4. Advance adaptive reuse and funding strategies to support rehabilitation of the Port's historic piers and facilities in the Embarcadero and Union Iron Works Historic Districts, and updated policies in the Waterfront Land Use Plan.
5. Solicit and advance new maritime business agreements to implement the Pier 80-96 Maritime Eco-Industrial Strategy, and complementary industrial and business opportunities that finance Southern Waterfront property improvements and create new jobs, in a manner that enhances the environment and the Blue Greenway.
6. Expand the Port's necklace of public open spaces and provide a broad array of recreational amenities and activities, including along the Blue Greenway.

## **#2 ENGAGEMENT**

### **ENGAGEMENT:**

Promote the richness the Port has to offer through education, marketing, and maintaining strong relationships with Port users and stakeholders.

### **ENGAGEMENT OBJECTIVES:**

1. Enhance strategic partnerships with citizen advisory committees, government agencies and waterfront stakeholders through meaningful public participation and incorporating community feedback into Port initiatives.
2. Design and implement an integrated marketing plan with San Francisco residents and visitors to promote the Port's attributes.
3. Maintain strategic partnerships and good customer service with Port tenants.
4. Continue active engagement with the Waterfront Plan Working Group, Port advisory committees and public agencies to build understanding and strategic partnerships to support Port operations and waterfront improvement initiatives.
5. Proactively market Port maritime and commercial leasing opportunities through a robust multi-dimensional marketing campaign promoting the Port as a unique brand.
6. Work closely with the Port Commission in setting vision, strategy, policy and fiscal goals for the Port.
7. Keep the public informed of the financial responsibilities of the Port.

## **#3 LIVABILITY**

### **LIVABILITY:**

Ensure Port improvements result in advances in the environment, social equity and quality of life for San Francisco residents and visitors.

### **LIVABILITY OBJECTIVES:**

1. Promote living wage jobs at Port businesses by increasing the proportion of funds spent by the Port with local business enterprises (LBEs) and micro-LBEs and meet mandates for Local Hire in all current and future construction projects.
2. Expand the Port's diversity in lease opportunities through increased outreach to the underserved communities and through developing partnerships.
3. Work with transportation agency partners to ensure an integrated transportation plan that includes programs to ease traffic congestion along the waterfront and expand public transit - including water taxis and ferries – as well as pedestrian and bicycle access.
4. Work with the Office of Workforce and Economic Development to support a coordinated strategy to promote light manufacturing and industrial job opportunities in the City by marketing Port industrial facilities to boutique manufacturing businesses.
5. Sustain construction material industry operations at the Port, including bulk aggregate cargo shipping, concrete and asphalt batch plants, using state-of-the-art technologies to reduce air emissions, promote reuse and recycling of materials.
6. Retain affordable business space for non-profit entities and single proprietorships.
7. Meet or exceed mandates for affordable housing in new waterfront neighborhoods created at Pier 70 and Mission Rock.

## **#4 RESILIENCY**

### **RESILIENCY:**

Lead the City's efforts in addressing threats from earthquakes and flood risks through research and infrastructure improvements to the Seawall and Port property.

### **RESILIENCY OBJECTIVES:**

1. Study and plan for Seawall repairs to address seismic and flood risk. Project scope includes technical and planning analysis to determine options for the Seawall Earthquake Safety Program, and coordination with the City to plan for resilience of the entire Port waterfront.
2. Assess all pending and new projects for the effects of rising sea level and ensure appropriate adaptation measures can be implemented.
3. Participate in local and state regulatory rule-making related to climate adaptation.
4. Work with City leadership to develop resilience and adaptation strategies that support needed seismic repairs to the Port's Seawall and protect the Port and City from flood risk due to climate change and rising sea levels.

## **#5 SUSTAINABILITY**

### **SUSTAINABILITY:**

Limit climate change and employ strong environmental stewardship principles through implementation of Port-wide practices that protect the environment and promote ecological balance.

### **SUSTAINABILITY OBJECTIVES:**

1. Develop San Francisco's GreenPort Program to advance environmental regulatory compliance and stewardship initiatives to meet or exceed City environmental sustainability policies and standards for maritime, industrial, commercial and recreational facilities and operations.
2. Enhance the Port's Climate Action Plan to meet the City's Climate Goals by implementing policies to:
  - a. Achieve zero waste in operations and construction throughout the Port by 2020;
  - b. Have 50% of trips made by clean transportation for Port operations;
  - c. Convert the Port operations to 100% renewable energy through alternative generation, efficiency upgrades, operations, and power purchase; and
  - d. Protect the Bay's ecology and other natural environment through sensitive development of open spaces, stormwater management, and management practices.
3. Implement leasing and development policies that support the City's climate goals and protect the Bay's ecology and surrounding natural environment.
4. Employ best environmental practices in Port operations such as green building, fleet management, and other operations.
5. Minimize carbon emissions and maximize carbon capture for Port operations, tenants, and developers.
6. Evaluate 'carbon neutrality' as a climate action goal for Port operations by 2019.

## **#6 ECONOMIC VITALITY**

### **ECONOMIC VITALITY:**

Attract and retain maritime and non-maritime commerce to contribute to the long term viability of the Port and the City.

### **ECONOMIC VITALITY OBJECTIVES:**

1. Compete for global cargo shipping business emphasizing bulk cargo and automobile import/export segments that build on the competitive advantage of the larger Bay Area market.
2. Expand the system of active water berths for visiting commercial, transportation and recreational vessels.
3. Ensure that commercial development of piers with deep water berths incorporate a maritime program to retain productive use of the berths and adjacent aprons.
4. Build a robust water taxi service and implement strategically placed water taxi landings to support special events and a daily “on call” service; position as part of an overall water transport system that includes ferries serving other counties.
5. Implement a balanced strategy to the real estate portfolio and asset management to maximize value and income stream to the Port.
6. Develop a long-term economic lease extension policy for existing retail and seawall lots.

## **#7 STABILITY**

### **STABILITY:**

Maintain the Port’s financial strength for future generations by addressing the growing backlog of deferred Port maintenance and managing waterfront assets to meet the City’s and the Port’s long-term goals.

### **STABILITY OBJECTIVES:**

1. Seek traditional and innovative solutions to the Port’s capital plan funding gap by maximizing external investment capital for project funding, such as infrastructure financing districts, general obligation bonds, historic tax credits, and grants.
2. Target capital reinvestment in Port assets that maintain and improve current and projected financial performance.
3. Set aside 25% of annual net revenue to invest in the repair and replacement of Port facilities as described in the Port Commission Capital Policy.
4. Adhere to critical Port fiscal policies for maintaining prudent operating reserves, such as the Port Commission 15% Operating Reserve Policy, and enforce conservative debt policies, such as maintaining debt service coverage of at least 2 times net revenue.
5. Increase Port annual revenues to \$125 million and continue to expand ongoing revenue sources.
6. Retain a diversified tenant base that will perform through economic cycles.
7. Balance the need for capital to sustain and maintain piers for revenue, with what is appropriate for the public benefit (i.e., in long term lease renewals).

**PORT EXECUTIVE STAFF**

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