

MEMORANDUM

June 8, 2018

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Victor Makras
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Presentation on the status of the Downtown Ferry Terminal and Mission Bay Ferry Landing projects and the Port and WETA's water transportation planning

DIRECTOR'S RECOMMENDATION: Informational Only

Executive Summary

The Port of San Francisco and its water transportation providers including the Water Emergency Transportation Agency (WETA), Golden Gate Bridge Transportation District (GGBTD), Tideline, San Francisco Water Taxi and PropSF offer a variety of water transit options to and along the San Francisco waterfront (see: *Exhibit 1- Port Ferry Landings*). WETA and GGBTD are public ferry operators, while Tideline, PropSF and San Francisco Water Taxi are private ferry operators ("Private Ferries") providing scheduled or charter service on smaller vessels that do not rely on an operational subsidy.

This staff report provides an overview of the water transportation system and facilities in place at the Port, and discussion of how the Port is working with operators to create new service and business opportunities as a part of managing a dynamic portfolio of Port activities, and addressing city and regional land use and development changes. In particular, the Port and WETA have a strong working relationship that advances the mission and aligned business interests of both organizations to identify viable locations for new facilities that expand and diversify water transportation service. Following leadership of the Port Commission, opportunities for private water taxi operators along the San Francisco waterfront have been created, which have matured into Private Ferry businesses that supplement large commuter ferry operations.

THIS PRINT COVERS CALENDAR ITEM NO. 11B

The Port and WETA have two major projects underway including the Downtown Ferry Terminal expansion and the Mission Bay Ferry Landing, which together represent \$145 million of investment. Additionally, Private Ferry operators in the San Francisco Bay are proposing to make capital investments to expand their operations and capacity. Lastly, WETA is initiating a market and feasibility analysis on small vessel operations that may allow them to deliver a more diverse level of service. This staff report will provide an update on the Port and WETA's two major ferry facility projects, an update on the status of the Private Ferry operations and ridership and on WETA's feasibility study on small vessel opportunities.

Strategic Plan

The Port's progress and partnership in advancing water transportation projects and policies meets two primary aspects of the Port's Strategic Plan, including:

Livability:

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

- 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; and

Economic Vitality:

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

- 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.

Overview

The Port of San Francisco has and continues to partner with both public agencies and private entities in delivering access and facilities to support water transportation along San Francisco's waterfront. This staff report provides an overview of the various types of water transportation services provided along the Port waterfront which serve local, visitor and regional commuters and travelers, and describes current operations and improvement projects underway to increase the number and service level of water transportation facilities.

Exhibit 1 provides a map of water transportation facilities at the Port and the Bay Area locations that are served. The Port supports four primary types of water transportation, including: a) Public Ferries, operated by WETA and GGBTD; b) Private Ferries, operated by Tideline, San Francisco Water Taxi, and charter service operated by PropSF; and c) excursions, with the major operators being Hornblower, Red & White and Blue & Gold. Private Ferries were previously identified as water taxis; however because none of the current operators offer "on call" water taxi service as a primary aspect of their operations, as envisioned in the Port's 2012 Request for Qualifications (RFQ) for water taxis, the term has been changed to Private Ferries. This staff report provides an update on all forms of water transportation except excursions.

Enhancing facilities to expand and improve water transportation facilities is consistent with Regional, City and Port policies to encourage transit use. Between 2001 and 2016 the Port invested in several facilities to increase access and enhance water transportation. These

projects included the Downtown Ferry Terminal (Phase 1) developed by the Port in 2003, the China Basin Ferry Landing, constructed by the Port in 2003 as part of coordinated development of AT&T Park, the Pier 1.5 Water taxi dock in 2007, constructed as part of the Piers 1 ½, 3, 5 development by Pacific Waterfront Partners and the Pier 15 water taxi dock in 2016, constructed as part of the Exploratorium development. The public has reiterated its support of expanding water transportation facilities, services and partnerships, as expressed in the Waterfront Land Use Plan (Waterfront Plan) Update process; the Waterfront Plan Working Group recommended that the Port collaborate with transit providers, including facilitating Private Ferry operations. However, It can take anywhere from 5-7 years for a major new ferry terminal project to make its way through the permitting, environmental and construction process, and the Port and WETA are analyzing means of expanding services through the use of existing facilities to the extent possible.

The Port has been collaborating with WETA since 2008 on the expansion of the Downtown Ferry Terminal, which is expected to be completed in late 2019. In August 2016, the Port Commission was provided an update of WETA's Strategic Plan, which identifies new facilities and services that in part rely on this expansion of service from the Ferry Building¹. In the last five years, WETA has seen 74 percentage growth in ridership and their Strategic Plan outlines a strategy to grow ridership and capacity by 700% by 2035. WETA also has recently initiated a small vessel analysis to determine the feasibility of beginning such an operation.

In 2012, following Port Commission direction to evaluate and develop new water taxi transportation services, the Port conducted an RFQ process and selected two water taxi operators, Tideline and San Francisco Water Taxi. Both companies provide local residents and visitors the opportunity to travel by water along and to San Francisco. Currently, there are four landing sites on Port property served by the operators, including: Pier 1 ½, Pier 15, Pier 40, and Hyde Street Harbor. They each offer different service types that are available to the general public: a) San Francisco Water Taxi providing regularly scheduled "hop-on / hop-off" service along the San Francisco Waterfront; b) Tideline provides scheduled Private Ferry service, primarily from locations not served by either WETA or GGBTD and currently serves 14 facilities in the Bay, including four within the Port's jurisdiction. Since the Water Taxi RFQ, the Port has been approached by PropSF a private charter operator that is working on a new water landing agreement with the Port.

The Port's primary investment in ferry landings has been in areas of dense urban commercial development, primarily in the northern waterfront. As growth expands south, the Port and its water transportation partners have been planning for an expansion towards the south, including in the Mission Bay area. In 2015, the Port initiated a feasibility study to determine the opportunity to construct a Mission Bay Ferry Landing and Private Ferry (water taxi) landing in Mission Bay to support the significant development and planned growth in Mission Bay and Central Waterfront, including the Warriors arena. The study determined that this project was feasible. In 2016 the Port Commission authorized a contract to design and permit a new facility, additionally the Port Commission authorized an MOU with WETA to outline its partnership on the design, securing of funds and eventual operations of the facility.

¹ <https://sanfranciscobayferry.com/sites/default/files/weta/strategicplan/WETAstrategicPlanFinal.pdf>

Project Updates

Downtown Ferry Terminal Expansion

The Downtown Ferry Terminal Expansion project is being developed by WETA to expand and improve regional transportation hub facilities at the Ferry Building in downtown San Francisco. The project will include construction of two new ferry gates (4 berths), landside pedestrian circulation improvements and amenities such as weather-protected areas for ferry passenger queuing. This project is being constructed as an essential facility to survive a major earthquake and provide post-disaster transportation service and staging area for evacuees in the event of a major emergency. The new gates and amenities will support projects currently under development to provide new ferry service to Richmond, Berkeley, Treasure Island, and other locations, as well as efforts to enhance existing services (*see: Exhibit 2-Downtown Ferry Terminal Expansion-Site Plan*).

The project is currently proceeding on schedule and within the budget authorized for construction by the WETA Board. The general contractor (Power Engineering Construction) mobilized for construction in May 2017 following a groundbreaking ceremony co-hosted by the WETA and Port of San Francisco. In 2017, the contractor completed the following activities: demolition and removal of the Pier 2 substructure; dredging and disposal of approximately 14,000 cubic yards of underwater sediment, and driving of approximately 120 steel pipe piles. To date, the contractor has completed approximately 8 of a total of 25 concrete pours, including all areas required for the promenade - queuing area substructure connecting from the south end of the project site to the new Gates F and G. This area and the two new Gates are scheduled to open for passenger service by November of this year.

Once the Gate F and G promenade is opened, the contractor will turn their attention to constructing the new plaza and refurbishing the entire Gate E facility. This portion of the project is anticipated to open to the public by December 2019.

The Project is fully funded by WETA through a combination of State and Federal sources. The current construction budget is approximately \$75 million and total Project budget including soft costs is approximately \$97.5 million. The Port Commission was last provided an update on the status of the project on April 11, 2017, at which time the Commission approved a 66-year lease and a coterminous non-exclusive license agreement with WETA via Resolution 17-19²:

Mission Bay Ferry Landing

The Mission Bay Ferry Landing will provide critical regional ferry service to and from the Mission Bay neighborhood, one of the fastest growing neighborhoods in San Francisco, as well as the Dogpatch, Potrero Hill, Pier 70, and the Central Waterfront neighborhoods. The Ferry Landing will further activate existing maritime activity on the waterfront.

When completed, the Mission Bay Ferry Landing will provide the capability to berth two ferry boats simultaneously (including both WETA and GGBTD vessels) and may include a nearby Private Ferry Landing (*see Exhibit 3-Mission Bay Ferry Landing Site Plan*). The Ferry Landing would sit within a half mile of approximately 11,000 new housing units, 7 million square feet of new office and commercial space, over 1 million square feet of new retail space and 70 acres of public open space. Additionally, the ferry landing location is planned within one block from the Muni T-Third line, which is underway for an extension to San Francisco's Chinatown neighborhood. The Ferry Landing will be within easy walking distance to the UCSF Mission Bay

² https://sfport.com/sites/default/files/Commission/Item%2011A_DTFT-Expansion_Lease%20and%20License.pdf

hospital and campus, the new Golden State Warriors Chase Center, and to San Francisco's related life sciences community. Additionally, the Port is designing and permitting a Private Ferry (water taxi) dock, should funding become available and demand be demonstrated.

Port and WETA staff estimates that the Ferry Landing will have the capacity to handle up to 6,000 passengers per day. The Ferry Landing is essential to alleviate current regional transportation overcrowding, and provide transportation resiliency in the event of an earthquake, BART or Bay Bridge failure, or other unplanned events.

The below outlines the current project schedule:

- NTP Professional Services (A/E) Contract Feb 2017
- 100% Design Complete October 2018
- Authorize to Advertise Construction December 2018
- Receive All Environmental Permits March 2019
- Authorize to Award Construction March 2019
- Notice to Proceed May 2019
- Construction/Fabrication Start June 2019
- Construction Complete February 2021

The Port with assistance from the City has secured \$7 million for the design and permitting of the project. The total project cost is estimated at \$42.7 million. The Port working with WETA, its development partners, other major employers in the area and other transportation agencies partners anticipate funding the capital investment through the below resources:

Port and City Capital	\$ 7.0 million
Regional Measure 3	\$25.0 million
Developer Transportation Fees	\$ 6.0 million
Private Contributions	<u>\$ 4.7 million</u>
<i>Total</i>	<i>\$42.7 million</i>

Port staff will return to the Port Commission later this year to request authorization to bid the project and to enter into a Ferry Landing Management agreement with WETA to manage and operate the facility.

Private Ferry Operations (Water Taxi)

Tideline, San Francisco Water Taxi and PropSF each offer different types of service: Tideline operates a Private Ferry service and to some extent an "on-call" service; PropSF provides charter services, and San Francisco Water Taxi provides hop on- hop off service. The PropSF charter business is focused on providing transportation options for business employees (similar to tech busses) as a commuter benefit.

Port staff has been working with the operators to provide ongoing support as they seek to grow their respective businesses and as the Port seeks to expand this maritime use of Port property. These efforts include addressing operational issues; for example, one such issue was the ability to protect and enforce the landing rights of the licensed operators, another was to assist with adequate signage along the Embarcadero. Port Maritime staff is working to develop policy and guidelines to address these issues to ensure coordinated shared use and passenger amenities at Port water transportation facilities.

The following provides an overview of each of the operations, including service routes and future projections:

Tideline

Tideline is a water transportation service provider offering public and private commuter service, Bay cruises and private charter trips around the San Francisco Bay. Tideline uses all of the Port’s Private Ferry (water taxi) Landings including Hyde Street, Pier 15, Pier 1.5, Pier 40 and is exploring use of access to the Port’s Pier 52 Public Boat Launch facility. Tideline is currently operating Private Ferry service from Berkeley to Pier 1.5 with two morning commute times and two evening returns, Tideline also offers service to Giants Game from Tiburon to Pier 40 for weekend games and certain weekday games.

Tideline provides the Port with annual landing and passenger counts; *Table 1* below indicates the number of landing and passengers for their primary Port facility landings.

Table 1- Tideline reported landings and ridership

Location	2016-landing/passengers	2017-landing/passengers	2018 (Jan- April) landings/passengers
Pier 1.5	304/2067	251/14,832	160/8,721
Pier 40	62/509	13/360	0/0*
Total	366/2,576	268/15,192	160/8,721

*Tideline Marine Group offers service to Pier 40 for SF Giants home games. Landings/Passengers are Season dependent.

PropSF

PropSF is a water transportation provider that currently operates charter services operations within the Bay area. PropSF provides contract charter service for Genentech employees to South San Francisco from origin terminals in Tiburon, Berkeley, Benicia and other locations. Their initial operations were to and from the Port at Pier 15 and were a pilot operation to provide charter service from Emeryville to Pier 15; lack of demand required them to terminate that service. PropSF is currently working with the Port for a landing agreement at Gate B of the Downtown Ferry landing to provide charter service to Redwood City. Prop SF currently operates 2 vessels, each with a capacity of 48 passengers.

San Francisco Water Taxi

The San Francisco Water Taxi Company offers service on San Francisco Bay aboard the Lil’ Taxi. Their current stops are Hyde Street, Pier 39, Exploratorium, Pier 1.5 (ferry building), Pier 40 (ballpark), with expected expansion in the near future. San Francisco Water Taxi provides a scheduled hop-on hop-off service during daylight hours. San Francisco Water Taxi’s ridership has increased incrementally over the past three years.

WETA Small Vessel Operations Feasibility Analysis

On March 1, 2018 the WETA Board authorized staff to seek consultant services to study the feasibility of utilizing smaller vessels for its operations. WETA currently operates with vessels which have a capacity that range from of 225 to 400 Passengers with operations serving larger denser cities within the Bay region. Private Ferry vessel sizes range from 20 to 60 passengers. The WETA Board has appointed a subcommittee to work with staff and a consultant to determine the feasibility of operating smaller vessels similar in capacity to the Private Ferries that may provide WETA with more service flexibility and new opportunities to increase ridership.

WETA has begun this analysis and identified some potential applications that can be studied to determine what role small vessels might play in supporting the growth and development of WETA's regional ferry services and in determining the best path forward for WETA's use of small vessels. Example areas of exploration may include the following:

- 1) Areas of low demand: There are cities that desire ferry service where the demand may not yet be sufficient to warrant the capital and operating costs that go along with standard WETA mass transit facilities and vessels. A smaller vessel has the potential to match these low demand origins with a vessel and facilities that are less expensive.
- 2) Periods of low demand: There are periods throughout the day when demand is lower than during the peak commute period. Lower demand late night, midday or early morning periods may prove a good match for the use of smaller vessels if operationally feasible.
- 3) Areas inaccessible to standard WETA vessels. Dredging is a barrier to ferry service in shallow areas given the draft of standard WETA vessels. It may be possible to introduce small vessel service to hard-to-access shallow areas as a means of providing direct ferry service or connecting service to larger WETA terminals.
- 4) Capacity relief: Especially in today's operating environment, WETA services experience leave-behinds at peak periods or high volume times of the year. Small vessels serving as "backup", much as buses currently do in Vallejo, is another potential use for small ferries.
- 5) Interim service: It can take anywhere from 5-7 years for a major new ferry terminal project to make its way through the permitting, environmental and construction process. It may be possible that during this planning period WETA can offer service at existing small boat facilities with small vessels in an effort to build the market while permanent facilities are developed.

Next Steps

Port Maritime staff is drafting a policy that prioritizes the use and coordinated operations of its ferry facilities, which will be anticipated to be presented to the Port Commission later this summer. Port staff will continue to work with the public and private operators to help facilitate improved access and increased ridership utilizing the Bay, including expanding south as land use, development densities and ridership demand increase. The Port has partnered with Private Ferries to increase opportunities, recognizing it is a young business model to the San Francisco Bay area. The Port will also participate in WETA's small vessel feasibility analysis and keep the Port Commission updated on the progress of each of the operations and capital investments and ongoing planning efforts.

Prepared by: David Beaupre, Senior Waterfront Planner

For: Diane Oshima, Deputy Director, Planning & Environment

Exhibits:

- 1 - Port Ferry Landings
- 2 - Downtown Ferry Terminal Expansion-Site Plan
- 3 - Mission Bay Ferry Landing Site Plan