

MEMORANDUM

September 20, 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: Informational presentation by the San Francisco Public Works Department regarding the Jefferson Street reconstruction project, from Powell to Jones Street.

DIRECTOR'S RECOMMENDATION: Informational Only; No Action Required

Summary

The Jefferson Street Public Realm Project ("Project") is a City project that was initiated by the San Francisco Planning Department to improve safety for all modes of movement, improve visitor experience, and increase return visits to Fisherman's Wharf. Phase 1 of the Project was approved by the Port Commission on September 25, 2012. It improved two blocks between Jones and Hyde Streets, and was completed in 2013 under the management of San Francisco Public Works Department (SF Public Works).

In partnership with the Fisherman's Wharf Community Business District, SF Public Works secured funding and plans to begin construction on the second phase of the Project in 2019. The Port contributed \$250,000 towards the estimated construction cost of \$13.4 million. Phase 2 will reconstruct the street and sidewalks for the remaining three blocks between Powell and Jones Streets, in a manner consistent with Phase 1.

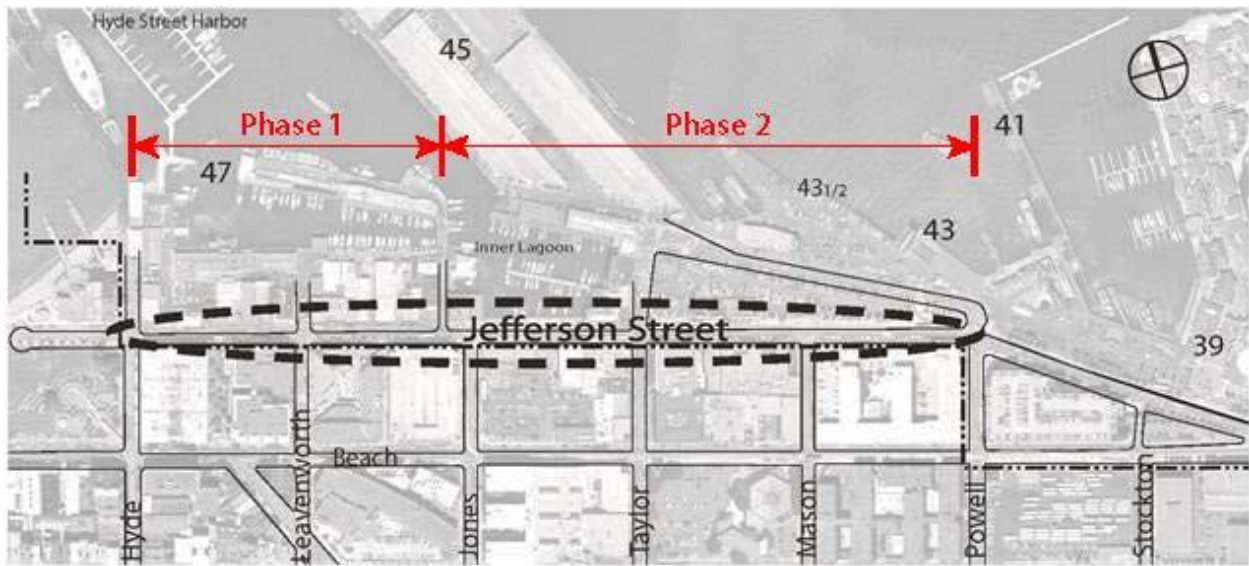
Background

SF Planning Department worked with the Fisherman's Wharf Community Benefit District, public stakeholders, SF Public Works, SF Municipal Transportation Agency, and the Port to produce the Fisherman's Wharf Public Realm Plan in 2008-2010, which provided a framework to improve safety, circulation, and make the Fisherman's Wharf area a more desirable place to visit. Jefferson Street is the "main street" of San Francisco's Fisherman's Wharf, and a global

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destination for locals and tourists alike. Originally a one-way street with narrow sidewalks and inadequate lighting, the Public Realm Plan led to a community process to redesign Jefferson Street as a universally accessible, pedestrian-friendly two-way street. Due to funding limits, the Jefferson Street Project was broken up into two phases. Construction of the first phase, two blocks from Hyde Street to Jones Street, was completed in June of 2013.

Phase 2 of the Project (see Attachment A) completes the remaining 3 blocks of the streetscape design, from Jones Street east to Powell Street, where Jefferson Street connects to The Embarcadero. The Project includes a narrowed two-toned patterned roadway, widened sidewalks, pedestrian scale lights, bike parking, landscaping, trees, and public seating.



The Jefferson Street project is located in Fisherman's Wharf between Powell and Hyde Streets.

The City allocated \$5 million to fund and construct the Phase 1 Project from Jones to Hyde Streets. The three-block Phase 2 Project from Powell to Jones Streets is estimated to cost about \$13.4 million. SF Public Works secured a Local Partnership Program grant for 50% of the Project cost, and the required matching funds are to be as follows:

Agency	Amount
SF Public Works	\$3,119,260
SFMTA	\$2,000,000
SFCTA	\$1,413,740
SF Port	\$250,000
TOTAL	\$6,783,000

Similar to Phase 1 improvements, the Project will widen sidewalks to accommodate the district's high pedestrian volumes, accomplished by removing metered parking along the south side of the street in the two blocks between Powell and Taylor Streets. To accommodate commercial loading, tow-away no parking zones will be created and signed at the curb. Jefferson will maintain one-lane of traffic flow in each direction and will have the F-line trackway adjacent, but separate from vehicles (see Attachment B for illustration of street cross-section).

Key features of the Project include:

- Roadway to be paved in 2-tone concrete bands to match Phase 1;
- At Mason Street there will be a new exit from the Triangle Parking Lot to relieve traffic delays that currently exist at the Taylor Street intersection;
- A new Taylor Street multi-use parking / plaza will be constructed between Taylor Street and the Boudin building. The multi-use space will allow parking on a daily basis and can be used for a variety of special events when desired. The space will be finished in two-tone concrete paving similar to the roadway, and there will be seating, lighting, and landscaping at the perimeters;
- The walkway along Jefferson Street at the Inner Lagoon will be improved with a new railing, lighting for both the walkway and the harbor, and unique pedestrian pavement;
- The Triangle Lot parking entrance located on Jefferson Street just west of the Powell Street Plaza (not currently in use) will be permanently closed. A new entry will be added on the north side of the Lot along the Embarcadero; and
- The existing F-Line tracks are to remain without changes.

Schedule:

The project is expected to be advertised for bid in late October 2018, with bids being due about the end of November. Goal is to begin construction in April 2019. The expected duration is estimated at 434 days (14½ months) of continuous work.

Community and Tenant Outreach:

In 2008-2010, the City Planning Department working with the Fisherman's Wharf Community Benefit District (FWCBD) underwent an extensive community design process that reviewed the *Fisherman's Wharf Public Realm Plan*. The Plan provided the ground work for Jefferson Street and described the entire 5 block project. Community outreach extended through 2012, and concluded with focusing on Phase 1 construction impacts.

Phase 2 community review has included a public planning meeting at the Wax Museum, stakeholder and Port tenant meetings, and presentations before the FWCBD and the Fisherman's Wharf Restaurant Association. Phase 2 is also described prominently in the new *Fisherman's Wharf Retail Strategy Report*. SF Public Works is continuing to work with the FWCBD and Port tenants to minimize construction disruptions.

Revenue Impacts and Benefits

Fisherman's Wharf Retail Strategy Report:

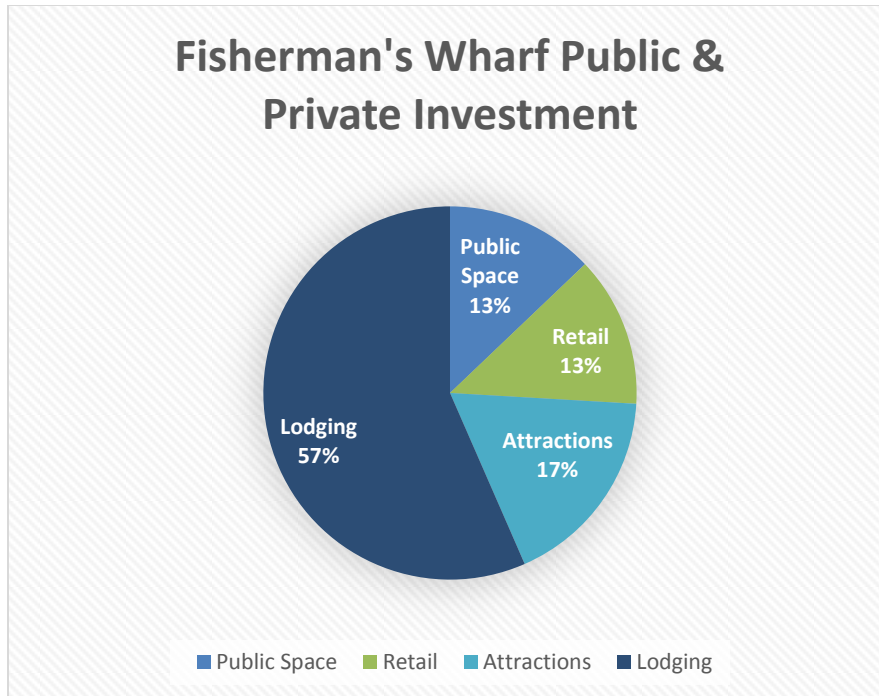
The FWCBD recently completed and adopted the *Fisherman's Wharf Retail Strategy report*, which was presented at the August 14 Port Commission meeting. Jay Edwards, Port Sr. Property Manager participated in the development of the Retail Strategy and provided a conduit for representing the interest of Port tenants. The Retail Strategy, researched in the years following the 2013 America's Cup event, provides a profile of visitors, describes recent public and private investment, reveals key findings of the District, and lays out recommendations for moving forward. The Retail Strategy describes both the Phase 1 and upcoming Phase 2 Projects, identifying Jefferson as the most significant public realm improvement in the Wharf. Regarding Jefferson Street Phase 1 the Report states:

- Increase in monthly sales revenues, at key businesses along the Phase I corridor
- Increase in parking revenues at the Port Triangle Lot
- Strong patron approval of changes to Jefferson Street
- Increased bicycle usage and walking along Jefferson Street
- Dramatic increase in private investment in Fisherman's Wharf

Since 2010 an estimated \$300 million of public and private investment has been made into Fisherman's Wharf. The investments were made in the following categories:

Type of Investment	Estimated Amount in Millions
Lodging	\$173.0
Attractions	\$53.6
Retail	\$39.9
Public Space	\$39.4
Total	\$305.9

Source: FWCBD Retail Strategy Report April 2018



Economic Analysis:

Port of San Francisco staff requested an independent economic opinion of the Project through Seifel Consulting (Seifel), who was the lead consultant on the Jefferson Street Retail Strategy report produced by the FWCBD. They reviewed the proposed plans for the Phase 2 Jefferson Street improvements as further described in this memorandum. Seifel Consulting concluded that the proposed Jefferson Street Phase II improvements are important to the long-term economic sustainability of Fisherman’s Wharf and the Port’s properties within the Wharf. In summary, Seifel provided the following findings and recommendations:

- Retail is intensely competitive, and public improvements like those proposed as part of Jefferson Street Phase II are critical to upgrade the appearance and walkability of Fisherman’s Wharf so it can continue to attract a growing number of tourists, as well as local residents and workers.
- The Jefferson/Taylor intersection is a key anchor retail corner of the Wharf that would be significantly strengthened with a well-designed, upgraded public plaza at Taylor Street.
- These types of public realm investments also catalyze private investment, which has been demonstrated by the \$300 million in public and private investments in retail, attractions and hotels that have occurred over the past decade in Fisherman’s Wharf.
- Recent and planned private investments along the eastern blocks of Jefferson Street have already anticipated that Phase 2 improvements will occur. The Wharf’s eating and drinking establishments, many of which are on Port property, will benefit from the expanded sidewalks, improved lighting, upgraded Taylor plaza and enhanced Inner Lagoon environment.

- The Port should continue to work collaboratively with its tenants and landside property owners to invest in outdoor cafe/restaurant improvements to leverage the new walkways and open space as occurred with the Jefferson Street Phase 1 improvements.
- While the Port will lose parking revenues in the short term, particularly from the loss of two blocks of meter parking along the south side of Jefferson Street, the planned improvements will strengthen the Port's long term lease revenue generation by making the Wharf more attractive and improving its competitiveness with other retail destinations worldwide who are increasingly making similar public realm investments.
- To mitigate the loss of metered parking along the southeastern most blocks of Jefferson Street, the Port may want to consider accelerating the use of parking technologies at the Port's parking facilities (particularly at the Triangle Lot and Pier 45). Deploying parking technology will benefit Wharf patrons and businesses by streamlining the process to access and pay for parking, while enabling the Port and its parking operators to more efficiently generate revenues from its parking resources in Fisherman's Wharf.
- The Port, Department of Public Works and other City agencies need to continue to work with businesses and private owners to develop a Phase 2 implementation plan that minimizes the economic impact of the Phase 2 improvements on Wharf businesses, particularly in the high season, by staging the improvements strategically.

Seifel concluded that the proposed Jefferson Street Phase 2 improvements are important to the long-term economic sustainability of Fisherman's Wharf and the Port's properties within the Wharf. With these investments in the public realm and the potential use of parking technology, future lease revenues to the Port will be strengthened, and Fisherman's Wharf will continue to attract a growing number of tourists, as well as local residents and workers.

Parking Revenue:

The complete five block Jefferson Street project would remove 87 metered parking spaces. Phase 1 removed parking from both sides of the Street for the two blocks from Jones to Hyde Streets, and the south side of the Street in the block from Taylor to Jones. Phase 2 would remove parking from the south side of the two blocks from Powell to Taylor Streets, resulting in a Phase 2 estimated annual meter and fine revenue loss of approximately \$280,000.

To potentially make up for meter revenue loss, revenues may increase through adding parking technologies as identified by Seifel Consulting, by attracting private investment to Port properties as documented in the Fisherman's Wharf Retail Strategy report following the Phase 1 project, strengthen the Port's long term lease revenue generation by making the Wharf more attractive and improving its competitiveness with other retail destinations as again identified by Seifel.

The table below outlines recent revenue to the Port for the 87 meter spaces located on the south side of Jefferson Street to be removed in Phase 2.

Phase II Meter and Fine Revenue	Time Period
\$277,223	2016
\$276,831	2017
\$277,037	Average

The table below provides assumptions as to where the additional revenue could be recaptured. It seems feasible that up to 50% of the Port revenue generated from street meter parking could be recaptured in the adjacent Port lots. The remaining 50% could be recaptured by the Phase II Jefferson Street project spurring increased investment in adjacent retail establishments that would then potentially translate to higher Port revenues. Current reported sales revenues for Fisherman’s Wharf restaurants and retailers for 12 month period as of June 2108 are approximately \$114,607,000 (exclusive of Pier 39, parking and excursion revenue).

Sources of Additional Revenue	Revenue Assumptions: based on Port’s % share of Revenue	Port share of Revenue Potentially Generated from Source
50% from Parking at SWL 303 /314	\$212,000 of additional net revenue x 66% of gross revenue	\$140,000
50% from increased retail sales	\$2,153,000 x 6.5% of gross revenue	\$140,000
Total		\$280,000

Note: Assumptions only not projections.

California Environmental Quality Act:

On August 30, 2011, the San Francisco Planning Department, Environmental Planning Division, issued a Final Mitigated Negative Declaration (“Negative Declaration”, Case No. 2010. 0256E) for the Fisherman’s Wharf Public Realm Plan (of which both Phases 1 and 2 are included in the Project), pursuant to requirements under the California Environmental Quality Act (CEQA); and On September 20, 2012, the San Francisco Planning Department Environmental Planning Division, issued an Addendum to the Negative Declaration (“Addendum”). The Port Commission found the FMND and Addendum were adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and Port Commission, and approved the FMND for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31 applicable) There have not been further changes to the CEQA documents since the 2012 Commission action.

Commission Action:

On September 25, 2012, when the Port Commission approved Jefferson Street Phase 1, it authorized the Executive Director to: enter into agreements with the SFMTA to implement regulations to remove on-street parking and allow two-way traffic on Jefferson Street between Powell and Hyde Streets; authorized SF Public Works to administer its permit process to remove street trees; and temporarily

suspend street artist locations. At an upcoming meeting of the Port Commission, Port staff will request consideration of approval for Phase 2 improvements, and to allow the Port's Executive Director to again enter into agreements with the SFMTA to implement regulations for how the street functions (including times for allowing commercial and passenger loading), the San Francisco Public Works Department to accept the Street and maintain the roadway area, and the San Francisco Public Utilities Commission to manage street lighting. There are no other Board or Commission approvals required for the project to proceed.

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Attachments

- A. Jefferson Street Master Plan
- B. Jefferson Street cross sections