

MEMORANDUM

October 19, 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: Request approval of the Jefferson Street Phase 2 Project, authorizing the San Francisco Public Works Department to reconstruct the street and sidewalks of a three block section of Jefferson Street between Jones and Powell Streets

DIRECTOR'S RECOMMENDATION: Approve attached Resolution

Executive Summary

Port staff seeks Port Commission approval for the construction of Phase 2 of Jefferson Street, between Jones and Powell Streets, as described in detail below and referred to as the Jefferson Street Phase 2 Project (the "Project"). These improvements are intended to improve safety for all modes of movement, improve the visitor experience, and increase return visits to Fisherman's Wharf.

In partnership with the Fisherman's Wharf Community Business District, the San Francisco Public Works Department (SF Public Works) secured funding and plans to begin construction on the Phase 2 Project in 2019. The estimated construction cost is \$13.4 million¹. 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.

THIS PRINT COVERS CALENDAR ITEM NO. 12A

¹ The prior report stated that the Port contributed \$250,000 to the project. However, the City reimbursed the Port for this contribution.

Port staff seeks approval of Resolution 18-59 to approve the Jefferson Street Phase 2 Project, which implements three blocks of the five block Jefferson Street Public Realm Plan, as described in this staff report and depicted in attached Exhibits A and B. To facilitate construction the Port's Executive Director will temporarily suspend street artist locations in and adjacent to the construction area. The Port's Executive Director will also enter in to agreements with the SF Public Works Department to administer its permit process to remove street trees and to accept the Street and maintain the roadway area, with the San Francisco Municipal Transportation Agency (SFMTA) to implement regulations for how the street functions (including times for allowing commercial and passenger loading), and the San Francisco Public Utilities Commission to manage street lighting.

This report provides further details on the planning process for this Project as well as project implementation requirements.

Port's Strategic Plan Consistency:

The Project supports the following goals of the Port's Strategic Plan:

Engagement:

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

- Regularly engage in meaningful public participation and incorporate community feedback into Port initiatives.
- Enhance strategic partnerships with citizen advisory committees, government agencies and waterfront stakeholders through meaningful public participation and incorporating community feedback into Port initiatives.

Livability:

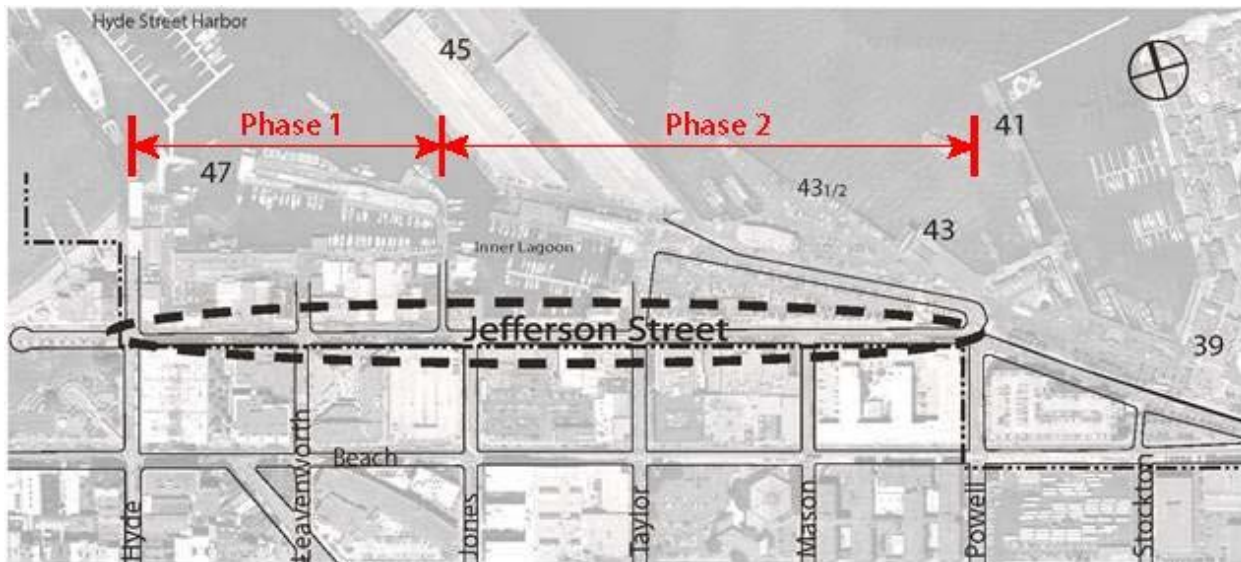
Ensure Port improvements result in advances in the environment, social equity and quality of life for San Francisco residents and visitors.

- 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.

Background

SF Planning Department worked with the Fisherman's Wharf Community Benefit District, public stakeholders, SF Public Works, SFMTA, 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 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 Exhibit 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

*The City reimbursed the Port for this contribution.

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 Exhibit 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;
- Improvements at the Jefferson/Taylor Street corner of the Triangle Parking Lot between Taylor Street and the Boudin building. A multi-use space that is currently used for special events and parking will be finished in two-tone concrete paving similar to the roadway, and there will be seating, lighting, and landscaping at the perimeters (see further description below);
- 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.

Improvements at the Jefferson/Taylor Street Corner

The Project includes improvements to the Jefferson/Taylor Street corner of the Triangle Parking Lot to make it safer and more comfortable for its current uses, which are parking on most days, and events such as the annual Christmas tree for the period between Thanksgiving and New Year's, Fleet Week, 4th of July, the Wharf Fest, crab season opening, Italian American Heritage Parade (with grandstands) and other events. Should the Port propose to use this parking area more for public plaza and assembly uses, staff would first outreach to the wharf stakeholders and discuss a proposal with the Port Commission.

Current problems with the area are its uneven surface, poor drainage, a curb at some edges, and chain and bollards along some edges that people have at times fallen over. The Port's Real Estate Division currently denies requests for use of this space for filming and other public events because it is not improved for a safe and functional level for many uses. The space is also used as a cut-through for pedestrians to reach the public restrooms in the Octagon Building and recently is the subject location of lawsuits that may be attributed to the site's conditions.

The Jefferson Street project is expected to draw more people to Fisherman's Wharf and more repeat visits. Both Port and Public Works staff found it prudent to address the safety issues through the proposed improvements while also making it better able to accommodate the uses that currently occur there. The Project does not propose to change the current use of the space.

Schedule:

The project is expected to be advertised for bid in November 2018, with bids being due about the end of November. The 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

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 Review and Actions:

On September 25, 2012, the Port Commission approved Jefferson Street Phase 1, and it authorized the Executive Director to: temporarily suspend street artist locations; 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; and authorized SF Public Works to administer its permit process to remove street trees.

On September 25, 2018 the Port Commission reviewed an informational presentation and heard public comment on the Phase 2 Project. The Commission expressed concern regarding the new Taylor Street multi-use parking / plaza to be constructed between Taylor Street and the Boudin building. The multi-use space could allow parking on a daily basis and also be used for a variety of special events when desired. Per the Commission's request, staff will be returning at a future meeting with an analysis describing the benefits and impacts of using the space for a shared use or a single use, either for parking or as a public plaza. Staff will also reach out to nearby Port tenants to understand their views for the most appropriate use of this space.

Recommendation:

Staff recommends the Port Commission adopt the attached resolution approving the Jefferson Street Phase 2 Project.

Prepared by: Dan Hodapp
Senior Waterfront Planner

For: Diane Oshima
Deputy Director
Planning & Environment

Exhibits:

Jefferson Street Master Plan
Jefferson Street cross sections

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 18-59

- WHEREAS, In 2010, the San Francisco Planning Department completed the Fisherman’s Wharf Public Realm Plan, which provided the groundwork for the proposed redesign of Jefferson Street from Powell to Hyde Streets, to create a desirable pedestrian experience, provide for balanced access by all transportation modes, and enhance the appearance and business climate in Fisherman’s Wharf; and
- WHEREAS, The City constructed the Jefferson Street, Phase 1 Project, the two blocks of Jefferson Street from Jones to Hyde Streets in 2012 and 2013; and
- WHEREAS, The Department of Public Works with the Port has prepared final design and construction documents for the Jefferson Street, Phase 2 Project, the two blocks of Jefferson Street from Jones to Powell Streets (“Project”), and plans to construct the Project, in 2019 with completion in 2020; and
- WHEREAS, The Port has coordinated this City effort with other agencies, including Municipal Transportation Agency (MTA) and Department of Public Works (DPW), as Jefferson Street is located within the Port of San Francisco jurisdictional area; and
- WHEREAS, The Project will require a temporary suspension of up to nine (9) existing street artist locations along Jefferson Street between Jones and Powell Streets; and
- WHEREAS, The Port Commission, through its Executive Director, shall be authorized to temporarily suspend the existing street artist locations along Jefferson Street as required to accommodate the construction of the Project and designate alternative street artist locations, where reasonably possible, and at her discretion within Port Property; and
- WHEREAS, 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 the Project is a part), 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”); and
- WHEREAS, The Port Commission reviewed and considered the Negative Declaration and Addendum and found that the contents of said report and the procedures through which the FMND was prepared, publicized, and reviewed complied with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (CEQA), 14 California Code of Regulations Sections 15000 et seq. (the “CEQA Guidelines”) and Chapter 31 of the San Francisco Administrative Code (“Chapter 31”). 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. The Planning Commission Secretary is the custodian of records for the Planning Department, and such records are located in the File for Case No. 2010.0256E, at 1650 Mission Street, Fourth Floor, San Francisco, California. The Port Commission Secretary is the custodian of records for the Port of San Francisco, and such records are located in the Port's office at Pier 1, San Francisco, California. The Planning Department staff prepared a Mitigation Monitoring and Reporting program, which material was made available to the public and the Port Commission for its review, consideration, and action, and is contained in Attachment 1 to the Resolution 12-73; now, therefore, be it

RESOLVED, This Port Commission hereby further finds and determines in that since the issuance of the Addendum, (a) there have been no substantial Project changes and no substantial changes in Project circumstances that would require major revisions to the Negative Declaration or Addendum due to the involvement of new significant environmental effects or an increase in the severity of previously identified impacts, and , and (b) there is no new information of substantial importance that would change the conclusions of the Negative Declaration or Addendum, and be it further

RESOLVED, The Port Commission has reviewed and considered reports, studies, plans, and other documents pertaining to the Project, and has heard and considered public input on the Project, and be it further

RESOLVED, That the San Francisco Port Commission hereby approves the construction of the Project affecting Jefferson Street between Jones and Powell Streets, as shown in Exhibits A and B of the staff memorandum accompanying this Resolution, and authorizes the Executive Director or her designee to coordinate with DPW and take such further action as may be required to implement these improvements, and be it further

RESOLVED, That the Port will continue to work with the Fisherman's Wharf Community Business District, Fisherman's Wharf Restaurant Association, SF Public Works, SFMTA and the San Francisco Planning Department to monitor and manage transportation circulation conditions and traffic control measures to benefit Jefferson Street.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of October 23, 2018.

Secretary