

MEMORANDUM

November 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: Informational presentation on the proposed Crane Cove Park project, maintenance, operations and program management and recent community outreach regarding the park design

DIRECTOR'S RECOMMENDATION: No Action Required

Executive Summary

At the September 11, 2018 Port Commission meeting, the Commission requested that the Port conduct a review of the Crane Cove Park design, construction approach, maintenance, operation and activation plan to ensure that Port staff is proposing a great park project for the public that the Port can maintain, operate and activate so it remains a treasured park. Also, due to the numerous scope changes to the park to match the available budget, the Port Commission asked staff to return to select Community Advisory Committees to ensure that the community has ample input into the park proposal and understands the scope of the project.

This review has allowed staff to discover lessons learned about the planning and design process and to validate that the project will deliver a great park within budget that the Port can maintain and operate so that Crane Cove Park remains a treasured destination.

This report provides an overview of:

- Lessons learned
- Maintenance, Operations and Activation Plans
- Cost and Source of Funds for Maintenance and Operations
- Results of the public outreach since September 11, 2018

This Print Covers Calendar Item No. 7B

Strategic Objective

Crane Cove Park will be a major public investment of approximately \$32,700,000¹. Confirming that the proposal for the park effectively and efficiently allocates public resource to what will be a great public park is in the Port Commission, City and public's interest. Further, the ability to maintain, operate and activate the park so it continues to be a treasured destination are critical to a successful park project. This review and recommendations for Crane Cove Park supports the goals of the Port's Strategic Plan as follows:

Renewal: The Park will be a major new public open space that preserves historic maritime resources, provides public access and recreation opportunities to the Bay, contributes to a vibrant new Pier 70 neighborhood, and expands the Port's necklace of public open spaces.

Livability: The Contract promotes living wage jobs by providing opportunity for local business enterprises (LBE's) and by meeting mandates for Local Hire in construction projects.

Resiliency: The Park is designed for 28 inches of Sea Level Rise.

Sustainability: Park design and construction include best management practices for storm water management, water efficient landscaping, and energy efficient lighting.

Background

Crane Cove Park (see *Exhibit A, Site Plan*) is one of the Port's Blue Greenway projects and will be a major new open space in the Union Iron Works National Historic District located at Pier 70. The Port Commission approved the park design and California Environmental Quality Act Community Plan Exemption at the October 13, 2015 Commission Meeting².

At the September 11, 2018 Port Commission meeting, Port staff presented an overview of project history to date, including the planning, design, funding, permitting and community outreach³. In preparing the project history, Port staff identified a variety of lessons learned that will be applied to future large-scale open space projects and will guide staff in completing Crane Cove Park.

Lessons Learned and Actionable Items

Port staff conducted a detailed review of the project history and evolution to reflect on lessons learned and to take corrective actions for execution of this project and future park and other capital projects. These lessons learned include: 1) establish a firm not-to-exceed budget; 2) if scaling of a project is anticipated based upon future funding opportunities, better articulate the strategy to the Port Commission and stakeholders; 3) provide the Port Commission with more details on cost and budget increases as they

¹ Total project cost including 19th and Georgia Streets and the 19th Street parking lot is \$36,668,550

² [http://sfport.com/sites/default/files/FileCenter/Documents/10531-](http://sfport.com/sites/default/files/FileCenter/Documents/10531-Item%20%2010C%20Crane%20Cove%20Park%20Project%20approvalF%20%28clean%20copy%29.pdf)

[Item%20%2010C%20Crane%20Cove%20Park%20Project%20approvalF%20%28clean%20copy%29.pdf](http://sfport.com/sites/default/files/FileCenter/Documents/10531-Item%20%2010C%20Crane%20Cove%20Park%20Project%20approvalF%20%28clean%20copy%29.pdf)

³ <https://sfport.com/sites/default/files/Commission/Documents/Item%2012B%20Crane%20Cove%20Park%20Informational.pdf>

occur; and 4) notify and consult the Port Commission with updates when major project delays or changes emerge.

In addition to the above, once the Port completes schematic design of projects, it should assess and conservatively estimate the time necessary to secure all necessary regulatory partner approvals including: a) the US Army Corps of Engineers; b) Bay Conservation and Development Commission; c) Regional Water Quality Control Board and d) State Office of Historic Preservation. Once applications are submitted to partner regulatory agencies, staff should closely track progress towards issuance; the delay in permit issuance has a ripple effect on project delivery timing and delay typically increases cost. Lastly, Port staff should evaluate throughout the process options for project delivery including, breaking packages apart to facilitate timely delivery should permits be delayed and to potentially offer opportunities for a larger pool of construction contractors.

Maintenance & Operations

Port maintenance, property management and finance staff have reviewed the park plans and developed a Park Management Plan, including maintenance, security and an operations plan. Staff estimates that maintenance and security for Crane Cove Park will cost approximately \$650,000 annually. It is important to note that as other Port and Pier 70 parks come on-line, the Port will be able to spread some of the Management Plan's costs, particularly security expenses, across these other facilities.

The funding needed to support the park's maintenance and operations will be generated through the Pier 70 Community Financing District (CFD) proceeds from the Orton Historic Core and Parcel K (20th and Illinois Streets) developments, which is estimated to cover approximately 90% of the cost. As described later, the Port also expects to use proceeds from the Orton and Parcel K CFD to maintain the 20th Street Plaza and 19th and Georgia Streets. The remainder of the funds required to support Crane Cove Park's operations and maintenance will come from special event parking proceeds from the new 19th Street lot which will be constructed concurrently with the park.

Table 1, Park Maintenance and Operations Cost below is a summary of annual costs to maintain Crane Cove Park, including: maintenance staff, security, equipment and reserves to replace and repair park furnishings (such as signage, benches, lighting and trash receptacles). The maintenance cost for the first year will be lower because the contractor is responsible for maintaining landscaping for one year from the time of completion.

Table 2, Other CFD Infrastructure Maintenance Cost outlines the additional costs that the Port plans to fund through the CFD.

Table 1: Maintenance and Operations Cost

Item	Cost	Notes
Maintenance Staff	\$285,000	Salaries and fringe benefits
Professional Services & Security	\$255,000	Private security service
Materials, reserves for furnishing replacement	\$ 70,000	Includes equipment
Utilities	<u>\$ 40,000</u>	Water, electricity, waste
Total	\$650,000	

Table 2: Other CFD Infrastructure Maintenance Cost

Item	Cost	Notes
19 th Street	\$15,000	sweeping, waste collection, utilities, reserves
Georgia Street	\$ 5,000	sweeping, waste collection, utilities, reserves
Illinois Street Plaza	<u>\$40,000</u>	Annual maintenance cost
Total	\$60,000	

Table 3, below *Park Operations Maintenance Funding Sources*, outlines the projected funding sources to support the ongoing park, 20th Street plaza and 19th and Georgia street maintenance. Port staff described this CFD program to the Port Commission at the September 26, 2017 Commission authorization for the approval of the Pier 70 SUD⁴. CFD District One calls for the revenue from the Orton Historic Core and Parcel K North to fund maintenance of Crane Cove Park, 19th and Georgia Streets and the 20th Street Plaza. Staff estimates that the CFD will generate \$625,000 annually to support these costs. Any maintenance and operations costs for Crane Cove Park not met solely by the CFD will be backfilled by parking revenue generated at the new 19th Street parking lot from special events at the Chase Center. Staff believes that special event parking alone, will produce \$750,000 annually.

Table 3. Park Operations and Maintenance Funding Revenues

Tenant/Use	Annual Revenue	Start Date
Orton	\$ 270,000	2019/20
PKN/Residential	\$ 355,000	2021/22
Event Parking	<u>\$ 750,000</u>	2020
Total	\$1,375,000	

The Port is working with the Office of Economic and Workforce Development (OEWD) on using Crane Cove Park as a pilot project within the OEWD-led “Citywide Public Space Initiative”, a new program to assist in the programming and management of the City’s public spaces. This initiative will include a non-profit organization to assist with park

⁴ <https://sfport.com/sites/default/files/Item%209B%20Pier%2070%20Approval%20092217.pdf>

programming to help activate and program the park. The initiative will offer a variety of services, from park maintenance to park programming. The initial focus for Crane Cove Park would be to lead or support activation, including programming, events, and stakeholder engagement within the park. Park activation could include events such as neighborhood festivals, movie nights, farmers markets or aquatic events such as regattas. Park activation is an issue that was raised in the Waterfront Land Use Plan update process, recognizing that opportunity exists within the Port's open space system to provide a more diverse set of activities within our parks, which indirectly may also help with security. The first project underway through the Citywide Public Space Initiative is Civic Center Plaza. Additionally, the San Francisco Parks Alliance has indicated an interest in assisting the Port with park programming and operations. During project construction, Port staff will work with OEWD and the non-profit and other organizations in refining the Park programming partnership and opportunities.

Community Outreach

Following the Port Commission's request, Port staff conducted outreach to the Port's Central Waterfront Advisory Group ("CWAG") and Southern Waterfront Advisory Committee ("SWAC") on the status of the Park. Port staff met on October 1st with the CWAG and on October 11 with the SWAC. This included a review of the current design, project delivery methods, cost controls and established future expectations regarding the park improvements, maintenance and ongoing operations. Port staff also presented this information to the Dogpatch Neighborhood Association and Potrero Boosters at their request.

The Port Advisory Committees and neighborhood groups voiced approval of the park design and understand that what is proposed fulfills the Port's commitment for delivery of Crane Cove Park and that there are no additional phases planned. The advisory groups and neighbors urged Port staff to proceed as quickly as possible to complete the Park. The Dogpatch Neighborhood Association expressed concerns about the Port's inability to deliver the Crane tops and children's play structures as a part of the park construction bid. However, they also recognized that throughout the process value engineering decisions were made and they had been communicated to the stakeholders, including the Port's CAC's and neighborhood organizations. The San Francisco Parks Alliance has agreed to assist the community and the Port in the necessary fundraising required to finish the Crane tops and children's play structures and has met with both Port and community representatives to initiate the fundraising.

Port staff also conducted outreach to Board of Supervisors, President Malia Cohen and each Port Commissioner. President Cohen confirmed her support for the project and encouraged the Port to advance the contract and complete the park construction as soon as possible. Port Commissioners continue to support the project and also encouraged staff to advance the project. Port Commissioners raised questions about park maintenance cost and ongoing operations and park programming; this staff report is intended to respond to those questions.

Next Steps

Should the Port Commission approve, Port staff will then a) begin to construct the park improvements; b) work with the San Francisco Parks Alliance and community on the fundraising; and c) work with OEWD and the community on further defining the park program and if necessary refine the operations plan.

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Exhibits:

Exhibit A Site Plan

EXHIBIT A Site Plan

