

MEMORANDUM

June 7, 2019

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 authorization for the Port to enter into a Memorandum of Understanding and short term lease with the San Francisco Bay Area Water Emergency Transit Authority (“WETA”) and Golden Gate Bridge and Highway District (“Golden Gate”), for the planning, construction, and operational management of the Interim Ferry Landing in Pier 48½ water basin, located generally east of Terry A. Francois Blvd. at Seawall Lot 337.

DIRECTOR’S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

The Port, WETA, and Golden Gate Bridge and Highway District (“Golden Gate”) are pursuing development of the Interim Ferry Landing at Pier 48½ to create a temporary ferry terminal. This temporary terminal will provide ferry service into San Francisco for special events at Chase Center will address regional transportation demand and assist in mitigating traffic congestion in and around Mission Bay and the Central and Southern Waterfront during the opening seasons of Chase Center. The Port and WETA are developing a permanent ferry landing in Mission Bay that will serve commuters and special events, but this project is not estimated to be complete until late 2021 at the earliest.

The Port proposes to enter into a Memorandum of Understanding (“MOU”) with WETA and Golden Gate that outlines each agency’s role in the planning, construction, and operational management of the temporary ferry landing.

STRATEGIC OBJECTIVE

The Interim Ferry Landing at Pier 48½ will assist with achieving three objectives of the Port’s Strategic Plan:

THIS PRINT COVERS CALENDAR ITEM NO. 12A

Livability: 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.

Economic Vitality: Expand the system of active water berths for visiting commercial, transportation, and recreational vessels.

Stability: Seek traditional and innovative solutions to the Port’s capital plan funding gap by maximizing external investment capital for project funding.

BACKGROUND

Chase Center is scheduled to open on September 6, 2019 with a concert by Metallica and the San Francisco Symphony. In addition to concerts, the facility will be the home to the Golden State Warriors (“Warriors”). The first Warriors event scheduled for Chase Center will be a pre-season game against the Los Angeles Lakers on October 5, 2019.

Anticipating the development of the arena, the Port and WETA have been engaged in a ferry landing project since 2016 that will construct a new two-sided terminal at the foot of 16th Street. The new Mission Bay Ferry Landing envisions serving not just Chase Center events but regular commute service as well, either as a link to the Ferry Building or direct to other WETA terminals.

The Mission Bay Ferry Landing project has completed the design and is close to securing all necessary permits to begin construction but faces a \$25 million gap to complete the anticipated \$47 million facility. The delay in Regional Measure 3 (RM3) funding has delayed the project schedule. However, if RM3 funds can be released by fall 2019, it is possible the Mission Bay Ferry Landing can be in operation by late-2021, perhaps in time for the second half of the 2021-2022 basketball season.

Because of the delay to the Mission Bay Ferry Landing project, the Port of San Francisco earlier this year began to explore the possibility of using available Port property to construct a temporary ferry terminal to offer limited ferry service for Chase Center events. A working group made up of staff from the Port, Golden Gate, WETA and the Warriors continue to meet to work through the engineering, permitting, operational and service for a temporary ferry terminal.

A temporary ferry landing at Pier 48½ is made possible by the availability of WETA’s emergency spare float, and gangway, which is currently stored at the Mare Island Maintenance Facility. The emergency spare float is not anticipated to be needed for the next two years. As a result, it is available to be temporarily deployed to the vicinity of Chase Center to provide service for games and special events.

The other agency partners are contributing to the temporary ferry terminal project through funding, engineering services, property or in-kind staff services. Port staff has led the permitting process, amending the Mission Bay Ferry Landing environmental document and

a pre-existing Bay Conservation and Development Commission permit for the Pier 48½ location. Finally, Port and WETA are proposing to enter into a short-term lease to allow use of the Pier 48 ½ (including the adjacent water basin) for the temporary ferry terminal for WETA to construct and operate the temporary ferry terminal. The engineering study to analyze the installation and operation of WETA's float at the 48½ location was funded by Golden Gate. In addition, Golden Gate is intending to allocate up to \$250,000 to pay for the transport and installation and relocation of the WETA float. The four parties will collaborate on securing any necessary funds should cost to construct the temporary ferry terminal exceed \$250,000.

FUNDING

At its June 6, 2019 meeting, the WETA Board of Directors authorized WETA to conduct a competitive bid process, enter into a contract with the selected bidder, and initially fund the installation of the temporary ferry terminal. Costs of construction and installation will be reimbursed to WETA. Port will be responsible for identifying the reimbursement sources for the cost of constructing the temporary ferry terminal and is proposing to waive building permit and landing fees. Golden Gate has informed Port and WETA that it anticipates approval to allocate funds for reimbursement to WETA at the Board of Directors meeting scheduled for June 21, 2019. The Warriors have also demonstrated a willingness to financially support this project.

PROPOSED LEASE TERMS

The Port and WETA propose entering into a short-term lease allowing WETA to construct and operate the temporary ferry terminal. The lease term will expire when the permanent Mission Bay Ferry Landing Project is operational (currently estimated to commence Fall 2021). The lease will be based on the Downtown Ferry Terminal lease with WETA. In consideration of WETA providing the equipment for the temporary ferry terminal and constructing the same, no rent be charged to WETA for its use of the site. Additionally, no landing fees will be charged to WETA for ferry landings for special events at Chase Center. The lease term will expire when the permanent Mission Bay Ferry Landing Project is operational (currently estimated to commence Fall 2021).

SCHEDULE

The parties anticipate that construction and installation of the temporary ferry terminal will be completed no later than October 5, 2019 to align with the Warriors and MTA transportation strategy for Mission Bay. The strategy seeks to address anticipated traffic congestion concerns in the Southern Waterfront and Mission Bay areas from games and special events at Chase Center.

NEXT STEPS

With Port Commission approval, the Port and WETA would enter into the MOU and anticipate entering into the short-term lease before commencement of construction of the temporary ferry terminal.

CONCLUSION

Port Commission approval to authorize MOU and short-term lease will clarify the Port's and WETA's roles in delivering the new Interim Ferry Landing at Pier 48½ and advance delivery of the same by the Fall of 2019.

RECOMMENDATION

Port staff recommends that the Port Commission authorize the Director or her designee to execute an MOU and associated short term lease between the Port and WETA and Golden Gate for delivery of the Interim Ferry Landing at Pier 48½.

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For: Andre Coleman, Deputy Director
 Maritime Division

Attachment 1: Memorandum of Understanding

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 19-23**

WHEREAS, the San Francisco Port Commission, the San Francisco Bay Area Water Emergency Transit Agency (“WETA”) and Golden Gate Bridge and Highway District (“Golden Gate”) are pursuing development of the Interim Ferry Landing at Pier 48½ (the “Facility”) to provide ferry service into San Francisco for special events at Chase Center that will address regional transportation demand and assist in mitigating traffic congestion in and around Mission Bay and the Central and Southern Waterfront during the opening seasons of Chase Center; and

WHEREAS, the Port, WETA, and Golden Gate propose to enter into a Memorandum of Understanding (“MOU”) that outlines each agency’s role in the planning, construction and operation, and management of the Facility; and

WHEREAS, the Port will waive building permit fees and landing fees for the temporary facility; and

WHEREAS, the Port and WETA will enter into a short-term lease on terms described in the MOU, for WETA’s construction, operation, and management of the Facility; and

WHEREAS, the development of the Facility supports the goals of the Port’s Strategic Plan in the area of engagement, livability, and economic vitality; now therefore be it

RESOLVED, that the Port Commission hereby authorizes the Port’s Executive Director to enter into a MOU with WETA and Golden Gate, and short-term lease consistent with the terms as described in the MOU, for the planning, construction, and operational management of the Interim Ferry Landing at Pier 48½; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the MOU and the short-term lease that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not materially decrease the benefits or otherwise materially increase the obligations or liabilities of the City or Port, and are necessary or advisable to complete the transactions that the MOU contemplates and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of such additions, amendments or other modifications to the MOU.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 11, 2019.

Secretary