

MEMORANDUM

September 19, 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: Informational presentation on the proposed Crane Cove Park Fundraising Campaign and partnership with San Francisco Parks Alliance

DIRECTOR'S RECOMMENDATION: Informational only

EXECUTIVE SUMMARY

At the September 11, 2018, Port Commission meeting Port staff presented an overview of the evolution of the park planning and design, funding and steps required to complete Crane Cove Park. Port staff identified two components of the project, the children's playground and the crane tops that were removed from the project scope due to cost considerations. Because these components were deemed vital to the overall park design and vision, Port staff opened discussions with the San Francisco Parks Alliance ("Parks Alliance") and Dogpatch Community regarding a fundraising strategy. At the time, the Parks Alliance and the community believed those items were strongly supported elements of the park and that a fundraising campaign led by the community and Parks Alliance would be successful. The Parks Alliance's extensive experience and long-standing commitment to leveraging private investment for public parks are a major asset to the Port in raising these critical dollars and realizing the full scope of the park project.

Since the September 2018 meeting, Port Staff in collaboration with the Parks Alliance have refined a shared understanding of a proposed Crane Cove Fundraising Campaign ("Campaign"). Port staff anticipate returning to the Port Commission to seek approval for a Memorandum of Understanding ("MOU") between the Port and the Parks Alliance to partner on the Campaign in October of this year. This report provides a summary of the following:

THIS PRINT COVERS CALENDAR ITEM NO. 7B

1. Project Background and Status
2. Strategic Plan Alignment
3. Partner History and Experience
4. Proposed MOU
5. Next Steps

Port Staff is seeking guidance and feedback on the proposed Crane Cove Fundraising Campaign.

PROJECT BACKGROUND & STATUS

The Crane Cove Park site is located within the Pier 70 area and, upon completion, the Park will be one of the signature new parks of the Blue Greenway and within the City's park system (see Exhibit 1 - Site Location and Setting). The Park has long been envisioned by the Port and was recognized initially in the adoption of the Port's Waterfront Land Use Plan in 1997 and was also identified in the Port's 2010 Pier 70 Preferred Master Plan and 2012 Blue Greenway Planning and Design Guidelines. Since 2011, the Park project has gone through a significant community planning process, design review and has received all its necessary permits. Crane Cove Park is being funded primarily through the 2008 and 2012 Park General Obligation Bonds, Port Capital and grants.

The Port Commission has approved the Park Master Plan and Schematic Design (see *Exhibit 2, Site Plan*). The project has been divided into five contracts: Site Preparation and Surcharging, Hazardous Materials Abatement, Park Improvements and 19th St Parking Lot, Building 49, and 19th and Georgia St Roadway Improvements. All the contracts have been completed or are under construction with the exception of Building 49 and the Roadway Improvements. The Park Improvements and 19th St Parking Lot contract, which will allow for the Park to open to the public, is anticipated to be complete in Spring 2020. To date, the Port has spent \$16 million on the Park, and has a total budget of \$36.6 million to complete the Park, the surrounding roadways and the parking lot.

Through the Park planning, design and entitlement process, the project has been vetted through significant community outreach, including to the Port's Central Waterfront Advisory Group (CWAG), Southern Waterfront Advisory Committee (SWAC), Waterfront Design Advisory Committee (WDAC), Bay Conservation Development Commission, Design Review Board (BCDC-DRB), Dogpatch Neighborhood Association, Potrero Boosters, Eastern Neighborhoods CAC, Hunters Point Shipyard CAC, Mission Bay CAC, Bay Trail and Bay Area Water Trail CAC's, Port, City Planning and BCDC Commissions. In total, the project has benefited from more than 60 public meetings or hearings.

STRATEGIC PLAN ALIGNMENT

This project supports the goals of the Port's Strategic Plan as follows:

Evolution:

3. Improve Port open spaces to provide publicly desired amenities and activities.
 - a. Deliver Crane Cove Park on time and budget
 - i. Open to the public with Park activation programs by 2020
 - ii. Raise private funds for historic crane caps and the children's playground by 2020

Stability:

2. Grow capital funding with external sources.

PARTNER HISTORY AND EXPERIENCE

Since 1972, San Francisco Parks Alliance has leveraged public and private resources to improve parks and public spaces throughout the City. The Parks Alliance champions, transforms, and activates parks and public spaces throughout our city through innovative partnerships with community groups, city government and local business. The Parks Alliance believes that building these partnerships to support parks and open spaces leads to stronger, more cohesive communities, greater physical and mental wellness, and a more sustainable, equitable urban environment. The Parks Alliance is a nonprofit organization (under Internal Revenue Code Section 501(c)(3)) that for 50 years has supported parks and open space in San Francisco.

The Parks Alliance expertise has afforded them an illustrious reputation among the donor community, which has allowed the organization to successfully raise over \$100 million dollars dedicated to rehabilitating and developing parks and open spaces throughout San Francisco. The organization has worked with more than 200 community groups improving their local spaces through beautification, community driven programming, and special events. They are often showcased as a model for successful public private partnerships.

The Parks Alliance initiated and continues to lead the advocacy for the Blue Greenway project. Additionally, the Parks Alliance led the campaigns in support of both the 2008 and 2012 Parks General Obligation Bonds, which have provided significant funding for both the Blue Greenway and other waterfront parks.

Through the Let'sPlaySF! Initiative, launched in 2016 with the San Francisco Recreation and Parks Department, the Parks Alliance is supporting the renovation of the City's 13 playgrounds most in need of investment, and to date has raised over \$15 million dollars.

PROPOSED MOU

OVERVIEW

The Port staff and Parks Alliance contemplate a MOU between the two organizations, designed to serve as a roadmap of general terms for collaborating on the Campaign to

receive private support through the Parks Alliance. Port staff will bring each contribution pledge secured by the Parks Alliance to the Port Commission for approval. The MOU will also contain commitments by the Port and SFPA on how the parties will collaborate on the Campaign. These commitments include the following:

- To communicate with each other regarding Campaign progress in fundraising and other relevant milestones.
- To regularly review agency roles and responsibilities, particularly as to which party will be responsible for required public outreach and engagement.
- To specify and agree upon the Campaign fundraising goals and targeted project delivery milestones.
- To report to the Commission annually on the Campaign and, as needed, to accept and expend contributions committed through the Campaign.

The future MOU will also outline general City requirements for project partnership arrangements with non-profit agencies, regarding insurance, indemnification and other requirements applicable to private parties that provide services on City property. Overall, staff intend that the MOU will serve to formalize the mutual commitment of both the Port and Parks Alliance to jointly pursue the Crane Cove Park Fundraising Campaign.

Term

Port staff foresee that the purpose of the MOU will be adequately fulfilled with a term of 5 years with two 2-year options to extend, which Port Staff believes will cover the expected schedule to deliver all the final elements of the Park.

Fundraising Scope and Goal

The Crane Cove Fundraising Campaign will aim to raise approximately \$6.3 million dollars to fund the completion of the following park elements, including the children’s playground (separated into Riggers Yard and Tot Lot below) and the crane tops, as previously identified at the September 11, 2018 Port Commission meeting and adding the Dog Run, contingency and campaign costs. The anticipated amounts are as follows:

Feature	Amount
Riggers Yard	\$ 300,000
Tot Lot	\$ 400,000
Dog Run	\$ 240,000
Crane Tops	\$ 4,000,000
Contingency	\$ 741,000
Campaign Costs	\$ 624,910
TOTAL	\$ 6,305,910

Although the goal of this initiative is to raise approximately \$6.3 million to complete the Crane Cove Project, the MOU will allow for the Port to accept additional funds in case the fundraising efforts are extraordinarily successful, or the parties decide to raise additional funds. As currently contemplated, the MOU also will allow for 11% of all monies raised to be retained by the Parks Alliance for campaign costs. Funds allocated for the campaign costs will be paid exclusively from privately raised funds. The Port will reconcile actual fundraising amounts, quarterly, annually and at the conclusion of the campaign.

PARK OPERATIONS, MAINTENANCE, & ACTIVATION

Port staff has prepared an estimated budget for maintenance cost and a staffing plan for the completed Park. Maintenance will be funded through the Pier 70 Community Facilities District (CFD) funding generated from the Historic Core, Parcel K and future development opportunities along 19th Street. The CFD will fund an annual operating and maintenance budget of approximately \$650,000, and the work will be performed by Port Maintenance Staff.

Additionally, Port Staff have been exploring a collaboration with the Office of Economic Development and Workforce Development (OEWD) and the Parks Alliance or another newly formed non-profit entity for a possible partnership to assist the Port in park management for Crane Cove Park and a number of other Blue Greenway parks. This non-profit entity collaboration might facilitate a range of management operations including establishment of community stewardship and volunteer programs, park security, management of special events or arts within the park, and potentially some additional maintenance.

NEXT STEPS

Port staff, with guidance from the Port Commission, seek to complete negotiations for a partnership with the Parks Alliance and upon completion will bring forth an MOU for Port Commission consideration and approval in October. Port staff will also continue to pursue further discussions regarding the above mentioned partnership with OEWD and Parks Alliance for the activation of the Park and if successful will return to the Port Commission for further discussion and consideration of that element.

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