

# Economic Recovery & Growth on the Waterfront

Southern Advisory Committee

June 28, 2023

**Presented by:**

Meghan Wallace, Economic Recovery Manager



A safe, equitable, and vibrant waterfront is key to the Port of San Francisco. City and Port partners economic recovery. So much has and so much will continue to happen to invigorate the waterfront from the emergence from the COVID-19 financial crisis. The Port of San Francisco is proud of recent success and excited for the intentional waterfront activations planned that will ensure a waterfront for everyone.

- Waterfront Activation Plan, Fall/Winter 2022



# Economic Recovery & Growth Plan Overview

- **Provide an overview of the Port's Economic Recovery and Growth Plan**, including the development process and allocation of resources.
- **Share a \$10M Economic Recovery project expenditure plan** prior to seeking a release of reserves from the Board of Supervisors.
- **Gather input and feedback.**

# Economic Recovery & Growth Plan

## Mission Statement and Process Overview

**Mission Statement:** Use **existing guiding documents** to develop and implement initiatives that **address the immediate economic impacts** of the pandemic on our historic waterfront and position the Port and City for **long term financial and economic sustainability**.

### Process Overview:

- ✓ **Develop and Refine an Economic Recovery and Growth Plan** that supports the Port's economic goals, including driving operational efficiencies.
- ✓ **Allocate Resources** to unfunded economic recovery and growth initiatives.
- ✓ **Execute and Iterate** on initiatives as we proceed.
- ✓ **Ongoing Monitoring & Reporting** of progress.



**ECONOMIC RECOVERY & GROWTH**



**EQUITY**



**RESILIENCE**



# Economic Recovery & Growth Plan

## Partners, Guiding Documents, & Funding Sources

### Internal Co-Creators

- Executive Leadership
- Real Estate & Development
- Maritime
- Finance & Administration
- Planning & Environ.
- Engineering
- Resilience
- Legislative

### Guiding Documents

- 2021-2025 Strategic Plan
- Economic Recovery Proposals
- Capital Improvement Program
- Waterfront Plan
- Waterfront Activation Plan (Summer 2022)

### External Partners

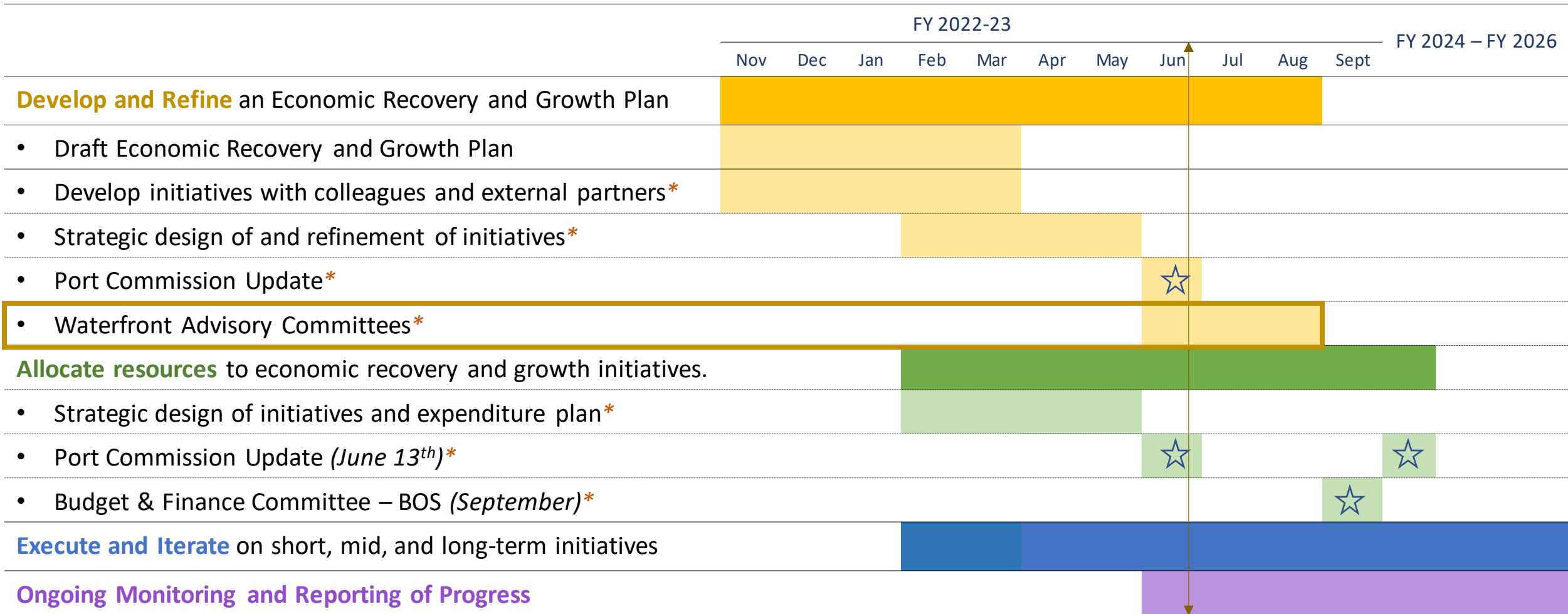
- Pier 39 Leadership
- Fisherman's Wharf CBD
- SF Travel
- Foodwise
- OEWD
- Advisory Committees
- Elected Officials

### Funding Sources

- Economic Recovery (\$10M) – *On BOS Budget Reserve*
- Tenant Improvement (\$8M)
- PIDP/ CalSTA Grants (\$49M)
- Southern Waterfront Beautification (\$5M)

# Economic Recovery & Growth Plan

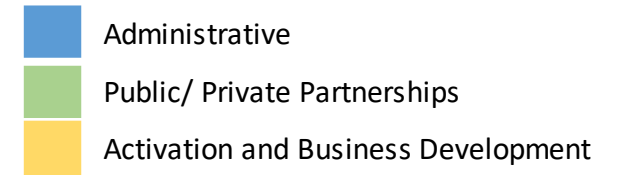
## Process & Timeline



\* Engagement effort

# Economic Recovery & Growth Plan

## Planning Framework



- The **Economic Recovery & Growth Plan** is the *implementation plan* for the economic goals, objectives, and actions in the **Strategic Plan**.
  - Economic Recovery - Develop and implement strategies to address the economic impacts of the pandemic and stabilize the Port's financial position during an expected five-year recovery period.
  - Economic Growth - Grow the Port's Maritime and Real Estate business portfolios to create an economically successful, safe, vibrant, and equitable waterfront.
- The Objectives of these two economic goals fall largely under three categories:
  - **Administrative** – Lease administration, operating efficiencies, the use of technology and financial tools.
  - **Activation and Business Development** – Initiatives that address the economic impacts of the pandemic and grow business lines to create an economically successful, safe, vibrant, and equitable waterfront.
  - **Public / Private Partnerships** – Completion of approved, and pursuit of new, projects that create exceptional places and support rehabilitation of historic properties.

# Economic Recovery & Growth Plan

## Administrative

- Administrative
- Activation and Business Development
- Public/ Private Partnerships



- \*No Expense or Port Harbor Funds*
- \*Economic Recovery Investment (\$10M Project)*
- \* Stimulus or Grant Funded*
- \* Public/ Private Partnership*



# Economic Recovery & Growth Plan

## Administrative

- Administrative
- Activation and Business Development
- Public/ Private Partnerships

RECOVERY (4-24 months)	
Lease Administration	
Activity	Initiative
<b>Compliance</b>	Criteria-based settlement options to bring delinquent tenants back into good standing.
<b>Incentives</b>	Improve tenants' ability to recover and pay full rent in the future: <ul style="list-style-type: none"> <li>- Rent Credits</li> <li>- <b>Tenant Improvement Fund</b></li> </ul>

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# Economic Recovery & Growth Plan

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RECOVERY (4-24 months)					
Lease Administration		Enterprise Economic Recovery		Resource/ Project Management	
Activity	Initiative	Activity	Initiative		
<b>Compliance</b>	Criteria-based settlement options to bring delinquent tenants back into good standing.	<b>External Funding</b>	Grants Writer <b>\$40M CalSTA (Applied)</b> <b>\$9M PIDP (Awarded)</b> <b>TBD EPA Electrification</b> <b>TBD Port Cost Recovery</b>		
<b>Incentives</b>	Improve tenants' ability to recover and pay full rent in the future:  - Rent Credits - <b>Tenant Improvement Fund</b>	<b>Technology</b>	Enterprise Asset Management GIS Upgrade Leasing Pipeline <b>811 Utility Mapping</b> <b>GIS Inventory of the Port</b>		
		<b>Operating Efficiencies/ Staffing</b>	Event licensing improvements Streamline Leasing RFPs		

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				<b>Reporting</b>	Evaluate financial policies Reporting & Engagement
<b>Incentives</b>	Improve tenants' ability to recover and pay full rent in the future:  - Rent Credits - <b>Tenant Improvement Fund</b>	<b>Technology</b>	Enterprise Asset Management GIS Upgrade Leasing Pipeline <b>811 Utility Mapping</b> <b>GIS Inventory of the Port</b>		
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# Economic Recovery & Growth Plan

## Activation and Business Development

- Administrative
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RECOVERY (4-24 months)	GROWTH (1-5 years)	
Tenant Recovery & Activation	Property Portfolio	Maritime Portfolio

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# Economic Recovery & Growth Plan

## Activation and Business Development

- Administrative
- Activation and Business Development
- Public/ Private Partnerships

RECOVERY (4-24 months)		GROWTH (1-5 years)	
Tenant Recovery & Activation		Property Portfolio	Maritime Portfolio
Activity	Initiative		
Activation	Restaurant & Retail Pop-ups		
Parks/ Open Space	Wayfinding Waterfront Walk Art & Beautification		
Fisherman's Wharf	Activation Pop-ups Outdoor Amenities Safety & Cleaning		

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# Economic Recovery & Growth Plan

## Activation and Business Development

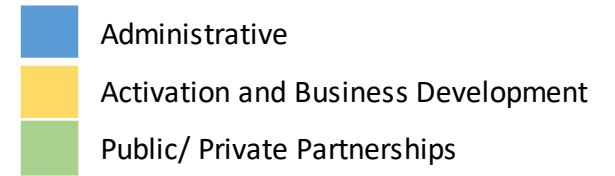
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RECOVERY (4-24 months)		GROWTH (1-5 years)		
Tenant Recovery & Activation		Property Portfolio		Maritime Portfolio
Activity	Initiative	Activity	Initiative	
Activation	Restaurant & Retail Pop-ups	Building Improvements to support leasing of vacant facilities	<i>Fisherman's Wharf</i> 490 Jefferson St. Pompei's Grotto Lou's Alioto's	
Parks/ Open Space	Wayfinding Waterfront Walk Art & Beautification		<i>Northeast Waterfront</i> Pier 33.5 Pier 29 Bulkhead Beltline Building Ferry Plaza East	
Fisherman's Wharf	Activation Pop-ups Outdoor Amenities Safety & Cleaning		<i>China Basin</i> Bayfront Park Kneass Building <i>Southern Waterfront</i> Shipyard, Building 36	

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# Economic Recovery & Growth Plan

## Activation and Business Development



RECOVERY (4-24 months)		GROWTH (1-5 years)				
Tenant Recovery & Activation		Property Portfolio		Maritime Portfolio		
Activity	Initiative	Activity	Initiative	Activity	Initiative	
Activation	Restaurant & Retail Pop-ups	Building Improvements to support leasing of vacant facilities	<i>Fisherman's Wharf</i> <b>490 Jefferson St.</b> <b>Pompei's Grotto</b> <b>Lou's</b> <b>Alioto's</b>	Commercial Fishing	<b>Ice Machine</b> <b>Outer Lagoon Berthing</b> <b>Pier 45 W Apron</b> <b>Pier 45 Sheds</b> <b>Fuel Dock</b>	
Parks/ Open Space	Wayfinding Waterfront Walk Art & Beautification			<i>Northeast Waterfront</i> <b>Pier 33.5</b> <b>Pier 29 Bulkhead</b> <b>Beltline Building</b> <b>Ferry Plaza East</b>	Pier 70 Shipyard	<b>Shipyards Buildings</b> <b>Deep Water Berths</b>
Fisherman's Wharf	<b>Activation Pop-ups</b> <b>Outdoor Amenities</b> <b>Safety &amp; Cleaning</b>				<i>China Basin</i> <b>Bayfront Park</b> <b>Kneass Building</b>	Cruise
			<i>Southern Waterfront</i> <b>Shipyards, Building 36</b>	Piers 80-96 Leasing	<b>Maritime Terminal</b> <b>Drainage &amp; Fenders</b> <b>Pier 96 OSW Prep</b> <b>Fleet Emissions Mitigation</b>	

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# Economic Recovery & Growth Plan

## Public/ Private Partnerships

- Administrative
- Activation and Business Development
- Public/ Private Partnerships

### GROWTH

(1-5 years)

Exceptional Places		Historic Facilities	
Activity	Initiative	Activity	Initiative
Exceptional Places	<b>Pier 70</b> <b>Mission Rock</b>	<b>Historic Facilities</b>	<b>Piers 38-40</b> <b>Piers 30-23</b>

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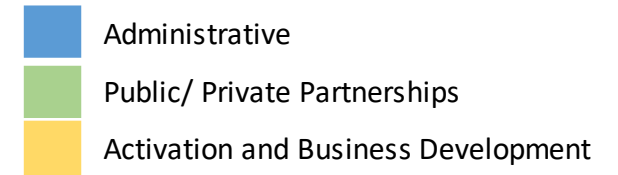
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# Economic Recovery & Growth Plan

## Strategic Outcomes



- **Improve the Port's balance sheet** by retaining and attracting tenants and securing external funding.
- **Make it easier to work for and with the Port** through operational efficiencies and improved systems.
- **Operate the Port effectively** by retaining & attracting a talented workforce.

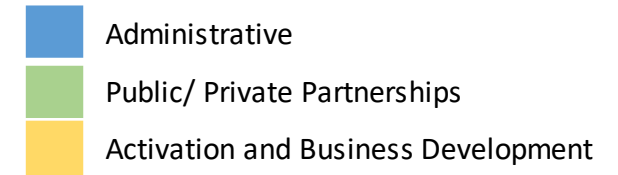
- **Expand the Port's Maritime Portfolio** through strategic investment of grant funding in the Southern Waterfront.
- **Enhance the visitor experience and draw business to tenants & fishers** by activating and beautifying Fisherman's Wharf.
- **Restore & grow commercial rents** by improving and leasing vacant sites.

Staff is developing metrics to track progress on these outcomes

- **Create diverse and resilient communities** by advancing mixed-use developments and other key projects.
- **Restore, rehabilitate and protect Embarcadero Historic District facilities** for maritime & public spaces.
- **Protect the Port's financial future** by securing new & growing revenues.

# Economic Recovery & Growth Plan

## Allocate Resources



- The FY 2021-22 budget included a \$10M Economic Recovery project
  - Placed on the Board of Supervisors’ budget reserve, pending an expenditure plan.
  - The following expenditure plan will allow the Port to implement strategic initiatives that are not funded through federal stimulus, grants, or other funding.

RECOVERY (4-24 months)					GROWTH (1-5 years)			
Enterprise Economic Recovery			Tenant Recovery & Activation			Maritime Portfolio		
Activity	\$\$ Initiative		Activity	Initiative		Activity	Initiative	
Technology	\$0.5	811 Utility Mapping	Activation	\$1.0	Restaurant & Retail Pop-ups in Vacant Spaces	Commercial Fishing	\$0.3	Ice Machine
	\$0.3	GIS Port Inventory (Pilot)					\$3.0	Outer Lagoon Berthing
	\$0.1	Employee Engagement	Parks/ Open Space	\$1.0	Wayfinding & Waterfront Walk		\$3.0	Pier 45 W Apron Design & Permitting
				\$0.5	Art & Beautification	Piers 80-96	\$0.3	Fleet Emissions Mitigation
<b>Subtotal</b>	<b>\$0.9 million</b>			<b>\$2.5 million</b>			<b>\$6.6 million</b>	

# Economic Recovery & Growth Plan

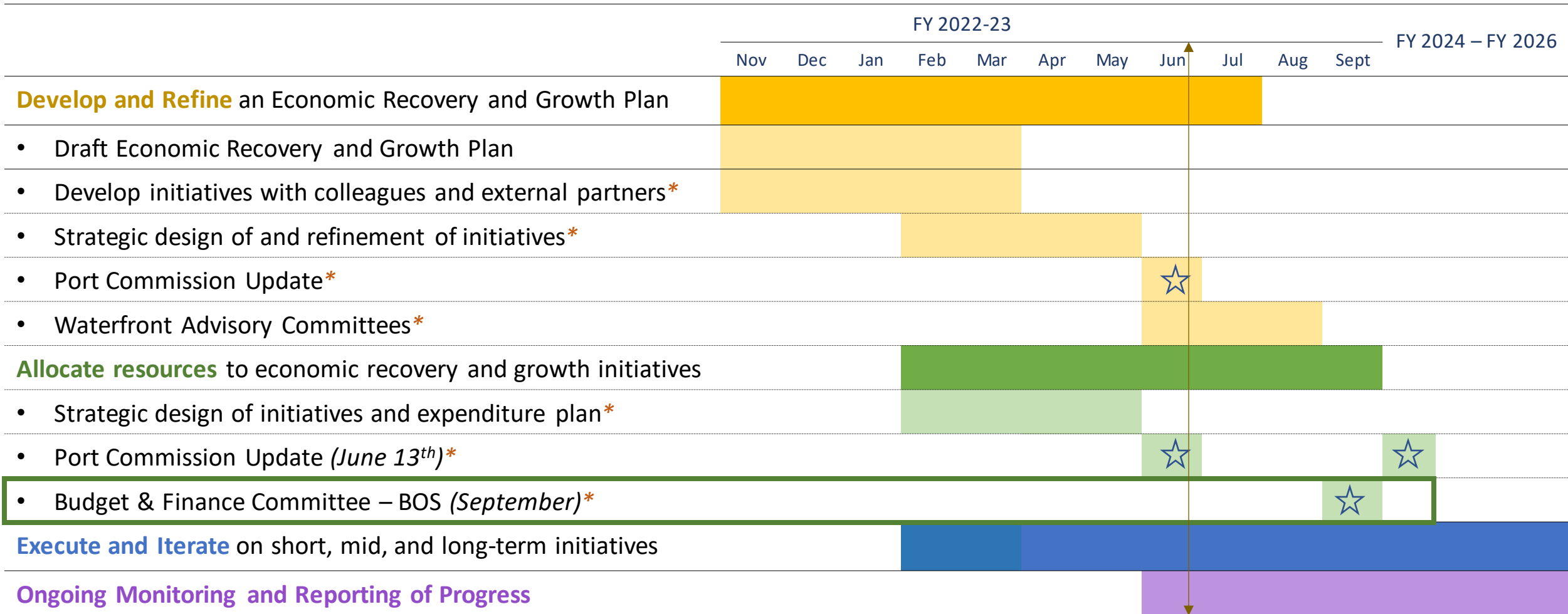
## Conclusion



- **We have an Economic Recovery and Growth Plan** and a dedicated staff resource that is helping the Port be accountable for delivering actions that it has committed to in the Strategic Plan.
- While this work will draw from many funding sources, **the \$10M Economic Recovery funding will allow the Port to implement critical strategic initiatives that are not currently funded** through federal stimulus, grants, or other funding.
- Major highlights of the work ahead include:
  - **Improving internal processes** to help make it easier to work with the Port and set our talented workforce up for success.
  - **Activating Fisherman's Wharf to improve the visitor experience** to, in turn, help existing tenants, draw in new tenants and investments, and restore Port commercial rent revenues.
  - **Leveraging external funding** to expand the Port's Maritime Portfolio and other critical infrastructure, particularly in the Southern Waterfront, that aims to improve the Port's balance sheet in the mid- to long-terms.

# Economic Recovery & Growth Plan

## Next Steps



\* Engagement effort



Thank You!