

Economic Recovery & Growth on the Waterfront

Northern Advisory Committee

July 19, 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

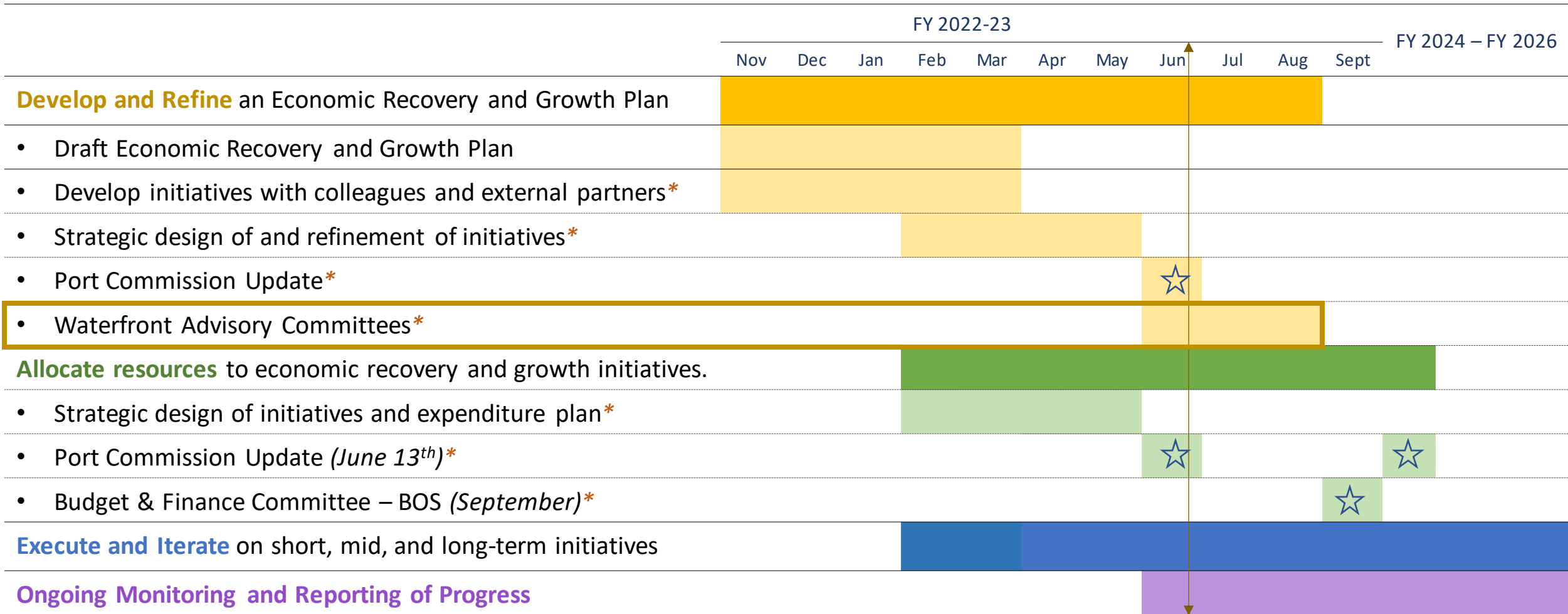
- Pier 39 Leadership
- Fisherman's Wharf CBD
- SF Travel
- Foodwise
- OEWD
- Advisory Committees
- Elected Officials

Funding Sources

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

Economic Recovery & Growth Plan

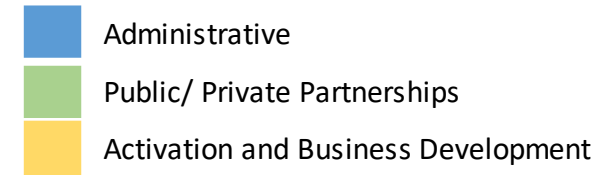
Process & Timeline



* 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		Enterprise Economic Recovery	Resource/ Project Management
Activity	Initiative		
Compliance	Criteria-based settlement options to bring delinquent tenants back into good standing.		
Incentives	Improve tenants' ability to recover and pay full rent in the future: <ul style="list-style-type: none"> - Rent Credits - Tenant Improvement Fund 		

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

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Economic Recovery & Growth Plan

Administrative

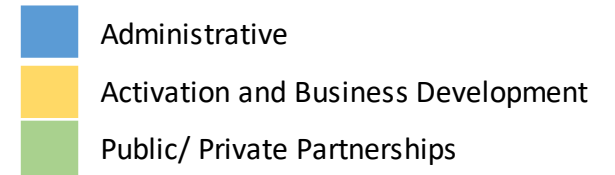
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Compliance	Criteria-based settlement options to bring delinquent tenants back into good standing.	External Funding	Grants Writer \$40M CalSTA (Applied) \$9M PIDP (Awarded) TBD EPA Electrification TBD Port Cost Recovery	Hiring	Economic Recovery Mgr. Business Generation Mgr. Employee Obudsman
				Reporting	Evaluate financial policies Reporting & Engagement
Incentives	Improve tenants' ability to recover and pay full rent in the future: - Rent Credits - Tenant Improvement Fund	Technology	Enterprise Asset Management GIS Upgrade Leasing Pipeline 811 Utility Mapping GIS Inventory of the Port		
		Operating Efficiencies/ Staffing	Event licensing improvements Streamline Leasing RFPs		

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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

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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

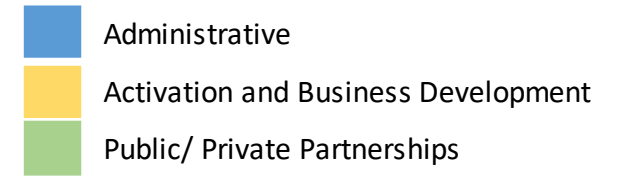
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RECOVERY (4-24 months)		GROWTH (1-5 years)		
Tenant Recovery & Activation		Property Portfolio		Maritime Portfolio
Activity	Initiative	Activity	Initiative	
Activation	Restaurant & Retail Pop-ups	Building Improvements <i>to support leasing of vacant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

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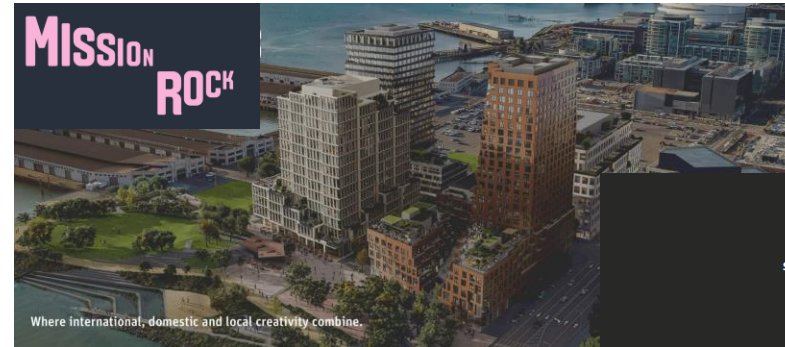
Economic Recovery & Growth Plan

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	Pier 70 Mission Rock	Historic Facilities	Piers 38-40 Piers 30-23



2,700,000
square feet of lab ready office, residential and retail space.
The place to work, shop, meet, visit, live and explore.

8 acres
of public open space
Almost a ballpark's worth of walkable, bikeable, sit-down-and-relaxable outdoor areas right alongside the Bay.

40%
affordable homes
Waterfront homes at below market rates to serve low-to-middle income families and individuals.

TOTAL DEVELOPMENT REDUCTION
-175,000 SF
(634,500 SF TOTAL)

TOTAL RESIDENTIAL UNIT REDUCTION
-136 UNITS
(714 UNITS TOTAL)

% OF SITE COVERAGE BELOW 105'
+20%
(90% TOTAL)

INCREASE GROUND LEVEL OPEN SPACE
+16,500 SF
(34,800 SF TOTAL)

INCREASE RETAIL PROVISION
+7,000 SF
(13,000 SF TOTAL)



9
acres of waterfront parks, playgrounds and opportunities for recreation

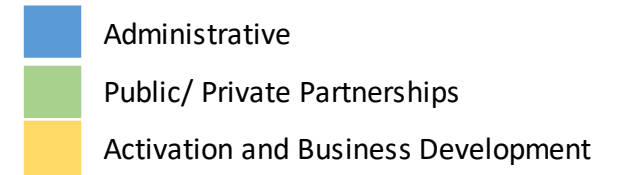
2K
Up to 2,000 new homes

30%
of all new homes at below — market rates



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.

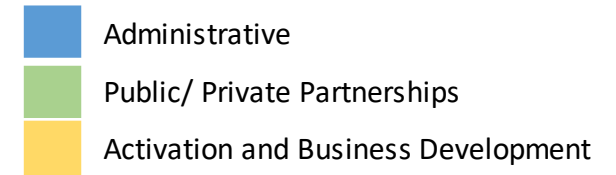
- **Expand the Port's Maritime Portfolio** through strategic investment of grant funding in the Southern Waterfront.
- **Enhance the visitor experience and draw business to tenants & fishers** by activating and beautifying Fisherman's Wharf.
- **Restore & grow commercial rents** by improving and leasing 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
Subtotal	\$0.9 million			\$2.5 million			\$6.6 million	

Economic Recovery & Growth Plan

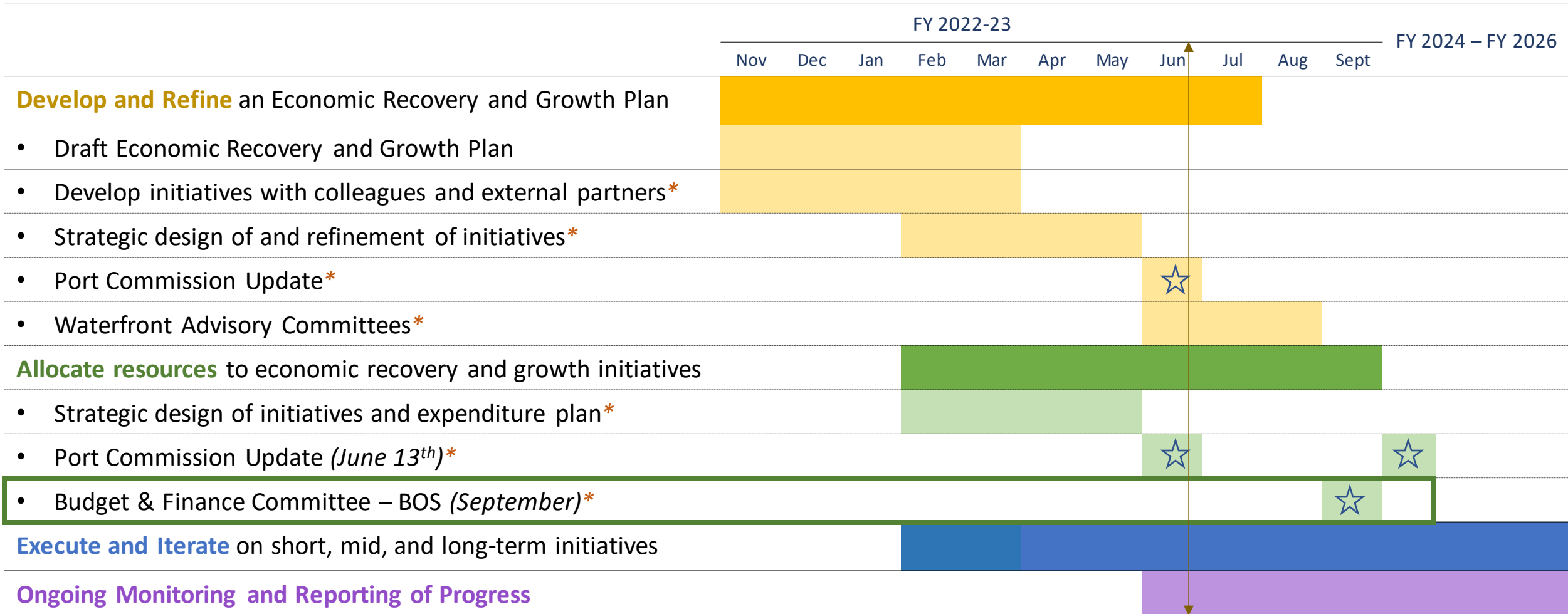
Conclusion



- **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!