



## MEMORANDUM

October 4, 2024

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Gail Gilman, Vice President  
Hon. Willie Adams  
Hon. Stephen Engblom  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request authorization to accept and expend a \$2,700,000 Advance Assistance grant from the Hazard Mitigation Grant Program, implemented by the Federal Emergency Management Agency for the Piers 94/96 Seismic Improvements Project.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 24-42

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### EXECUTIVE SUMMARY

Pier 94/96 Marine Terminal is a key terminal in the Port's Maritime Eco-Industrial Center and is one of the only remaining cargo and heavy maritime piers within San Francisco. This facility is adjacent to the Bayview Hunters Point neighborhood and is an important source of diverse local jobs. As relevant to this Advance Assistance grant, Pier 94/96 is a critical deep draft maritime facility for disaster response identified in emergency action plans by both the City and region.

In 2021, the Port commissioned an initial study of earthquake vulnerability in the Southern Waterfront and found Pier 94/96 highly vulnerable to earthquake damage including liquefaction of the backlands, slope failures and lateral spreading of the shoreline, and damage and collapse of pile-supported bulkheads and wharves. This type of damage may render the facility unusable for months or years following a large earthquake, impairing response and recovery activities, and leading to additional human suffering and recovery costs.

**THIS PRINT COVERS CALENDAR ITEM NO. 11A**

The Port applied for and was awarded an Advance Assistance grant by the Federal Emergency Management Agency's ("FEMA") Hazard Mitigation Grant Program ("HMGP") to further assess Pier 94/96's existing conditions and seismic risk and to develop and permit design documents for the needed repairs and upgrades. The estimated cost for this scope of work is \$3,600,000. Port staff seeks Port Commission authorization to accept and expend the \$2,700,000 federal matching grant awarded by FEMA, as detailed in the Notice of Subapplication Approval, and authorize its Executive Director to seek Board of Supervisors' authorization to accept and expend the grant funds.

## **STRATEGIC OBJECTIVES**

The proposed Pier 94/96 Seismic Improvement Project supports the Port's 2021-2025 Strategic Plan through the following goals:

### Economic Growth:

Grow business portfolio to create an economically successful and vibrant waterfront.

A strengthened and repaired wharf at Pier 94/96 creates an improved leasable asset that is usable by a range of commercial and industrial tenants.

### Resilience:

Reduce seismic and climate change risks to protect the waterfront, City neighborhoods, and infrastructure.

The Project will repair and/or replace the wharf and provide strengthening of upland soils, reducing the risk of liquefaction and lateral spreading in the event of a seismic event. These improvements serve the city and greater region by securing a critical asset for the response and recovery to a disaster event.

### Evolution:

Evolve the waterfront to respond to changing public and Port needs.

Pier 94/96's available acreage, deepwater berth, and proximity to the workforce make it a unique Port asset in California. Improving the stability of the wharf and upland area compactivity positions the Port to attract emerging industries, such as the offshore wind industry.

## **BACKGROUND**

With this Advanced Assistance application, the Port proposes to improve the seismic stability of the Pier 94/96 Marine Terminal, a key terminal in the Port's Piers 80 to 96 Maritime Eco-Industrial Center. Pier 94/96 was constructed in the early 1960s and is one of the only remaining cargo and heavy maritime piers within San Francisco. Pier 94/96 is a 76-acre facility with 3 deep draft berths, a 24,000-sf maintenance building, 2 cranes, on-dock rail access, and direct access to the Intermodal Container Transfer Facility. The facility is adjacent to the Bayview Hunters Point neighborhood and is an important source of diverse local jobs. Furthermore, Pier 94/96 is a critical deep draft maritime facility for

disaster response, identified in emergency action plans by both the City and Region. See Exhibit A for a location map.

In 2021 the Port commissioned an initial study of earthquake vulnerability and found this facility highly vulnerable to earthquake damage including liquefaction of the backlands, slope failures and lateral spreading of the shoreline, and damage and collapse of pile-supported bulkheads and wharves. This type of damage may render the facility unusable for months or years following a large earthquake, impairing response and recovery activities, and leading to additional human suffering and recovery costs.

The Port submitted an Advance Assistance application to FEMA's Hazard Mitigation Grant Program to further assess existing conditions and seismic risk and to develop and permit design documents for the needed repairs and upgrades. The cost of this scope of work was estimated at \$3,600,000. The Port applied for and was awarded a \$2,700,000 HMGP grant from FEMA to fund this effort. The grant funds equal 75% of the total design phase cost. The remaining \$900,000 (25%) will be funded by a Port local match as required by the HMGP grant.

## **PROPOSED IMPROVEMENTS**

This project will address the aging seawall and wharf and inadequate soil conditions of Pier 94/96. The conditions pose risks of liquefaction and lateral spreading in a significant seismic event. The wharf will be repaired/replaced to meet appropriate geotechnical standards, and the upland soils will be strengthened to adequately support the weights required by future tenant or emergency response demands. The Port will also use this completed design project to support future FEMA grant requests for construction funding and completion of the permitted design.

The grant will fund the following scope of work:

- Project Management
- Consultant Procurement
- Existing Conditions Assessment and Technical Report
- Earthquake Risk Assessment and Technical Report
- Alternatives Assessment, Selection, and Conceptual Design
- Design (up to 60%) and Environmental Approvals

## **FEMA GRANT TERMS**

FEMA's Hazard Mitigation Grant Program provides funding to state, local, tribal, and territorial governments so they can develop hazard mitigation plans and rebuild in a way that reduces, or mitigates, future disaster losses in their communities. The proposed grant agreement specifies that the grantee will:

- Adhere to the approved scope of work
- Complete the scope of work within the approved timeframe

- Closeout project within 90 days of award period of performance expiration
- Adhere to conditions stated in the Record of Environmental Considerations
- Adhere to the Standard Mitigation Grant Program (HMGP) Conditions amended August 2018

## PROJECT FUNDING, CONTRACTING AND SCHEDULE

The design phase of the Pier 94/96 Seismic Improvements project will be funded by the following sources:

| SOURCE                     | AMOUNT             |
|----------------------------|--------------------|
| FEMA HMGP Grant Cost Share | \$2,700,000        |
| Port Local Match*          | \$900,000          |
| <b>Total*</b>              | <b>\$3,600,000</b> |

*\*The Port's local funding match of \$900,000 will be from Port Harbor funds previously appropriated by the Commission.*

### Schedule:

The anticipated project schedule is as follows:

- Grant Award (8/5/24)
- Expected BOS Approval (12/10/24)
- Existing Conditions Assessment Report (9 months after award)
- Earthquake Risk Assessment Report (15 months after award)
- Conceptual Engineering Report (23 months after award)
- 30% Design (27 months after award)
- Completion of FEMA subapplication materials for future FEMA BRIC (Building Resilient Infrastructure and Communities) or HMGP grant (27 to 32 months after award, pending CEQA requirement)
- 60% Design & CEQA (32 months after award)
- Grant Close-out (35 months after award)
- Grant Completion Deadline (36 months after award, 8/4/2027)

## DISADVANTAGED BUSINESS ENTERPRISE (DBE) REQUIREMENTS

Per FEMA's HMGP grant terms, the Port is prohibited from using statutorily or administratively imposed local preferences. In its place, the grant requires to take all necessary affirmative steps to include small/women/minority businesses where possible. Port staff are currently working to establish the DBE subcontracting goal for this. Note that the federal grant funding does not allow for Local Hiring Ordinances as a contract requirement and therefore Local Hiring will not be included in this contract.

## **GRANT PRE-AWARD PHASE MILESTONES**

All pre-award phase milestones have been completed:

- Commitment letter of Port matching funds

## **RECOMMENDATION**

Port staff recommend that the Port Commission approve the attached resolution authorizing staff to accept and expend \$2,700,000 in grant funds from the FEMA Hazard Mitigation Grant Program and, upon the Board of Supervisors' approval, authorize the Executive Director to partially fund the investigation, assessments, and design phases of the Pier 94/96 Seismic Improvements project.

Prepared by: Simon Betsalel, Project Manager

For: Wendy Proctor, Acting Deputy Director  
Engineering

Attachment: Exhibit A - Area of Work Identified in Grant Application

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 24-42**

WHEREAS, The Federal Emergency Management Agency (“FEMA”) has approved and issued funds the Port grant funding through their Hazard Mitigation Grant Program (“HMGP”) in the amount of \$2,700,000; and

WHEREAS, The Port applied for the grant funds to undertake the Pier 94/96 Seismic Improvements project to design improvements to the project site; and

WHEREAS, on August 5<sup>th</sup>, 2024, FEMA announced its award of \$2,700,000 for the investigation, assessment, and design phases of the Pier 94/96 Seismic Improvements project; and

WHEREAS, FEMA requires expenditures of grant funds pursuant to certain terms and conditions as further described in the Memorandum to the Port Commission dated October 3rd, 2024; and

WHEREAS, under the City Administrative Code Section 10.170-1, the Port must obtain the Board of Supervisors’ approval to accept and expend grant funds of \$100,000 or more; and

WHEREAS, The Port will provide \$900,000 in matching funds as required by FEMA from its HMGP grant; now, therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director or her designee to accept and expend \$2,700,000 in grant funds from FEMA to supplement the Port’s budget for the design of seismic improvements on Pier 94/96, and to seek the Board of Supervisors’s authorization to accept and expend the funds; and be it further

RESOLVED, That, upon the Board of Supervisors’ approval, the Port Commission authorizes the Executive Director or her designee to act as a representative of the Port and to negotiate and execute all other agreements and instruments necessary to obtain and expend the grant monies on behalf of Port, in such form approved by the City Attorney.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 8, 2024.***

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Secretary

**EXHIBIT A**  
**Area of Work Identified in Grant Application**

