

**CENTRAL WATERFRONT ADVISORY GROUP
JUNE 15, 2016 DRAFT MINUTES**

**Approved July 20, 2016
Port of San Francisco, Bayside Conference Room - Pier 1 The
Embarcadero at Washington Street, San Francisco
5:30 – 7:30 p.m.**

Attendees:

Central Waterfront Advisory Group Members:

Toby Levine, Mission Bay Resident
Corinne Woods, Mission Creek Resident
Chris Wasney, SF Heritage
Corinne Woods, Mission Creek Residents
Katy Liddell, South Beach/Rincon/Mission Bay
Neighborhood Association
Michael Gerbracht, BAE SF Ship Repair
Howard Wong, Heritage/SPUR
Jamie Whitaker, South Beach/Rincon/Mission Bay
Neighborhood Association

Port Staff:

Mark Paez, CWAG Coordinator
Byron Rhett, Deputy Director for Planning &
Development
Diane Oshima, Assistant Deputy Director for Planning
Rebecca Benassini, Deputy Development Director
Joe Roger, Senior Engineer
Winnie Lee, Engineer
Allan Kapoor, Planning Intern

CWAG Members absent:

Ralph Wilson, Potrero Boosters
Ted Choi, City Kayak
Kamala Subbarayan, UCSF Planning
Katherine Doumani, Dogpatch Neighborhood
Association
Mahesh Khatwani, Watermark Homeowners Association
Jasper Rubin, SFSU Geography Department

Audience

Dale Riehart, South Beach Resident
Janice Stokes, South Beach Resident
Larry Stokes, South Beach Resident
Earl Gee, Portside Resident
Susana Razo, PG&E
Kevin Connolly, Water Emergency Transportation Authority
Maggie Wenger, SF Gov
Veronica Sanchez, Westar Marine Services
Amy Neches, TMG Partners
Paul Osmundson, Premier Structures/Pier 38
Roscoe Mapps, SF Giants
Kieko Murayama, Skidmore, Owings & Merrill

1. Announcements and Introductions

The group welcomed Mike Gerbracht, who as the new General Manager of BAE Systems, will replace Hugh Vanderspek as a CWAG member.

Corinne Woods gave a quick update from the Waterfront Land Use Update Working Group. She reported that after a final informational meeting dedicated to transportation issues, the working group will move into the next phase of the process, which is discussing options for updating the Waterfront Land Use Plan.

Mark Paez notified the group about items coming before the Port Commission on July 12 that are of interest to CWAG. These consist of a request to approve modifications to the AECOM contract for Crane Cove Park, an MOU between the Port and SFMTA regarding the Mission Bay loop, and an MOU between the Port and the Fire Department for berthing at Pier 26. Staff reports for each item will be available before the Port Commission Meeting. Mark also mentioned that due to a scheduling error, nobody from the Port would be available to present Item 5 on the CWAG Agenda (Informational Presentation of Site Conditions and Assessment of Trust Use Options for Piers 30-32), so it will be pushed back to next meeting. Corinne added that anybody who wants to see the presentation before the next meeting can access the version that was given to the Port Commission [here](#).

2. Approval of the May 18, 2016 Draft Minutes – Mark Paez

The draft minutes were unanimously approved as drafted.

3. Pier 38 Bulkhead Rehabilitation Project – Rebecca Benassini

Rebecca Benassini, Assistant Deputy Director of Development Projects, and Amy Neches of TMG Partners gave a presentation on the proposed rehabilitation of Pier 38. Rebecca started with an overview of the pier's history. The pier was originally built in 1908, but the bulkhead was not built until 1938. For most of the pier's life it has been used for shipping. In the 1980s Southwest Marine Ship Repair occupied Pier 38 and in the 90s it was leased by various city departments, including DPW and MUNI. The last lease for this facility was signed in 1996 by the Maritime Recreation Center for boat repair, but in 2011 the Port took back the pier when it was discovered that the tenant had conducted unpermitted modifications to the structure. Rebecca reported that in 2012 the Port issued an RFP for the rehabilitation of the site and in 2013 TMG was selected as the development partner. The goals of the RFP were 1) bulkhead restoration, 2) to re-tenant the space quickly with the tenants who had been subleasing from the evicted primary tenant, 3) add commercial and maritime use to the current office use, and 4) historic rehabilitation. A lease was brought before the Port Commission in May 2015, which included the entire bulkhead and slightly less than half the shed space. The proposed uses in the 2015 lease included office bulkhead, a restaurant on the north side of the building, public assembly and special events in the shed, and public access improvements to the apron. This proposed lease was never executed.

Amy Neches continued the presentation and explained what has happened since 2015 as well as TMG's future plans for Pier 38. She started by introducing TMG Partners, a 32 year old development company based in SF whose projects are all located in the Bay Area. For this project TMG is partnered with Premier Structures, specialists in waterfront development. Amy explained that in 2015 TMG had all the necessary permits and approvals

to continue with the project, but the discovery of the poor seismic condition of the seawall, which runs directly under the bulkhead, made the project financially infeasible. The amount of investment required to seismically strengthen the structure was too great compared to the project's expected revenue. In response, TMG negotiated a new version of the lease with the Port that added revenue-producing light industrial/PDR/R&D use in the entire shed. Amy asserted that this is consistent with Pier 38's historic industrial uses. This additional use will fund a full seismic upgrade of the bulkhead building, but not to the shed.

Amy then provided an overview of the other improvements that TMG has planned for the site. The office space in the bulkhead will be upgraded to compliance with the Building Code and the spaces adjacent to the street on the first floor will be prepared for restaurant use or other trust consistent retail. Public access on the pier apron will be improved with benches, guardrails, and lighting. The plaza on the north side of the pier will be upgraded to a standard consistent with other civic spaces on the waterfront. The float will be replaced due to poor condition and could be used for water taxi services or private boats in the future.

Amy also provided further details about the prospective tenant that plans to occupy the shed. The as-of-now unnamed company specializes in R&D for self-driving trucks and intends to use the space to design and test sensors and other devices that enable trucks to self-navigate. The shed will contain a machine shop, 100 employees, and 20 trucks, which will be test driven in the surrounding area, not in the shed. This prospective tenant is currently in negotiations with the Port and a terms sheet will come before the Port Commission within the next few months. After this is authorized the CEQA process will start. Amy finished by emphasizing how excited TMG is to bring this historic resource back to life.

CWAG members expressed the following comments and questions which are followed by Rebecca and Amy's responses:

- Is TMG now leasing the entire shed? Why was this not part of the original lease?

Response: Rebecca responded that the updated lease does include the entire shed. The RFP for the original lease was set up to focus on the bulkhead with part of the shed included to help with project costs. Now that a full seismic upgrade in the bulkhead is necessary, the whole shed has been added to the lease to increase revenue and help make the project financially feasible.

- In the original lease you intended for the shed to be used as event space. Why was R&D not considered in the original lease?

Response: Amy responded that TMG originally hoped to keep their footprint on the shed as light as possible. R&D brings in more revenue, but it also requires more initial investment. Once the project became more expensive due to the seismic upgrade, event space in the shed was not a high enough revenue producing use to cover the cost of the improvements needed.

- Did the Port have plans to preserve the shed space for some other use?

Response: Rebecca responded that the Port was just trying to limit how much of the pier was included in the lease.

Amy added that event spaces reduce the usefulness of the pier for other tenants because other tenants would have to organize their activities around events. Light industrial use in the entire shed space is actually a lower intensity use that results in lower occupancy than event space. Therefore it will not trigger requirements for a full seismic upgrade to the shed area, which would be enormously expensive. It is also in line with the historic use of the space.

- Can you describe the proposed seismic upgrade of the bulkhead in greater detail?

Response: Amy responded that the upgrade consists of two parts, the first of which is beneath the water. The existing apron will be removed and clusters of new piles will be driven. This will require a wide array of permits from BCDC, the Army Corps of Engineers, Fish & Wildlife, etc. Reinforcements will have to be added to the substructure beneath the pier. The pier was originally designed to have a heavy weight limit vertically, but is very weak laterally because seismic strengthening was not part of the engineering lexicon at the time. Repairs to the vertical capacity will address the weakening that has occurred over time and the new cluster piles will increase lateral strength. Part two of the seismic upgrade is the strengthening of the bulkhead building, which will consist of brace frames, sheer walling, etc., just like the type of seismic upgrades that are performed on houses. The projected cost for just the seismic upgrade is \$9 million. This does not include any repairs to the seawall, because it is directly beneath the bulkhead and to accomplish this work would require the entire structure to be removed.

Rebecca added that Planning & Development is currently in conversations with the Port's engineers about how best to integrate this project with the long term objective of incrementally seismically strengthening the entire seawall.

- Disposal of trash and recycling is always a challenge along the waterfront. R&D seems like it would produce a lot of waste.

Response: Amy responded that TMG is also responsible for property management so it will include waste disposal in their operation plan. The R&D tenant will be mostly engaging in prototyping and testing, not manufacturing, so it is not expected produce a large amount of waste. The real heavy trash producing uses are restaurants due to food scraps. TMG has already set aside an area of the pier specifically for trash management and the R&D tenant will have its own trash containers.

- Do you have plans for using maritime transport to bring in supplies for the R&D tenant?

Response: Amy responded that there are no plans to use maritime transport because as of now there is no way to access the water from the pier. The R&D tenant has expressed interest in designing and testing self-driving boats, but this would require major modifications to the pier.

- An audience member asked if it was possible that, after the seismic upgrade, even if the seawall were to fail, the pier would stay standing.

Response: Amy responded that this is the goal of the seismic upgrade. Obviously TMG is concerned about the conditions of the seawall, but if the seawall actually does fail, San

Francisco will have much greater problems than just at this specific site. Because of this, TMG is an active participant in discussions with the Port and other city departments about how to holistically approach the seawall repair.

- An audience member took issue with the Port's tendency to convert the piers into office space. He argued that the whole point of the trust is to create a vibrant and exciting place for the public and the Port is not being creative enough. The end game for this project is to basically turn the pier into a horizontal office building. Why pour all this money into seismic repairs instead of just tearing down the pier?

Response: Rebecca responded that the Port is currently looking at these wider land use issues in the Waterfront Land Use Plan Update and that the public's input on land use issues is welcome.

Byron Rhett, Deputy Director of Planning & Development, added that the Port previously demolished Piers 34 & 36 south of the Bay Bridge. The Port is currently considering what to do with Pier 30/32 and demolishing it is one of the options. The Port does encourage mixed uses within its jurisdiction, such as the marina at South Beach Harbor and the brewery that will open at Pier 48. It is very challenging to propose use programs that are consistent with the public trust and that generate enough revenue to make them cost effective. Byron concluded by saying that after broad issues are discussed during the plan update, the process will focus on specific subareas, including what should be done with the South Beach.

Toby Levine added that since CWAG was formed in 1999, they have considered every possibility to continue the maritime nature of the Port and preserve the Port's historic assets. If the piers were to be demolished there would be nothing of significance on the waterfront. The audience member responded that this would present an opportunity for open space or other trust consistent uses on the waterfront.

Chris Wasney pointed out that because Pier 38 is a protected historic resource within the Embarcadero Historic District, demolishing it would conflict with Secretary of the Interior Standards and the Port's commitment to preserve the historic district.

- The same audience member responded that the greater problem is the structure of the Port. It has no tax base but is expected to maintain all its aging facilities. The only financially feasible option is office uses, but a lot of people don't want this. The public will not support further commercialization of the piers. The Port should go back to the state and tell them that this isn't working.

Response: Corrine responded that CWAG has seen several eye opening presentations about sea level rise, the seismic condition of the seawall, and use options for Pier 30/32. She recommended that the audience member read the staff reports for the corresponding Port Commission items, because they give context to the realities that the Port faces and the feasibility of the more creative use options. The Port has over \$1 billion in unfunded liabilities without factoring in the seawall or sea level rise. According to Corrine, talking about not commercializing the piers is naïve because the Port has critical assets falling apart and even with funding from private developers there simply isn't enough money. The objective of the Waterfront Land Use Plan Update is to confront these issues head on and the working group welcomes all opinions and input.

Howard Wong added that the piers and bulkhead were historically used for industry so an attempt to move towards light industrial use should be encouraged.

4. Proposed Mission Bay Ferry Terminal – Joe Roger

Joe Roger, Structural Engineer, gave a presentation on the analysis of sites for the proposed Mission Bay Ferry Terminal. Joe began with some context about the planned developments in Mission Bay that will necessitate increased investment in water transportation. This includes the Warriors Arena, 7 million square feet of new commercial space, 1 million square feet of new retail space, a new hotel, and 11,000 new housing units. Joe reported that COWI Marine, specialists in marine and coastal engineering, prepared a study for the Port to determine the best location for the ferry terminal. The study was conducted in coordination with project stakeholders including the Water Emergency Transportation Authority (WETA), BAE Systems (ship repair tenants at Pier 70), and the Golden Gate Bridge Highway District. Four alternate sites were considered:

- Site A – slightly south of 16th St and slightly north of the fishing pier
- Site B – at the eastern terminus of South St
- Site C – the south side of Pier 54
- Site D – the north side of Pier 54

The study judged these four locations by the following criteria:

- Proximity to employment and active uses
- Connectivity to other public transit
- Operational considerations, including the ability to operate under storm conditions, BAE Systems’ navigational needs, and navigation around the submerged remnants of Pier 64.
- Protection from wave and storm action
- Ease of permitting (especially with the Army Corps of Engineers)
- Distance from Terry Francois Boulevard
- Compatibility with Bayfront Park and Agua Vista Park

Each site has its own advantages and disadvantages and was given a score based on the study criteria. Joe reported that based on this analysis the study recommends Site A.

Site	Advantages	Disadvantages
A (16th St) Score: 34	Close to dense population of activity Close to other public transit connections Close to Terry François Boulevard Does not require break water (protected from wave action) Easiest and fastest to permit Integrates with Bayfront and Agua Vista Parks	Maritime operations need to be coordinated with BAE Systems ship repair operations Would have to dredge Pier 64 area, costing up to \$8.3 million Submerged Pier 64 remnants are operational hazard
B (South St) Score: 14	Does not conflict with BAE Systems ship repair operations Somewhat close to dense population	Requires breakwater and extends permit process Submerged Pier 64 remnants

	of activity	are operational hazard Would have to dredge Pier 64 area, costing up to \$8.3 million Far from Terry François Boulevard Is not as close to other transit connections Does not integrate as well with Bayfront Park
C (Pier 54 South) Score: 18	Does not conflict with BAE Ship Repair operations Not impacted by submerged Pier 64	Is not in close proximity to dense activity of land uses Is not as close to other transit connections Far from Terry François Boulevard Impacts Pier 54 maritime operations Would require a seismic upgrade to the pier, which is cost prohibitive
D (Pier 54 North) Score: 17	Does not conflict with BAE Ship Repair operations Not impacted by submerged Pier 64 Most Cost effective due to minimal dredging required (20-25% less cost than A and B) Easy to Permit	Is not in close proximity to dense activity of land uses Is not close to other transit connections Far from Terry François Boulevard Impacts Pier 54 maritime operations

Kevin Connelly of San Francisco Bay Ferry/WETA gave a follow-up presentation on his agency’s plans for expanding service to Mission Bay. He started by providing some context about WETA, which currently provides ferry services from SF to four locations—Vallejo, Oakland/Alameda, Harbor Bay, and South San Francisco. Their ridership is 8,000 on an average weekday, up 67% from 2012, when WETA was formed by consolidating several city ferry services. WETA has an ambitious expansion program that includes several new terminals as well as improving existing service to meet the growing demand. WETA has complete funding to build two new terminals, one at Richmond (2018) and one at Treasure Island (2022). Kevin reported that WETA also has several partially funded terminals planned, including Berkeley, Redwood City, Hercules, and Mission Bay.

Kevin then provided more details about the planned Mission Bay Ferry service. WETA expects that once completed, the Mission Bay terminal will be the second busiest behind downtown San Francisco. Typically, projects of this nature take 5-7 years from start to finish due to the complex regulatory environment. However, Kevin predicted that the actual costs will be lower than the engineers’ estimates and that the project could be delivered more quickly.

Joe added that cost estimates for the various site alternatives range from \$34 to 43 million. Site A and B are the most expensive, because the necessary dredging will cost an additional \$8.3 million. Joe also added that the Port asked their engineering consultant to consider options for water taxi landings in the same area. After studying six sites the consultant recommended a location slightly south of the Agua Vista Pier, just south of ferry terminal Site A. They considered integrating water taxi service and ferry service on the same landing, but it was not feasible. Joe stated that the Port has secured \$3.47 million for the project to cover design costs and is actively pursuing additional state and federal funding with WETA. The July 12th Port Commission meeting includes a request to advertise an RFP for A/E services for the Mission Bay Ferry Terminal. This contract will also include scope for designing the separate water taxi landing. The selected consultant will perform outreach with various stakeholders including the community and BAE Systems. They will provide conceptual designs, final designs, and construction documents/services. The Port hopes that the terminal will be built by 2020, but if a breakwater is necessary this will push the schedule back two years to 2022.

CWAG members expressed the following comments and questions which are followed by Joe and Kevin's responses:

- You gave Site A a high score for ease of coordination with other maritime activities, but also said that a disadvantage of this site is the conflict with BAE/Pier 70 ship repair. Was this score given before or after factoring in mitigating impacts on BAE's operations?

Response: Joe answered that it was given after mitigation was factored in.

- Will you add cost to your analysis at any point?

Response: Joe answered that at this point the Port is most interested in selecting the best site and the Port is in the process of pursuing local, state, and federal funding.

- If you tear out terminal Pier 64 remnants, will this be an environmental problem because it was an old oil site?

Response: Joe responded that the Port hasn't had a soil profile done for that area yet, but that is one of the first orders of business with the consultant after this study.

- For the ferry service to be the most successful, is it right to assume that Site A is the best spot to make sure the terminal is utilized? It seems like this site is the winner regardless of cost.

Response: Joe responded that Site A has many advantages. It is close to the future Warriors Arena, the 16th St corridor, UCSF, and it doesn't require a breakwater. When the Port moves forward with an A/E consultant it will have two sites permitted—Site A and an alternate site 100-150 feet north.

- Can you provide more details on the nature of the entity that is developing the terminal? Is it publicly funded but privately operated?

Response: Joe responded that the Port and WETA will be executing the project together and they are looking at both public and private sources of funding. Once construction is complete, operations will be turned over to WETA, which is a public agency.

- Where will ferries leaving from the Mission Bay terminal go?

Response: Kevin responded that WETA is still in the initial stages of their analysis but that all the other landing sites are being considered. WETA's major trunk lines to Alameda, Oakland, and Vallejo are most likely, with either direct service from Mission Bay or with Mission Bay as a secondary stop after downtown San Francisco. For special events (like Warriors games) the service would be direct. By the time this terminal is complete, the Treasure Island Ferry Terminal will also be in operation.

- I have noticed that the onboarding/off board of the ferries that go to Larkspur and Sausalito takes a long time. Are there any efforts to improve this turn around? For example, in Hong Kong, they onboard and off board their vessels at the same time.

Response: Kevin responded that WETA does not operate these ferries, but the reason it takes so long is because they are very large 700-passenger vessels. WETA's vessels are smaller (400-450 passengers) and have a five minute turnaround time. The new vessels will have the capability to onboard/off board simultaneously. When WETA bought its first round of vessels, the primary consideration was cost because the agency was not anticipating such a high ridership.

- Please make this presentation available to CWAG members.

Response: Mark Paez responded that he would share it via email.

- An audience member asked if the \$8 million for dredging costs will be a one-time cost or if it includes maintenance dredging costs over time.

Response: Joe responded that the initial dredging cost (to minus 15 feet) might be more in the area of \$11 million. Dredging would be required every two years, but because the sedimentation rate is only 1-5 inches annually it would be okay to go a few years without dredging and the costs would be much lower than the initial dredging.

- An audience member asked why some of the sites studied require a breakwater while others don't.

Response: Joe responded that the sites that don't require a breakwater are shielded by Pier 70 to the south, which is the direction that and that this is the direction of major storms.

- An audience member asked if WETA has a long range plan with goals for passenger trips per day.

Response: Kevin responded that WETA expects to more than triple its service over the next ten years to around 25,000 trips per day.

- Since Oakland's economy is growing, are you considering service for the reverse commute?

Response: Kevin responded that WETA is planning to strengthen its service between Oakland and San Francisco but that it does not have competitive advantage against BART on the reverse commute.

- Does BAE Systems have to perform maintenance dredging on the area around Pier 70? Could this be coordinated with the dredging of the ferry terminal area to reduce costs?

Response: Michael Gerbracht responded that BAE Systems does perform maintenance dredging but that it would not be useful to coordinate dredging because the areas do not overlap.

5. Informational Presentation of Site Conditions and Assessment of Trust Use Options for Piers 30-32 – Brad Benson

Mark reported that due to a scheduling error, nobody from the Port was available to present this item, so it will be placed on the agenda for the next CWAG meeting on July 20, 2016. Anybody who wants to see the presentation before then can access the version that was given to the Port Commission [here](#).

6. Adjourn