Port of San Francisco

Strategic Plan

2016 - 2021

A Vibrant and Diverse Waterfront
Welcome to the
Port of San Francisco’s 2016-2021 Strategic Plan

As the Port of San Francisco embarks upon its 153rd year of enterprise, it is building new uses to serve the City while continuing its maritime heritage. The Port’s great diversity of uses draws more than 24 million people to the waterfront for employment, transportation, education, exploration, entertainment, recreation or simply to enjoy the Bay. The richness and diversity of these experiences, connected by generous public open spaces with stunning views of San Francisco Bay, are what make the Port’s waterfront a unique and world-renowned attribute of a top international city. Yet the Port remains true to its heritage, preserving both its history and its working waterfront, and dedicated to providing for all its maritime users.

The Port’s role in the coming years will continue to be critical for the City. The Port’s four-mile seawall, built in 42 sections from 1878 to 1915, protects the City and enables businesses and transportation to thrive. The seawall will need to be upgraded and improved to continue its role now and for predicted sea level rise. Many of the Port’s facilities were built immediately following construction of the seawall. Now, at or past 100 years, the Port must prioritize and continue investment in its properties to sustain its users today and for generations to come.

This 2016-2021 Strategic Plan articulates the Port’s vision for preserving and enhancing the Port’s integration with the City and delivering its modern-day mission throughout the next decade. The Port is a self-sustaining enterprise department that contributes critical economic, social, environmental and infrastructure benefit to the City, the Bay Area Region and the people of the State of California. As such, this Strategic Plan delineates seven key strategies for ensuring and maximizing the Port’s ability to deliver such a compendium of benefits to the public it serves. Port senior management and policymakers will employ this Strategic Plan to set goals, determine actions and mobilize resources to realize the Port’s mission of vibrancy and sustainability.
Who is the Port?
The Port of San Francisco is a public enterprise agency committed to promoting a balance of maritime, recreational, industrial, transportation, public access and commercial activities on a safe, secure and self-supporting basis through appropriate management and development of the waterfront for the benefit of the people of the State of California. This core mandate is stipulated in the Burton Act that entrusted the Port to the City and County of San Francisco in 1969.

What Does the Port Do?
The Port of San Francisco owns and operates maritime facilities and commercial real estate and manages most of San Francisco’s waterfront property, including a four-mile seawall, from Fisherman’s Wharf in the north to India Basin in the south. The Port oversees a broad range of maritime, commercial and public activities and is involved in a diverse range of businesses, including cargo and cruise shipping, ferries and excursion boats, ship repair, commercial fishing, harbor services, and real estate property management. Tourism is San Francisco’s No. 1 industry, and many of the City’s leading attractions are located at the Port, including the Ferry Building, AT&T Park, the Exploratorium, Alcatraz Landing, PIER 39, Fisherman’s Wharf, and Hyde Street Pier. These attractions draw more than 24 million users annually to the Port’s northern waterfront.
The Port of San Francisco is an enterprise department of the City and County of San Francisco. The expenditure budget is used to operate and maintain 7½ miles of waterfront property that are held in public trust by the Port for the citizens of California. The annual operating budget is approximately $80 million.

The Port’s Facilities
Most of the Port’s 7½ miles of waterfront property (over 25 million square feet) consist of former tidelands, which are held in ‘public trust’ for the people of California. As trustee of the property, the Port is obligated to promote maritime commerce, navigation and fisheries, as well as to protect natural resources and develop recreational facilities for public use.

The Port’s property is a complex mix of piers, structures, seawall, open land, and more than 500 tenants. Most of the piers, bulkhead buildings, seawall and waterfront structures along the Embarcadero were built before World War II and have been either listed on or determined to be eligible for listing on the National Register of Historic Places. Separate from the resources in the Embarcadero Historic District, the Port’s Pier 70 is endowed with the West Coast’s oldest collection of resources associated with the historic ship building, steel manufacturing and ship repair industries.
Mission

The Port of San Francisco manages the waterfront as the gateway to a world-class city, and advances environmentally and financially sustainable maritime, recreational and economic opportunities to serve the City, Bay Area region, and California

Strategies

The Port will realize its mission and partnership with the City through its Strategies:

Renewal – enhance our maritime and economic purpose

Engagement – with our users and stakeholders

Livability – through advances in environment and social equity
Vision
The Port of San Francisco delivers vibrant and diverse experiences that enrich the City and San Francisco Bay

Resiliency – by addressing infrastructure, the seawall and sea level rise
Sustainability – through environmentally sound business practices
Economic Vitality – growing maritime and other commerce that contributes to the City
Stability – to address financial needs of Port assets now and for future generations
RENEWAL STRATEGY:
Enhance and balance the Port’s maritime and economic purpose, rich history, and its changing relationship with the City, so it continues to be a treasured destination.
RENEWAL OBJECTIVES:

1. Work with City leadership to develop a resilience and adaptation strategy that supports needed seismic repairs to the Port’s Seawall, and protects the Port and City from flood risk due to climate change and rising sea levels.

2. Update and enliven the Waterfront Land Use Plan with subarea planning in the Northeast and South Beach waterfront subareas.

3. Prioritize three projects for 2020 – Pier 70, Seawall Lot 337/Pier 48 and the Blue Greenway – to create vibrant new neighborhoods for residents, commercial and industrial/PDR businesses and employees. Incorporate major new waterfront parks and public access while maintaining the integrity of industrial maritime berthing and ship repair operations.

4. Engage in an adaptive reuse strategy for the historical preservation of pier and shed maritime and commercial assets.

5. Create a Maritime Eco-Industrial Strategy for southern waterfront lands from Pier 80 to Pier 96 to maintain a core area for maritime cargo and industrial uses that are designed and managed compatibly with the Blue Greenway open space network.

6. Expand the Port’s necklace of public open spaces and provide a broad array of recreational amenities and activities that enhance public enjoyment by waterfront neighbors, local businesses, community groups and visitors alike.
ENGAGEMENT STRATEGY:
Promote the richness that the Port has to offer through education, marketing, and consistent engagement with Port users and stakeholders.
**Engagement**

**ENGAGEMENT OBJECTIVES:**

1. Regularly engage in meaningful public participation and feedback (as outlined in the *Waterfront Land Use Plan*).
2. Design and implement an integrated marketing plan with the community (San Franciscans and visitors) to promote the Port’s attributes; include social media in this plan in order to reach new customers and build stronger public relations.
3. Maintain strategic partnerships and good customer service with Port tenants.
4. Maintain and enhance strategic partnerships with citizen advisory committees and government agencies (i.e., City agencies, Board of Supervisors, State Lands, BCDC, USACE, USCG, etc.).
5. Proactively market Port maritime and commercial leasing opportunities through a robust multi-dimensional marketing campaign promoting the Port as a unique “brand”.
6. Continue to pro-actively engage the Port Commission in setting vision, strategy, policy and fiscal goals for the Port.
7. Keep public informed of the financial responsibilities of the Port.
LIVABILITY STRATEGY:
Work with city and community partners to ensure that Port improvements result in advances in the environment, social equity and San Francisco’s livability.
Livability

LIVEABILITY OBJECTIVES:

1. Promote living wage jobs at Port businesses, increase the proportion of funds spent by the Port with local business enterprises (LBEs) and micro-LBEs and meet mandates for Local Hire in all current and future construction projects.

2. Expand the Port’s diversity in lease opportunities through increased outreach to the underserved communities and through developing partnerships.

3. Proactively work with transportation agency partners to ensure an integrated transportation plans that include programs to ease traffic congestion along the waterfront; promote walking and alternative transportation; and expand public transit, pedestrian and bicycle access and service, including water taxis and ferries.

4. Market Port industrial facilities to capture a share of boutique manufacturing businesses which provide space to grow and preserve light manufacturing and industrial job opportunities in the City.

5. Sustain construction material industry operations at the Port, including bulk aggregate cargo shipping, concrete and asphalt batch plants, using state-of-the-art technologies to reduce air emissions, promote reuse and recycling of materials.

6. Retain affordable business space for non-profit entities and single proprietorships.

7. Meet or exceed mandates for affordable housing in new waterfront communities (Pier 70 and 337).
RESILIENCY STRATEGY:

Lead the City’s efforts to address infrastructure and sea wall resiliency to earthquake, sea level rise and natural hazards.
RESILIENCY OBJECTIVES:

1. Study and plan for sea wall repair in response to sea level rise, earthquakes and natural disasters.

2. Assess all pending and new projects for the effects of rising sea level and ensure appropriate adaptation measures can be implemented.

3. Improve the Port’s resiliency to earthquake and the impacts of climate change, including sea level rise.

4. Participate in local and state regulatory rule-making related to climate adaptation.
SUSTAINABILITY STRATEGY:
To limit climate change and secure a broad environmental stewardship, implement sound sustainability practices for all aspects of the Port and San Francisco Bay.
SUSTAINABILITY OBJECTIVES:

1. Enhance the Port’s Climate Action Plan to meet the City’s Climate Goals by implementing policies to:
   
   a. Achieve zero waste in operations and construction throughout the Port by 2020;
   
   b. Have 50% of trips made by clean transportation for Port operations;
   
   c. Convert the Port operations to 100% renewable energy through alternative generation, efficiency upgrades, operations, and power purchase; and
   
   d. Protect the Bay’s ecology and other natural environment through sensitive development of open spaces, stormwater management, and management practices.

2. Implement leasing and development policies that support the City’s climate goals and protect the Bay’s ecology and surrounding natural environment.

3. Employ best environmental practices in Port operations such as green building, fleet management, and other operations.

4. For Port operations, tenants, and developers, minimize carbon emissions and maximize carbon capture.

5. By 2017, evaluate ‘carbon neutrality’ as a climate action goal for Port operations.
ECONOMIC VITALITY STRATEGY:
Attract and retain maritime and non-maritime commerce in order to contribute to the economic vitality and long term viability of the Port and the City.
ECONOMIC VITALITY OBJECTIVES:

1. Aggressively compete for global cargo shipping business, including bulk cargo.

2. Expand the system of active water berths for visiting commercial, transportation and recreational vessels.

3. Ensure that commercial development of piers with deep water berths preserve existing maritime use; enhance new berth and apron use wherever possible.

4. Plan for and implement strategically placed water taxi landings and build a robust water taxi service to support special events and a daily “on call” service and position as an overall water transport system that includes ferries serving other counties.

5. Plan and execute a holistic and balanced strategy to the real estate portfolio and asset management to maximize asset value and income stream to the Port.

6. Develop a long-term economic lease extension policy for existing retail and seawall lots.
STABILITY STRATEGY:
Ensure the Port’s financial stability and viability in order to address the growing backlog of deferred maintenance, maintain the assets for future generations, and manage these waterfront assets to meet the City’s and the Port’s goals.
STABILITY OBJECTIVES:

1. Seek traditional and innovative solutions to the Port’s capital plan funding gap by maximizing external investment capital for project funding including infrastructure financing districts, general obligation bonds, historic tax credits and grants.

2. Target capital reinvestment in Port assets that maintain and improve current and projected financial performance.

3. Step up to and subsequently exceed policy to set aside 25% of net revenue to invest in the repair and replacement capital budget annually (Port Commission Capital Policy).

4. Adhere to critical Port fiscal policies for maintaining prudent operating reserves (Port Commission 15% Operating Reserve Policy) and enforce conservative debt policies such as maintaining debt service coverage of at least 2 times net revenue.

5. Increase Port annual revenues to $125 million and continue to expand ongoing revenue sources.

6. Retain a diversified tenant base that will perform through economic cycles.

7. Balance the need for capital to sustain/maintain our piers with what is appropriate for the public in revenue decisions (i.e., in long term lease renewals).
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2016-2021

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