

# SAN FRANCISCO YOUR GATEWAY TO THE WORLD



**Thirty Years of Passenger Cruise  
Development & Growth**



Presentation to  
MCAC – May 16, 2019

# **SAN FRANCISCO – The City by the Bay** *A seemingly perfect location . . .*



# SAN FRANCISCO – The City by the Bay

*with markets developed over 30 years*



Princess Cruises®  
celebrates  
50 years of sailing  
from San Francisco



PRINCESS CRUISES®

from sf bay  
to glacier bay



50 years cruising out of  
san francisco



alaska

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Princess Cruises®  
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PRINCESS CRUISES®

from sf bay  
to hanalei



50 years cruising out of  
san francisco

hawaii

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Princess Cruises®  
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PRINCESS CRUISES®

from sf bay  
to beach play



50 years cruising out of  
**san francisco**



mexico

# Cruiseport Challenges

- **Ships Are Getting Bigger**
- **Growing Infrastructure Needs**
- **Passenger Demand**
- **Security**
- **Environmental Regulations**



# *Ships Are Getting Bigger*

*Oasis of the Seas* (2009)

1,186.5 feet LOA  
267 feet tall (top of funnel)  
5,400 passengers  
2,394 crew



*Queen Mary 2* (2004)

1,132 feet LOA  
236.2 feet tall (top of funnel)  
2,620 passengers  
1,253 crew



*Costa Serena* (2007)

952.1 feet LOA  
206.5 feet tall (top of funnel)  
3,780 passengers  
1,100 crew



*White Star TITANIC* (1912)

882.75 feet LOA  
175 feet tall (keel to top of funnels)  
2,655 passengers (67% in Steerage – No Quarters)  
892 crew



1,535.5 feet

ORIENTAL PEARL TOWER

1,535.5 feet tall (base to top)



# *Bigger Ships Meant that San Francisco needed to build a bigger terminal*



*Why do it?*





# The Cruise Industry Provides Ports & Cities Tremendous Opportunities

- **Ship Expenditures**
  - User fees
    - Passenger wharfage
    - Dockage
  - Terminal operator fees
  - Ground staffing agents & personnel
  - Bunkering / Wharfage fees
  - Provisioning fees
  - Ship Maintenance & Repairs ▶
- **Passenger Expenditures**
  - Parking / ground transport
  - Retail purchases
  - Dining
  - Lodging
- **Crew Expenditures**
  - Dining
  - Retail purchases
  - Lodging (Departing crew)
  - Ground transportation
  - Connecting Airport transportation



# Cruise

## ANNUAL REVENUE TO THE PORT

<i>Port Fees</i>	\$5.1 million	80 calls/yr.
<i>Parking</i>	\$210,000	180 spaces (non-cruise days)
<i>Events</i>	\$1.1 million	52 events
<i>Other Fees</i>	<u>\$220,000</u>	Rent + share of bus fees
<b>TOTAL:</b>	<b>\$6.6 million</b>	



# *Cruise Ships Create Jobs*



# Not everyone wanted a new terminal



# *Community Involvement*



# *New Terminal Construction*



J  
R  
T



# Stunning New Cruise Terminal

*James R. Herman Cruise Terminal at Pier 27*

*Opened September 2014*

- ❑ Superior guest experience
- ❑ 3-acre provisioning area
- ❑ 3-acre ground transportation area
- ❑ 3-acre public park
- ❑ Shoreside electrical power
- ❑ New mobile passenger boarding bridge
- ❑ US Customs and Border Protection clearance stations

**\$118 million Port Investment**



# *New Public Benefits*

*2½ Acre Public Park*



J  
R  
T





*San Francisco Symphony —  
Free Public Concert · July 23, 2017*





PIER  
27

JAMES R. HERMAN  
CRUISE TERMINAL  
PORT OF SAN FRANCISCO

PIER  
27  
James R. Herman  
CRUISE  
TERMINAL

PIER  
27  
Official Opening  
September 2014  
PORT  
OF  
SAN  
FRANCISCO

PIER  
27

# Passengers love Pier 27's location, just steps away from:

- Fisherman's Wharf
- PIER 39
- Alcatraz Landing

- Ferry Building
- North Beach
- Chinatown

- Financial District
- Union Square
- Cable Cars, Historic Streetcars



# And many daytrip excursion options:

- Golden Gate Bridge
- Golden Gate Park
- Sausalito



- Muir Woods
- Napa Valley
- Sonoma Wineries

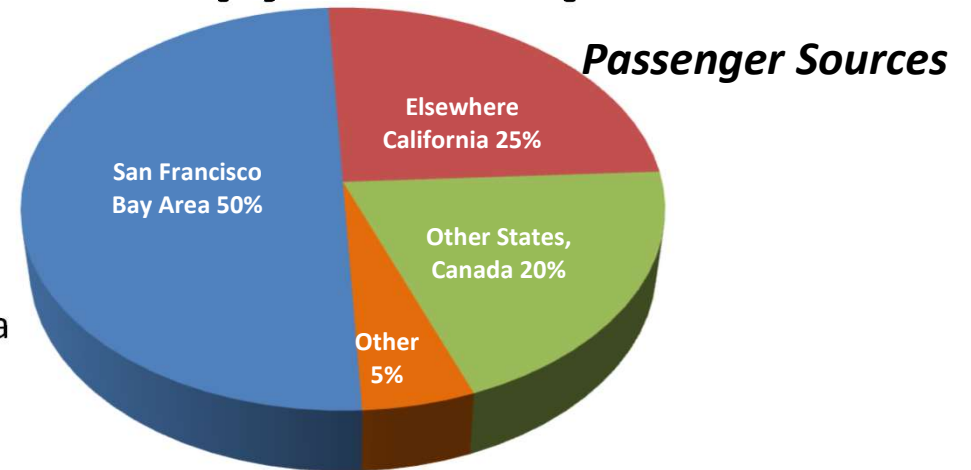


- Santa Cruz
- Monterey
- Carmel



# Significant Business Opportunity

- ❑ Drive-to market exceeds 14 million people
- ❑ Major air gateway served by three international airports
- ❑ Three of the top 10 population centers by median household income are in SF Bay Area

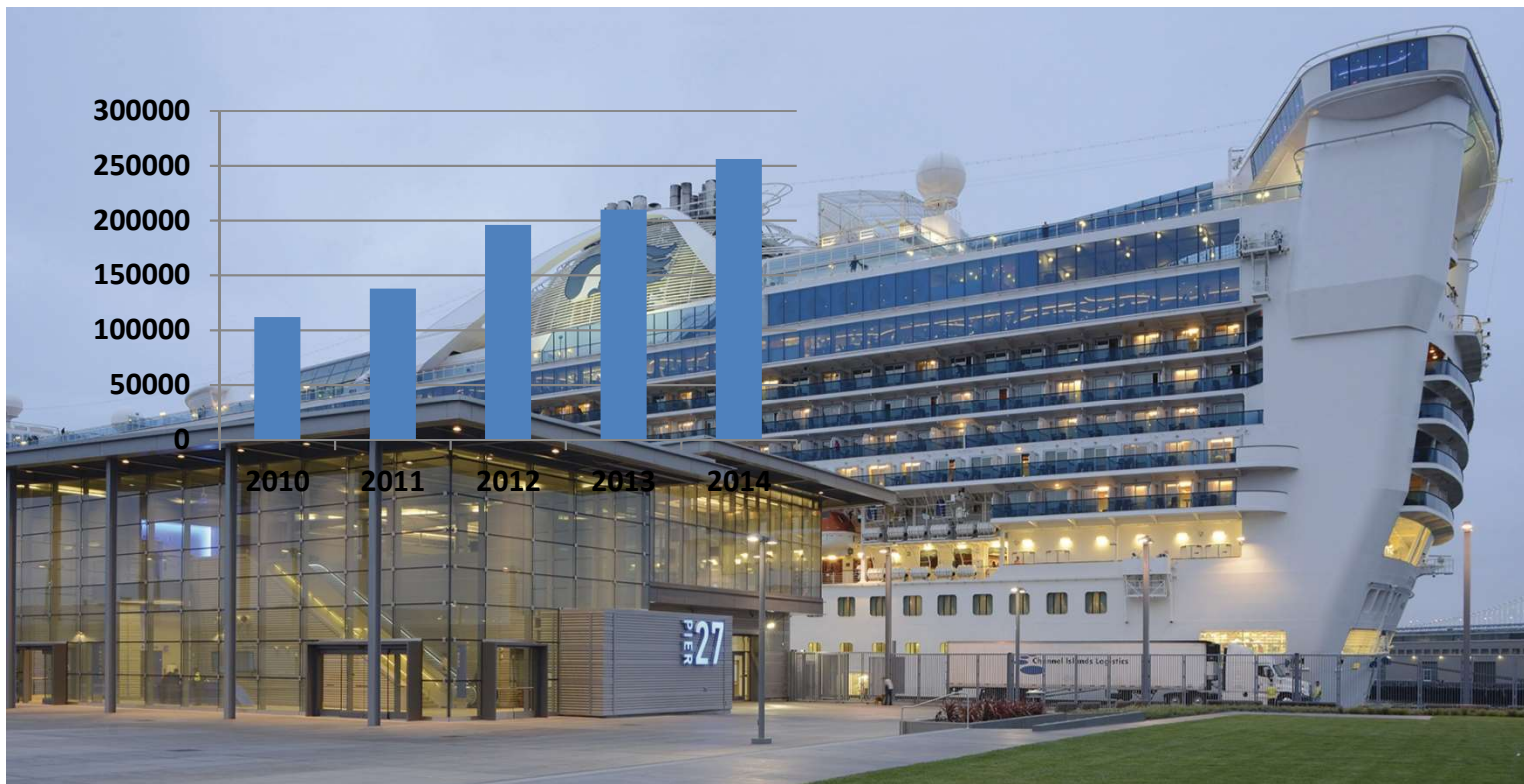


# Growth

- ❑ Consistent year-over-year growth in total passenger traffic since 1990
- ❑ Currently averaging 90 cruise calls and 300,000 passengers
- ❑ Estimating 120 cruise calls and 425,000 passengers for 2020  
*(with addition of Carnival homeports)*

## *Passenger Traffic (average ship complement)*

1990	–	610 (Pacific Princess)
2000	–	2,000 (Sun Princess)
2005	–	2,600 Grand Princess)
2018	–	3,600 (Royal Princess) 4,000 (Norwegian Bliss)



# Port Sustainability:

## *Balancing*



- *Economic,*
- *Social,*
- *Safety, and*
- *Environmental*

*Issues to Sustain Port Operations*

# California Environmental Regulations

**California Air Resources Board**  
***“Rule of 5”***





# Shore Power

Before



After



# Berth Utilizations

Need for other locations

2019:

- Pier 27 – 70 calls
- Pier 35 – 12 calls

2020:

- Pier 27 – 100 calls
- Pier 35 – 20 calls



# Shore Power

Need for other locations

Examining —

- Pier 35
- Piers 30/32
- Pier 50
- Pier 70



Stand By . . . Need for other locations

ALL  
HANDS  
ON  
DECK



# SAN FRANCISCO YOUR GATEWAY TO THE WORLD



*We need to stop looking only at the effects to the Port of this year or next. That's just a snapshot in time. The Port is not a portrait . . . It's a movie. We need to think about where the Port will be 100 years from now.*

*James R. Herman in Executive Session, March 1997*