



Port of San Francisco – Pier 1 – San Francisco, CA 94111

Thursday, January 15, 2015, 11:30pm-1:00pm
Pier 1, Engineering Conference Room
Meeting Summary Notes

Attendees:

Shawn	Bennett	Baydelta Maritime
Peter	Dailey	Port of San Francisco
Tom	Escher	Red & White Fleet
Aaron	Golbus	Port of San Francisco
Catharine	Hooper	Maritime Consultant
Carolyn	Horgan	Blue & Gold Fleet
Denise	Lum	Port of San Francisco
Jim	Maloney	Port of San Francisco
Michael	Nerney	Port of San Francisco
Ray	Paetzold	SF Bar Pilots
Nina	Rannells	WETA
Gerry	Roybal	Port of San Francisco
Veronica	Sanchez	MMP
Sidonie	Sansom	Port of San Francisco
Marina	Secchitano	Inland Boatmen's Union
Rich	Smith	Westar Marine Services
Denise	Turner	Port of San Francisco
Anita	Yao	Port of San Francisco

1. Welcome (MCAC Co-chair Marina Secchitano)

2. Maritime Update (Peter Dailey)

- Compliments to Gerry Roybal on the 2015 maritime calendar (his 19th edition).
- Leslie Katz and Willie Adams were re-elected as President and Vice President of the SF Port Commission, respectively. The term is for one year.
- One of the Port's major achievements in 2014 was the completion of the James R. Herman Cruise Terminal at Pier 27. This \$100 million facility is a striking and fitting entryway into San Francisco.
- There were 260,000 cruise passengers in 2014, a San Francisco record. In 2015, the projection is 300,000 passengers, which would break last year's record. Revenue from cruise was \$3.1 million in 2014. With the increase in volume and rates (to help pay for the new terminal), the projection for 2015 passenger wharfage revenue is \$5.4 million.

- The Port will host its first “floating hotel” charter ship, Celebrity Infinity, in September 2015, in connection with the Salesforce convention in San Francisco. The ship will be in port for six days and generate approximately \$150,000 revenue for the Port.
- Dry bulk volumes were at record-high levels this past year. The Port handled 1.7 metric tons of dry bulk cargo at Pier 92-94. Total revenue was approximately \$3.7 million for 2014. The volume in 2015 should increase due to the booming construction business.
- The general cargo market has not recovered from the 2009 economic downturn and remains soft.
- Lack of a contract since 7/1/2014 with the longshore union (ILWU) has been disruptive to cargo movements. Last week the US Federal Mediation and Conciliation Service announced its entry into the negotiations with the goal of resolving conflicts and establishing a new contract.
- Ship repair had a banner year in 2014 with \$61 million gross revenue for BAE Systems, the shipyard operator, and close to \$2 million net revenue to the Port. Approximately 300,000 work hours were generated in 2014, utilizing 10 different maritime trade unions. The shipyard’s success is tied to the 2009 enhancement of the drydock.
- Over 12 million pounds of fish come across the dock at Pier 45, almost 1 million tons more than 2013. Salmon and crab seasons were strong, however, herring season was cancelled.
- Two new water taxi operators are providing service at the Port – Tideline Marine and San Francisco Water Taxi, LLC.
- The Port is working with excursions operators for new agreements in 2015.
- The Port is working with Water Emergency Transportation Authority (WETA) on their future expansion plans.
- The Port is optimistic for a continued growth pattern in 2015.

3. Pier 80 and Pier 96 Cargo Update (Jim Maloney)

- 2014 was a strong year for dry bulk cargo.
- The Port is entertaining the prospect of importing bulk slag, which Hanson would use at their Cupertino location. Slag is a cement substitute, a by-product of the steel making process.
- Another possible import at Pier 80 is agricultural gypsum. Gypsum is a mineral used to treat soil. It improves water infiltration and can also act as a fertilizer.
- Copper concentrate exportation is another potential opportunity. The copper would be loaded at the mine into open-top 20-foot containers, come to the Port by rail, then stock-piled at Pier 80. When a ship comes in, a special spreader bar on the gantry crane would lift the containers to get them onto the ship, rotate the contents, dumping the cargo into the ship’s hold. This process would be low cost to the Port.
- The Port is re-investigating the idea of bringing in automobiles to Pier 80, in spite of the rail tunnel obstruction. There has been a significant increase in automobile production in Mexico whereby more autos are imported to the US from Mexico than Japan. With difficulty railing these cars to the US, there may be an opportunity to bring the cars to Pier 80 for domestic distribution. Peter Dailey and Jim Maloney will represent the Port at an auto logistics conference in Mexico in late January 2015.
- PG&E will be installing new power lines and building new substations at its Embarcadero and Potrero locations. The Port is working to bring in the transformers and three large cables to Pier 80.
- The Port is working with a company transporting steel pipe piles for the Avon Wharf project at the Tesoro Refinery in Martinez. A kick-off meeting is scheduled later next week.

- The development of a bulk export facility at Pier 96 is being pursued. Once the geotechnical analysis and feasibility study is completed, Port Commission approval will be sought to issue a Request for Proposals (RFP).
- The construction to upgrade and rebuild Quint Street Lead, the main rail line to the Port, will begin in July 2015. This project will help the Port increase and diversify rail shipments.

4. Port Security Grants (Sidonie Sansom)

- The Port has received approximately \$30 million in grant funding for security projects in the city since 2004.
- The vast majority of these funds went towards Pier 27 for security systems and the build-out of the customs area.
- Grant funds have also been applied to: fencing, high-mast lighting, and general lighting; Hyde Street Harbor Joint operations building; emergency power at Pier 50; SFPD for specialized material for their dive teams, equipment, and training; SFFD homeland security unit for fireboat design; and security upgrades for Pier 31.
- BORP (Building Occupancy Resumption Plan) was developed by a public/private partnership between the City & County of San Francisco's Department of Building Inspection (DBI) and local chapters of the Building Owners and Managers Association (BOMA), Structural Engineers Association of Northern California (SEAONC), and the American Institute of Architects (AIA). Building owners employ qualified engineers to develop building-specific post-earthquake inspection plans. DBI staff and SEAONC volunteers review structural inspector qualifications and inspection plans. Upon approval, DBI gives building owner/structural inspectors official City placards with which to post the building following an earthquake and authorizes automatic deputizing of the structural inspectors upon declaration of a local emergency. Within 8 daylight hours of an earthquake, the inspectors are to respond and the inspection program is to be implemented, reporting results to DBI within 72 hours.
- For 2015, there will be \$100 million available in grants; \$450 million is the maximum, but Congress is not providing as much grant funding as in the past.
- There will still be a 25-50% matching requirement, either hard costs or soft costs – for government agencies 25%, for private companies 50%. The hard match is cash; the soft match is negotiated with Federal Emergency Management Agency (FEMA) as to what can be counted (such as labor, professional services, etc.).
- Qualified entities can apply for grants directly with FEMA: (<https://www.fema.gov/grants>)
- Tom Escher voiced concerns with illegal dumping and narcotics around Pier 45. The Port is working on security cameras and signage in the area.
- The current period to expend the grant monies is two years; the Port is recommending that this be extended to three years.

5. Other Discussion Topics

- Pier 48 is slated to be leased out to Anchor Brewery.
- There have been active discussions and negotiations to rehabilitate Pier 38.
- The retired World War II-era Drydock #1 was shipped out to Shanghai, China, in October 2014, for dismantling and recycling. Kudos to Daley Dunham of the Port's Executive Division, who was the project manager, along with the many other Port staff involved on this assignment.
- Pier 33½ is a small storefront office building on the Embarcadero. The Port has identified this location as a restaurant or retail space for a Local Business Enterprise (LBE).
- Since 2009, the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant program has provided an opportunity for the Department of

Transportation to invest in road, rail, transit, and port projects. The next round of TIGER grant funding will be announced in April 2015.

- Veronica Sanchez motioned that Port Staff confer with Daley Dunham to coordinate meetings between MCAC leadership and key members of the Board of Supervisors and the Mayor's Office to give these decision-makers informational briefings about current Port projects worthy of consideration for TIGER grants.
- President Obama issued Executive Order 13636, Improving Critical Infrastructure Cybersecurity, in February 2013. It directed NIST (National Institute of Standards and Technology) to work with stakeholders to develop a voluntary framework – based on existing standards, guidelines, and practices – for reducing cyber risks to critical infrastructure. MCAC businesses interested in a cybersecurity assessment should contact Sidonie Sansom for more information.
- MCAC and CWAG (Central Waterfront Advisory Group) wrote letters in support of the BAE lease renewal.
- MCAC has a new member, Ray Paetzold, replacing John Cinderey, who retired in December 2014, from the SF Bar Pilots. Ray is General Counsel and Business Director for the SF Bar Pilots.
- Oracle Racing will be sailing their 45-foot boats on SF Bay in February 2015.
- The audio/visual interactive panel tribute to James R. Herman at Pier 27 is targeted to be christened in March 2015.
- Invite Brad Benson, who addressed MCAC in November 2014 on the Port's Waterfront Land Use Plan, to attend future MCAC meeting to discuss waterfront areas critical to preserve for maritime operations and opportunity areas for possible expansion.
- Norman Fassler-Katz reminds everyone of the California Maritime Leadership Symposium in Sacramento on February 24-25, 2015: (<http://www.maritimesymposium.com>)
- Jay Ach, who has served the Port for 14 years as Manager of Environmental and Regulatory Affairs, will retire from the Port on March 1, 2015.

6. Next MCAC meeting

- NOTE: The MCAC meeting scheduled for March 19, 2015, is being postponed due to business travel by Maritime staff.
- The next MCAC meeting will be Thursday, **April 16, 2015**, 11:30am-1:00pm, at the SF Port Offices, Pier 1, Bayside Room.