FISCAL YEAR 2015-16
$25.7 MILLION CAPITAL BUDGET SUPPLEMENTAL

By: Elaine Forbes
Capital Planning Committee, September 28, 2015
Request to increase the Port’s Fiscal Year 2015-16 Capital Budget by $25.7 million, from $12.8 million to a historic total of $38.5 million.
7 ½ Miles of Waterfront with Diverse Infrastructure and Uses
Port Capital Program, 10-Year Outlook

Backlog and Annual Renewal Needs* ($ Millions)

- Backlog: $569
- 2016: $99
- 2017: $49
- 2018: $45
- 2019: $66
- 2020: $69
- 2021: $41
- 2022: $38
- 2023: $44
- 2024: $71
- 2025: $48
- Total: $1,140

*Does not include Seismic, One-Time Code & Safety or Seawall
Port Capital Program, Funding Plan

Structural Deficit Annual Capital Spending

- **Required** Annual Capital Spending
- **Projected** Annual Capital Spending

Capital Plan Funding vs. Need Fiscal Years 2016-2025*

- $1,021 Million
  - Unfunded Repair
- $610 Million
  - Funded Repair

Fiscal Year

Proposed Supplemental, Sources

- **$12.8 million** capital budget
- **$25.7 million** additional funding
  - $15.3 million, PG&E Pre-paid Rent
  - $5.5 million, FY14-15 Operating Surplus
  - $4.2 million, Project Savings
  - $0.7 million, Cosco Busan Settlement

$38.5 Million Total

- PG&E One-time Payment 59%
- Other Operating Surplus 22%
- Project Close-Outs 16%
- Cosco Busan 3%
16 Projects Proposed
- Majority (62%) Repair & Replacement
- Enhancement project generates significant new revenue

Meet Key Strategic Objectives
- Health/safety, environment, code, regulatory
- Reduces potential liability to the Port
- Promotes commerce, navigation or fisheries
- Attracts people to the waterfront
- Promotes natural and cultural resources
- Preserves existing Port revenues
- Generates and/or leverages revenues

Investment Type
- Repair & Replacement $16.8M 66%
- Enhancement $8.5M 33%
- Other $0.4M 1%
- Total $25.7 Million
Proposed Projects, *Improved Safety/Reduced Risk*

- **Ferry Terminal Float Repairs, $520,000**
  - Dry dock and completely refurbish the China Basin ferry floats, installed 1999
  - Ensure ongoing safe performance for high-volume Giants ballpark

- **Ladders & Skylights, $500,000**
  - Initial investment in OSHA-compliant ladders for roof access and guards for unprotected skylights

- **Pier 39 Investigation, $300,000**
  - Sediment investigation to determine extent and depth of polyaromatic hydrocarbon (PAH)

- **Emergency Capital Funding, $100,000**
  - Provides funding for any unforeseen urgent/emergency projects
Seawall Assessment, $1.0 million

- Add funding to $500k initial study of seawalls and marginal wharfs
- Assess general condition and capacity to withstand seismic events
- Identify improvements needed to address sea level rise
Pier 29 Substructure, $0.7 million

- Former AC34 venue is ready for conversion to retail space
- Funding supplements $2.0 million available funds; $2.7 million total
- Substructure improvements extending leasable life 10-20 years
- Increase Port annual revenues: $0.6 million
Beltline Building (Phase II), $0.7 million

- Phase I, public restroom on the pier-side of facility
- Phase II, Ground-floor retail and top-level office
- Increase Port annual revenues: $0.1 million
Northern Structures Contingency, $1.0 million

- High-cost construction climate, puts projects at risk
- Pier 29 substructure and Beltline Building improvements as well as previously funded (FY 2013-14) Pier 31 project
Pier 23 Roof Replacement, $2.8 million

- Former 34th America’s Cup venue
- Protect historic resource in the Embarcadero Historic District
- Increase Port revenues: **$0.7 million** net in 10 years
Central Basin Dredging, $2.0 million

- Leverage $10.0 million one-time federal funding – ongoing benefit
- Ensure ongoing use of BAE shipyard – economic driver, maritime use
Pier 70 Sediment Cap, $0.3 million

- Voluntary cleanup effort to protect human and aquatic health
- Funds one-quarter of sediment cap along the shoreline
- Remainder of cap funded through Crane Cove Park Project
BAE Electrical, $3.0 million

- Mitigate existing PCB transformer environmental hazard
- Secure new power supply for BAE – economic driver, jobs
- Support supports development efforts at Pier 70
Backlands, $8.5 million

- Activates the Southern Waterfront
- Increase Port revenues: **$8.5 million** net in 10 years
Quint Street Lead, $1.5 million

- Additional funding for $3.3 million Quint Street Lead railroad project
- Repave 2/3 of street not included in base bid
Pile Removal Strategy, $2.2 million

- Remove dilapidated piles and wharves from the Southern Waterfront
  - Piers 82-84 (Islais Creek), grant-funded
  - Pier 90 Wharves (Islais Creek), $2.0 million
  - Pier 98 Lash Terminal (Heron’s Head Park), $0.2 million
- Reduces environmental and health risks from creosote-treated piles
- Improves the look and feel of the area for the surrounding community
Heron’s Head Park Stabilization, $0.7 million

- Utilize Cosco Busan settlement funding
- Address ongoing erosion issues that risk physical integrity of space
- Erosion could become an enforcement risk due to sediment discharge
The Proposed $25.7 million supplemental appropriation will increase the FY 2015-16 Capital Budget from $12.8 million to $38.5 million.

These capital investments will:

- Address renewal needs identified in the 10-Year Capital Plan
- Improve the Southern Waterfront
- Support Human and Environmental Safety
- Prepare Facilities for Commercial Leasing
- Improve the Port’s Financial Position