

Capital Improvement Plan (CIP) Update & 2-Year Capital Budget FY 2026-27 and FY 2027-28

Capital Planning Committee
April 20, 2026





Mission

The Port manages 7.5 miles of San Francisco's waterfront as the gateway to a world-class city, and advances environmentally and financially sustainable maritime, recreational and economic opportunities to serve San Francisco, the region, and California.



Strategic Plan

Guides the Port's partnerships, activities & stewardship efforts over the next five years

Goals are informed by the 10-Year Capital Plan, Waterfront Plan, the Burton Act, City policies, and the City and Port financial outlook:

- Exceptional Service
- Economic Growth
- Evolve
- Resilience
- Sustainability
- Equity
- Public Engagement





A Maritime Port, Water-dependent Uses

Preserve and enhance the Port of San Francisco's diverse maritime and water-dependent uses by providing for the current and future needs of cargo and cruise ships, cruise, ferries, water taxis, excursion boats, fishing, ship repair, berthing, harbor services, recreational boating, swimming, kayaking and other human-powered water recreation activities.



Diversity of Activities and People

Host a diverse array of commercial, entertainment, civic, cultural, open space, and recreational activities that complement a working waterfront, provide economic opportunity, and create waterfront destinations for all San Franciscans and visitors to enjoy.



Public Access and Open Space Along the Waterfront

Complete, enhance, and enliven the network of parks, public access, and natural areas along the San Francisco waterfront and Bay shoreline for everyone to use and enjoy.



Urban Design and Historic Preservation

Design new developments of exemplary quality, highlighting visual and physical connections to the City and San Francisco Bay while respecting and preserving the waterfront's rich historic context and the character of adjacent neighborhoods.



A Financially Strong Port with Economic Access for All

Ensure that new investment stimulates the revitalization of the waterfront and supports a financially secure Port enterprise, equitably providing new jobs, revenues, public amenities, and other benefits to the Port and the diverse residents of San Francisco and California.



Transportation and Mobility for People and Goods

Ensure that the waterfront is accessible and safe for all through sustainable transportation that serves the needs of workers, neighbors, visitors, and Port maritime and tenant operations.



An Environmentally Sustainable Port

Limit the impacts of climate change, improve the ecology of the Bay and its environs, and ensure healthy waterfront neighborhoods by meeting the highest standards for environmental sustainability, stewardship, and justice.



A Resilient Port

Strengthen Port resilience to hazards and climate change effects while protecting community, ecological, and economic assets and services, with a focus on the Port's unique historic, maritime, and cultural assets.



Partnering for Success

Strengthen Port partnerships and community engagement to increase public understanding of Port and community needs and opportunities and to help complete improvements that achieve Waterfront Plan goals.

Waterfront Plan

Describes the Port's long-term goals and policies to guide the use and improvement of its piers and properties.

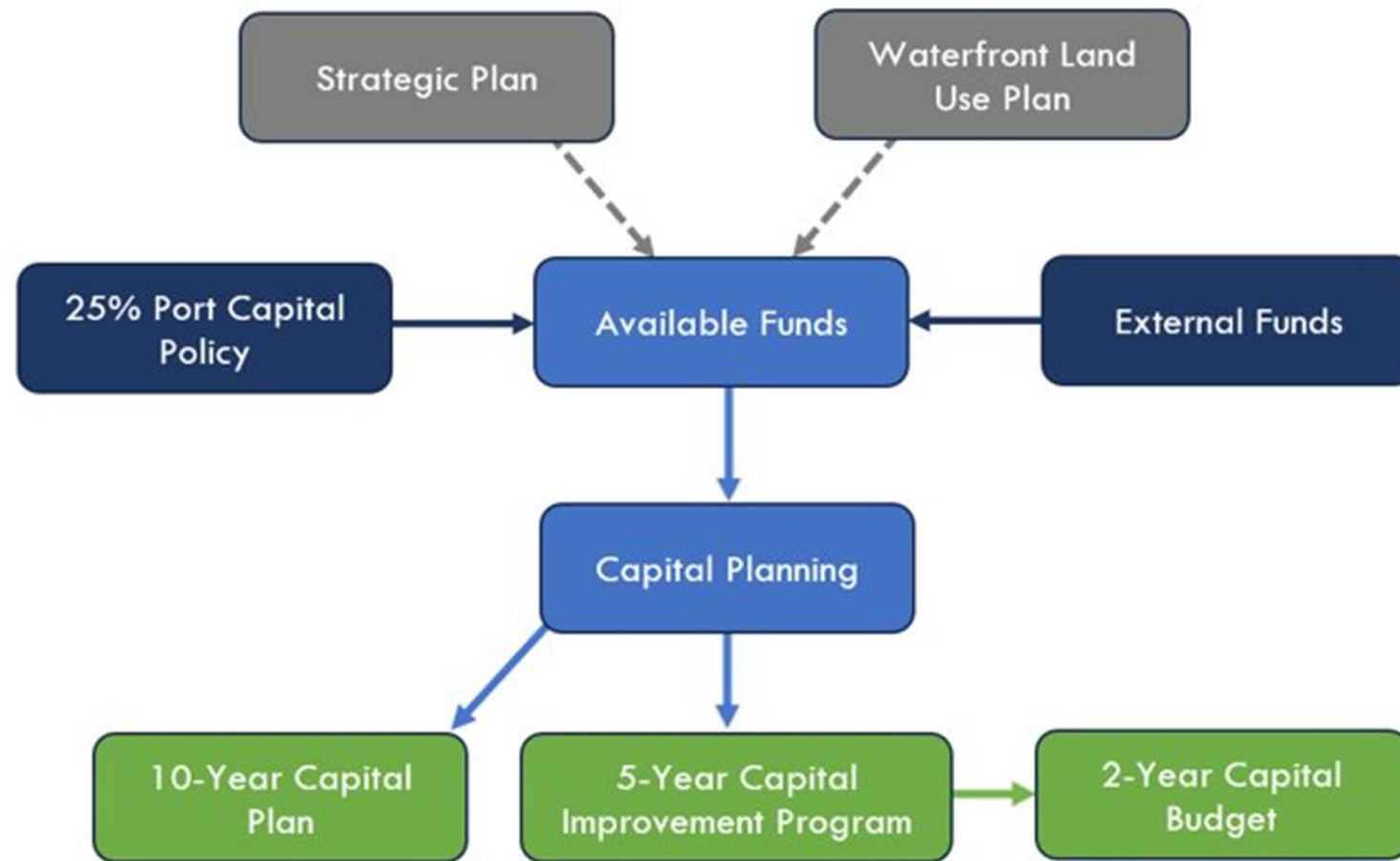
Policies are used to shape the character and benefits of waterfront development and improvement projects, and community engagement.

Originally adopted in 1997 and adopted in 2023 through a rigorous stakeholder engagement process.

- 3-year process
- 30-member advisory panel

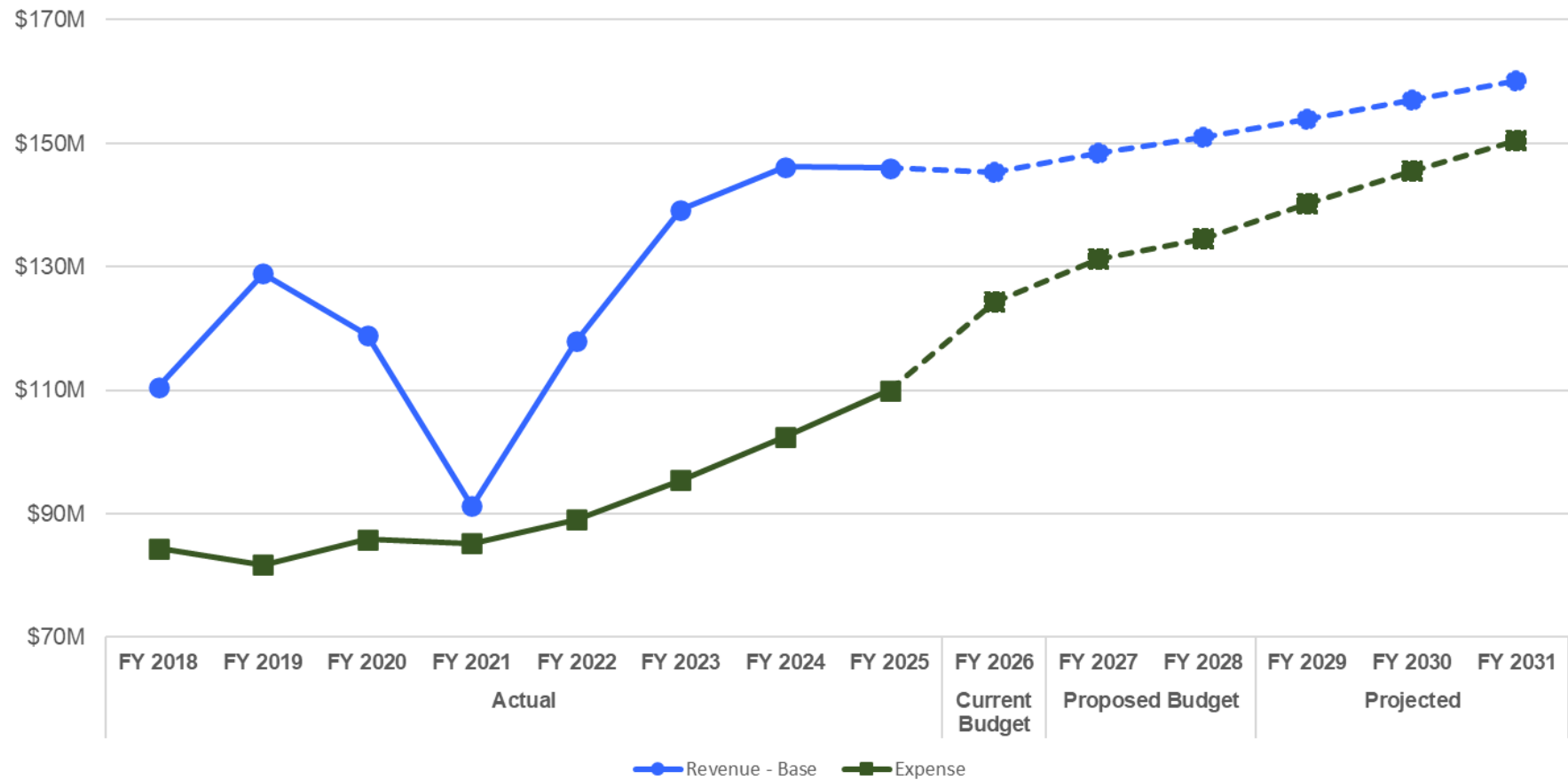


Capital Plan Overview



Available Funding

Base Case Revenue and Expense



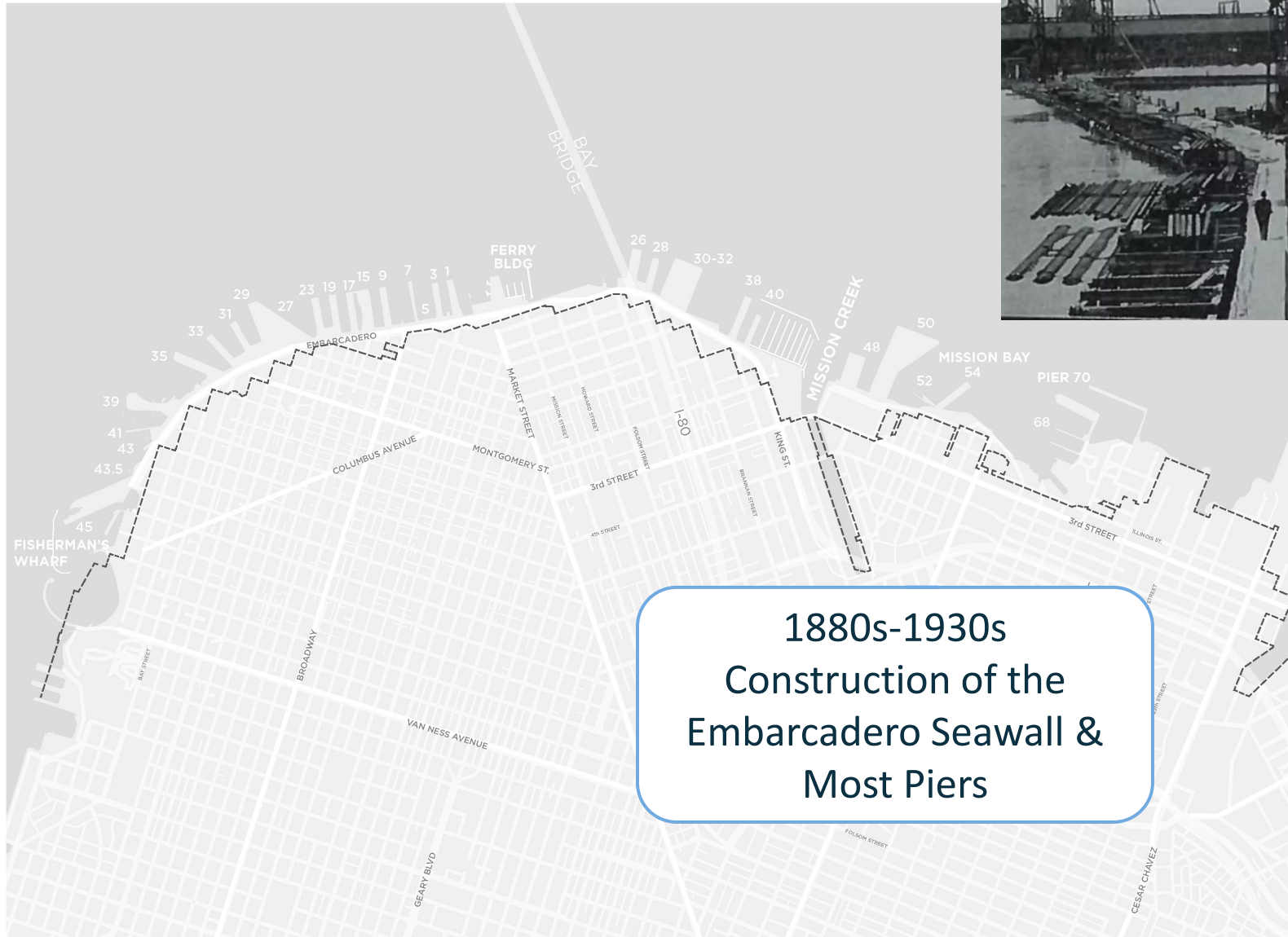
- NOI: Vertical distance between revenue and expense lines
- Remaining dollars after absorbing all operating costs, typically dedicated to capital improvement needs
- Historically performed better than planned through deliberate budget measures
- The declining NOI creates a funding constraint, which leads to Port's prudent investment strategy relying on NOI and Fund balance

Historic & Aging Infrastructure



Embarcadero under construction

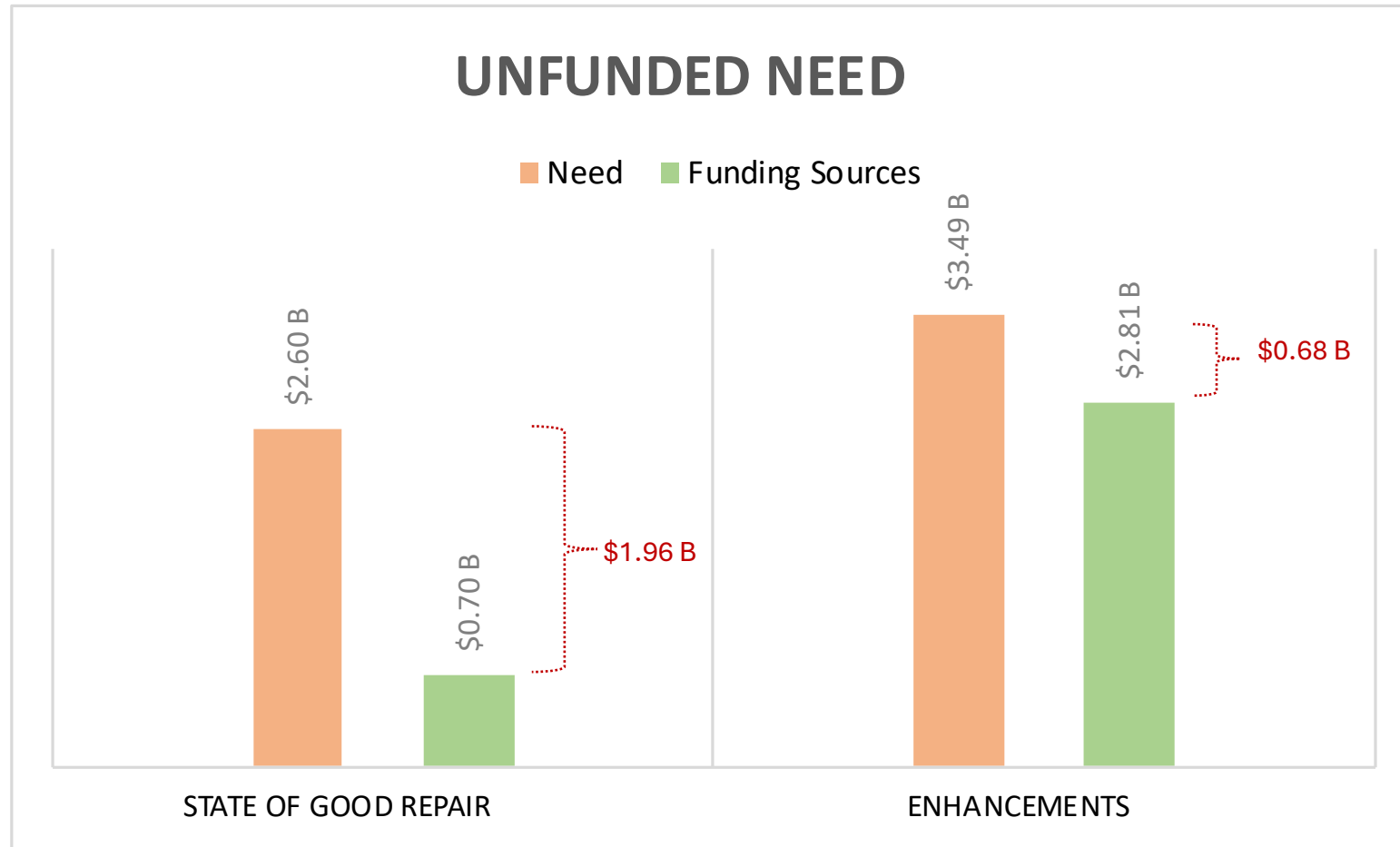
Photo from 1932



1880s-1930s
Construction of the
Embarcadero Seawall &
Most Piers

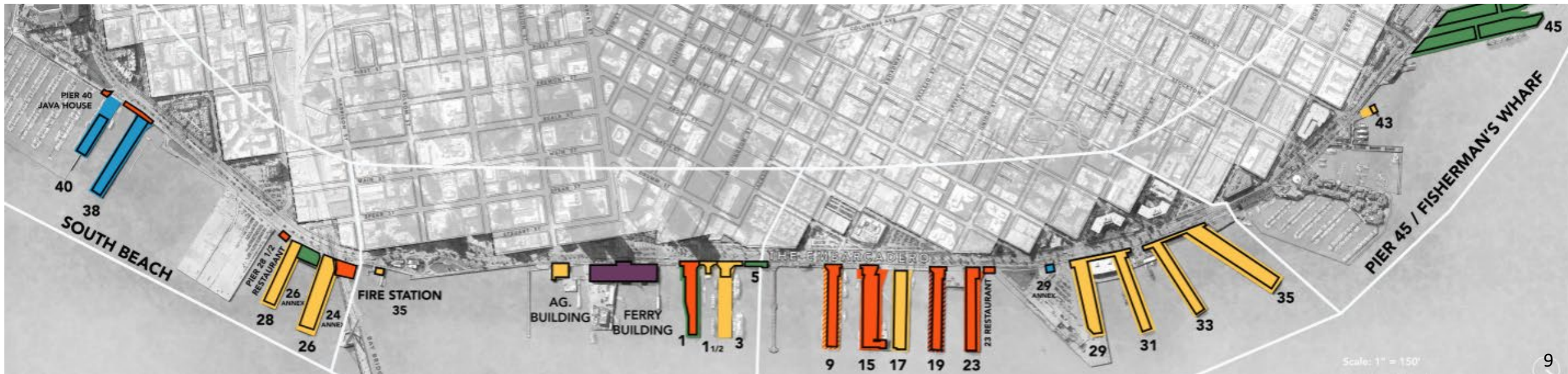


10-Year Capital Plan



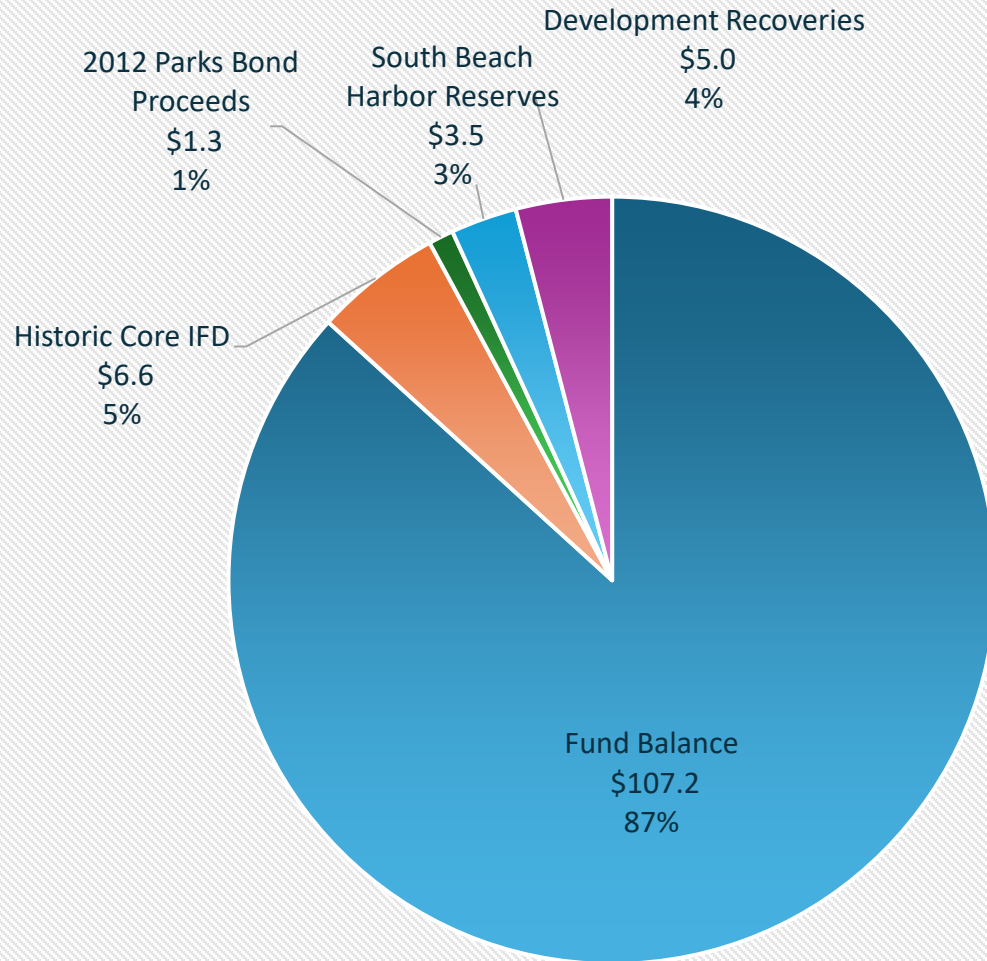
Capital Investment Priorities

- Identify Revenue-Driven & Risk-Reduction Investments
- Prioritize Waterproofing and Roof Renewal
- Focus on Structural Integrity
- Integrate Resilience
- Modernize Asset Management Software Systems
- Position funding
 - Pursue Public-Private Partnerships and Grant Opportunities
 - Maximize Net Operating income
 - Strategic Debt Financing

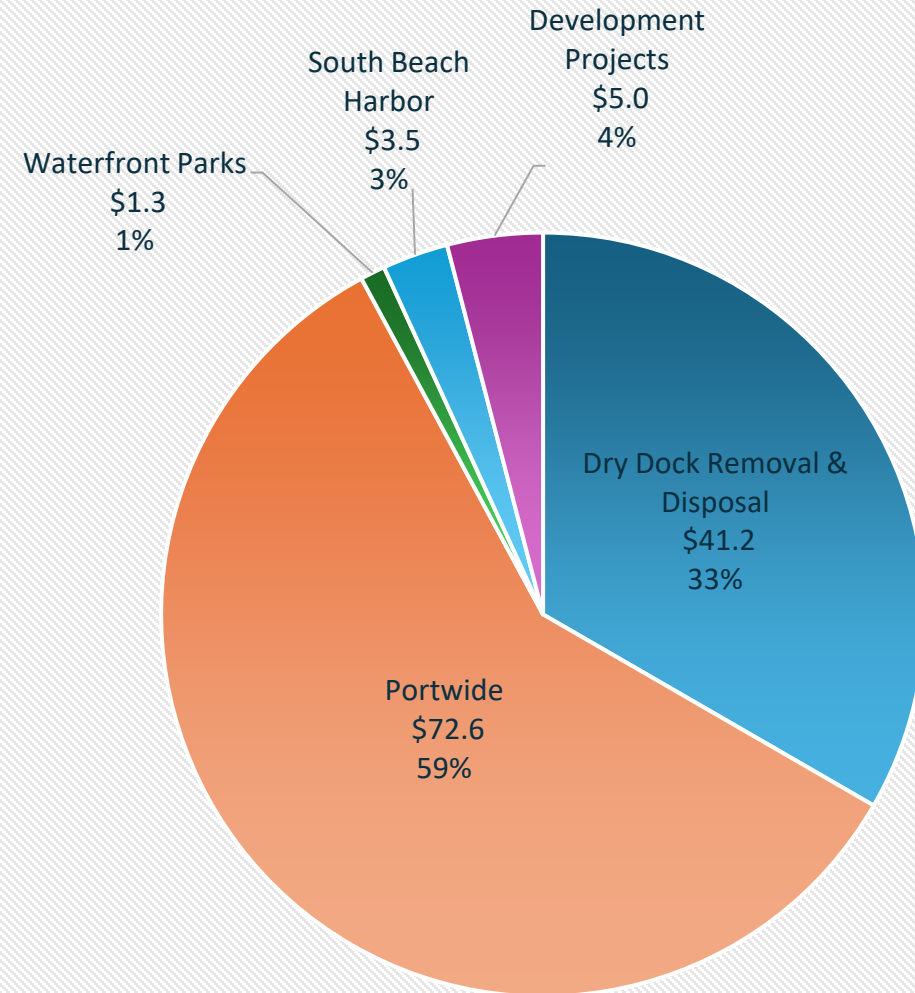


Biennial Capital Budget: \$123.6 Million

Capital Sources



Capital Uses



- Fund balance as a major contributor; Historic Core IFD tax increment supports Port wide investments; and the relative scale of the dry dock investment within the overall program

Budget Detail View by Authority

Authority	Prior Budget 24/25						Total
	- 25/26	26/27	27/28	28/29	29/30	30/31	
Waterfront Resilience Program	\$4,287,750	\$2,500,000	\$2,300,000	\$2,415,000	\$2,536,000	\$2,663,000	\$16,701,750
Fisherman's Wharf Forward	\$75,359,733						\$75,359,733
Waterfront Development	\$21,000,000	\$2,500,000	\$2,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$42,500,000
Real Estate	\$10,556,000	\$3,400,000	\$2,500,000				\$16,456,000
BAE Settlement	\$1,500,000						\$1,500,000
Maritime	\$20,200,000	\$40,480,000	\$2,250,000	\$35,000,000			\$97,930,000
Dredging		\$5,375,000	\$5,375,000	\$5,375,000	\$5,375,000	\$5,375,000	\$26,875,000
South Beach Harbor	\$3,100,000	\$1,700,000	\$1,750,000	\$1,800,000	\$1,850,000	\$1,910,000	\$12,110,000
Parks Bond	\$1,700,000	\$1,300,000					\$3,000,000
Southern Waterfront Beautification Fund	\$7,342,000	\$3,720,000			\$1,320,000	\$1,360,000	\$13,742,000
Environment	\$5,064,000	\$8,500,000	\$4,500,000				\$18,064,000
Low Carbon Fuel (LCFS) Credit	\$210,160	\$589,840					\$800,000
Utilities	\$809,000	\$1,300,000	\$2,600,000	\$1,400,000			\$6,109,000
Project Delivery	\$1,092,000	\$6,500,000	\$6,740,000	\$7,529,600	\$7,830,784	\$8,144,015	\$37,836,399
Engineering		\$2,750,000	\$2,750,000	\$2,000,000	\$2,000,000	\$2,000,000	\$11,500,000
Maintenance	\$500,000	\$1,600,000	\$1,100,000				\$3,200,000
Technology	\$2,500,000	\$3,000,000	\$3,000,000	\$3,000,000	\$500,000		\$12,000,000
Finance & Administration	\$7,332,719	\$1,000,000					\$8,332,719
Total	\$162,553,362	\$86,214,840	\$37,365,000	\$64,019,600	\$26,911,784	\$26,952,015	\$404,016,601

Investment Highlight: Dry Dock Removal & Disposal

Purpose

- Eliminate safety & environmental risk
- Remove obsolete asset and long-term liability

Budget

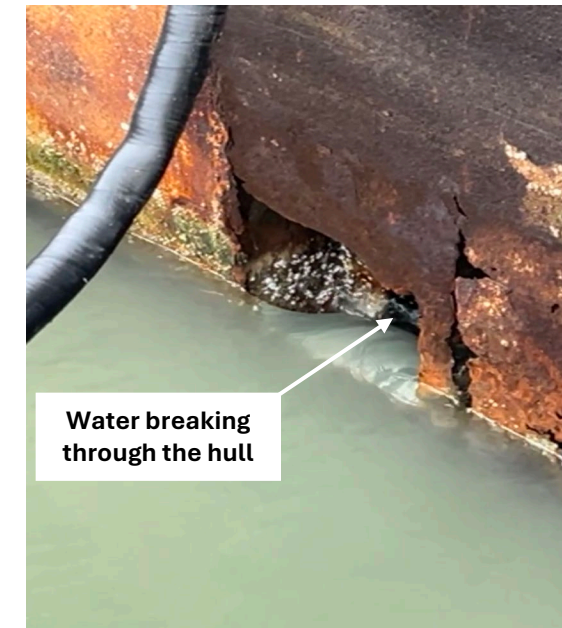
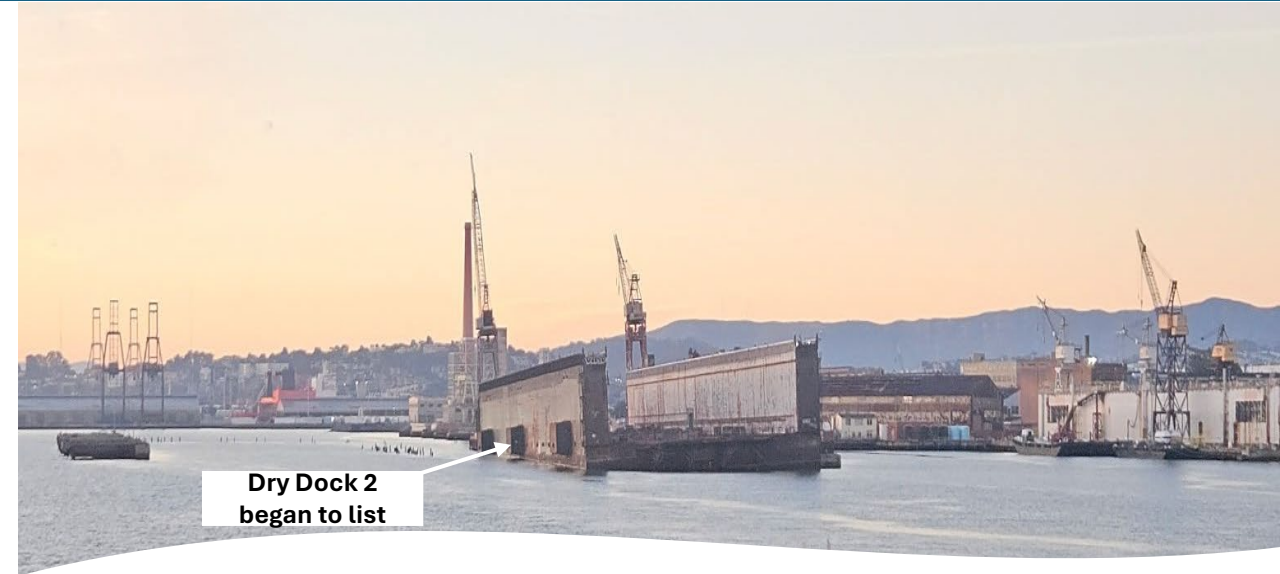
- \$61.2M Harbor Fund
 - \$10.5M – Stabilization Dry Dock #2 (DD2)
 - \$50.7M – Removal and Disposal, DD2 and Eureka

Timeline

- 2017 – Shipyard closes
- 2017-2023 – Port attempts reactivation of shipyard
- 2023-2025 – Efforts shift to sale of disposal of dry docks
- November 2025 – Significant winter storm, DD2 begins listing
- December 8, 2025 – Actual emergency declared per Admin Code 6.60
- Winter 2026 – Stabilization and planning
- FY 26-28 – Final disposal and removal

Strategic Alignment

- Risk reduction
- Asset lifecycle management
- Prepares site for future uses



Investment Highlight: Fisherman's Wharf Forward

Purpose

- Reinvigorate the Wharf through **public space improvements + infrastructure upgrades**
- Support tourism, fishing industry, and long-term resilience

Key Investments

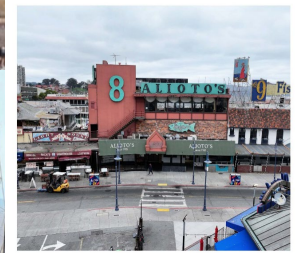
- New public plaza (Alioto's site)
- Overlook at Al Scoma Way + waterfront lighting
- Pier 45 West Apron repairs (critical fishing infrastructure)

Budget

- **\$83.1M Harbor Fund**
 - \$35.4M – Pier 45 West Apron
 - \$47.7M – Fisherman's Wharf Forward improvements
- **\$111 Seawall Bond**

Timeline

- Near-term enhancements complete: Summer 2026
- Long-term resilience improvements: Fall 2030



Investment Highlight: South Beach Harbor Playground

Purpose

- Transform the 40-year-old, 5,000 sqft. tot lot into a modern, 6,500 sqft inclusive playground

Key Components

- Multi-age play structures, inclusive swings, and sensory play elements
- Safety upgrades including poured-in-place rubber surfacing
- New seating, lighting, and water-efficient landscaping
- Accessibility improvements

Budget

- Parks Bond
 - \$1.5M – Planning, Design, Construction

Timeline

- Fall 2026 – Secure Design Team
- Winter 2027 – Community Design Review
- Spring/Summer 2027 – Finalize Bid Package
- Fall 2027 – Bid & Award
- Fall 2027 – Winter 2028 – Construction
- Spring 2028 – Completion



Investment Highlight: **Waterfront Resilience Program**

Purpose

- Protect waterfront from earthquakes, tidal and storm surge flooding, and sea level rise
- Safeguard critical City and regional infrastructure

Key Components

- Early Projects - seismic and flood risk reduction
- Pilot Projects - Living Seawall, habitat integration
- USACE Flood Study - long-term coastal defenses

Budget

- Long-term program **~\$10-20B (planning-level)**
- Anticipates USACE funding and local match
- Port Harbor Fund, planning
 - \$2.5M – Annual planning and non-bond eligible investments
 - \$16.7M – Five-Year CIP

Timeline

- Early Projects + Design **next 5–10 years**
- Full Implementation **20+ year program**



Investment Highlight: Port Modernization Program

Purpose

- Upgrade systems to support a **modern, data-driven Port**
- Improve efficiency, asset management, and decision-making

Key Components

- Replace legacy asset and property management systems
- PermitSF integration
- Enhanced cybersecurity
- Process automation
- Real-time data & analytics

Budget \$12.0M

- \$3.0M – Annual program funding, staffing, and initial licensing

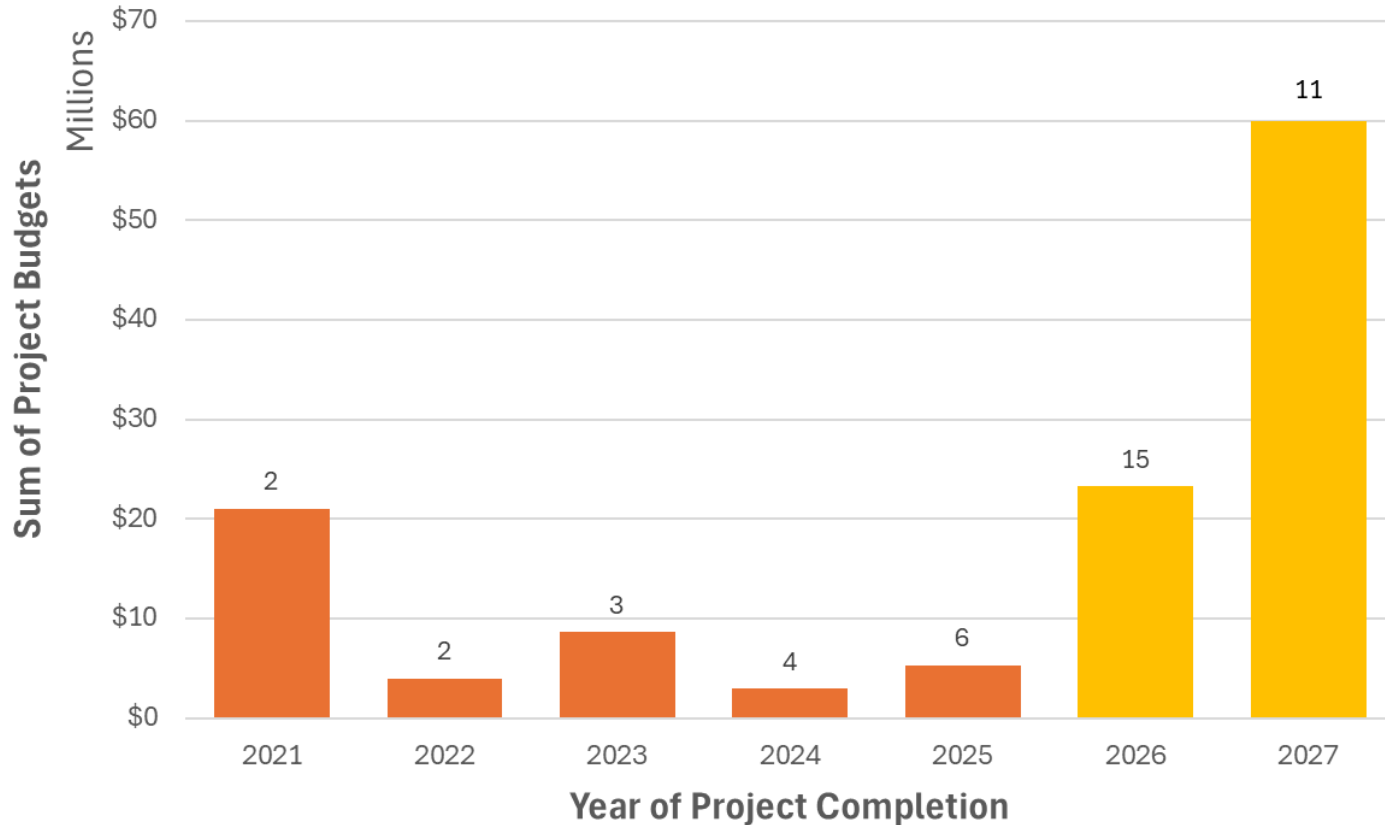
Timeline

- Multi-year implementation
- Initial rollout: FY 26-29



Capital Trends: Project Delivery

**Port Capital Projects
Completed FY 2021-2025 and Planned FY 2026-27**



Fiscal Year	All Projects Completed	Sum of Project Budgets	ARPA Funded Projects Completed
2021	2	\$ 21,059,506	
2022	2	\$ 3,985,830	
2023	3	\$ 8,634,618	
2024	4	\$ 2,949,337	2
2025	6	\$ 5,324,685	2
2026	15	\$ 23,252,290	8
2027	11	\$ 59,905,191	7

- Port has historically delivered a lower volume of projects
- Push to spend down State stimulus funds by December 2026 is driving up volume
- FY 2026-27 is anticipated to be a landmark year, both in terms of volume and overall value of delivery

Delivering a Safe, Vibrant, and Resilient Gateway for All

- **Strategic Alignment:** Capital investments are precision-mapped to the Port's 2026-2030 Strategic Goals: *Exceptional Service, Economic Growth, Evolve, Resilience, Sustainability, Equity, and Public Collaboration*
- **Fiscal Discipline:** Maximizes the impact of the Harbor Fund, grants, and bond interest to address the \$2.6 billion state-of-good-repair need
- **Data-Driven Prioritization:** Ensures capital investments are directed toward the projects with the highest economic and structural impact
- **Modernizing Operations:** Integrates digital transformation and asset management to improve long-term capital planning efficiency
- **Investing in Resilience:** Proactively addresses climate and seismic risks to protect critical city infrastructure
- **A Lasting Legacy:** Delivers a world-class waterfront that is safer, more accessible, and financially sustainable for the next generation