

Budget & Finance Committee

Item 7. Supplemental Appropriation: Dry Docks

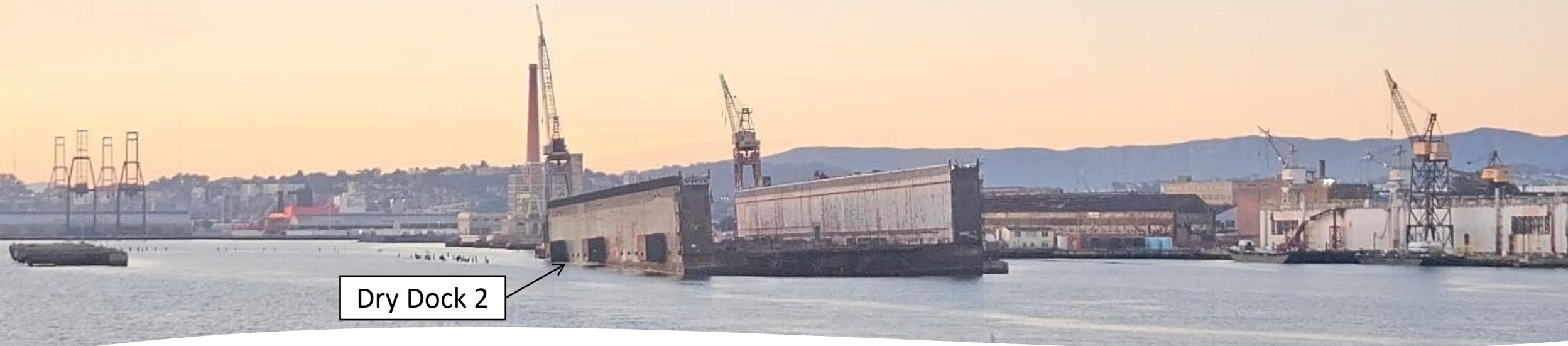
February 11, 2026



Background

- Dry Dock #2 (900' x 200')
- Eureka (570' x 125')
- Abandoned by BAE in 2017
- Port's multiple efforts to reactivate the shipyard have failed
- Staff shifted focus to sale or disposal in 2023
- Negotiations with Desean Shipyards were unsuccessful in establishing a path to divestment





Listing Event **Emergency Declaration**

- November 2025 – storm
- Damage enlarged existing tears, new tears
- Drydock flooding created actual emergency as defined in San Francisco Administrative Code
- Emergency Declaration approve by Board of Supervisors on February 3, 2026

Supplemental Appropriation

- On February 9, the Capital Planning Committee recommended approval of this ordinance
- Ordinance will **appropriate \$18,500,000** of fund balance from the Port Harbor Fund for stabilization and disposal of dry docks.
- Additional \$1.5 million available from BAE settlement funds available, **for a total of \$20 million in this initial phase.**
- The proposed budget for FY 2026-27 will include the remaining \$41.2 million needed to remove and dispose of both dry docks, **for a total of \$61.2 million.**



USES – By Fiscal Year/Phase	FY2025-26	FY2026-27	TOTAL AMOUNT
			(\$ millions)
Construction Phase 1A: Dry Dock 2 - Emergency Stabilization	\$8.6	-	\$8.6
Construction Phase 2A: Dry Dock 2 - Disposal	\$3.0	\$24.4	\$27.4
Construction Phase 2B: Eureka - Disposal	\$3.0	\$12.7	\$15.7
Subtotal	\$14.6	\$37.1	\$51.7
All Phases: 30% Construction Contingency	\$5.4	\$4.1	\$9.5
TOTAL	\$20.0	\$41.2	\$61.2