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Port of San Francisco

FY 2016-17 & FY 2017-18 Budget Overview

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Budget and Finance Committee





2-Year Budget Overview

- ✓ SUPPORTS STRATEGIC OBJECTIVES
- ✓ CAPITAL INVESTMENTS \geq 25% OPERATING INCOME
- ✓ OPERATING RESERVE \geq 15% OPERATING EXPENSES

Handwritten notes:
Memory on hand
1/11/18

Strategic Plan: A Vibrant and Diverse Waterfront

Renewal

Engagement

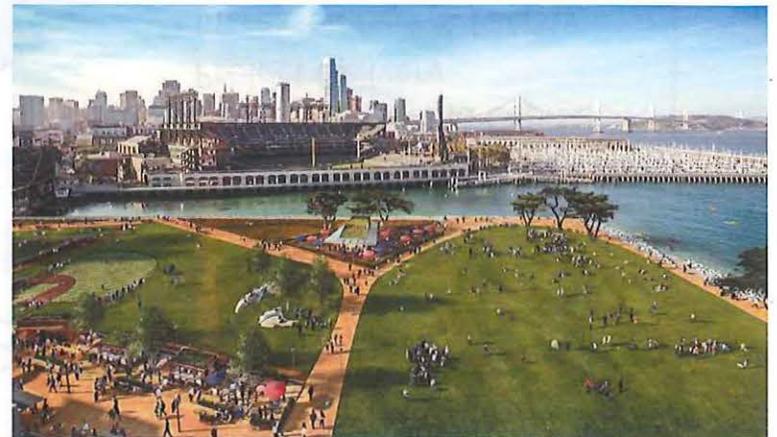
Livability

Resiliency

Sustainability

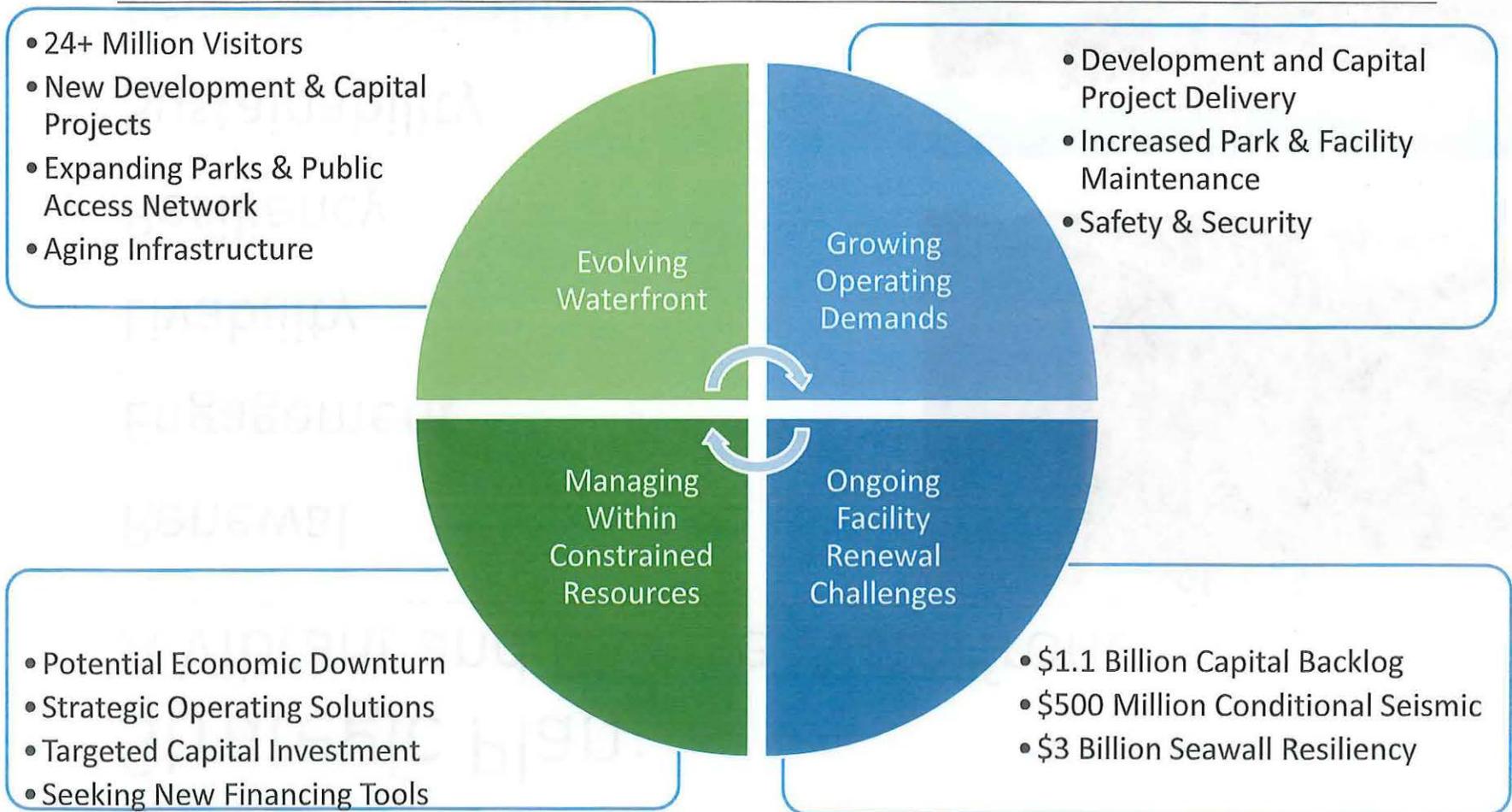
Economic Vitality

Stability



Port Financial Overview

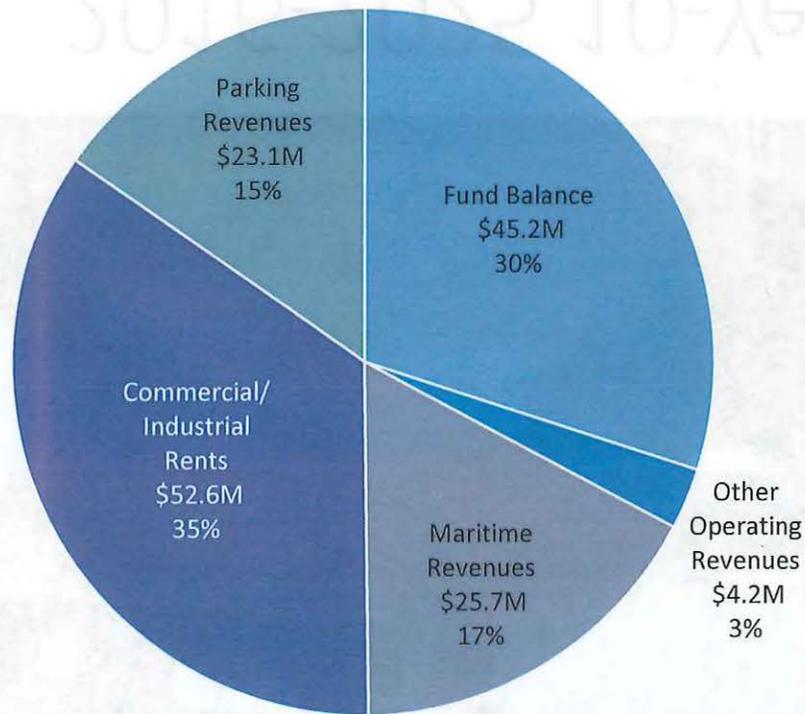
Balancing Needs with Limited Resources



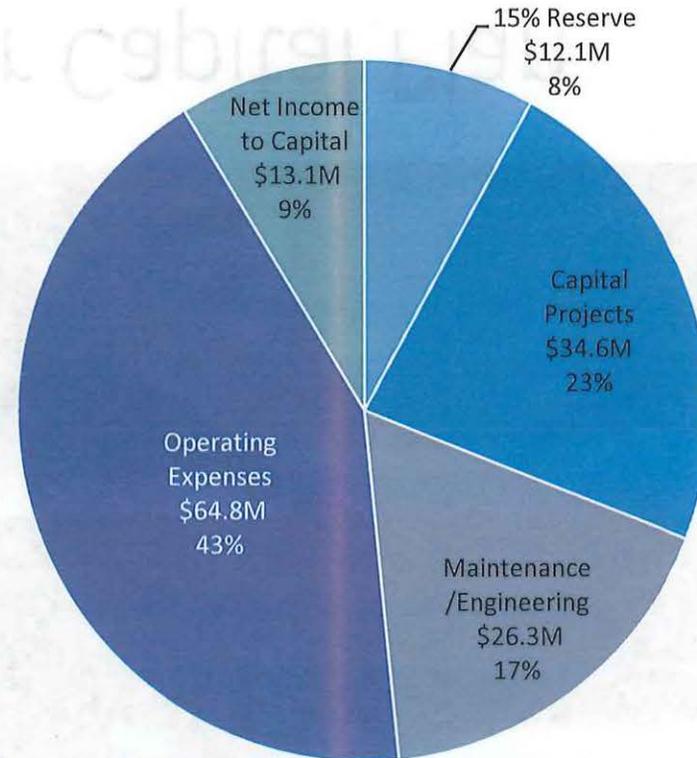
Budget Overview

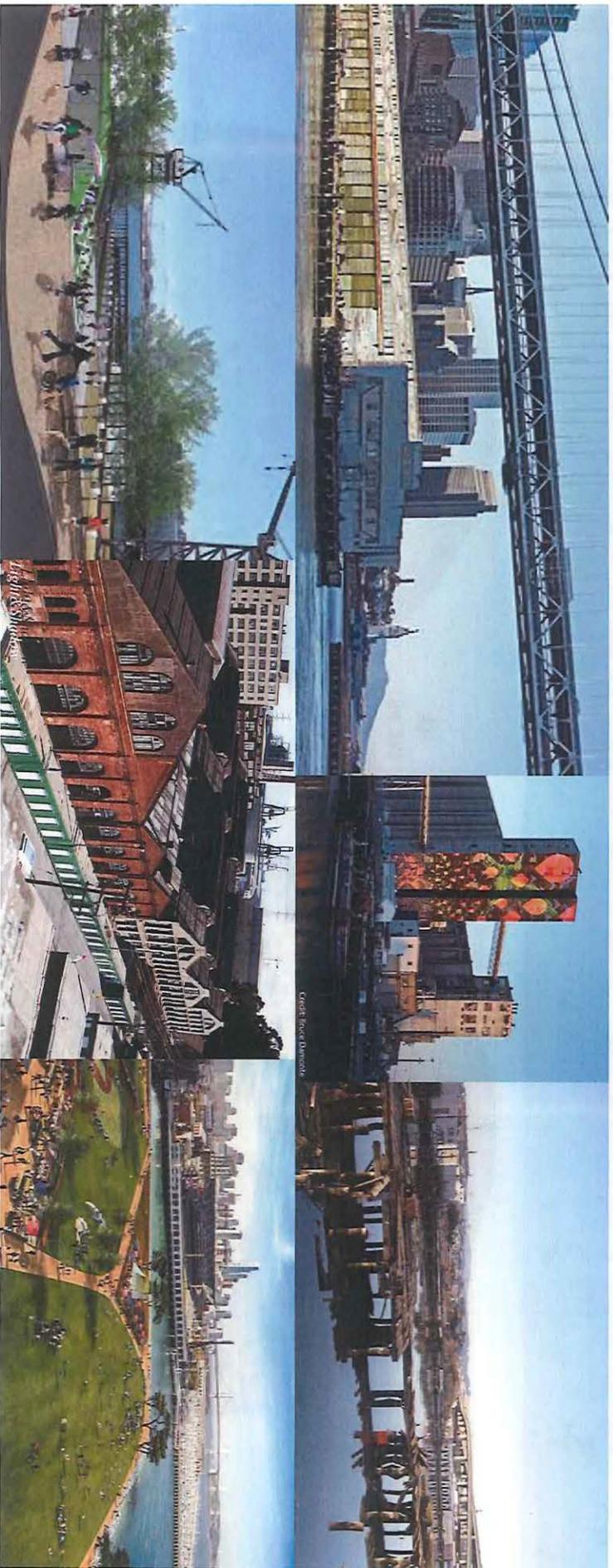
Fiscal Year 2016-17 Sources & Uses

Funding Sources
\$150.9 million



Use of Funds
\$150.9 million



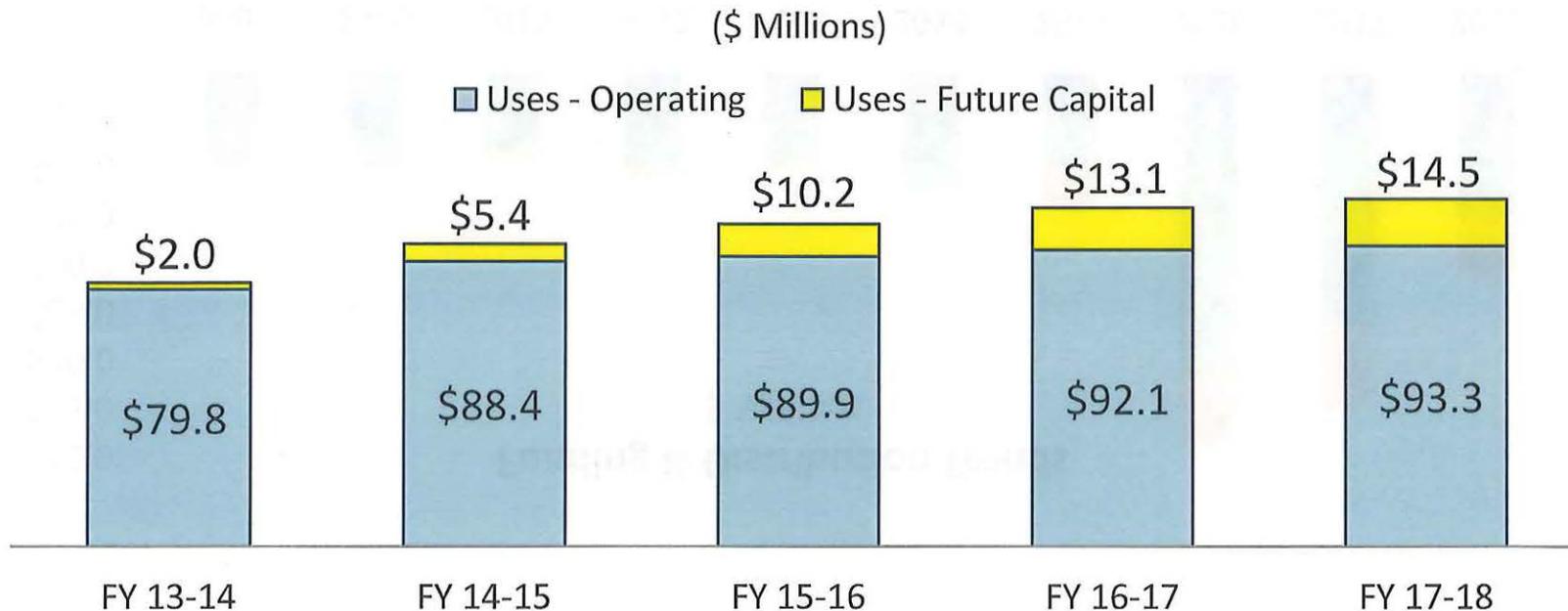


2016-2025 10-Year Capital Plan

- ✓ \$2.1 BILLION IN NEED
- ✓ \$854 MILLION OF SOURCES
- ✓ \$1.13 BILLION IN NEED IN 2025
- ✓ THE SEAWALL PROJECT IS NOT INCLUDED IN THE PLAN

Budget Overview

Prioritizing Future Capital Investment

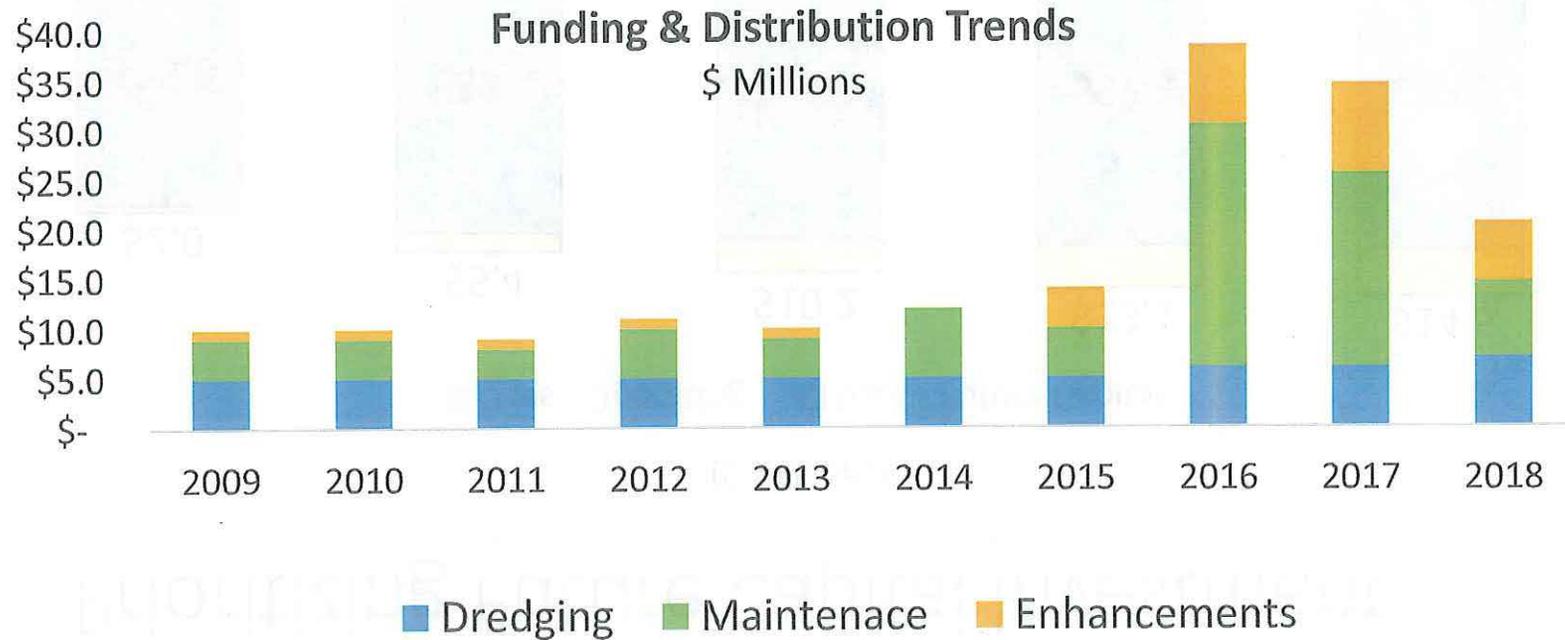


Limiting Operating Expenditure Growth

- Protects the Port during next economic downturn
- Allows the Port to prioritize capital investments

Capital Budget

Historic & Proposed Funding Levels





2-Year Capital Budget

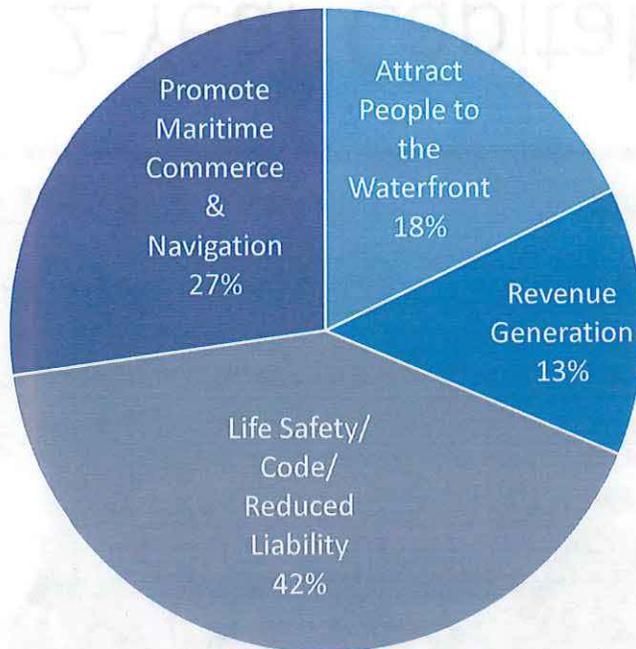
- ✓ FACILITY REPAIR & REPLACEMENT
- ✓ CRITICAL INFRASTRUCTURE
- ✓ STRATEGIC INVESTMENTS
- ✓ WATERFRONT ENHANCEMENTS

Capital Budget

Balanced Investments

Priority Areas

\$55.2 million



\$55.2 million Proposed Funding:

- 29 projects, including South Beach Harbor
- \$38.9 million (71%) renewal projects in the 10-Year Capital Plan
- \$16.3 million (29%) enhancement projects that support Strategic Objectives

Completed Projects Will Support:

- \$6.4 million annual revenue at stabilization
- \$44.3 million net revenue over 10 years

And Improve Life Safety Through:

- Upgraded fire protection systems
- Stronger/safer facilities
- Security enhancements

Strategic Plan: Livability

Awards and payments to LBEs have grown over time

Contract Awards

| | Contracts Awarded | Total Dollars Awarded | Total LBE Dollars Awarded | LBE Amount |
|-------------------|-------------------|-----------------------|---------------------------|------------|
| FY 2013/14 | 12 | \$4.6 million | \$1.4 million | 31% |
| FY 2014/15 | 14 | \$9.6 million | \$6.6 million | 69% |
| FY 2015/16 Q1 & 2 | 6 | \$556 thousand | \$420 thousand | 76% |

Contract Expenditures

| | Total Dollars Paid | Total Dollars Paid to LBEs | LBE Amount |
|-------------------|--------------------|----------------------------|------------|
| FY 2013/14 | \$67.5 million | \$22.5 million | 33% |
| FY 2014/15 | \$12.3 million | \$5.7 million | 47% |
| FY 2015/16 Q1 & 2 | \$4.2 million | \$2.1 million | 51% |

Strategic Plan: Economic Vitality

Mission Bay Ferry Terminal, \$3.5 million

- New Maritime facility to service Mission Bay neighborhoods and businesses
- \$6.9 million Initial Design Phase; \$42 million estimated project cost



Strategic Plan: Renewal & Stability

Wood Pile Crew

- Continue funding for a Pile Crew that was originally funded in FY 2013-14

Concrete Pile Crews

- Two new crews will focus on concrete substructures
- 15 FTEs added to the budget
- Supported by previously funded projects

Cement Mason Crew

- One new crew will repair sheds and other facilities
- 2 FTEs added to the budget



This approach builds on the Port's track record of achieving significant project savings by employing project maintenance crews

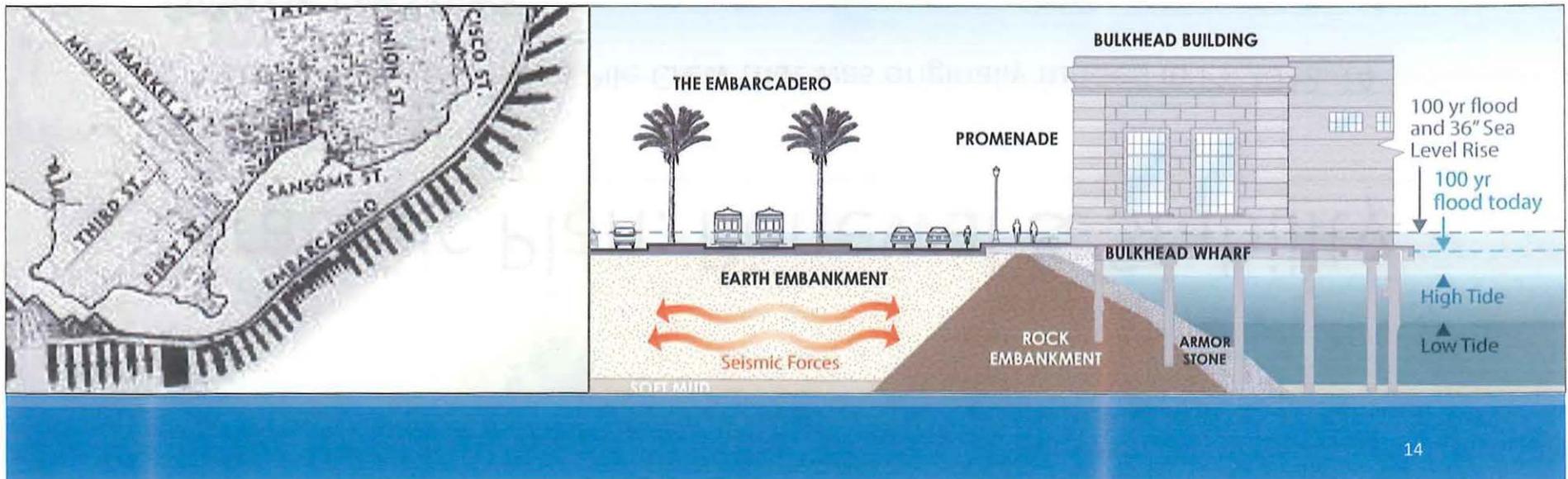
Strategic Plan: Resiliency

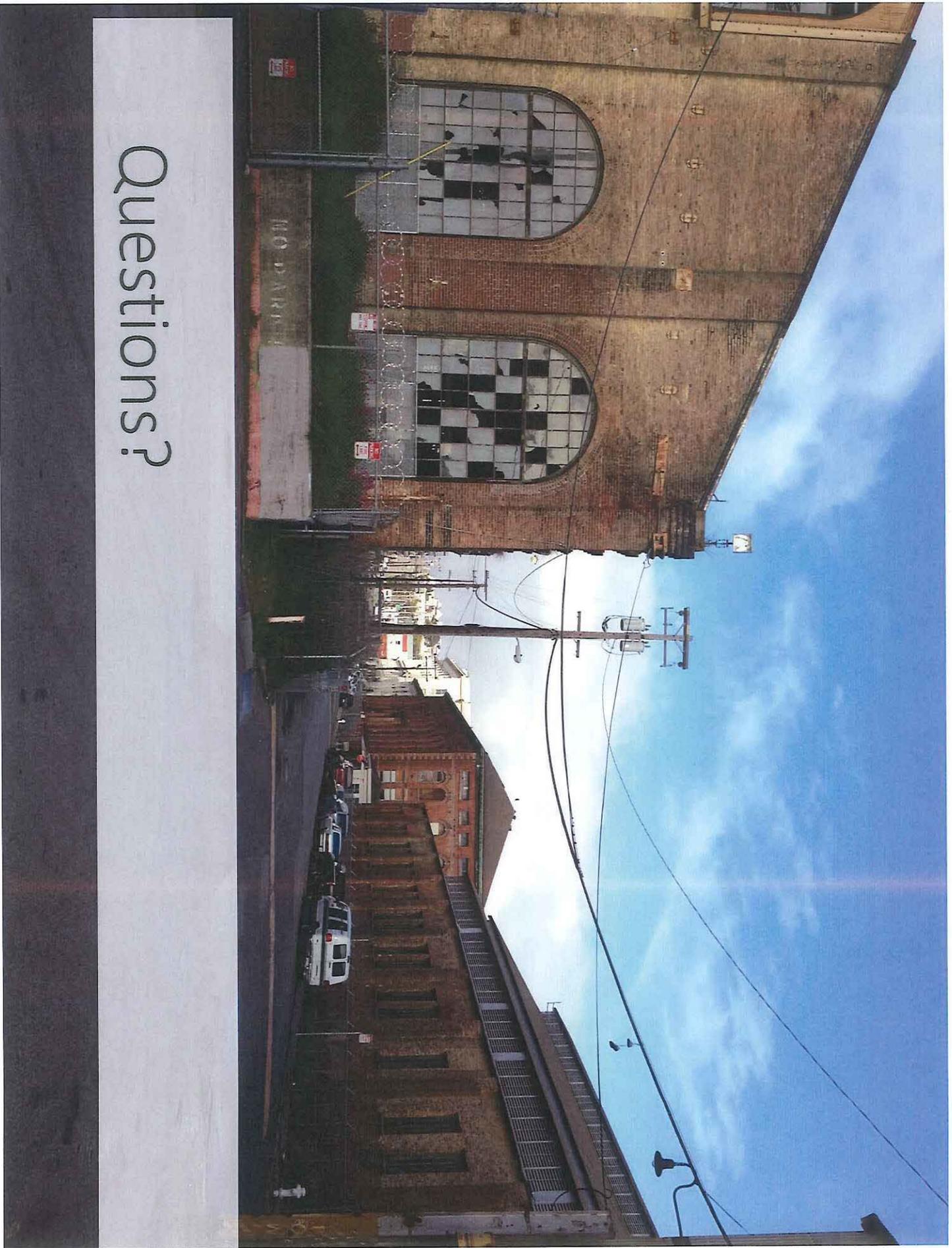
Study and plan for sea wall repair in response to sea level rise, earthquakes and natural disasters

1. Critical aging infrastructure that defines the waterfront, supports the Embarcadero and protects the City's Downtown

The Mayor's Office is supporting efforts to develop a financing plan

- Port Harbor Fund will have limited ability to support project
- Will rely heavily upon other sources of funds





Questions?

