



London Breed, Mayor
Philip A. Ginsburg, General Manager

Date: October 19, 2023

To: San Francisco Recreation and Park Commission

Through: Philip A. Ginsburg, General Manager
Stacy Bradley, Director, Capital & Planning Division

From: Monica Scott, Project Manager, Capital Division

Subject: San Francisco Marina Improvement and Remediation Project – Environmental Review

Agenda Wording

Discussion and possible action to direct staff to proceed with environmental review for the Marina Improvement and Remediation Project.

Strategic Plan

The Recreation and Park Department's recommendation of environmental review supports the following objectives in the Strategic plan:

Strategy 1: Inspire Public Space: Keep today's parks safe, clean, and fun; promote our parks' historic and cultural heritage; and build the great parks of tomorrow.

- Objective 1.2: Strengthen the quality of existing parks and facilities.
- Objective 1.3: Steward and promote good park behavior.
- Objective 1.4: Preserve and celebrate historic and cultural resources.

Strategy 2: Inspire Play: Promote active living, well-being and community for San Francisco's diverse and growing population.

- Objective 2.2: Strengthen and promote the safety, health and well-being of San Francisco's youth and seniors.
- Objective 2.3: Work with partners and neighborhood groups to activate parks through organized events, activities, and unstructured play.

Strategy 3: Inspire Investment: Through community engagement, advocacy, and partnerships, cultivate more financial resources to keep San Francisco's parks and programs accessible for all.

- Objective 3.1: Increase public investment to better align with infrastructure needs and



service expectations.

- Objective 3.2: Broaden engagement and strengthen external communications with park users and park partners.

Project Background

A Pacific Gas & Electric (“PG&E”) predecessor previously owned and operated a coal gasification plant in the vicinity of the Marina Green, the North Beach Manufactured Gas Plant (“MGP”), that produced contaminants found at the East Harbor Marina, including elevated levels of polycyclic aromatic hydrocarbons (“PAHs”) in subsurface soils and sediments. On January 18, 2001, the City filed a lawsuit against PG&E, arising out of the presence of the chemical compounds at the East Harbor Marina. On June 2, 2004, the court dismissed the Action without prejudice, to allow PG&E and the City to negotiate a settlement for the investigation and cleanup of pollution at the Site. From 2004 through 2020, the parties entered into a series of cost sharing agreements enabling them to work together to develop a solution for site cleanup and reconstruction. In 2021, the City and PG&E agreed on financing and terms to jointly perform the planning, outreach, design, environmental review, permitting, construction, and completion of the project at the site, via a Final Settlement Agreement (“FSA”), which was approved by the Board of Supervisors.

PG&E and the City will clean up the site under the State Water Board’s Site Cleanup Program. The San Francisco Bay Regional Water Quality Board (“RWQCB” a/k/a Water Board) is serving as lead agency and providing Case Officer oversight over the remediation. Among other approvals, the clean-up activities will require approval of a Remedial Action Plan (“RAP”) by the RWQCB. Approval of a RAP will authorize clean-up targets and objectives, mechanisms by which remedial activities are undertaken, and post-remediation monitoring requirements.

Project Description

The FSA provides that PG&E will fund the planning, outreach, design, environmental review, permitting, construction, and completion of a project at the project site, with a portion of the costs repaid by the City over 30 years at no interest from Marina revenues (no general fund money will be used). The Project is expected to include demolition of existing docks/berths located in southern East Harbor, removal of sediments containing elevated concentrations of PAHs, and backfilling with an engineered cap to remove potential pathways of exposure, and a possible reconfiguration and expansion of the existing recreational amenities at the site. The goal is to develop a project that addresses environmental concerns at the site, promotes environmental stewardship, and provides the public with increased recreational opportunities and water access amenities, all in a financially sustainable and holistic manner. The FSA provided a funding mechanism and framework for the parties to jointly develop the Project. The specific elements of the project will be developed jointly by the parties following environmental review and other approvals as required by law.

The proposed clean-up actions would include: demolition of existing docks/berths; dredging the northern half of East Harbor, including targeted removal of sediments containing elevated concentrations of PAHs to allow for placement of an engineered cap to address potential

exposure pathways; and installation of permeable reactive barriers along the shoreline. The proposed clean-up actions would retain the existing sediment cover over sediments with elevated PAHs in the southern portion of East Harbor and conditions will remain too shallow to continue existing marina operations, and as such, RPD proposes to relocate those berths.

The re-purposed shallow water area would provide opportunity for approximately 5-acres of protected open water, allowing for access to a new recreation use in this area: small, non-motorized water recreation and non-boating activities. The northern portion of East Harbor would remain a marina with the proposed re-construction of those slips. The proposal includes relocating the lost East Harbor berths and fuel dock into an expanded West Harbor, protected by new breakwaters. The breakwater is designed to minimize sand deposition to reduce the Department's on-going operations and maintenance dredging costs associated with excessive sand deposition.

The overall Marina Improvement Project proposal is consistent with the Bay Plan in its effort to preserve and increase all types of boating uses including motorized and non-motorized uses.

Project Benefits

- Addresses contaminated sediments
- Maintains and enhances public access to the Bay
- Expands recreational amenities for the general public
- Preserves and improves recreational boating
- Provides a no interest loan for overall marina improvements
- Addresses shoaling and sedimentation, which today results in frequent dredging and O&M costs
- Improves public access

Conceptual Design Development Status

Remediation

Under the regulatory purview of the Water Board, PG&E and their team of engineers oversaw investigations and studies in the East Harbor over the past decade. The studies generally found that the PAHs in sediments: 1) have not moved due to natural circumstance since they were deposited during MGP operations more than 100 years ago 2) have become naturally isolated under a significant thickness of accumulated sediment over time and 3) do not transfer contamination to surface water or groundwater. A human health and ecological risk assessment was conducted to evaluate the hazards presented by the PAHs present at the site, both under current and potential future conditions. The risk assessment concluded that: 1) the naturally accumulated sediment cover, where present, is effectively working to isolate the sediments containing higher PAH concentrations and 2) dredging the marina to depths allowing for full marina operation would remove this clean cover material, increasing risk to human health and the environment and requiring placement of an engineered cap. The Water Board reviewed and concurred with the conclusions of the investigations and risk assessment. Four different remediation alternatives were evaluated as part of the Water Board Feasibility Study process,

which recommended the Renovation Alternative that forms the basis of this project. The Renovation Alternative, which the Water Board has deemed acceptable, remediates 100% of the PAH contamination that presents a current or future risk to human health and the environment via removal of shallow PAH impacts and capping of deeper PAH impacts.

The Renovation Alternative maintains some of the existing sediment cover to isolate deeper impacts. Using this natural sediment cover reduces the overall amount of dredging volume and area, and therefore, introduces the least amount of environmental and community disruption and supports the development of new community benefits for the public.

The lower basin of the East Harbor will not be dredged, leaving natural sediment cover over sediment containing elevated concentrations of PAHs, while the upper portion of this basin will be dredged to marine navigation depths, with engineered cap placement in much of the area. Areas of this project that are not under RPD jurisdiction include the outside East Harbor area near the entrance channel which will be dredged to allow for capping, with direct cap placement under Pier 1 of Fort Mason, also under Water Board oversight.

Sediment capping is a common and effective remediation technology recognized by the United States Environmental Protection Agency that has been used for decades and included in over one hundred site remedies throughout the United States, including sites in the San Francisco Bay Area such as Potrero, India Basin, and Oyster Point. Sediment capping involves physically and/or chemically isolating underlying impacted sediment from potential receptors via placement of sand with or without amendments; existing sediment cover will also often physically and/or chemically isolate contaminated sediments without the need for addition of an engineered cap. Implementation of a capping remedy includes administrative controls to preserve the integrity of the cap and post-remediation monitoring conducted on a Water Board-approved schedule, as well as following potential upset events such as large earthquakes.

Removing all the contaminated sediment is not sustainable and would have negative impacts on the environment, community, and workers without providing significant additional protection of human health and the environment relative to the Renovation Alternative. In-water sediment removal destroys aquatic habitats present at the sediment surface and is therefore detrimental to the environment in the short term. In addition, remedial construction and sediment disposal activities have adverse effects to the community and workers, including air emissions, noise, traffic, and reduced public access. Remediation via sediment removal also requires that the material be transported offsite for materials management and disposal, at facilities that often are located in economically disadvantaged communities.

In summary, this strategy was selected for the following key reasons: 1) It is protective of human health and the environment; 2) It utilizes natural protective cover of clean accumulated sediment; 3) It requires less overall dredging and disturbance of impacted sediments; 4) It manages impacts through limited dredging and placing an environmental cap; and 5) It introduces the least amount of community and environmental disruption. The reasons why other strategies were not selected are: increased dredging destroys aquatic habitat and introduces contaminants to Bay waters; increased construction time (up to 20 years for the most extensive cleanup alternative) results in more greenhouse gas emissions, noise, traffic and other impacts; and finally, the other

alternatives have increased sediment removal, which requires increased transportation needs, off-site sediment disposal and capping.

Marina Improvements

There are three main areas of marina, recreational and public access improvements for this project: 1) the southeast corner of the site, with the shallow water basin and Marina Triangle area; 2) the Marina improvements proposed for the West Harbor extension; and 3) the improved northern portion of the East Harbor.

The approximately five-acre shallow water basin and adjacent upland area is imagined as a place for all to have access to the water, even if they do not own a boat. It provides both active and passive recreation opportunities and improves the Bay Trail as it runs along the East Harbor. There are currently two concept alternatives for the recreation elements in this area which were presented to the community at the meetings, and published on our project webpage, in August.

Aside from water access, all of the proposed features and amenities for the Shallow Water Basin and Upland stemmed from feedback we received during our community outreach process. These elements include:

- Accessible dock
- Water access/boat launch
- Softened shoreline
- Nature exploration area
- Lawn area
- Picnic area
- Viewpoints
- Volleyball court (s)
- Improved public restrooms

For the Marina to be financially sustainable, we closely studied the number and size of boat slips regionally, and the expected revenue they would generate with a higher occupancy annual use.

The number of slips currently considered for this project is not an increase in total slips. However, some of the berth sizes are shifting from 20-25-feet to 30-40-feet, to accommodate vessel sizes that are in higher demand in marinas throughout the Bay Area. For smaller boats, that would use a 20 or 25-foot berth, we are including side tie opportunities as we refine our berth planning. The side tie application creates more annual berthing for shorter vessels and provides reasonable small boat accommodations.

Proposed features and amenities for the Marina include:

- EV charging stations and electrical upgrades
- Relocation of the fuel dock to a more accessible location in the extension of the West

Harbor

- Guest docks
- Water taxi stop
- New breakwaters enclosing the West Harbor Extension: the one which extends from the Marina Green will be publicly accessible for pedestrians and have fishing opportunities and
- Improvements to existing East Harbor breakwater to allow for public access.

The publicly accessible breakwaters, which were elements added in the course of our outreach to the community based on feedback received, will offer amazing views to the Bay and Alcatraz, as well as provide people with the opportunity to be out on the water, even if they are not in a boat. The pedestrian section of the East Harbor breakwaters is planned to be 420 foot long and 6 feet wide, with an expansion of the last 50 feet to be 12 feet wide for the overlook. The western breakwater has a 300-foot segment that is pedestrian accessible and 6 feet wide, with an expansion of the last 50 feet to create a 20-foot overlook.

The Project will incorporate the Marina Bay Trail Improvement Project, a condition of BCDC permit approval for the West Harbor Project, completed in 2012.

Community Outreach

RPD recognizes this as a highly engaged and organized community who are passionate about their Marina, and recreation opportunities and are invested in the future the San Francisco Marina for current users and for future generations. With the start of the public engagement this year, we have heard feedback from the community on numerous matters. The majority of the feedback received included comments about: the extension of the West Harbor and change to the view from Marina Green; the extent of remediation; and questions about how the FSA was developed and approved. The community engagement and conceptual design phase for the open space and recreation project began in fall 2022 with the first public meetings in spring 2023.

The Department held a community meeting in March 2023 which 157 people attended and 654 people responded to a Department survey. The Department held a second round of meetings in August 2023 which 279 people attended and 171 people responded to the survey. The purpose of these meetings has been to inform people about the project, while gathering information about what activities people currently enjoy in the area, and how it could be improved.

The August meetings centered around sharing updates on refinements to the marina design, and sharing the two options for the shallow water basin and upland recreational improvements that were created based on the feedback received in the Spring.

Additionally, RPD staff attended, and PG&E staff presented at, the public meeting to review the Draft Feasibility Studies for the remediation component, which is regulated by the Regional Water Quality Control Board, in May 2023.

The Department is conducting additional forms of outreach, including meetings with key

stakeholders. Department staff have met with the St. Francis and Golden Gate yacht clubs, the Marina Harbor Association, the fuel dock operator, the South End Rowing Club, the Dolphin Club, the Sierra Club, the Smithsonian and other interested community members. Meeting notices have been distributed through mail (residents within a 1,000-foot radius) and flyer postings at the project site, e-mails to stakeholders, via NextDoor, RPD social media and announcements in the RPD E-news.

RPD also maintains a dedicated webpage on the Rec Park website.

During the remainder of the project, the public will be informed of updates through the project webpage, e-mails to stakeholders, via NextDoor, RPD social media, and announcements in the RPD E-news.

Costs and Repayment

The target budget for the joint project as contemplated in the FSA is \$130 million. RPD and PG&E agreed to an additional \$60 million in contingency for a not-to-exceed amount of \$190 million. (See Attachment A in the FSA (Exhibit A)). As we finalize the conceptual design, the project budget will be updated.

Repayment Terms

All project costs will be initially funded by PG&E with the City's share reimbursed solely out of Marina revenues. As defined in the FSA, RPD's repayment terms to PG&E for the \$130 million project is split 9% / 91%. RPD is responsible for \$11.7 million payable over 30 years with zero interest. RPD's repayment does not start until completion of all work and after Marina revenues begin being paid. PG&E's cost under this agreement is \$118.3 million of the first \$130 million. Note that no additional impacts are expected to the General Fund with this cost structure.

Anticipated Project Schedule

<u>Phase</u>	<u>Target Start Dates</u>
Begin Design Phases (SD, DD, & CD)	Spring 2024
Begin Environmental Review/Permitting	Summer 2024
Complete Environmental Review	2025
Bid/Award	2025
Construction	2026

Environmental Review

This project will require a full environmental review with an Environmental Impact Report (EIR) that will be prepared by the Planning Department. This action by the Commission will direct staff on a stable project description for the environmental analysis. The environmental analysis is expected to take approximately 18-24 months at which point the project will be ready for Commission review.

Staff Recommendation

Request to Commission to direct staff to proceed with environmental review for the Marina Improvement and Remediation Project.

Attachments

Exhibit A: Final Settlement Agreement

Exhibit B: Marina Improvement and Remediation Project Graphics