

MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (“MOU”) dated as of March 13, 2025 for reference purposes only, by and among the **CITY AND COUNTY OF SAN FRANCISCO** (“City”), acting by and through the **SAN FRANCISCO PORT COMMISSION** (“Port”) and the **SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY** (“WETA”, or “SF Bay Ferry,” and together with the Port, the “Parties”), replaces that certain “Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project” between the Parties dated June 30, 2017, which established a framework for development of a future Mission Bay Ferry Landing.

RECITALS

A. The Port of San Francisco oversees, manages, and holds 7.5 miles of waterfront lands, from Aquatic Park in Fisherman’s Wharf to Heron’s Head Park near India Basin, in public trust for the use and enjoyment of the people of California. The Port works to advance environmentally and financially sustainable maritime, recreational, and economic opportunities for the residents of and visitors to the City, Bay Area, and the State of California.

B. WETA was created by the State of California to develop and operate a regional ferry transit system on San Francisco Bay and to coordinate water transit response in the event of a natural disaster or regionally disruptive event. WETA, under the operating brand SF Bay Ferry, currently operates service to San Francisco from six terminals throughout the Bay Area.

C. The Mission Bay Ferry Landing (“MBFL”) is a ferry terminal to be constructed in the Mission Bay neighborhood near the intersection of Terry A. Francois Boulevard and 16th Street, adjacent to Agua Vista Park and near the Bayfront Park. The MBFL project (“Project”) includes the construction of a ferry terminal and equipment installation, including a Universal Charging Float (UCF) capable of mooring and charging battery electric ferry vessels with a connection to the local electrical grid. The Project also includes the construction of a fixed pier with canopy, a gangway, and shoreside public access and open space improvements. Project components are illustrated in Exhibit 1B.

D. On June 30, 2017, the Parties entered into a Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project; this MOU replaces the 2017 Memorandum of Understanding in its entirety, and upon full execution and delivery of this MOU, the Parties declare the Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project to be null and void.

E. The Port completed a Mitigated Negative Declaration (State Clearing House No. 2018052002, July 6, 2018) that meets the requirements of the California Environmental Quality Act (CEQA) for environmental clearance of the Project.

F. The Parties acknowledge that new ferry service at Mission Bay was identified in Plan Bay Area 2050, San Francisco Bay Area's long-range Regional Transportation Plan jointly developed and adopted in 2021 by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). New ferry service at MBFL is also identified in SF Bay Ferry's 2050 Service Vision as a Tier I expansion project.

G. The Port and other departments within the City have invested \$16.7 million in early-phase project expenses for the Project including design, permitting, and environmental mitigation.

H. SF Bay Ferry intends to request allocation of up to \$26.0 million for the Project from the \$300 million Ferry Enhancement Program approved by voters in June 2018 as part of Regional Measure 3 ("RM3") to purchase new vessels, upgrade and rehabilitate existing vessels, build facilities and landside improvements, and upgrade existing facilities.

I. The Parties agree that the Project will be designed and constructed to support the operation of zero emission battery electric ferry vessels, in addition to SF Bay Ferry's current fleet of diesel vessels.

J. SF Bay Ferry has been awarded grant funds from the California State Transportation Agency (CalSTA) Transit via its Intercity Rail Capital Program (TIRCP) for electrification of MBFL to support zero emissions ferry service.

K. In addition to this MOU, it is the intent of the Parties to enter into a long-term lease ("Lease") and companion long-term license ("License"), which collectively will delineate the ongoing operation and maintenance rights and responsibilities at the MBFL upon Project completion. Furthermore, the Parties agree to enter into any necessary subrecipient or funding agreements required to access or disburse funds awarded for the Project and to comply with all terms and conditions of those fund sources.

L. Under a separate agreement (Lease No. L-16591, as will be amended), the Port agrees to allow continued use of Pier 48.5 by SF Bay Ferry as an interim landing for special event services and potentially short hop service to the San Francisco Ferry Terminal until commencement of operations at the MBFL. If mutually desirable, the Parties agree to explore the future feasibility of a permanent landing at Pier 48.5 serviced by SF Bay Ferry.

M. SF Bay Ferry anticipates that it will initially serve the MBFL with service from the North Bay and East Bay during normal morning and evening commute times. Depending on ridership demand and operating fund availability, SF Bay Ferry may also

provide service to the MBFL for special events at the Chase Center or other nearby locations, as well as for the short-hop service to the San Francisco Ferry Terminal and to other regional terminals.

AGREEMENT

The parties hereby agree as follows:

I. Incorporation of Recitals

The above recitals are specifically incorporated into this MOU.

II. Term

This MOU will be effective on the last date this MOU is signed by all Parties and, subject to either Party's ability to terminate the MOU for any reason upon 90 days' notice, will expire upon full execution of the long-term lease and license agreements referenced in Recital K above.

III. General Principles

By and through this MOU, the Parties agree to:

- 1) Work collaboratively to pursue timely implementation of the Project in support of the respective organizational missions of the Parties.
- 2) Acknowledge the current funding plan including Port and SF Bay Ferry funding commitments for MBFL as summarized in Exhibit 1A to this MOU.
- 3) Work together to advocate for the preservation and allocation of all funding committed to the project.
- 4) Acknowledge the potential for additional Project or Project-related costs to arise in the future. The parties will partner to secure future sources of revenue as needed, including but not limited to potential regional transportation measures.
- 5) Acknowledge that SF Bay Ferry's total requested allocation of RM3 funds to support construction of the Project shall not exceed \$26.0, the total commitment indicated in Exhibit 1A.
- 6) Delineate specific roles and responsibilities for SF Bay Ferry and the Port related to the Project.

IV. General Approach to Project Implementation

Planning and implementation of the Project is being undertaken as a partnership between the Port and SF Bay Ferry. The Project also involves close coordination with additional local, State, and Federal agencies, as well as community stakeholder groups.

The Port will continue to serve as the lead agency throughout the planning and implementation phase of the Project, supported by SF Bay Ferry. Specifically, the Port has lead agency responsibilities regarding:

- Regulatory permits and environmental clearance
- On-site construction contracts and building permits
- Overall Project management, construction management and
- Public outreach and external Project-related communications.

Further details related to Project funding, design and delivery, and the division of responsibilities are included below and in Exhibits 1A and 1B.

V. Project Financing

The Project is understood to be fully funded as of the date of this MOU and supported by \$74.4 million of local, regional, state and federal sources that are being managed by the Port and SF Bay Ferry. The Port and SF Bay Ferry acknowledge that each agency's budget is subject to an appropriations process, and therefore its ability to pay for its allocated costs is subject to the appropriations of funds.

The funding details below illustrate the availability of funding and agreed-upon intended uses by source; however, both funding sources and uses may be adjusted by the Parties if necessary.

- 1) **City and County of San Francisco Capital Funds (\$19.8 million).** Several departments within the City and County of San Francisco have or will contribute funding to various phases of the Project:
 - *Port of San Francisco (\$7.0 million)* – The Port contributed \$7.0 million towards early-phase project expenses including design, permitting, and environmental mitigation.
 - *Parks Bond (\$2.0 million)* – The Port will also invest \$2.0 million City Parks Bond proceeds in Aqua Vista Park improvements, which is directly adjacent to the landing; Project construction includes installation of landing utilities in the park area and using the area as the contractor's temporary staging area during construction.
 - *General Fund (\$1.2 million)* – The City's General Fund supported early-phase project expenses including design, permitting, and environmental mitigation.
 - *Office of Community Investment and Infrastructure ("OCII") (\$8.5 million)* – OCII contributed funding toward the early-phase project expenses including design, permitting, and environmental mitigation.
 - *San Francisco Public Utilities Commission ("SFPUC") (\$1.1 million)* – The SFPUC will fund infrastructure for the City's Auxiliary Water Service System (AWSS), which is used to support fire suppression. It is anticipated that the

SFPUC will support the full amount of these costs, which is currently estimated to at \$1.1 million.

2) **University of California San Francisco (“UCSF”) (\$4.0 million).** UCSF has pledged \$4.0 million in grant funding to the Port to support the Project, recognizing the benefit of improving and diversifying transportation options for its employees and to support environmental mitigation of the waterways utilized by the ferry system.

3) **San Francisco Sales Tax (\$4.2 million).** The San Francisco County Transportation Authority (SFCTA) committed \$4.2 million Proposition L sales tax revenue to support the Project. These funds are anticipated to support environmental mitigation of the waterways utilized by the ferry system but may be used to support other project costs.

4) **Regional Measure 3 (\$26.0 million).** SF Bay Ferry intends to request allocation of up to \$26.0 million from the RM3 Ferry Enhancement Program to support construction of the Project.

5) **Transit and Intercity Rail Capital Program (\$2 million).** The Transit and Intercity Rail Capital Program (TIRCP), administered by the California State Transportation Agency (CalSTA), is a state initiative utilizing Cap and Trade sale proceeds to achieve transformative capital improvements that will significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. SF Bay Ferry received over \$20.4 million in funding through this program, of which \$2.0 million is anticipated to support construction of the Project.

6) **Clean Ports Program Grant (\$18.4 million).** The United States Environmental Protection Agency (EPA) received \$3 billion from the 2022 Inflation Reduction Act of 2022 to fund zero-emission port equipment and infrastructure as well as climate and air quality planning at U.S. ports. The Port, in partnership with SF Bay Ferry, was one of 55 selected grantees and received a total award of \$55.4 million. Of these funds, an estimated \$2.8 million will support Project soft costs, \$15.6 million will support construction of the UCF and piles.

The Parties will enter into further agreements relating to financial processes and commitments for subrecipient obligations, invoice processing and procedures, and other related matters.

VI. Design

Project design has been and will continue to be a multi-year effort involving various City agencies and partnerships. Project scope and design responsibilities are broken out as follows:

- a. Except as set forth in sub-paragraph (b), the Port is responsible for entering and managing contracts to create a design for the Project, subject to the availability of funding sources identified for Project components.

- b. SF Bay Ferry is responsible for entering and managing contracts to create a design for the UCF and will fund 100% of the design cost associated with the UCF from funds other than those described in this MOU.

SF Bay Ferry and the Port will collaborate to ensure effective and efficient design. Each Party will engage the other at key milestones to request design review of their respective design elements, which will be completed by each party in a thorough and timely manner. The Parties agree to incorporate the operation and charging of SF Bay Ferry battery-electric vessels into the Project design, as required.

VII. Project Permitting and Environmental Review

The Project requires CEQA and NEPA environmental clearances and permits listed below. The Port is the lead agency for Project permitting and is responsible for securing additional design review, environmental clearances and permit extensions to proceed with construction. The Port will incorporate the operation and charging of SF Bay Ferry battery-electric vessels into the Project permitting and environmental review, as required. The Port will fund 100% of the cost for Project permitting and environmental review with the support of SF Bay Ferry, as necessary.

- a. City of San Francisco Planning Department, Mitigated Negative Declaration, 2017-008824ENV issued July 6, 2018; and City of San Francisco Planning Department, Addendum to Mitigated Negative Declaration, 2017-008824ENV, issued June 4, 2019.
- b. San Francisco Regional Water Quality Control Board Section (Regional Water Board) 401 Water Quality Certification, CIWQS Place ID 841395, issued October 28, 2019; and Regional Water Board Letter of Modifications to MBFL CIWQS 841395, issued August 17, 2020. Port requesting an extension of the time limit to complete the construction from December 31, 2025 through 2028.
- c. San Francisco Bay Conservation and Development Commission (BCDC) Major Permit No. 2017.008.00 issued December 17, 2019 and Federal Consistency Certification, including BCDC Design Review Board review. Port requesting an extension of the time limit to complete the construction and Agua Vista Park improvements from June 23, 2025 through 2028.
- d. U.S. Army Corps of Engineers (USACE) Section 404 and Section 10 Individual Permit SPN-2017- 00264S, issued May 4, 2020; and USACE Letter of Modification to Permit No. 2017-00264S, issued June 4, 2020. Port requesting an extension of the time limit to complete the construction from May 1, 2025 through 2028.
- e. National Marine Fisheries Service (NMFS) No: WCRO-2019-00444 – Federal Endangered Species Act 7(a)(2) Concurrence Letter and Magnuson-Stevens

Fishery Conservation and Management Act Essential Fish Habitat Response, issued August 9, 2019.

- f. U.S. Fish and Wildlife Service (USFWS) – Federal Endangered Species Act 7(a)(2) Consultation for 2024 listing of longfin smelt.
- g. National Oceanic and Atmospheric Administration (NOAA) – Marine Mammal Protection Act Incidental Harassment Authorization (IHA), issued June 1, 2019 (expired May 30, 2020).
- h. California Department Fish & Wildlife (CDFW) Incidental Take Permit #2081-2018-062-07, issued December 19, 2018; and Minor Amendment to ITP Permit #2081-2018-062-07-A1, issued January 25, 2021. Port requesting an extension of the time limit to complete the construction from November 30, 2025 through 2028.

VIII. Construction/Procurement/Delivery

Project construction/procurement/delivery responsibilities are as set forth as follows:

- a. Mission Bay Ferry Landing – The Port is responsible for awarding and overseeing construction and construction management contracts for the entire Project excluding the Universal Charging Float. SF Bay Ferry will participate in the Port-led procurement process and will review and, as appropriate approve all contracting awards and change orders. The Port's construction contract scope includes, but is not limited to, ferry landing site preparation, waterside infrastructure, landside improvements, ferry electrification infrastructure, and Emergency Firefighting Water System (EFWS) features.
- b. Universal Charging Float – SF Bay Ferry will fabricate and deliver the UCF as owner-provided equipment at a delivery date and location mutually agreed upon by the Parties. The UCF will be installed by the Port's contractor team.
- c. Testing and Commissioning – The Port's contractor team will perform testing and commissioning of the various Project components with input and oversight of the Parties, and in accordance with their respective Project responsibilities as set forth herein.

IX. Operation and Maintenance

The Parties will enter into new lease and license agreements defining roles and responsibilities relating to, but not limited to, operation, maintenance, capital rehabilitation and landing rights of the facility prior to Project completion. Terms of the lease and license agreements will include:

- a. "Waterside Operational Elements" are those improvements located eastward of the access control gate at the eastern end of the pier and specifically include the float, gangway, piles supporting the float, Clipper infrastructure, and the access control gate leading to the gangway. Upon completion of the Project, SF Bay Ferry will own or lease, maintain, repair, and rehabilitate, and if necessary, replace all Waterside Operational Elements in addition to any SF Bay Ferry signage westward of the access control gate.
- b. The Port will own, maintain, repair, rehabilitate, and, if necessary, replace all Project components, other than the Waterside Operational Elements (and other than any SF Bay Ferry signage westward of the access control gate). The Port will provide and maintain a 500kW connection between the access control gate and the connection to the local power grid to support ferry service operations.
- c. Property Rights: Paragraphs a and b describe the Parties' intended ownership rights in the Project upon completion. Such ownership must be consistent with any funding agreement obligations for which either Party is responsible. If permitted by funding agreements, the Parties may enter into agreements for the transfer of ownership of Project components to give effect to the division of operating and maintenance responsibilities set forth in this MOU.
- d. SF Bay Ferry will be the sole and exclusive operator of MBFL. SF Bay Ferry may allow other operators to land at the facility provided they have a valid landing agreement with SF Bay Ferry and do not interfere with SF Bay Ferry services. SF Bay Ferry may charge landing fees for the privilege of landing at MBFL.
- e. The Port and SF Bay Ferry will execute a Lease for a 66-year duration for the Waterside Operational Elements that are not SF Bay Ferry's property, commencing upon completion of construction. The terms for the Lease will generally be consistent with the existing lease dated July 6, 2020 for the downtown San Francisco terminal.
- f. The Port and SF Bay Ferry will execute a License for portions of the MBFL that are outside the Lease premises but will need to be accessed by SF Bay Ferry and its agents and invitees for the purpose of operating the MBFL. The terms for the License will generally be consistent with the existing license dated July 6, 2020 for the downtown San Francisco terminal.
- g. Without limiting the Port's authority in the event of a local emergency (for example, the berthing of the San Francisco Fire Department boat or San Francisco Police Department boat for rescues, responses to crime, etc.),

the Lease and License will include provisions consistent with SF Bay Ferry's statutory authority to plan, manage, operate, and coordinate regional emergency activities of water transportation and related facilities.

- h. The Parties acknowledge the potential future need to perform maintenance dredging to support ferry operations at the MBFL and agree to work cooperatively to identify funding sources to cover the cost of maintenance dredging related activities at the appropriate time, should such need arise. The responsibility for paying for the cost of dredging is not yet determined or set by this MOU.

The Port and SF Bay Ferry have entered into this Memorandum of Understanding as of the last date set forth below.

**San Francisco Bay Area Water
Emergency Transportation
Authority**

**City and County of San Francisco,
acting by and through the San
Francisco Port Commission**

By: _____

By: _____

Date: _____

Date: _____

Seamus Murphy
Executive Director

Elaine Forbes
Executive Director

Approved as to form:

By: _____

Steven D. Miller
Legal Counsel to WETA

Reviewed:

DAVID CHUI, City Attorney

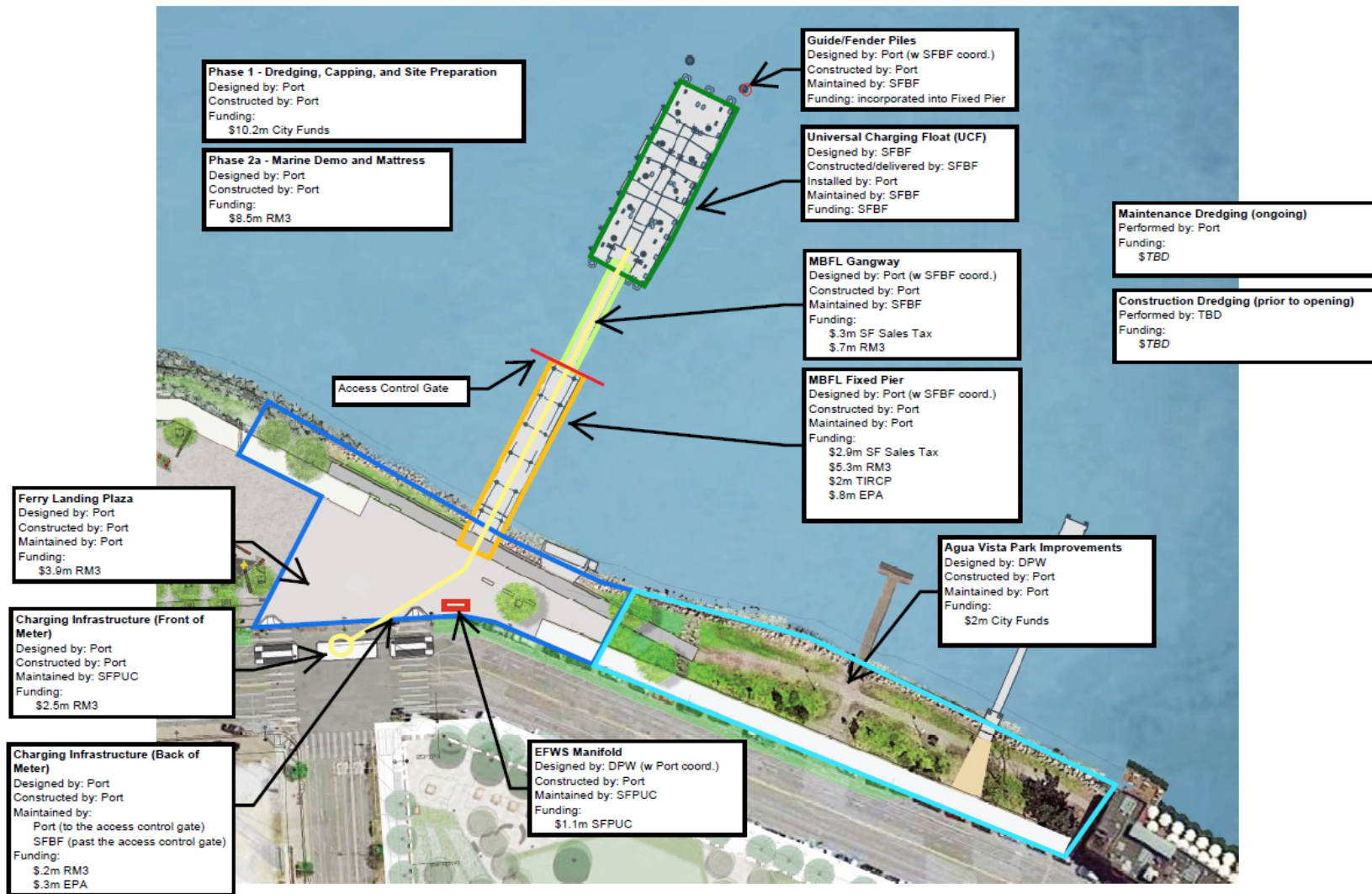
By: _____

Deputy City Attorney (CCSF)

Exhibit 1A – MBFL Project Funding and Delivery

	Delivered By:	City Funds	UCSF	SF Sales Tax	RM3	TIRCP	EPA	TOTAL
<u>Soft Costs</u>		<u>\$6.5</u>	<u>\$4.0</u>	<u>\$0.6</u>	<u>\$0.2</u>	<u>\$-</u>	<u>\$2.8</u>	<u>\$14.1</u>
Project Management and related Port staff labor	Port	\$0.4	\$-	\$-	\$-	\$-	\$0.2	\$0.6
Design, Entitlements, & Regulatory Fees	Port	\$6.1	\$1.1	\$-	\$-	\$-	\$-	\$7.2
Construction Management, Inspections, and Monitoring	Port	\$-	2.9	\$0.6	\$-	\$-	\$2.4	\$5.9
WETA labor for Phase 2b	SFBF	\$-	\$-	\$-	\$0.2	\$-	\$0.2	\$0.4
<u>Construction</u>		<u>\$13.3</u>	<u>\$-</u>	<u>\$3.6</u>	<u>\$25.8</u>	<u>\$2.0</u>	<u>\$15.6</u>	<u>\$60.3</u>
Phase 1 Dredging, Capping and Site Preparation	Port	\$10.2	\$-	\$-	\$-	\$-	\$-	\$10.2
Phase 2a Marine Demo and Mattress	Port	\$-	\$-	\$-	\$8.5	\$-	\$-	\$8.5
Phase 2b Ferry Landing and Upland Improvements		\$-	\$-	\$-	\$-	\$-	\$-	
Shorepower and Anchoring Systems	SFBF/Port	\$-	\$-	\$-	\$-	\$-	\$14.0	\$14.0
Gangway	Port	\$-	\$-	\$0.3	\$0.7	\$-	\$-	\$1.0
Fixed Pier	Port	\$-	\$-	\$2.9	\$5.3	\$2.0	\$0.8	\$11.0
Ferry Plaza	Port	\$-	\$-	\$-	\$3.9	\$-	\$-	\$3.9
Shoreside Charging infrastructure - Back of Meter	Port	\$-	\$-	\$-	\$0.2	\$-	\$0.3	\$0.5
Shoreside Charging infrastructure - Front of Meter	Port	\$-	\$-	\$-	\$2.5	\$-	\$-	\$2.5
Contingency/ Escalation 2 additional years (5%)	Port	\$-	\$-	\$0.4	\$4.7	\$-	\$0.5	\$5.6
Emergency Firefighting Water System (SFPUC)	Port	\$1.1	\$-	\$-	\$-	\$-	\$-	\$1.1
Agua Vista Park Improvements	Port	\$2.0	\$-	\$-	\$-	\$-	\$-	\$2.0
EXPENSES		\$19.8	\$4.0	\$4.2	\$26.0	\$2.0	\$18.4	\$74.4

Exhibit 1B – Mission Bay Ferry Landing – Funding and Delivery



Legend

Project Scope
Designed by: responsible party
Constructed by: responsible party
Funding: \$xx (hard costs)