



## MEMORANDUM

July 12, 2024

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Gail Gilman, Vice President  
Hon. Willie Adams  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director

**SUBJECT:** Request reduction of Port of San Francisco Crab and Salmon receiver lease rents up to 50% for a period of five months (May 15, 2024, through October 15, 2024) in light of economic disruption caused by the closure of the 2023 and 2024 commercial Salmon season and the multiple shortened commercial Dungeness Crab seasons.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 24-33

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### EXECUTIVE SUMMARY

Commercial fishing is one of the Port's and City's most important maritime industries. Its origin predates the Port, and commercial fishing continues today despite both environmental and industry challenges. The industry employs a wide range of San Franciscans and Bay Area residents and has historically generated strong revenues for the Port through its chain of economics.

The local salmon and the local Dungeness crab seasons have been severely compromised in recent years due to environmental challenges such as the increased presence of whales along the Pacific Coast, the impacts of drought, and the lingering economic impacts of the 2019 coronavirus pandemic.

At its hearing on June 11, 2024, the Port Commission approved waivers of salmon boat berthing fees and crab pot storage fees to help mitigate the impacts of the curtailed

fishing seasons. At that hearing the Port Commission also asked staff to consider similar relief for the Port's fish-receiving tenants, which have also been affected by the reduced local fishing opportunities. In response to that direction, Port staff recommend that the Port Commission approve a five-month (May 15, 2024, through October 15, 2024) 50% reduction of monthly lease rent for permanent San Francisco crab or salmon receivers who hold valid State Fish and Wildlife landings, either directly or through an agent, of crab from crab boats or salmon from salmon boats at their Port of San Francisco facility.

## **BACKGROUND**

The commercial fishing industry has faced numerous challenges ranging from overfishing, commercial development, ocean pollution, non-native species, and other environmental challenges over many decades. Despite these challenges, Pier 45 and Hyde Street Harbor / Fisherman's Wharf remains one of the West Coast's major commercial fishing centers, and much has been done to "keep the fish at Fisherman's Wharf." Major Port initiatives include the 1995 rebuilding of the earthquake-damaged Pier 45 and the 2001 construction of the \$21 million Hyde Street Commercial Fishing Harbor, the 2012 construction of a new \$2 million Harbormaster's office, and the 2016 Crab Industry Relief Program. Upcoming projects that support the commercial fishing industry include the interim J-9 replacement float project and a new ice machine at Pier 45. Over the past two years, San Francisco's most important seafood seasons, Dungeness crab and salmon, have either been delayed in opening, closed early, or closed for the season. For the Dungeness crab season, the delays and closures are a result of determinations made by the California Department of Fish and Wildlife (CDFW) ahead of each season that the presence of whales was high along the Pacific Coast. With respect to the salmon season, the CDFW determined the fishery and salmon population to be well below historic averages, which resulted in the cancellation of the last two commercial salmon seasons.

## **ECONOMIC IMPACTS TO COMMERCIAL FISHERS**

In 2021, CDFW reported that 2.7 million pounds of fish with a gross value of \$10.6 million were landed at the Port of San Francisco. This is a significant reduction from years past and a disturbing trend. The main legacy fishing seasons in San Francisco are salmon (April to fall), crab (November to spring), and herring (December to February). The 2021 reporting period was the last year full year for the salmon season.

Following 2021, the local commercial fishing fleet has suffered a double hit as years of drought conditions have severely impacted the salmon run resulting in the cancellation of both the 2023 and 2024 commercial salmon season.

Over the past five years, Dungeness crab fishing has also been directly impacted by limited seasons. One of San Francisco's most important seafood seasons and a legacy Thanksgiving delicacy, Dungeness crab, has suffered delayed openings, sometimes not opening until after the holiday season, and early closures by the State of California's Departments of Fish and Wildlife due to migratory whales and crab gear entanglements.

As a result of the limited or closed seasons, many of the Port’s salmon fishers, crab fishers, and fish processing businesses have been pushed to the economic brink of collapse. Port staff have engaged members of the San Francisco commercial fishing industry to assess their economic status in light of the closed seasons. Most of the fishing fleet and fish processors are small businesses and the economic impacts have been dramatic. Much of the crab and salmon fishing industry earns much of its annual revenue in a few months, depending on the fishery. The proposed “Crab and Salmon Processor Relief Plan” will offer lease rent relief for a short five-month period as described below:

**CRAB AND SALMON RECEIVERS/PROCESSORS LEASE RENT**

Port staff recommends a five-month (May 15, 2024, through October 15, 2024) 50% reduction of monthly lease rent for permanent San Francisco crab or salmon receivers who hold valid State Fish and Wildlife landings, either directly or through an agent, of crab from crab boats or salmon from salmon boats at their Port of San Francisco facility. Port staff estimates this rental relief would be available to approximately 17 Port of San Francisco receivers and the five-month revenue loss to the Port would be approximately \$467,227.50. (See attachment A to this Staff Report). To qualify for the “Crab and Salmon Processor Relief Plan”, the applicant must provide the Port documentation evidencing the following:

- The lessee is a permanent tenant at the Port of San Francisco; and
- The lessee holds a 2023 or 2024 commercial salmon and/or commercial Dungeness crab receiver’s license from the CDFW; and
- The lessee applies for a 50% percent reduction of monthly lease rent for five months between May 15, 2024 and October 15, 2024; and
- The lessee is a tenant in good standing.

**REVENUE IMPACT TO THE PORT**

The Port’s proposed Crab and Salmon Processor Relief Plan will result in a revenue impact of approximately \$467,227.50 to the Port as follows:

Crab and Salmon Processor Lease rent fees (monthly)	\$186,891.00
Total (five months)	\$934,455.00
50% Monthly reduction of lease rent (five months)	\$467,227.50

The proposed Crab and Salmon Processor Relief Plan would throw a lifeline to the many small businesses and fishing industry men and women during a period of unprecedented financial impacts and provide tangible relief to help sustain this vital historic industry in San Francisco and demonstrate the Port’s ongoing commitment to our commercial fishing community.

## **STRATEGIC PLAN OBJECTIVES**

The Crab and Salmon Processor Relief Plan supports the goals of the Port's Strategic Plan as follows:

### Evolution:

Evolve the waterfront, and waterfront management practices, to respond to changing public and Port needs. Including, supporting legacy Port of San Francisco industries such as commercial fishing as needs change due to economic and environmental conditions.

### Productivity:

Attract and retain tenants to build an economically successful and vibrant waterfront, and in doing so, preserve and enhance commercial fishing at Fisherman's Wharf and Hyde Street Harbor.

## **RECOMMENDATION**

Staff recommends that the Port Commission support the Crab and Salmon Processor Relief Plan, approve the attached Resolution, and authorize the Executive Director to provide a reduction of rents as described above.

Prepared by:            Dominic Moreno  
                                 Assistant Deputy Director  
                                 Maritime Division

For:                        Andre Coleman  
                                 Deputy Director  
                                 Maritime Division

**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 24-33**

- WHEREAS, Section B3.581 of the Charter of the City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and
- WHEREAS, The commercial fishing Industry predates the origins of the Port and is one of San Francisco's most important maritime industries; and
- WHEREAS, Salmon and Dungeness crab are synonymous with San Francisco's Fisherman's Wharf and provide a large share of annual revenue to the local commercial industry; and
- WHEREAS, The local commercial fishing industry has suffered as years of drought conditions have severely impacted the salmon run along with the cancellation of both the 2023 and 2024 commercial salmon seasons; and
- WHEREAS, One of San Francisco's most important seafood seasons, Dungeness crab, has suffered delayed openings and early closures by the State of California's Departments of Fish and Wildlife due to migratory whales and crab gear entanglement; and
- WHEREAS, As a result of the closures and/or delays, local commercial salmon and crab receivers/processors, have suffered a devastating economic blow that threatens the viability of the local crab and salmon industry in San Francisco; and
- WHEREAS, Port staff, working with the local commercial fishing community stakeholders have created a Crab and Salmon Processor Relief Plan that offers five months' reduced lease rent relief for qualified San Francisco crab and salmon receivers/processors; now, therefore, be it
- RESOLVED, That the San Francisco Port Commission hereby authorizes the Executive Director of the Port, or her designee, to provide a five-month (May 15, 2024, through October 15, 2024) 50% reduction of monthly lease rent for permanent San Francisco crab or salmon receivers who hold valid State Fish and Wildlife landings, either directly or through an agent, of crab from crab boats or salmon from salmon boats at their Port of San Francisco facility and meet the qualifications as described in the Staff Report prepared for the Crab and Salmon Processor Relief Plan, all on terms substantially consistent with those described in said Staff Report; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director to modify the Crab and Salmon Fisher Processor Plan that the Executive Director, in consultation with the City Attorney, determines is in the best interest of the Port to implement the Crab and Salmon Processor Relief Plan, and do not materially increase the obligations or liabilities of the Port.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 16, 2024.***

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Secretary