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May 8, 2026

To:

President Gail Gilman
Vice President Stephen Engblom
Commissioner Willie Adams
Commissioner Steven Lee
Commissioner Ken McNeely

From:

Michael Martin, Acting Executive Director

DocuSigned by:
Michael Martin
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Subject:

Request approval of a proposed new lease (“Lease No. L-17415” or “Lease”) with FBD Vanguard Construction, Inc. a California corporation (“Vanguard”), for approximately 21,780 square feet on paved land for a term of 18 months and an additional adjacent 108,900 square feet to be used for no longer than a two week period no more than four times within an 18 month period, located at Pier 94.

Acting Executive Director’s Recommendation:

Approve the Attached Resolution No. 26-29

EXECUTIVE SUMMARY

FBD Vanguard Construction Inc. (“Vanguard”), a CALTRANS vendor, has approached the Port to lease a portion of paved land at Pier 94 for the temporary operation of a portable concrete batch plant. The proposed premises consist of approximately 21,780 square feet (Parcel A) for placement of a jobsite office trailer and general batch plant operations, plus 108,900 square feet (Parcel B) of adjacent paved land to be used during four separate weekend operating periods for aggregate storage and processing.

This facility would support CALTRANS’s four-phase freeway repaving and rehabilitation program, including work on I-280, the U.S. 101 Hospital Curve, the Central Freeway, and SR-1 (19th Avenue), which are critical corridors serving some of San Francisco’s most heavily traveled routes.

Concrete produced at the temporary proposed facility will support the U.S. 101 Hospital Curve rehabilitation project between Cesar Chavez Street and the Vermont Street exit. The proposed batch plant would operate over four separate weekends, with aggregate stored onsite for one week prior to each period of use, and would include placement of a temporary job site office trailer.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

Locating the batch plant at Pier 94 provides substantial transportation and environmental benefits, including the elimination of approximately 8,000 truck trips and a reduction of approximately 27,000 vehicle miles traveled through the Bayview District.

STRATEGIC PLAN OBJECTIVES

The proposed item supports the [Port's 2026-30 Strategic Plan](#) by advancing the following goals:

Economic Growth

By supporting CALTRANS and Vanguard, the Port is supporting downtown and citywide infrastructure revitalization, while leveraging creative short-term uses to drive new Port and small business revenue opportunities (local trucking companies and business services supporting Vanguard while operating at the Port).

Sustainability

The proposed lease will provide an environmental benefit to the Southeast San Francisco community by avoiding traffic and related emissions through the Bayview neighborhood.

Public Collaboration

Port staff presented this Vanguard Pier 94 operation to the Southern Advisory Committee; comments were generally supportive of the proposed lease.

BACKGROUND

CALTRANS selected Vanguard to supply concrete for a four-phase repaving and rehabilitation project that began in late 2025, specifically work on I-280, the U.S. 101 Hospital Curve, the Central Freeway, and SR-1 (19th Avenue). These rehabilitation projects will deliver extensive major repairs and upgrades to restore the structural integrity and enhance safety along some of San Francisco's most heavily used freeways, which serve approximately 44,900 daily users.

Vanguard originally planned to use a single concrete batch plant located at a CALTRANS property near the Harney Way and U.S. 101 interchange to supply the four major project areas. However, after assessing trucking distances and anticipated traffic congestion, Vanguard sought a more proximate location closer to the Hospital Curve rehabilitation work (specifically from Cesar Chavez St. to Vermont St.).

To support this effort, Vanguard approached the Port regarding temporary use of approximately 21,780 square feet of paved land for placement of a jobsite office trailer and batch plant operations, along with approximately 108,900 square feet of paved land for temporary aggregate storage and processing during four separate weekend operating periods at Pier 94. Aggregate would be stored onsite for one week prior to each operating weekend.

Cumulatively over the course of the project, Vanguard estimates it would produce approximately 20,000 cubic yards of concrete, requiring a total of 9,150 truck trips (for concrete deliveries and delivery of raw materials such as sand, aggregate, and cement). Locating the batch plant at Pier 94 instead of the Harney Way interchange would eliminate approximately 8,000 vehicle trips and reduce vehicle miles by about 27,000 miles through the Bayview neighborhood, avoiding an estimated 45 metric tons of CO₂ emissions.

Port staff is seeking approval to offer a rate below parameter for the following reasons:

- Vanguard indicated to Port that a second batch plant at Pier 94 will increase their costs (CALTRANS budget); however, a rate below parameter allows Vanguard to reduce truck traffic and miles to the Hospital Curve project, which contributes to air quality benefits to the Bayview area.
- Offering a lower rate than parameter allows Port to support another agency (CALTRANS) on a transportation-related project that benefits citizens of San Francisco.
- The Port has not generated revenue for the area for years, and it continues to be a challenge to lease due to water ponding. This is an opportunity for the Port to receive at least \$334,525 in rental revenue, with the potential for additional revenue if storage time is extended.

The lease provides an option for Vanguard to perform remediation work on certain water-ponding areas at Pier 94 in exchange for rent credit not to exceed the total rent and in accordance with the Port-approved plan, which will make the area leasable when completed.

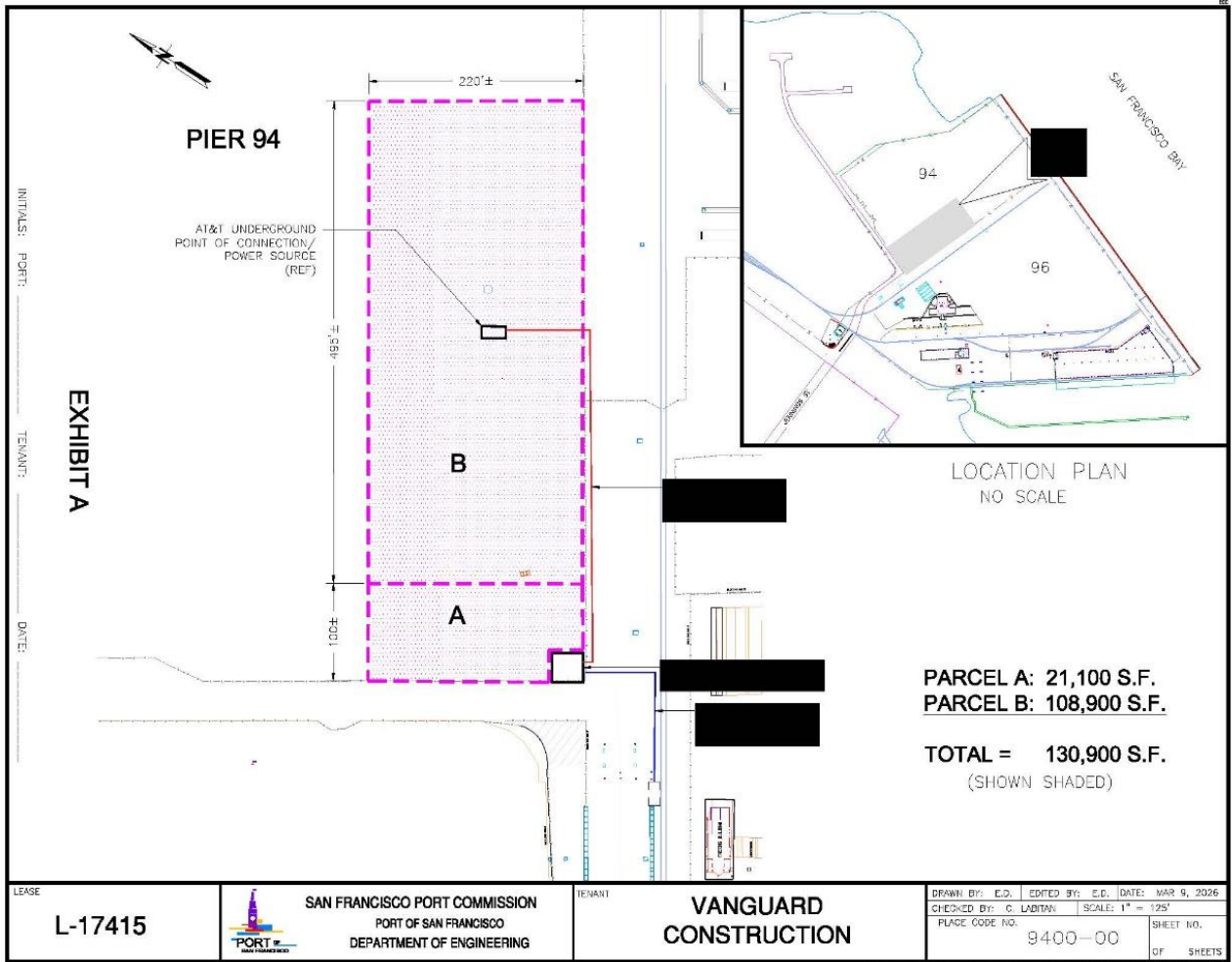
This proposal represents a creative opportunity to activate a currently vacant and challenging-to-lease portion of Port property. Additionally, because Vanguard will use only about a quarter of Pier 94 for four two-week periods, the area can continue to accommodate short-term uses or nearby tenant needs, such as SFPD’s use of Pier 94 for high-speed patrol car training.

PROPOSED LEASE TERMS

Premises:	Pier 94: Parcel A (Trailer): 21,780 sq ft Parcel B (Paved Land): 108,900 sq ft
Permitted Use:	The Premises shall be used solely for: Parcel A: office trailer parking, employee parking

	Parcel B: temporary storage of sand and gravel aggregates, and production of cement, for no other purposes
Length of Term:	Eighteen (18) Months
Commencement Date:	May 1, 2026
Rent Commencement Date:	May 1, 2026
Expiration Date:	October 31, 2027
Monthly Base Rent:	Parcel A (Trailer): \$9,801
Rent for Temporary Use Site: 56 days	Parcel B (Paved Land): \$2,723/day
Security Deposit:	Two times the Monthly Base Rent for the final year
Maintenance/Utilities:	Tenant's sole responsibility
Tenant Improvements of Pier 94:	Option for Vanguard to perform remediation work on certain water-ponding areas at Pier 94 in exchange for rent credit.
From Lease: City Requirements	The new lease shall be on the Port's form lease and include all standard provisions, including, but not limited to, Hazardous Materials, Insurance, Indemnity and Release, Damage and Destruction, and all current City ordinances and requirements as necessary.

PROPOSED PREMISES



OUTREACH

The proposed lease was presented to the Southern Advisory Committee (SAC) on February 28, 2026, and comments were generally supportive.

ENVIRONMENTAL REVIEW

Port staff have determined that the proposed use is consistent with the Port's Waterfront Plan.

Regulatory Permits & Approvals

Vanguard is required to obtain all regulatory permits and approvals applicable to the proposed lease (see Table 1). In addition to those listed below, Vanguard will confirm the applicability of other local and state permits and demonstrate and maintain compliance with permits from regulatory agencies.

Table 1: Permitting & Approval Summary

Agency	Permit or Approval Required and Status
San Francisco Planning Department (CEQA)	<p>The environmental impacts of the proposed lease were evaluated in the San Francisco Southern Waterfront Final Supplemental Environmental Impact Report, Planning Department Case No. 1999.377E, State Clearinghouse No. 94123007, per San Francisco Planning Department Note to File dated March 6, 2026. The following mitigation measures from the EIR have been incorporated into the lease requirements:</p> <ul style="list-style-type: none"> • Maximum concrete batching production limit and reporting requirement • Stormwater Pollution Prevention Plan • Operations plan addressing material handling and storage, spill prevention measures, and emergency response, notification protocols
California Air Resources Board	<p>The portable concrete batch plant and generator are permitted through the Statewide Portable Registration Program, registration numbers 206157 and 206710.</p>
San Francisco Department of Public Health	<p>Review and approval of a construction dust control plan in accordance with Health Code article 22B. The SFDPH-approved dust control plan is required to be submitted to the Port prior to the arrival of aggregates and cement on site.</p>
State Water Board	<p>Construction General Permit number under which the construction project associated with this lease is authorized is required prior to the arrival of aggregates and cement on site.</p>
Port Building Permit	<p>A Port Building permit will be secured prior to the placement of structures or other site improvements as required by the Port Building Code.</p>

SOUTHERN WATERFRONT COMMUNITY BENEFITS & BEAUTIFICATION POLICY

Consistent with the Southern Waterfront Community Benefits and Beautification Policy, 6.5% of lease revenues will be allocated to the Port’s Southern Waterfront Community Benefits and Beautification Fund. This contribution is approximately \$21,744 over the lease term.

RECOMMENDATION

This proposed lease aligns with the Port's near-term objectives to generate additional revenue through innovative, short-term uses while supporting regional agency work (specifically, a CALTRANS project that provides direct public benefit to San Francisco). Additionally, the proposed lease allows the Port to benefit from site improvements performed by a contractor with specialized expertise in ground remediation, helping to address longstanding water-ponding and subsidence issues that currently limit the site's leasability. Port staff recommends the Port Commission's approval of Lease No. L-17415 between the Port and FBD Vanguard Construction, Inc. for the premises located at Pier 94.

Prepared by:

Charles Labitan, Manager, Business Development
Maritime

For:

Dominic Moreno, Acting Deputy Director
Maritime

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

RESOLUTION NO. 26-29

WHEREAS, Charter Section B3.581 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, FBD Vanguard Construction, Inc. ("Vanguard"), a California corporation and vendor to CALTRANS, currently provides highway rehabilitation services for the U.S. 101 Hospital Curve project in San Francisco; and

WHEREAS, Vanguard requires a temporary location proximate to the U.S. 101 Hospital Curve rehabilitation area to operate a portable concrete batch plant and associated materials storage, and has approached the Port to lease a portion of Pier 94 for this purpose; and

WHEREAS, Port and Vanguard have negotiated the terms of a proposed new Lease No. L-17415 (the "Lease") at Pier 94 for (1) approximately 21,780 square feet of paved land for placement of a job site office trailer and temporary concrete batch plant operations for a term of eighteen (18) months, and (2) approximately 108,900 square feet of paved land for temporary aggregate storage and processing during four (4) separate weekend operating periods, with materials stored onsite for one week prior to each operating weekend; and

WHEREAS, The proposed batch plant operations at Pier 94 will reduce trucking distances, eliminate approximately 8,000 vehicle trips, reduce approximately 27,000 vehicle miles traveled through the Bayview neighborhood, and avoid an estimated 45 metric tons of CO₂ emissions compared to Vanguard's previously planned site at the Harney Way interchange; and

WHEREAS, Vanguard has requested a reduced rate from the Port's parameter rate in consideration for the increased costs of a second batch plant in return for community benefits from the reduction of truck traffic and miles, which contribute to better air quality, allowing the Port to generate revenues from an area that has been difficult to lease due to subsidence issues; and

WHEREAS, Vanguard offered to remediate subsidence ponding in exchange for rent credit; and

WHEREAS, The environmental impacts of the Lease were evaluated in the San Francisco Southern Waterfront Final Supplemental Environmental Impact Report, Planning Department Case No. 1999.377E, State Clearinghouse

No. 94123007, per San Francisco Planning Department Note to File dated March 6, 2026; and

WHEREAS, Vanguard will be required to obtain all regulatory permits and approvals applicable to the Lease, including but not limited to approvals from the San Francisco Planning Department under CEQA, the California Air Resources Board's Statewide Portable Equipment Registration Program, the San Francisco Department of Public Health for a construction dust control plan, the State Water Board for coverage under the Construction General Permit, and a Port Building Permit, and will be responsible for confirming the applicability of any additional local or state permits and maintaining compliance with all regulatory agencies; now, therefore be it

RESOLVED, That the Port Commission hereby approves Lease No. L-17415 with FBD Vanguard Construction, Inc. for the premises located at Pier 94, including the terms and conditions described in the memorandum accompanying this Resolution; and be it further

RESOLVED, That the Port Commission authorizes the Acting Executive Director, or the Acting Executive Director's designee, to execute Lease No. L-17415; and be it further

RESOLVED, That the Port Commission authorizes the Acting Executive Director or the Acting Executive Director's designee to enter into any additions, amendments, or other modifications to Lease No. L-17415 that the Acting Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Acting Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting on May 12, 2026.

Secretary