

1 [Emergency Declaration - Stabilize Dry Dock No. 2 at Pier 68 - \$10,000,000]

2
3 **Resolution approving an emergency declaration of the Port of San Francisco pursuant**
4 **to Administrative Code, Section 6.60, to provide immediate emergency repairs to**
5 **stabilize Dry Dock No. 2 at Pier 68 for a total estimated not to exceed cost of**
6 **\$10,000,000 and adopting environmental findings.**

7
8 WHEREAS, The shipyard at Pier 68 has been non-operational since 2016 when BAE
9 Systems San Francisco Ship Repair, Inc. sold their rights to operate the yard and paid the
10 Port a settlement of \$4.9 million; and

11 WHEREAS, In August of 2017 and again in April of 2018, Port staff issued solicitations
12 for a shipyard operator but neither effort resulted in reactivation of the shipyard; and

13 WHEREAS, Some shipyard equipment, including Dry Dock #2, remain in place but is
14 degrading rapidly without reinvestment and regular use; and

15 WHEREAS, The shipyard includes two dry docks (Dry Dock #2 and the Eureka) which
16 are not certified for operations and have significant deferred maintenance; and

17 WHEREAS, Dry Dock #2 is a 900-foot single-section steel floating dock constructed by
18 the Bethlehem Steel Corporation in 1970; and

19 WHEREAS, Over the past several years, the Port has taken repeated steps to address
20 Dry Dock #2, including emergency stabilization actions, structural assessments, and efforts to
21 sell the dry dock for removal and off-site repair, which ultimately did not result in an
22 agreement; and

23 WHEREAS, The Port has engaged a consultant to draft long-term plans to repair,
24 stabilize and demolish both Dry Dock #2 and Eureka; and

1 WHEREAS, In November 2025, the Port became aware of excessive listing of Dry
2 Dock #2, and an inspection of Dry Dock #2 found significant corrosion and deterioration that
3 indicates a much higher risk of sinking than previously known; and

4 WHEREAS, Storms in November 2025 with high winds accelerated damage to Dry
5 Dock #2, enlarging existing tears on the structures hull; and

6 WHEREAS, These conditions have resulted in increasingly difficult-to-control flooding
7 of ballast tanks, causing Dry Dock #2 to list beyond safe limits and increasing the risk the
8 catastrophic failure; and

9 WHEREAS, The accelerated deterioration of Dry Dock #2 at Pier 68 is a clear and
10 imminent danger to public health or safety demanding immediate action and represents an
11 actual emergency as defined by Section 6.60 of the San Francisco Administrative Code; and

12 WHEREAS, Immediate emergency repairs are necessary to stabilize the vessel and
13 remove or stabilize the cranes located on top of the Dry Dock #2 vertical wing walls; and

14 WHEREAS, On December 8, 2025, in accordance with Administrative Code,
15 Section 6.60, the Executive Director of the Port of San Francisco, declared an actual
16 emergency to provide immediate emergency repairs to stabilize Dry Dock #2 at Pier 68 for a
17 total not to exceed cost of \$10,000,000 (the "Emergency Declaration); and

18 WHEREAS, The President of the Port Commission has approved the Emergency
19 Declaration in writing, as required by Section 6.60(d) of the Administrative Code; and

20 WHEREAS, Administrative Code, Section 6.60(d), requires that the Board of
21 Supervisors approve emergency work with an estimated cost in excess of \$250,000; and

22 WHEREAS, On December 16, 2025, the Port introduced the Ordinance in File
23 No. 251248 to appropriate \$18,500,000 fund balance from the Port Harbor Fund to fund
24 emergency repair work and prepare for removal and disposal of Dry Dock #2; and
25

1 WHEREAS, Emergency work must be performed prior to approval of the Ordinance in
2 File No. 251248, requiring the Port to identify funds that will be used in the short term and
3 restored upon availability of the newly appropriated funds to serve their original purpose; and

4 WHEREAS, The Controller has certified that funds are available for this emergency
5 work; and

6 WHEREAS, On December 17, 2025, the Planning Department issued a letter finding
7 that the actions identified in this legislation are statutorily exempt from the California
8 Environmental Quality Act, California Public Resources Code Sections 21000 et seq., and
9 such letter is on file with the Clerk of the Board of Supervisors in File No. 260009; now
10 therefore, be it

11 RESOLVED, That the Board of Supervisors adopts the Planning Department's
12 abovementioned environmental findings and approves the Port of San Francisco Executive
13 Director's emergency declaration for the necessary repairs to stabilize Dry Dock #2 at Pier 68
14 for a total not to exceed cost of \$10,000,000; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors ratifies actions taken to date by
16 the Port of San Francisco to address such emergency work and resolve the emergency
17 condition.

18 \$1,500,000 Available, Committed to Project

	Description	Number
Fund ID:	PRT-OP ContinuingAuthorityCtrl	23700
Department ID:	PRT FA Administration	109754
Project ID:	PO 1680 2025 DD2 Stabilization	10043154
Authority ID:	Pier70 Shipyard BAE Settlement	19726
Account ID:	Bldgs,Struct&Imprv Proj-Budget	567000
Activity ID:	PO 1680 2025 DD2 Stabilization	0040

1 \$2,000,000 Available, to be restored upon Board Approval of File 251248

	Description	Number
Fund ID:	PRT-OP ContinuingAuthorityCtrl	23700
Department ID:	PRT FA Administration	109754
Project ID:	PO 1680 2025 DD2 Stabilization	10043154
Authority ID:	Finance and Admin	21763
Account ID:	Bldgs,Struct&Imprv Proj-Budget	567000
Activity ID:	PO 1680 2025 DD2 Stabilization	0040

10 \$6,500,000 Available, to be restored upon Board Approval of File 251248

	Description	Number
Fund ID:	PRT-OP ContinuingAuthorityCtrl	23700
Department ID:	PRT FA Administration	109754
Project ID:	PO 1680 2025 DD2 Stabilization	10043154
Authority ID:	PO Southern Waterfront Beautification	12688
Account ID:	Bldgs,Struct&Imprv Proj-Budget	567000
Activity ID:	PO 1680 2025 DD2 Stabilization	0040

19 RECOMMENDED:

FUNDS AVAILABLE:

22 /s/ _____

22 /s/ _____

23 Department Head

23 Controller



City and County of San Francisco

**Tails
Resolution**

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 260009

Date Passed: February 03, 2026

Resolution approving an emergency declaration of the Port of San Francisco, pursuant to Administrative Code, Section 6.60, to provide immediate emergency repairs to stabilize Dry Dock No. 2 at Pier 68 for a total estimated not to exceed cost of \$10,000,000 and adopting environmental findings.

January 28, 2026 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

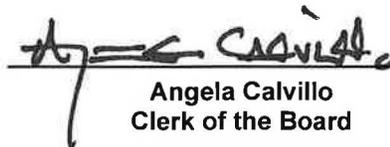
January 28, 2026 Budget and Finance Committee - RECOMMENDED AS AMENDED

February 03, 2026 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Walton and Wong
Excused: 1 - Sherrill

File No. 260009

I hereby certify that the foregoing Resolution was ADOPTED on 2/3/2026 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Daniel Lurie
Mayor

21 13 | 26
Date Approved