

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 11, 2026

Subject: Treasure Island and Yerba Buena Island Small Business Enterprise Program Update (Informational Item)

Staff Contact: Joey Benassini, Vertical Development Project Manager

Reviewed by: Jamie Querubin, Acting Treasure Island Director

EXECUTIVE SUMMARY

This report provides an informational update on Small Business Enterprise (“SBE”) participation across recent Treasure Island and Yerba Buena Island construction and professional services contracts, including final participation data for 2025 parks and infrastructure.

Two major park construction contracts awarded in 2025 significantly exceeded SBE participation goals. Chapel Grove achieved 55% SBE and 16% Micro-Local Business Enterprise (“LBE”) participation on a \$5.5 million construction contract, and Clipper Cove Park achieved 48% SBE and 27% Micro-LBE participation on a \$2.2 million contract. These results demonstrate strong engagement qualified SBE and Micro-LBE firms in landscape and park construction.

SBE participation across the 2025 Stage 2 infrastructure packages was lower than SBE participation for parks due to the specialized nature of demolition, utility, and heavy civil work. However, cumulative professional and construction services SBE participation remain on target, and the majority of SBE contract dollars continue to flow to San Francisco-based firms. Participation of San Francisco based SBEs on the infrastructure and parks work at 44% for professional services and 31% for construction reflects strong dedication to prioritizing inclusion of San Francisco-based small businesses.

Expanded outreach efforts and the launch of the SBE Mentor–Protégé Program in 2025 have strengthened engagement with the local contracting community and are expected to support improved participation in future bid packages. TIDA continues to work with the City’s Contract Monitoring Division (“CMD”) to evaluate bid processes with the project’s principal developer and incorporate feedback to encourage SBE participation on an ongoing basis.

PROGRAM BACKGROUND

The Jobs and Equal Opportunity Program (“Jobs EOP”) is a core component of the Disposition and Development Agreement (“DDA”) for the Treasure Island/Yerba Buena Island redevelopment project (“the Project”) and serves as the entitlement framework that governs workforce, hiring, and contracting requirements for the Project. The Jobs EOP is incorporated as Exhibit P to the DDA and was developed collaboratively by the Treasure Island Development

Authority, Treasure Island Community Development (the “Developer” or “TICD”), the San Francisco Office of Economic and Workforce Development (“OEWD”) and other City stakeholders.

The Jobs EOP formalizes the Project’s workforce and economic inclusion objectives, which include expanding employment and contracting opportunities for economically disadvantaged individuals, San Francisco residents, small business enterprises, and organizations serving historically underserved populations. These objectives implement and extend local workforce and small business inclusion policies through direct contractual obligations applied to project developers, construction contractors, and other parties performing work under the DDA and related Vertical DDAs, which include provisions requiring vertical developers to comply with the Jobs EOP.

The Jobs EOP defines two primary components: First Source Hiring goals and SBE participation goals for contracting activities. Under the SBE provisions, an SBE is defined as a firm that is (i) certified by CMD as a LBE, Small-LBE or Micro-LBE in accordance with Chapter 14.B3 of the San Francisco Administrative Code; (ii) recognized as a Small Business Enterprise or Disadvantaged Business Enterprise by the Office of Community Investment and Infrastructure; (iii) recognized as an SBE by the Authority in accordance with the Small Business Enterprise Procedures Section VI.A as a firm with average annual gross receipts from the last three years of \$28,100,000 or less for construction services, or \$5,860,000 for professional services; or (iv) a One Treasure Island member organization or wholly owned by a One Treasure Island member organization.

An SF-SBE is an SBE based in San Francisco. Chapter 14B of the San Francisco Administrative Code lists the criteria for LBE certification, with two critical criteria being (i) that the business is located within City limits and (ii) the business has average gross annual receipts in the prior five fiscal years that do not exceed the limits in Table 1 below. All LBE’s must fall within the Business Size Criteria to become certified as an LBE, so all LBE’s are either a Micro-LBE, Small-LBE, or SBA-LBE. No new contracts were issued for SBA-LBEs in calendar year 2025, so this report only refers to participating Micro- and Small-LBEs.

Table 1: Business Size Criteria for Small- and Micro-LBEs

Category	Micro-LBE	Small-LBE	SBA-LBE
Public Works/Construction	\$14,050,000	\$28,100,000	\$46,840,000
Specialty Construction	\$7,030,000	\$14,050,000	\$23,420,000
Goods/materials/equipment and General Services	\$7,030,000	\$14,050,000	\$23,420,000
Trucking	\$2,930,000	\$5,860,000	\$11,710,000
Professional Services	\$2,930,000	\$5,860,000	\$9,950,000

The Authority and City have established cumulative participation goals that aim to direct a significant portion of the Project’s construction and professional services expenditures to qualified SBEs, with priority consideration for San Francisco-based SBEs.

In addition to numeric goals, the Jobs EOP outlines definitions, program administration, reporting and monitoring responsibilities, and enforcement mechanisms to ensure compliance. It also incorporates economic development measures including provisions to support formerly homeless and economically disadvantaged populations, supports job training and workforce development initiatives, and contemplates mentorship and technical assistance programs for participating SBEs.

The Jobs EOP remains the exclusive workforce and contracting inclusion program for all covered Project work under the DDA, operating in conjunction with the City's First Source Hiring Ordinance, Local Hiring Policy, and other applicable City codes.

RECENT CONTRACTING OPPORTUNITIES

The following major bid packages were released over the past year:

Stage 2 Demolition and Cut-Cap Work

Scope includes building demolition and abatement, surface demolition, utility demolition, trucking/hauling, waste disposal, and hauling.

Status: Under construction, completion anticipated late 2026

Stage 2 Street Improvements and Infrastructure

Scope includes wet utilities (sewer, storm drain, water), dry utilities, roadway streetscape (paving, striping), landscape, pump stations, surveying and maintenance.

Status: Contracting complete, construction start anticipated late 2026

Chapel Grove Park

Landscape, irrigation, utilities, site work and concrete.

Status: Under construction, completion anticipated Q3 2026

Clipper Cove Park

Landscape, irrigation, utilities, site work and concrete.

Status: Under construction, completion anticipated Q3 2026

These packages represent a mix of heavy civil infrastructure and park construction scopes, creating different levels of accessibility for SBE participation depending on technical requirements, equipment needs, and bonding capacity.

EXPANDED OUTREACH AND BID ACCESS

In response to the scale and complexity of upcoming Stage 2 infrastructure and park construction packages, TIDA and TICD implemented a more structured and proactive outreach strategy intended to broaden awareness of bid opportunities and reduce barriers to participation for certified small and local firms. These efforts were developed in coordination with the City's

Contract Monitoring Division (CMD) and reflect a shift from passive advertisement toward early engagement and relationship-building with the local contracting community.

Beginning in late 2024, staff prioritized advance visibility of the construction pipeline so that LBE firms (Small- and Micro-LBE) could prepare bonding capacity, workforce planning, and teaming arrangements ahead of formal solicitations. TIDA and TICD presented upcoming work scopes at the December 2024 Local Business Enterprise Advisory Committee meeting, providing early notice of Stage 2 infrastructure packages and park construction opportunities. This was followed by a large-scale LBE Open House in January 2025 attended by nearly 100 representatives of San Francisco LBEs. The event included detailed presentations on project sequencing, anticipated bid timing, scope packaging, and prequalification requirements, allowing firms to ask questions directly of project staff and general contractors.

Formal advertising of bid opportunities occurred through multiple overlapping channels to maximize reach. Notices were distributed to all firms of applicable construction trades from CMD's certified LBE database, and posted on TIDA's website, the SF City Partner procurement portal, and major construction industry publications and bid platforms including BidNet Direct, Daily Pacific Builder, San Francisco Chronicle, Small Business Exchange and San Francisco Builders Exchange. Notices for select bid packages were also distributed via CMD's newsletter. In addition to public posting, general contractors conducted targeted outreach to certified firms aligned with specific trade scopes, including direct phone calls and email solicitations encouraging participation. All major bid packages included pre-bid meetings and jobsite walks, where contractors received scope briefings, schedule information, and clarification on subcontracting opportunities.

These outreach efforts were paired with structural capacity-building measures, most notably the launch of the SBE Mentor–Protégé Program in 2025. While the mentorship program is focused on long-term firm development rather than individual bids, it strengthens relationships between emerging SBEs and established prime contractors, increases familiarity with project delivery expectations, and improves firms' readiness to compete for future work.

Collectively, this expanded outreach approach reflects a recognition that participation outcomes are influenced not only by numeric goals, but by transparency, early communication, and sustained engagement with the local business community. Staff will continue refining these outreach methods as additional construction phases are released.

SBE PARTICIPATION TRENDS

Final participation data for 2025 shows a generally positive performance profile across projects, with strong outcomes on park construction and more limited participation on the Stage 2 SIP scopes due to the specialized nature of demolition, utility, and heavy civil work.

The Chapel Grove Park construction contract, valued at approximately \$5.5 million, achieved 55% SBE and 16% Micro-LBE participation. The Clipper Cove Park construction contract, valued at approximately \$2.2 million, achieved 48% SBE and 27% Micro-LBE participation.

Both projects exceeded the 41% construction services SBE goal established under the Jobs EOP and demonstrate that SBE firms are highly competitive in park, landscape, and site construction scopes.

Stage 2 demolition, utility, and street improvement contracts reflect lower SBE participation levels. These packages involve specialized equipment, bonding capacity, and technical qualifications that are concentrated among a smaller number of firms statewide. While these contracts represent a large share of total construction value, they do not fully capture the performance of SBEs in other sectors of the project.

The formal 2025 and cumulative participation totals for professional services and construction contracts are summarized in the tables included in the Attachment 1 - Calendar year 2025 Small Business Enterprise Report by TICD, and below. A full list of SBE and LBE (Micro-LBE and Small-LBE) firms participating in work contracted in calendar year 2025 is included in Attachment 2. Key highlights include:

- Professional services SBE participation in 2025 reached 53%, exceeding the program goal and increasing cumulative participation to 46%.
- Small-LBE participation reached 47% for 2025 professional services.
- Approximately two-thirds of all SBE dollars awarded in 2025 went to San Francisco-based firms.
- Cumulative construction participation remains near the long-term program target despite variability across individual project types.
- Approximately \$10.8M in contracts, or 10.8% of total contracts, were awarded to Small- and Micro-LBE's for 2025 construction services.

Table 1: Key SBE Participation Snapshot for 2025 Projects

Project/Category	Contract Type	Total Contract Value	Small & Micro-LBE Participation	SF-SBE Participation	Total SBE Participation	Result vs. Goal
Chapel Grove	Construction	\$5.5M	16%	47%	55%	Above 41% Goal
Clipper Cove Park	Construction	\$2.2M	27%	48%	48%	Above 41% Goal
2025 Professional Services (All Projects)	Professional	\$3.8M	47%	50%	53%	Above 38% Goal
Cumulative Professional Services	Professional	\$135M	--	44%	46%	Above 38% Goal
2025 Construction (All Projects)	Construction	\$100M	11%	14%	22%	Below 41% Goal
Cumulative Construction	Construction	\$522M	--	31%	40%	Near 41% Goal

Staff continue working with TICD and CMD to refine bid packaging, outreach, and early engagement strategies to improve access where feasible while maintaining delivery schedules for major infrastructure projects.

CONCLUSION

The 2025 contracting year demonstrates both the strengths and structural challenges of SBE participation on a large, multi-phase redevelopment project.

Park construction contracts substantially exceeded SBE participation goals, confirming that small businesses remain highly competitive in landscape and site development scopes when opportunities align with firm capacity. At the same time, heavy civil infrastructure packages highlight persistent participation constraints associated with specialized demolition, utility, and heavy civil work.

Despite these differences across project types, cumulative professional services participation continues to exceed program goals, and the majority of SBE dollars remain directed to San Francisco-based firms. Expanded outreach efforts to the Small- and Micro-LBE community and the SBE Mentor–Protégé Program represent meaningful long-term investments in local firm capacity.

As additional infrastructure work advances and new vertical construction opportunities emerge, staff will continue prioritizing early engagement, transparent communication, and capacity-building strategies to support sustained SBE participation. The Project’s long-term trajectory remains aligned with the Jobs EOP objective of strengthening economic inclusion while delivering complex infrastructure and public improvements.

ATTACHMENTS

Attachment 1: Calendar year 2025 Small Business Enterprise Report by TICD

Attachment 2: Calendar year 2025 SBE and LBE Firms List

ATTACHMENT 1: TICD 2025 SBE REPORT

TREASURE ISLAND

COMMUNITY DEVELOPMENT

February 25, 2026

Treasure Island Development Authority
One Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130

Re: **2025 Small Business Enterprise (SBE) Report**

In accordance with the Small Business Enterprise Procedures adopted January 8, 2014 and amended April 13, 2022, Treasure Island Community Development (TICD) is providing our annual “SBE Report” documenting TICD’s progress toward meeting the SBE Goals for the calendar year 2025 and cumulatively to-date for 2014 through December 31, 2025.

In 2025, TICD experienced a relatively high volume of new contracts for Stage 1 Parks, Stage 2 Building and Utility Demolition and Cut/Cap, Street Improvements and Pump station. As a result, over 23 million dollars were awarded to SBE’s and 65% of all SBE awards for professional and construction services combined went to San Francisco-based firms. TICD organized multiple meetings for local and small businesses to strengthen our outreach.

TICD remains committed to providing meaningful opportunities for local and small businesses and expects increased participation in the year ahead as new scopes are bid.

Highlights for this year include:

- **High SBE Participation for Professional Services Contracts:** SBE percentage for 2025 is higher than TICD goals (53%) and increased cumulative percentage to 46%.
- **High New Contract Volume:** The volume of new professional and construction services contracts in 2025 was higher than in prior years and resulted in about 24 million dollars of SBE awarded contracts.
- **SBE Participation:** SBE participation on new professional and construction services contracts totaled approximately 23% overall, with 67% of SBE dollars awarded to San Francisco-based firms.
- **Enhanced Outreach:** TICD used the year to enhance its outreach strategy, meeting directly with local SBEs and refining internal contracting processes to support more inclusive participation.

TREASURE ISLAND

COMMUNITY DEVELOPMENT

A. Professional Services Contracts

The summary totals for cumulative to-date and 2025 calendar year's overall contract values, amount awarded to SBEs, and amount awarded to San Francisco SBEs, along with the percentage against total covered contract values are listed in the table below.

	CY 2025	Cumulative
Total Covered Contracts Value	\$3,809,711	\$135,562,829
Amount Awarded to SF SBEs	\$1,909,780	\$59,490,482
Amount Awarded to Non-SF SBEs	\$98,900	\$2,800,131
Achieved SBE Percentage	53%	46%
Professional Services SBE Goal	38%	38%

Professional Services work in 2025 remained limited compared to prior years. The total dollar value of new covered Professional Services contracts was \$3,809,711, with \$2,008,680 awarded to SBE firms (53%). San Francisco-based SBEs accounted for 95% of this total.

SBE participation was above target and increased cumulative percentage by 1%. TICD continues to exceed its cumulative SBE participation goal in Professional Services, with over 46% awarded to SBE firms to date.

Throughout 2025, TICD focused on strengthening its outreach to San Francisco-based SBEs, including expanded pre-bid engagement and one-on-one meetings to build relationships in advance of future scopes.

B. Construction Contracts

The summary totals for cumulative to-date and 2025 calendar year's overall contract values, amount awarded to SBEs, and amount awarded to San Francisco SBEs, along with the percentage against total covered contract values are listed in the table below.

TREASURE ISLAND

COMMUNITY DEVELOPMENT

	CY 2025	Cumulative
Total Covered Contracts Value	\$100,268,476	\$522,707,626
Amount Awarded to SF SBEs	\$14,216,211	\$162,356,019
Amount Awarded to Non-SF SBEs	\$7,742,533	\$44,690,727
Achieved SBE Percentage	22%	40%
Construction SBE Goal	41.0%	41.0%

The total value of covered construction contracts awarded in 2025 was \$100,268,476. Of this, \$21,958,744 (22%) was awarded to SBE firms, with San Francisco-based SBEs making up over 65% of that total.

Two large projects awarded for Stage 1 reached over 40% SBE participation. Chapel Grove at 55% and Clipper Cove Park at 48%. Lower percentage for total contracted amount is a result of more specialized work scope awarded for Stage 2 Projects: Building and Utility Demolition and Cut/Cap, Street Improvements and a Pump Station.

Despite these limitations, TICD maintained its strong track record of partnering with San Francisco-based SBEs. Cumulatively, approximately 40% of construction contract value has been awarded to SBE firms, with 78% going to SF-based SBEs.

C. Summary of 2025 Good Faith Efforts

TICD used 2025 to build momentum for future SBE participation. Key efforts included:

- Meeting with San Francisco-based SBEs to better understand capacity and interests.
- Reviewing and improving internal procurement processes to make bidding more accessible to small firms.
- Strengthening coordination with One Treasure Island member organizations and the San Francisco Contract Monitoring Division (CMD) to support SBE participation.
- Established the first cohort of the Treasure Island / Yerba Buena Island SBE Mentor – Protégé Program, administered by CMD, TIDG and TIDA which provides technical assistance and business development resources to San Francisco small businesses.
- Continue inclusion and coordination with One Treasure Island and TIDA staff for all pre-bid meetings to present on training and workforce development programs.

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COMMUNITY DEVELOPMENT

D. Looking Ahead to 2026

Key scopes expected to go out to bid in 2026 include:

- **Clipper Cove Park**

These scopes will offer expanded subcontracting opportunities across a range of trades and professional services.

TICD will continue building on the outreach and process improvements made in 2025 to ensure broad, early awareness of these scopes and to maximize SBE participation, particularly among San Francisco-based firms. With strong relationships in place, a renewed focus on early engagement, and new partnership efforts with CMD, TICD looks forward to partnering with an even broader range of SBEs in 2026.

ATTACHMENT 2: 2025 SBE AND LBE FIRMS LIST

2025 SMALL BUSINESS ENTERPRISE FIRMS LIST			
Subcontractor	SF - Based SBE	Micro LBE	Small LBE
	(Yes/No)	(Yes/No)	(Yes/No)
<u>Professional Services</u>			
CMG Landscape	Yes	No	No
BKF & AGS JV	Yes	No	No
Freyer & Laretta	Yes	No	Yes
Kaz & Associates	No	No	No
<u>Construction Services</u>			
Stage 2 SIP			
R&S Construction	Yes	Yes	No
Level Construction	Yes	No	Yes
Camajani Trucking	Yes	Yes	No
SDV Services	No	No	No
PCDC	No	No	No
Bay Area Pipe & Equipment	Yes	Yes	No
Spencer Masonry	Yes	Yes	No
Freas Plastering	No	No	No
Laner Electric	Yes	No	Yes
Phoenix+Reliance Assoc.	Yes	Yes	No
Martinelli	Yes	Yes	No
Stage 2 Demo Cut Cap			
Armour Fence	Yes	Yes	No
Phoenix+Reliance Assoc.	Yes	Yes	No
R&B Equipment	No	No	No
HVYW8 Trucking	Yes	Yes	No
Stage 2 Shoofly			
Phoenix+Reliance Assoc.	Yes	Yes	No
Clipper Cove Park			
GSW Construction	No	Yes	No
HVYW8 Trucking	Yes	Yes	No
Leyder Electric	Yes	Yes	No
WMA Landscaping	No	No	No
Chapel Grove			
GSW Construction	No	Yes	No
HVYW8 Trucking	Yes	Yes	No
Phoenix+Reliance Assoc.	Yes	Yes	No
WMA Landscaping	No	No	No

Treasure Island Development Authority

Item 8: Small Business Enterprise (“SBE”) Report: Stage 2 Infrastructure and Park Projects

Informational



March 11, 2026

Program Framework: Jobs EOP

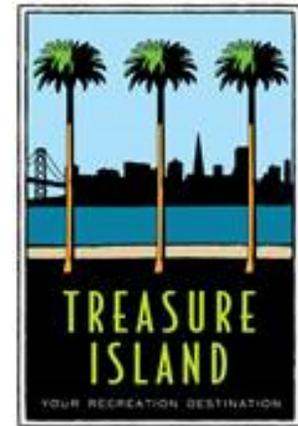
Jobs & Equal Opportunity Program (“Jobs EOP”)

Establishes:

- First source hiring goals
- SBE participation goals
- Reporting & enforcement requirements
- Economic inclusion objectives

Covers:

- Construction contracts
- Professional services



Definitions

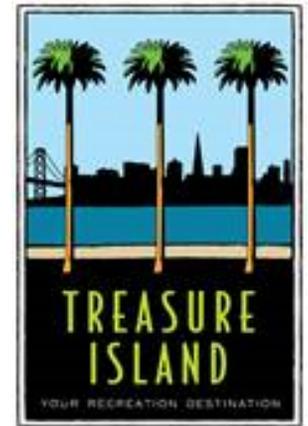
Small Business Enterprise (“SBE”)

Meets one of the following criteria:

- Certified as a Small- or Micro-LBE
- Recognized as an SBE or DBE by OCII
- Recognized by TIDA as an SBE
- One TI Member Organization

San Francisco Small Business Enterprise (“SF-SBE”)

- SBE Based in San Francisco

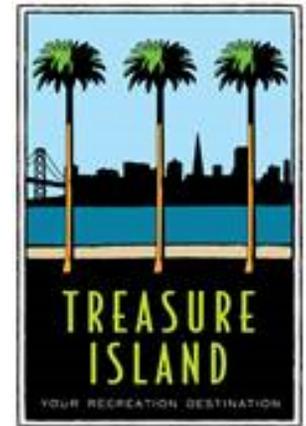


Definitions (continued)

Micro- and Small-Local Business Enterprise ("Micro-LBE" and "Small-LBE")

Based in San Francisco and certified by CMD as meeting all criteria listed in Chapter 14B of San Francisco Admin Code, including:

- Based in San Francisco
- Continuously in operation
- A for-profit enterprise
- Performs a commercially useful function
- Independent from any other business
- Meets business size criteria (next slide)
- Etc.



Definitions (continued)

Table: SBE and LBE Business Size Criteria

Category	Micro-LBE	Small-LBE	SBE
Public Works / Construction	\$14,050,000	\$28,100,000	\$28,100,000
Specialty Construction	\$7,030,000	\$14,050,000	--
Good / materials / Equipment and General Services	\$7,030,000	\$14,050,000	--
Trucking	\$2,930,000	\$5,860,000	--
Professional Services	\$2,930,000	\$5,860,000	\$5,860,000

2025 Contracting Opportunities

Released Bid Packages

- Chapel Grove Park
- Clipper Cove Park
- Stage 2 Demolition & Cut-Cap
- Stage 2 Street Improvements

Mix of:

- Park & landscape construction
- Heavy civil infrastructure



Chapel Grove Park

Construction Contract: \$5.5M

- Total SBE Participation: 55%
- SF-SBE Participation: 47%
- Micro-LBE Participation: 16% (\$868K)
- SBE Goal: 41%

Result: Exceeded Goal

Anticipated Completion: Q3 2026



Clipper Cove Park

Construction Contract: \$2.2M

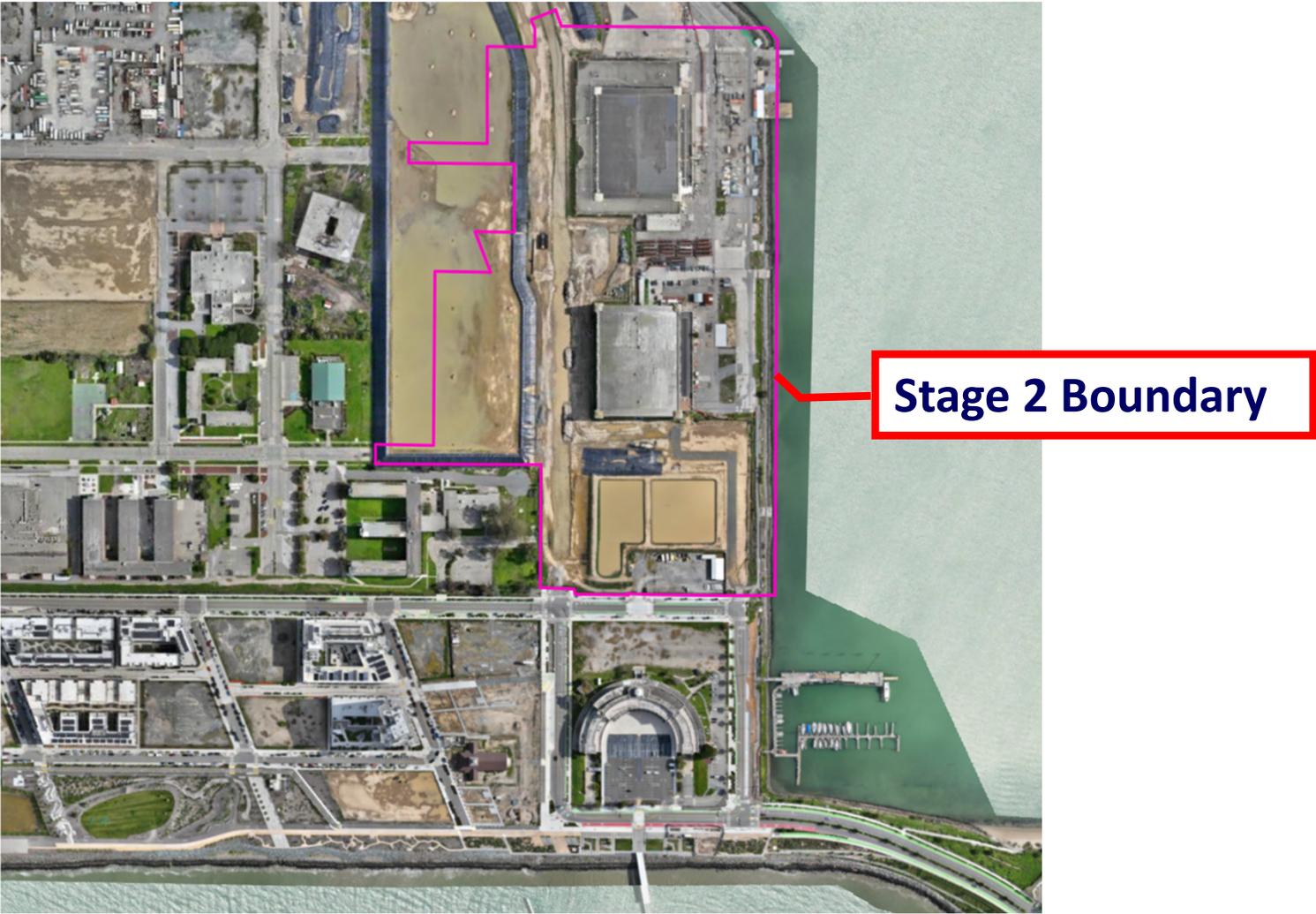
- Total SBE Participation: 48%
- SF-SBE Participation: 48%
- Micro-LBE Participation: 27% (\$591K)
- SBE Goal: 41%

Result: Exceeded Goal

Anticipated Completion: Q3 2026



Stage 2 Street Improvements & Infrastructure



Anticipated Completion: Early 2029

Professional Services – SBE Participation

Professional Services	Total Contract Value	SF-SBE Participation	Total SBE Participation	Result
2025	\$3.8M*	50%	53%	Exceeded 38% Goal
Cumulative	\$135M	44%	46%	Exceeded 38% Goal

*47% Small-LBE Participation (\$1.8M)



Construction – SBE Participation

Construction Services	Total Contract Value	SF-SBE Participation	Total SBE Participation	Result
2025	\$100M*	14%	22%	Below 41% Goal
Cumulative	\$522M	31%	40%	Near 41% Goal

*9.5% Micro-LBE Participation (\$9.5M)
1.3% Small-LBE Participation (\$1.3M)
10.8% Total Small & Micro-LBE Participation

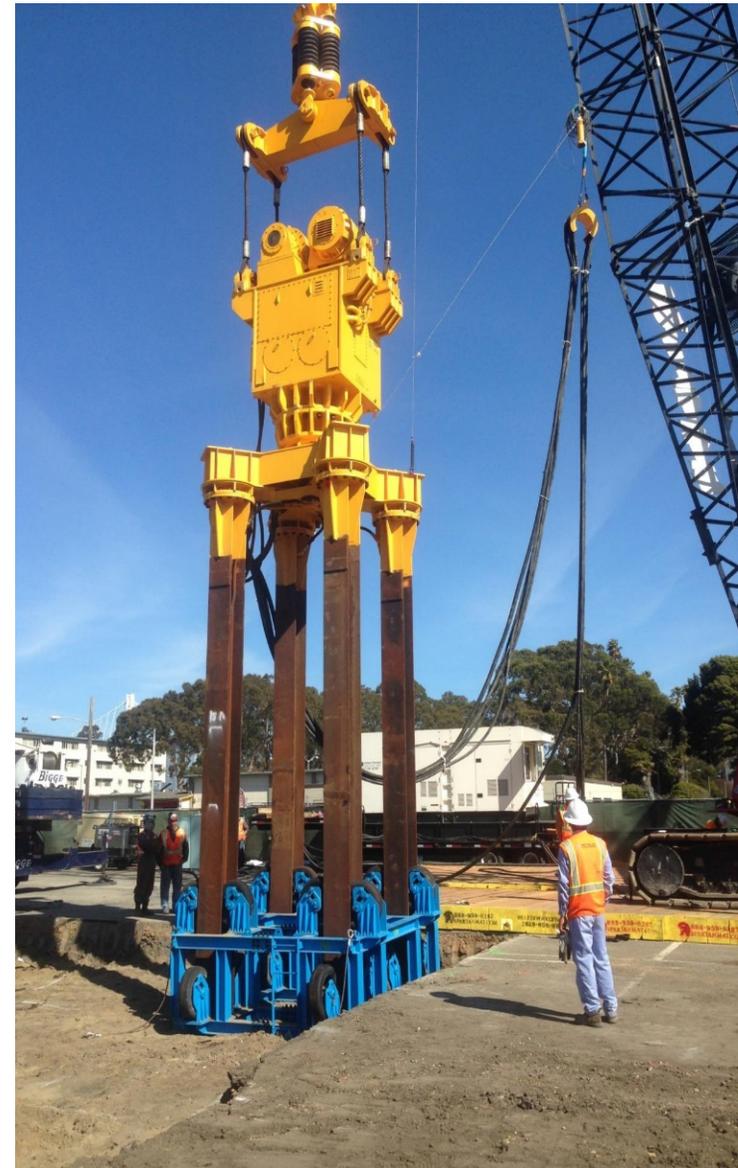


Infrastructure Constraints

Stage 2 Infrastructure Characteristics

- Demolition & abatement
- Utility systems
- Heavy civil construction
- High bonding capacity
- Specialized equipment

Limited certified firm pool statewide



Expanded Outreach & Bid Access

Enhanced 2025 Strategy

- LBE Open House on Treasure Island (~100 attendees)
- LBE Advisory Committee presentation
- Early pipeline visibility
- Multi-platform advertising
- Targeted Micro- and Small-LBE outreach by prime contractors
- Pre-bid meetings & site walks



SBE Mentor-Protégé Program (Launched 2025)

Program Objectives

- Long-term SBE firm development
- Relationship-building with prime contractors
- Improved bonding readiness
- Increased technical competitiveness



Key Takeaways



- Park construction exceeded SBE goals
- Professional services exceed goals
- Infrastructure packages present structural constraints
- Cumulative construction meets long term goal
- Majority of SBE contracts awarded to SF firms
- Continued emphasis on LBE outreach & capacity building
 - Prioritization of Micro- and Small-LBEs in line with recent Development Agreement projects and City policy

