



November 1, 2021

Jennifer Lucchesi
Executive Officer
State Lands Commission
100 Howe Ave., Ste. 100-South
Sacramento, CA 95825

Dear Executive Officer Lucchesi:

Thank you for considering the Port of San Francisco submission for American Rescue Plan Act (ARPA) funds. These funds will help the Port recover from the dramatic economic impacts of COVID-19 as tourism ports, such as the Port of San Francisco, were decimated by pandemic restrictions. Without the support of Governor Newsom and the State Lands Commission, catastrophic reductions to Port staff, operations, maintenance, capital projects, and investments in programs that bring the public to and equitable and vibrant would be underway. We are grateful for your support and advocacy which will spur economic recovery and protect our waterfront so that we can continue to support maritime commerce and welcome millions of people to our public Port each year.

The Port of San Francisco respectfully requests an allocation of \$114.8 million in American Rescue Plan Act (ARPA) funding to address the loss of revenue that COVID-19. With this investment, the Port will avoid laying off 50 staff in maritime, real estate, engineering, and finance and can backfill 18 positions. We will restore public safety budgets to keep visitors and workers safe; maintenance and capital improvements imperative to maintaining our historic piers and key tourist attractions; support small businesses and the fishing community that is the backbone to our revenues; as well as maintain necessary programs, such as equity programs.

During the pandemic, the Port of San Francisco met the moment and supported small business and maritime tenants to keep them operating and employing working families of California. Using cash reserves, the Port provided rent relief to more than 225 tenants, totaling \$13.7 million. Additionally, the Port provided rent deferral opportunities to more than 500 tenants to support their economic recovery. The Port also launched a no-cost program to enable restaurants to use outdoor dinging space, keeping many small businesses alive. Lastly, the Port authorized a \$1 million zero interest loan program to support small, local business enterprises that have been financially devastated by the impacts of the pandemic.

To offset the sudden and steep decline in revenue, the Port made significant reductions to its operating and capital budgets. The Port cut more than \$12 million in operating costs by delaying hiring for vacant positions and eliminated new positions; scaling back daily cleaning and

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maintenance services; reducing contracting and services from other departments; and reducing materials, supplies, and equipment purchases. The Port also de-funded nearly \$40 million in capital projects and maintenance improvements.

Pre-pandemic, the Port welcomed more than 24 million visitors annually. The Port supported more than 10,000 jobs and \$1.2 billion in wages, driving economic prosperity throughout the greater Bay Area. The ability of the Port to perform is critical to the City's and State's economic recovery and viability.

In accordance with the State Legislature control language in the Budget Act amendments under Senate Bill 170, the Port will use ARPA funds to support economic recovery, avoid layoffs and restore jobs, restore services lost due to COVID-19, and support eligible port operations. Funds will be used for eligible costs between March 3, 2021, and June 30, 2024. Expected outcomes include increased tourism and retail spending at the Port, more cargo and cruise activity, new leases being executed, major reduction to deferred maintenance, and investments in small businesses and BIPOC entrepreneurs.

By signing below, I certify that the statements contained in this letter and application are true, complete, and accurate to the best of my knowledge. Further, I certify that the Port of San Francisco is eligible and qualifies to receive Coronavirus State Fiscal Recovery Funds under the transfer language authorized by the APRA.

Thank you for your unwavering leadership during this unprecedented global health crisis. We appreciate your consideration of this request during the most challenging moment in the Port of San Francisco's history.

Sincerely,

DocuSigned by:

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Elaine Forbes
Port of San Francisco, Executive Director