

1 [Accept-Expend State Grant]

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3 **Resolution authorizing the San Francisco Port Commission to accept and expend**
4 **\$1,900,000 in Carl Moyer Program grant funds from the Bay Area Air Quality**
5 **Management District to fund the construction of a shoreside power facility for cruise**
6 **ships at Pier 27 and authorizing the Executive Director of the Port to immediately**
7 **execute any documents required for the implementation of this grant, including any**
8 **letters of intent, amendments, augmentations or extensions thereof.**

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10 WHEREAS, On September 27, 2005, the Port of San Francisco's Cruise Terminal
11 Environmental Advisory Committee recommended the adoption of shoreside power for cruise
12 ships at any future cruise terminal development at the Port; and,

13 WHEREAS, On September 27, 2005, the San Francisco Port Commission endorsed
14 Cruise Terminal Environmental Advisory Committee recommendation regarding shoreside
15 power for cruise ships; and,

16 WHEREAS, The San Francisco Port Commission further instructed Port staff to
17 investigate the feasibility of providing shoreside power for existing cruise facilities; and,

18 WHEREAS, On December 22, 2006, the Port and Princess Cruise Lines, as co-
19 applicants, submitted an application to the Bay Area Air Quality Management District for Carl
20 Moyer Program funding for shoreside power at the Port; and,

21 WHEREAS, On April 4, 2007, the Bay Area Air Quality Management District approved
22 a Carl Moyer Program grant of \$1.9 million to the Port of San Francisco and Princess Cruise
23 Lines, jointly as grantee, to fund this project; and,

24 WHEREAS, Princess Cruise Lines, as the only cruise ship company that has designed
25 and constructed shoreside power facilities for cruise ships, has unique experience, and,

1 WHEREAS, Connecting a cruise ship to a shoreside power facility during the testing
2 phase carries potentially large financial liabilities for potential damage to either the cruise ship
3 and/or the landside facilities, and

4 WHEREAS, Princess Cruise Lines jointly applied with the Port of San Francisco for
5 Carl Moyer Program funding so that Princess Cruise Lines could both design and construct
6 the shoreside power facility at Pier 27 to ensure compatibility with Princess vessels and
7 reduce the potential liability of the Port of San Francisco; and,

8 WHEREAS, As a result of designing and constructing the facility, Princess Cruise Lines
9 will be responsible for expending its own funds and seeking reimbursement of those funds
10 through the Carl Moyer Program grant; and

11 WHEREAS, The Port of San Francisco will act primarily as guarantor on the grant
12 agreement and will not seek reimbursement through the Carl Moyer Program grant; and

13 WHEREAS, On November 29, the Bay Area Air Quality Management District furnished
14 the Port of San Francisco and Princess Cruise Lines with a draft grant agreement; and

15 WHEREAS, On December 6, 2007, the California Air Resources Board will vote on a
16 proposed regulation that will require five ports in California, including the Port of San
17 Francisco, to adopt shoreside power for certain vessels including cruise ships by the year
18 2014; and

19 WHEREAS, Approval by the California Air Resources Board of the proposed shoreside
20 power regulation on December 6, 2007, will preempt the Bay Area Air Quality Management
21 District's ability after that date to finalize a Carl Moyer Program grant to the Port of San
22 Francisco and Princess Cruise Lines either separately or jointly as grantee; and

23 WHEREAS, That the grant does not create any new positions and will not require an
24 amendment to the Annual Salary Ordinance; and

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1 WHEREAS, The Port Commission proposes to maximize use of available grant funds
2 on program expenditures by not including indirect costs in the grant budget; now, therefore,
3 be it

4 RESOLVED, That the Board of Supervisors authorizes the San Francisco Port
5 Commission to accept and expend \$1.9 million in Carl Moyer Program grant funds from the
6 Bay Area Air Quality Management District, in partnership with Princess Cruise Lines as joint
7 grantee, for construction of shoreside power facilities for cruise ships at Pier 27; and be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the
9 Executive Director of the Port to immediately execute any documents required for the
10 implementation of this grant, including any letters of intent, amendments, augmentations or
11 extensions thereof; and be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
13 indirect costs in the grant budget; and be it

14 FURTHER RESOLVED, That the Executive Director of the Port, or her designee, is
15 authorized to approve, sign and execute an agreement to hold the granting agency harmless
16 from liability arising out of the Project.

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18 Recommended:
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20 _____

Approved: _____
Mayor

21 Department Head

Approved: _____
Controller