

1 [Accept and Expend Grant - Remediation and Demolition of Drydock No. 1 - \$3,000,000]

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3 **Resolution authorizing the San Francisco Port Commission to accept and expend a**  
4 **grant from the U.S. Department of Defense, Office of Economic Adjustment in the**  
5 **amount of \$3,000,000 for Remediation and Demolition of the Port's Drydock No. 1.**

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7 WHEREAS, The Port of San Francisco's Drydock No. 1 was constructed in 1942 to  
8 U.S. Navy specifications for the express purpose of constructing and repairing military ships;  
9 and,

10 WHEREAS, In August of 1999 Drydock No. 1 reached the end of its serviceable  
11 lifetime; and,

12 WHEREAS, Drydock No. 1 contains PCB's, asbestos and lead paint as elements  
13 inherent to the U.S. Navy design of that vessel; and,

14 WHEREAS, Port staff, through the office of Speaker Nancy Pelosi, sought Federal  
15 funding to assist with remediation and disposal of Drydock No. 1 through the U.S.  
16 congressional legislative process; and,

17 WHEREAS, In December the U.S. Department of Defense appropriated \$3,000,000 for  
18 that purpose; and,

19 WHEREAS, On July 22, 2010, the Department of Defense, Office of Economic  
20 Adjustment (OEA) determined that, after lengthy analyses, it would be the agency to  
21 administer the appropriated funds; and,

22 WHEREAS, To administrate the funds, OEA has initiated the process of entering into a  
23 grant agreement with the Port of San Francisco, awarding \$3,000,000 for the purpose of  
24 remediating and disposing of Drydock No. 1; and,

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1           WHEREAS, OEA and the Port must enter into a grant agreement prior to September  
2 30, 2010 or the \$3,000,000 in appropriated funds will be lost to the Port, returned to the U.S.  
3 Treasury; and,

4           WHEREAS, This grant does not create any new positions, and will not require an  
5 amendment to the Annual Salary Ordinance; and,

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

9           RESOLVED, That the Board of Supervisors authorizes the San Francisco Port  
10 Commission to accept and expend \$3,000,000 in grant funds from the U.S. Department of  
11 Defense, OEA for remediation and disposal of Drydock No. 1; and be it

12           FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the  
13 Executive Director of the Port to immediately enter into an agreement with OEA for the  
14 acceptance and expenditure of these grant funds, and to execute any documents required to  
15 that end, including any letters of intent, amendments, augmentations to or extensions thereof;  
16 and be it

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

19           FURTHER RESOLVED, That the Executive Director of the Port, or her designee, is  
20 authorized to approve, sign and execute an agreement to hold OEA, as the granting agency,  
21 harmless from liability arising out of the Project.

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1 Recommended:  
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4 Department Head

Approved: \_\_\_\_\_

Mayor

Approved: \_\_\_\_\_

Controller

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