

1 [Accept and Expend Grant - American Rescue Plan Act - California State Lands Commission -
2 Operating and Capital Expenses - \$73,492,632 in FY2022-2023 and \$27,279,000 in FY2023-
3 2024]

4 **Resolution authorizing the Port Commission to accept and expend a grant in the**
5 **amount of \$73,492,632 in Fiscal Year (FY) 2022-2023 and \$27,279,000 in FY2023-2024,**
6 **for a total amount of \$100,771,632 plus additional amounts up to 15% of the original**
7 **grant amount that may be offered, from the California State Lands Commission for any**
8 **lawful purpose; and authorizing the Port Director to enter into one or more grant**
9 **agreements with the State of California State Lands Commission for \$58,200,000.**

10
11 WHEREAS, Pre- COVID-19 pandemic the Port of San Francisco (“Port”) welcomed
12 more than 24 million visitors annually, including nearly 300,000 from cruises, with cruise
13 visitors contributing \$27 million to San Francisco’s economy in 2018; and

14 WHEREAS, During the onset of the COVID-19 pandemic tourism, travel, and
15 hospitality services such as cruise, hotels, restaurants, tourist attractions, and conventions
16 stalled and then ground to a halt; and

17 WHEREAS, The economic downturn had an outsized impact on the Port’s leasing
18 revenue due to loss of tourism, empty offices and a sharp reduction of visitors to the
19 waterfront; and

20 WHEREAS, The Port’s leasing revenue provides 75% of the Port’s revenue budget and
21 subsidizes critical Port operations and public benefits; and

22 WHEREAS, As a result of the pandemic total Port revenues fell by 40% of their pre-
23 pandemic levels, for a loss of \$60 million since the beginning of the pandemic, and a
24 projected loss of \$80 million over the next two years, within a pre-pandemic total operating
25 budget of \$110 million; and

1 WHEREAS, Based on projections, the Port anticipates a five-year recovery timeframe
2 to return to pre-pandemic revenues; and

3 WHEREAS, On March 11, 2021, President Joe Biden signed the American Rescue
4 Plan Act of 2021 (“ARPA”), a \$1.9 trillion economic stimulus bill to address the pandemic,
5 including financial relief to state and local governments; and

6 WHEREAS, House Speaker Nancy Pelosi amended the ARPA to include language to
7 allow the State of California to help California ports recover from the devastating financial
8 impacts of the pandemic and restore desperately needed revenue; and

9 WHEREAS, The ARPA was the first financial relief package made available to public
10 seaports; and

11 WHEREAS, In May 2021, Governor Gavin Newsom announced a one-time \$250
12 million allocation from the ARPA to California’s ports to mitigate the negative economic
13 impacts resulting from the COVID-19 pandemic; and

14 WHEREAS, On February 9, 2022, Governor Gavin Newsom signed Senate Bill 115
15 into law which changed the source of funding for California ports to mitigate the negative
16 economic impacts resulting from the COVID-19 pandemic from ARPA to the state’s General
17 Fund; and

18 WHEREAS, On December 8, 2021, the California State Lands Commission authorized
19 the disbursement of \$56,616,130 to the Port of San Francisco to recover revenue losses and
20 direct costs incurred from the COVID-19 pandemic in calendar 2020; and

21 WHEREAS, On April 27, 2022, the California State Lands Commission authorized an
22 additional disbursement of \$58,800,000 to the Port of San Francisco for revenue losses in
23 calendar year 2021; and

1 WHEREAS, Under Administrative Code, Section 10.170-1, the acceptance and
2 expenditure of federal, state, or other grant funds in the amount of \$100,000 or more is
3 subject to the approval by Resolution of the Board of Supervisors; and

4 WHEREAS, On April 7, 2022, the Board of Supervisors approved the acceptance and
5 expenditure of \$14,044,498 from the California State Lands Commission for Port expenditure
6 in FY 2021-22; and

7 WHEREAS, The Port of San Francisco proposes to maximize the use of grant funds on
8 the program expenditures by not including indirect costs in the grant budget; and

9 WHEREAS, The Port proposes to use grant funds for eligible operating and capital
10 expenses, including \$73,492, 632 in FY2022-23 and \$27,279,000 in FY2023-24, for a total of
11 \$100,771,632; and

12 WHEREAS, The \$100,771,632 of grant funds are included in the Port’s proposed
13 biennial budget for FY2022-2023 and FY2023-2024; now, therefore, be it

14 RESOLVED, That the Port Commission is hereby authorized to accept and expend
15 grant funding from the State of California State Lands Commission in the amount of
16 \$100,771,632 million for eligible expenses in FY2022-23 and FY2023-24, plus additional
17 amounts up to 15% of the original grant amount that may be offered or applied to FY 2022-23
18 and FY 2023-24 expenses; and, be it

19 FURTHER RESOLVED, That the Port Commission is hereby authorized to accept and
20 expend grant funding for FY2022-2023 and FY2023-2024 from the State of California State
21 Lands Commission pursuant to Administrative Code, Section 10.170-1; and, be it

22 FURTHER RESOLVED, That the Port Director is authorized to enter into one or more
23 grant agreements with the State of California State Lands Commission on behalf of the City
24 for acceptance of the grant funds authorized by the State of California State Lands
25 Commission for FY2021-2022, FY2022-2023 and FY2023-2024; and, be it

Mayor Breed
BOARD OF SUPERVISORS

1 FURTHER RESOLVED, That within thirty (30) days of each such grant agreement
2 being fully executed by all parties, the Port Commission shall provide a copy to the Clerk of
3 the Board of Supervisors for inclusion in the official file.

4
5
6
7 Recommended:

8
9
10 /s/
11 Executive Director, Port of San Francisco

12
13
14 Approved:

Approved:

15
16
17
18 /s/
19 Mayor

/s/
Controller