



MEMORANDUM

January 6, 2010

TO: MEMBERS, PORT COMMISSION
Hon. Rodney Fong, President
Hon. Stephanie Shakofsky, Vice President
Hon. Kimberly Brandon
Hon. Michael Hardeman
Hon. Ann Lazarus

FROM: Monique Moyer *M. Moyer*
Executive Director

SUBJECT: Request authorization to apply for, accept and expend \$500,000 in grant funds from the California Cultural and Historical Endowment for the Pier 70 Union Ironwork's Machine Shop Stabilization Project

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

The California Cultural and Historical Endowment (CCHE) is charged with disbursing historic resource funds of the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, more commonly known as State Proposition 40. In 2007, the Port received a planning grant from CCHE that funded portions of the Pier 70 Master Plan. The Port, based on its status as a prior planning grant recipient, is eligible to apply for a Round IV capital grant for up to \$500,000 for a project that preserves a compelling story of Pier 70's role in California's history. The grant requirements call for "shovel ready" projects with secured permits, and matching funds, that can be completed by May 2013.

The Pier 70 Master Plan presents a program for new development, historic rehabilitation, park, open space and infrastructure improvements to revitalize the area. The financing program offers lease and tax revenue that, over a long term horizon, fund the costs of the project partnering with private sector investment.

The Union Ironworks Machine Shop is one of the most valuable and vulnerable historic structures at Pier 70. The CCHE Grant application would be to secure funds to stabilize and retard future deterioration of the Union Iron Works Machine Shop. Port staff has engaged architectural and engineering consultants to devise a stabilization plan for the building that forestalls further deterioration. The stabilization will both address a current

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safety hazard and be a first step toward the full rehabilitation of this very significant structure. Port funds matched with the grant (if awarded) would be utilized to construct improvements as detailed in the consultant's design.

The CCHE grant requires 60-percent matching funds during the grant contract. If the Port is awarded \$500,000 for the project, the local match would be \$300,000. The Port's FY 2009/2010 professional services budget will fund most of the matching funds for the design and engineering services. The FY 2010/11 annual capital budget will include additional funds for this project. The granting process is likely to be very competitive and the Port may receive a partial award of funds, requiring a smaller match.

The CCHE process requires the governing body to adopt a resolution authorizing submission of an application for this grant prior to February 10, 2010, as well as for entering into the grant contract, should the application be approved. The grant contract requires the Port to indemnify the CCHE from any claims that might arise related to this grant.

Port Commission Action

Port staff seek Port Commission authorization for the Executive Director to apply for, accept, and expend grant funds from CCHE for this project and to indemnify CCHE as required by the terms of the grant.

Prepared by: Kathleen Diohep
Project Manager

For: Byron Rhett
Director of Planning and Development


**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 10-05

- WHEREAS, the people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for the California Cultural and Historical Endowment (CCHE) Grant Program; and
- WHEREAS, the Port is eligible to apply for a Round IV capital grant for the Pier 70 effort under the CCHE Grant Program and has identified the stabilization of the Union Ironworks Building as the specific project for this grant ("the Project"); and
- WHEREAS, the California Cultural and Historical Endowment (CCHE) has been delegated the responsibility for the administration of the Grant Program, setting up necessary procedures; and
- WHEREAS, these procedures require the Grant Applicant to certify by resolution the approval of an application before submission of the application to CCHE; and
- WHEREAS, if the Port is awarded a grant, the Port will enter into a Grant Agreement with CCHE for the Project, provide 60% matching funds and indemnify CCHE; now, therefore, be it
- RESOLVED, that this Port Commission:
- 1) Approves the filing of a CCHE Capital Grant Application for the Pier 70 project to be funded from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal; Protection Act of 2002; and
 - 2) Certifies that the Grant Applicant has or will have sufficient funds to operate and maintain the Project, and where applicable, to complete the Project; and
 - 3) Certifies that the Grantee has reviewed, understands and agrees to the General Provisions of the CCHE Grant Application and Grant Agreement including indemnification; and
 - 4) Appoints the Executive Director of the Port (or her designee) as agent to conduct all negotiations, execute and submit all documents including, but not limited to, Applications, Agreements, payment requests, and other documentation which may be necessary for the completion of the Project; and be it further
- RESOLVED, that this Port Commission hereby authorizes the Executive Director to seek Board of Supervisors approval to accept and expend the grant, if awarded; and be it further

RESOLVED, that the Executive Director (or her designee) is hereby authorized to execute such additional documents or take such additional actions as are necessary to implement the Project, including the Grant Agreement that includes the Port's agreement to indemnify the State for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 12, 2010.



Secretary