

1 [Accept and Expend Grant - American Rescue Plan Act - California State Lands Commission
2 Operating and Capital Expenses - FY2021-2022 - \$14,044,498]

3 **Resolution authorizing the Port Commission to accept and expend a grant from the**
4 **California State Lands Commission, through the American Rescue Plan Act of 2021**
5 **allocation, in the amount of \$14,044,498 plus additional amounts up to 15% of the**
6 **original grant amount that may be offered, for eligible operating and capital expenses,**
7 **and any lawful purpose for Fiscal Year (FY) 2021-2022, effective upon execution of the**
8 **Funding Agreement, through June 30, 2024.**

9
10 WHEREAS, Pre-pandemic the Port of San Francisco ("Port") welcomed more than 24
11 million visitors annually, nearly 300,000 from cruises, with cruise visitors contributing \$27
12 million to San Francisco's economy in 2018; and

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

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

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

21 WHEREAS, As a result of the pandemic total Port revenues fell by 40% of their pre-
22 pandemic levels, for a loss of \$60,000,000 since the beginning of the pandemic, and
23 \$80,000,000 over the next two years, within a total operating budget of \$110,000,000; and

24 WHEREAS, Based on projections, the Port anticipates a five-year recovery timeframe
25 to return to pre-pandemic revenues; and WHEREAS, On March 11, 2021, President Joe

1 Biden signed the American Rescue Plan Act of 2021 ("ARPA"), a \$1.9 trillion economic
2 stimulus bill to address the pandemic, including financial relief to state and local governments;
3 and

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

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

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

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

15 WHEREAS, In spring of 2022 the Port anticipates receiving an additional allocation of
16 ARPA funds from the State of California to recover revenue losses and direct costs incurred in
17 calendar year 2021 due to the COVID-19 pandemic, for a total allocation of up to
18 \$114,800,000; and

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

22 WHEREAS, The Port of San Francisco proposes to maximize the use of grant funds on
23 the program expenditures by not including indirect costs in the grant budget; and
24
25

1 WHEREAS, The Port proposes to use approximately \$14,044,498 of ARPA funds for
2 eligible operating and capital expenses in the current fiscal year, and \$100,800,000 of ARPA
3 funds for additional operating and capital expenses in Fiscal Year (FY) 2022-2023, and
4 FY2023-2024; and

5 WHEREAS, The Port will request the acceptance and approval of \$100,800,000 of
6 ARPA funding for expenses in FYs 2022-2023 and 2023-2024 during the upcoming biennial
7 budget process; now, therefore, be it

8 RESOLVED, That the Port Commission is hereby authorized to accept and expend
9 ARPA funding from the State of California in the amount of \$14,044,498 for eligible expenses
10 in FY2021-2022, plus additional amounts up to 15% of the original grant amount that may be
11 offered or applied to FY2021-2022 expenses; and, be it

12 FURTHER RESOLVED, That the Port Commission is hereby authorized to accept and
13 expend ARPA funding from the State of California pursuant to Administrative Code, Section
14 10.170-1; and, be it

15 FURTHER RESOLVED, That the Port Director is authorized to enter into one or more
16 grant agreements with the State of California on behalf of the City for acceptance of the
17 \$14,044,498 in grant funds authorized by the State of California on December 8, 2021; and be
18 it

19 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
20 indirect costs as part of this Grant budget; and be it

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Recommended:

_____/s/_____
Executive Director, Port of San Francisco

Approved:

Approved:

_____/s/_____
Mayor

_____/s/_____
Controller