

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.

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7 Recommended:

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

12  
13  
14 Approved:

Approved:

15  
16  
17  
18 /s/  
19 Mayor

/s/  
Controller