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

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

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

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

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

WHEREAS, As a result of the pandemic total Port revenues fell by 40% of their pre-pandemic levels, for a loss of $60 million since the beginning of the pandemic, and a projected loss of $80 million over the next two years, within a pre-pandemic total operating budget of $110 million; and
WHEREAS, Based on projections, the Port anticipates a five-year recovery timeframe
to return to pre-pandemic revenues; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recommended:

/s/

Executive Director, Port of San Francisco

Approved: 

/s/

Mayor

/s/

Controller

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

May 25, 2022 Budget and Appropriations Committee - RECOMMENDED

June 07, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 6/7/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calviño
Clerk of the Board

London N. Breed
Mayor

Date Approved