

Staff Report 01

Consider distributing funds from the American Rescue Plan Act to California ports to mitigate negative economic impacts resulting from the Covid-19 pandemic and to allow ports to sustain the essential services and critical infrastructure our state and region need to protect jobs and recover economically.

BACKGROUND

In May 2021, Governor Newsom announced a one-time \$250 million allocation from the Federal American Rescue Plan Act of 2021 (ARPA) to California's ports to mitigate the negative economic impacts resulting from the Covid-19 pandemic. The 2021-22 State budget appropriates the \$250 million to the California State Lands Commission for allocation to ports. Ports have a sizable impact on the State's recovery effort: approximately one million California jobs are linked to trade activities at the State's 11 public ports, along with generating an estimated \$9 billion in taxpayer revenue. The Budget Act requires that ports use the funds to address negative economic impacts due to the Covid-19 pandemic and to support their economic recovery. The funds may be used for activities such as avoiding layoffs, restoring jobs and services lost due to Covid-19, supporting safe operations, and funding projects delayed by pandemic-related fiscal impacts. An infusion of federal funds will have a sizable impact in targeting the unemployed residents of port communities by helping ports to re-hire or bring on new essential workers, as well as retain existing employees. Ports that rely on tourism-based revenue will particularly benefit from these federal funds given the disproportionate impact the pandemic had on tourism-related industries. These ports also employ essential workers that play a vital role in economic recovery.

Commission staff worked closely with the Department of Finance on developing the application process. Staff released its application package on October 8, 2021, and provided the ports with 30 days to submit an application for ARPA funding. The deadline for submission was November 8, 2021. Copies of the application package are available at <https://www.slc.ca.gov/content-types/covid-19-fiscal-recovery-funds/>.

The Budget Act directs the Commission to distribute funds to address negative economic impacts due to the Covid-19 pandemic and to support ports' economic recovery. In their applications, ports were asked to describe the revenue impacts attributable to the Covid-19 pandemic as part of their Funding Request. Some

ports, particularly those with large travel and tourism components, suffered drastically reduced revenues during the pandemic. Others, such as ports with large cargo operations, may have had increased revenues in some operations that helped offset other losses. When considering funding requests, staff considered the amount of a port's revenue impacts, direct costs related to COVID-19, and whether the port received funds from a county or city's local fiscal recovery funds or other sources.

For costs incurred as a result of direct Covid-19 pandemic response and support, applicants were required to provide a list of the specific documentation (i.e., financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.). Ports were also required to describe the programs or projects they anticipate committing the recovery funds to. The description ports were required to provide included:

- Proposed projects, uses, or general categories.
- Cost estimates for each proposal.
- A description of the port's desired outcomes for the proposal.
- A narrative of how the program/project responds to the Covid-19 pandemic and supports the Port's economic recovery.
- A description of the port's desired outputs.
- To the extent feasible, metrics by which the port will evaluate whether the outcome is achieved.

Within 45 days of the Commission's approval for the disbursement of funds, ports are required to submit a Funding Agreement to the Commission. The Funding Agreement requires ports to provide all information required by the State to meet its reporting requirements. This includes a monitoring plan outlining the intended fund use; cost estimates; expected outcomes and outputs; and performance indicators by which the port will evaluate whether each desired outcome is achieved. Ports are required to track the actual cost, expected outcomes, outputs, and performance measures for each proposed program or project. The Commission will use the ports' monitoring plans to track the ports' use of the ARPA funds.

Staff's review process included a technical review of the applications and the adherence to the eligibility criteria, and as required by Code of Federal Regulations, title 2, Part 200, staff analyzed each port's request and potential risk of noncompliance based on a set of common factors. These factors included prior experience in managing federal funds, experience in managing state funds,

previous audit findings showing misuse of funds, and the policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.

Staff has evaluated the ports' applications and requests that the Commission approve staff's recommended disbursements.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

American Rescue Plan Act of 2021 (ARPA, 42 U.S.C. 802 *et seq.*; 1 CFR Part 35 RIN 1505–AC77 (Interim Final Rule); Budget Act of 2021 (AB 128, Chapter 21, Statutes of 2021, SB 129, Chapter 69, Statutes of 2021, AB 164, Chapter 84, Statutes of 2021), Public Resources Code section 6005.

STATE'S BEST INTERESTS:

The Budget Act directs the Commission to “allocate the funding in this item to California ports to address negative economic impacts within this industry due to the Covid-19 pandemic.” It further provides that the Commission “may consider the level of revenue losses and Covid-19 expenditures in apportioning these funds.” The Commission, therefore, has discretion over distribution of the funds to achieve the purpose of addressing negative economic impacts experienced by the ports. The Commission also considers the State's best interests when exercising its discretionary authority. (Pub. Resources Code, § 6005.)

Staff reviewed each port's requested amount, including supporting financial data, and compared it to the pandemic-related costs and revenue impacts. Staff considered the costs and revenue impacts to equitably disburse funds among the ports, ensuring that recommended disbursements would reflect the magnitude of a port's negative impacts. For this disbursement, staff focused on revenue losses and direct costs in calendar year 2020.

Some ports may have experienced losses in 2020 that were subsequently mitigated by increased revenues in 2021 due to the dramatic upsurge in cargo vessel traffic. In some cases, staff may recommend reducing or deferring disbursements until additional financial information is available.

Staff will recommend subsequent disbursements based on calendar year 2021 losses at a future Commission meeting. Additionally, ports that either did not apply during this disbursement tranche, or that received an amount less than their requested amount, may reapply.

Staff also reviewed each port's proposed uses. ARPA section 603, subdivision (c)(1)(A) permits use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the Covid-19 public health emergency. The U.S. Department of the Treasury released an Interim Final Rule effective May 17, 2021 (<https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds>), and an FAQ document (<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>) that provides guidance on how to analyze a proposal's consistency with the ARPA. When considering whether a program or service would be eligible under this category, staff considered the extent to which there has been economic harm, such as loss of earnings or revenue, that resulted from the Covid-19 public health emergency, and the extent the proposal responds to or addressed this harm. The harm could be immediate or delayed. Where there has been a negative economic impact resulting from the public health emergency, the State has broad latitude to choose whether and how to use the ARPA funds to respond to and address the negative economic impact.

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to Covid-19 or the negative economic impacts of the Covid-19 public health emergency, along with considerations for evaluating other potential uses of ARPA funds not explicitly listed. (See FAQ 2.3) The Interim Final Rule also provides flexibility for recipients to ARPA funds for programs or services that are not identified on these non-exclusive lists, but which meet the objectives of ARPA section 603, subdivision (c)(1)(A) by responding to the Covid-19 public health emergency with respect to Covid-19 or its negative economic impacts.

Staff reviewed the proposed uses to determine whether they respond to a Covid-19 impact. Some of the projects may need to be subsequently updated or modified by the ports after fund disbursements. If changes are required, staff will review those changes to ensure they are consistent with the purposes of the port ARPA Fund.

In general, the ports' proposed uses fell into several categories, and often overlapped. For example, a port might use ARPA funds for a delayed project that will also support the tourism industry. Staff divided the ports' proposed projects into the following categories:

Projects for Covid-19 response and prevention (Public Health Projects). Projects to mitigate or prevent Covid-19, including testing, monitoring, and vaccination sites, qualify under Interim Final Rule, section 35.6, subdivision (b)(1).

Projects delayed, deferred, or otherwise at risk due to Covid-19's economic impacts (Pandemic-Impacted Projects). These projects generally qualify as responding to the economic impacts of Covid-19 on port operations. The projects

were delayed because of the revenue impacts of Covid-19. These projects also include programs to rehire employees to pre-pandemic levels or retain existing employees that may otherwise leave jobs due to pandemic-related impacts. Using ARPA funds for these projects will directly address economic impacts from Covid-19 to the ports. These projects qualify under Interim Final Rule, section 35.6, subdivision (b) because they meet the objectives of ARPA section 603, subdivision (c)(1)(A) by responding to the Covid-19 public health emergency with respect to Covid-19 or its negative economic impacts.

Projects to assist in recovery in tourism and other industries associated with port operations (Industry Support Projects). Port industries including tourism, shipping, and fishing were negatively impacted by Covid-19. The ports proposed a variety of projects that will assist in bringing these industries, as related to their operations, back to pre-pandemic levels. These projects qualify under Interim Final Rule, section 35.6, subdivision (b)(9).

Projects to help disadvantaged communities disproportionately impacted by Covid-19 (Disadvantaged Community Projects). The Interim Final Rule recognizes that economic disparities that existed prior to the Covid-19 public health emergency amplified the impact of the pandemic among low-income and minority groups. In recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the Covid-19 public health emergency when provided in these communities. These projects qualify under Interim Final Rule, section 35.6, subdivision (b)(12), which authorizes projects that benefit households, businesses, or populations disproportionately impacted by the Covid-19 public health emergency.

SPECIFIC REQUESTS FOR ARPA FUNDS

This section contains each applicant port's requested amount; a summary of its proposed uses; and staff's recommendation.

SAN DIEGO UNIFIED PORT DISTRICT

Requested Amount: \$103,500,000

Staff's Recommended Revised Amount: \$61,390,747

Proposed Uses:

Pandemic-Impacted Projects: San Diego Port District projects that were negatively impacted by the pandemic include major maintenance and repair projects that

are necessary to maintain Port assets so that they are safe and accessible to the public and are available as revenue-generating assets in the future. Included in this category are marine terminal curtain wall and berth repairs, terminal electrical and equipment upgrades, stormwater upgrades, IT and security upgrades, and visitor-serving landscaping and customer service improvements. Other projects include marine terminal electrical infrastructure and equipment upgrades and an Electrical Mobile Harbor Crane System that will substantially reduce air emissions that impact marginalized and vulnerable communities. These electrification projects are a priority for the Port and a component of the Port's recently approved Maritime Clean Air Strategy and the San Diego Air Quality Control District's Clean Air Action Plan.

Industry Support Projects: The Port identified several projects that will bolster industries in San Diego Bay to further support and diversify water-dependent businesses in the region. Projects include investments in the Floating Upweller Nursery System Technology (FLUPSY), infrastructure to advance seaweed farming, renewable energy pilot projects, and restorative aquaculture. The Port has longstanding collaborative relationships with businesses and non-profits engaged in the "blue economy" and industry supported projects will help generate local jobs and commerce in an environmentally responsible and sustainable way.

Disadvantaged Community Projects: Port projects include the completion of the National City Balanced Plan environmental analysis. The National City Balanced Plan seeks to balance uses between the City of National City and the Port's joint interests in maritime industrial and visitor-serving uses, park design, maintenance and upgrades. Projects also include improvements to the Imperial Beach Pier, enhancing visitor experience and recreational opportunities, and an investment in a massive wetland restoration project that will improve natural habitats while capturing greenhouse gases.

Staff Recommendation:

Staff reviewed the proposed uses and concluded they are appropriate uses for ARPA funds.

Staff recommends disbursing \$61,390,747 to the San Diego Unified Port District, which represents the amount of revenue loss and direct Covid-19 health emergency costs for the 2020 calendar year. The San Diego Unified Port District will be able to apply for additional funds based on 2021 calendar year costs and revenue losses, and the Commission will consider that request at a future Commission meeting.

PORT COMMISSION OF SAN FRANCISCO (PORT OF SAN FRANCISCO)

Requested Amount: \$57,292,567

Staff's Recommendation: \$56,616,130 ~~57,292,567~~

Proposed Uses:

Pandemic-Impacted Projects: In preparation of the current year budget, the Port's outyear forecast showed a significant annual deficit of \$7.9 million due to a 40 percent revenue decline caused by the economic impacts of Covid-19. In the absence of outside funds, in order to balance the fiscal year 2023-24 budget, the Port would have to eliminate approximately 50 positions beginning in July 2022. Since March 2020, the Port has implemented a hiring freeze to achieve savings resulting in approximately 20 positions remaining vacant through normal attrition. Utilizing the recovery funds, the Port expects to avoid 30 direct layoffs and fill 20 positions left vacant during the pandemic.

The Port is also proposing capital projects and operating investments that will restore funding for expenses that were delayed, deferred, or cut due to the pandemic. Some of these projects include pile removal in the southern waterfront, facility safety and repair, seismic improvements, restoring delayed equipment purchases and supply inventory, and IT system upgrades.

Industry Support Projects: The Port proposes to continue to invest in services that will keep the waterfront vibrant and safe and that support retail, restaurant, and other tenancies. The Port is home to many of San Francisco's top tourist attractions, including Fisherman's Wharf, Pier 39, Oracle Park (home of the San Francisco Giants), ferries to Alcatraz, the Exploratorium, and many more. Projects that keep the tourism corridor safe and clean for tourists is essential to generate economic activity for the Port and the City.

The Port also proposes to invest in improvements to Port property to fill vacancies and retain existing tenants. This also includes investing in maritime tourism and cargo operations to increase the revenue capacity of the Port's cargo and cruise terminal operations.

Disadvantaged Community Projects: The Port is adjacent to two of San Francisco's most economically disadvantaged neighborhoods. The Port will continue to support these communities through workforce development, open space and parks, and support for local businesses. The Port is proposing resources to benefit Black, Indigenous, and People of Color communities through direct investments such as park improvements and addressing blight, as well as more indirect but equally important investments such as racial equity and bias training for Port staff

and workforce development programs for San Francisco residents. The Port also intends to invest funds in loan programs for financially distressed businesses, provide better opportunities for sidewalk vendors, and attract and retain such businesses through facility improvements.

Staff Recommendation:

The formula in the application used a growth rate of 4.1 percent when calculating revenue loss. The Port of San Francisco's request is based on a revenue loss calculation using a 7.1 percent 3-year average growth rate, which was calculated based on the average growth rate of the Port's three pre-Covid-19 pandemic fiscal years. Staff believes this is reasonable.

Staff reviewed the proposed uses and concluded they are appropriate uses for ARPA funds.

The Port's Funding Request Summary requests \$57,292,567, but the revenue loss calculations and proposed project expenditures are \$56,616,130. Staff recommends disbursing ~~the requested~~ amount of \$56,616,130 ~~57,292,567~~ to the Port of San Francisco.

THE HARBOR DEPARTMENT OF THE CITY OF LONG BEACH (PORT OF LONG BEACH)

Requested Amount: \$34,426,138

Staff's Recommended Revised Amount: Staff will consider an application from the Port of Long Beach based on losses during the 2020 and 2021 calendar years during the next tranche of disbursements.

Proposed Uses:

Public Health Projects: The Port has committed personnel and material resources to address and respond to prevent the spread of Covid in the community. The Port's Incident Management Team involves senior leaders and staff working alongside the City of Long Beach's Emergency Operations Center and the Health Department by providing Covid testing site, vaccination site, and contact tracing.

Pandemic-Impacted Projects: The Port's Green Flag Program reduces air emissions by providing incentives for ships to voluntarily reduce their speed. Due to the Covid pandemic, the Port is experiencing an unprecedented cargo volume surge because of various factors such as inventory replenishment, increased consumer demands, and logistic bottlenecks. As a result, the Port expects increased costs to this program due to the Covid-19 pandemic.

Disadvantaged Community Projects: The grants program aims towards the areas of improving community health, facilities, infrastructure that essentially benefit the Port's local workforce development and indirect jobs recovery through this funding.

Staff Recommendation:

The Port calculated its revenue loss using only fiscal years and did not include the number of months in its calculation. Staff recalculated the revenue loss using the method described in the Request Summary and reach a revenue loss of \$22,330,103.

The Port of Long Beach has seen an increase in container cargo business as the pandemic continues. Reviewing only 2020 calendar year losses may not provide an accurate map of the pandemic's overall impact to port revenue. Ports that are predominantly cargo based have seen a dramatic increase in cargo business and revenue. For example, in 2020 the Port of Long Beach processed the most container units in its history – 8.1 million – and is on pace to receive more than 9 million in 2021. (<https://www.longbeach.gov/mayor/news/port-update/>)

Staff understands that an increase in cargo business comes with an increase in costs. Ports, such as the Port of Long Beach, are dealing with significant costs related to the unprecedented demand and strain on the supply chain. The federal government recently announced that the Infrastructure Investment and Jobs Act will provide roughly \$17 billion for ports and waterways. While it is too early to assess the extent of funding the Act will provide to the Port of Long Beach, staff expects that the port will receive a significant allocation of funds. The Port has also conveyed to staff that its proposed projects will be enacted regardless of whether ARPA funds are disbursed to the port at the Commission's December meeting.

Although the Port of Long Beach incurred revenue losses due to the pandemic in 2020, the Legislature's directive is to distribute ARPA funds to address the negative economic impacts to ports. Due to the increase in cargo revenue and potential availability of other relief funds, staff recommends not disbursing any funds to the Port of Long Beach at this time. Staff will consider an application from the Port of Long Beach based on losses during the 2020 and 2021 calendar years during the next tranche of disbursements, should the Port apply again. This will allow staff to more fully analyze the context of the Port's funding requests.

PORT DEPARTMENT OF THE CITY OF OAKLAND (PORT OF OAKLAND)

Requested Amount: \$14,258,400

Staff's Recommendation: \$14,258,400

Proposed Uses:

Pandemic-Impacted Projects: Many of the projects in the Port's Capital Improvement Program were delayed due to staffing constraints and were reprogrammed with delayed project timelines and expenditures. Two critical infrastructure projects that were impacted include a sewer system replacement project and a stormwater trash capture device installation.

The Port's sewer collection system serves Port tenants, customers, employees, and the general public in the seaport, airport and commercial real estate areas. Several pipeline rehabilitation projects are in response to deficiencies found through the assessment work. It is anticipated that additional deficiencies will be found as the Capital Improvement Program is finalized and as Port staff uncover additional issues during construction, or failures occur prior to replacements being completed on already assessed areas.

The Port is also implementing the requirements of the State's National Pollutant Discharge Elimination System permits including discharge of storm water from the Port's municipal separate storm sewer system. Due to staffing constraints worsened by the impacts of Covid-19, the Port of Oakland needs to accelerate projects to meet regulatory deadlines and complete the projects before infrastructure fails. Recovery funds will assist with the hiring new additional staff and fund portions of the improvement costs of the Sanitary Sewer Collection System and the Storm Water Management Full Trash Capture Program.

Industry Support Projects: The Port is proceeding with rent relief for two of their most impacted tenants that have had difficulty meeting the payment schedule for previously deferred rent. The Port would like to use funds for this rent relief.

Staff Recommendation:

The formula in the application used a growth rate of 4.1 percent when calculated as revenue loss. The Port of Oakland's request is based on a revenue loss calculation using a 4.65 percent 3-year average growth rate, which was calculated based on the average growth rate of the Port's three pre-COVID-19 pandemic fiscal years. Staff believes this is reasonable.

The latter part of fiscal year 2021 marked the beginning of an ongoing trend of declining container traffic activity at the Port. With global supply chain challenges impacting the flow of goods combined with the historical high profitability of transporting goods from Asia to the West Coast, U.S. shipping lines are choosing to drop off containers at other West Coast container ports that have a quicker turnaround time. This unforeseen dynamic has worsened the current financial situation and outlook for the remainder of fiscal year 2022 and beyond.

Staff reviewed the proposed uses and concluded they are appropriate uses for ARPA funds.

Staff recommends disbursing the requested amount of \$14,258,400 to the Port of Oakland.

OXNARD HARBOR DISTRICT (PORT OF HUENEME)

Requested Amount: \$3,010,912

Staff's Recommended Revised Amount: \$2,337,563

Proposed Uses:

Pandemic-Impacted Projects: The Port of Hueneme has secured \$2.2 million in grant funding for an electric crane plug-in project. The project site is located on the South Terminal of the Port. The scope of work includes installation of an electrical substation, three crane vault outlets, and installation of all supporting infrastructure for the crane vault outlets, and Southern California Edison's supporting electrical equipment. Due to the increased costs of electrical supplies, raw materials, transportation, and labor costs as a result of pandemic, the project bid exceeded the initial estimate by approximately \$4 million. The recovery funds would allow the Port to continue to pursue the project, with a total estimated project cost of \$7.5 million.

Staff Recommendation:

Port Hueneme calculated revenue loss using only their auto cargo operating segment and applied a 10-year average auto revenue growth rate of 9.43%. The Port also used only fiscal year figures. Similar to the Port of Long Beach, Port Hueneme has seen an increase in cargo business and revenue, aside from the Port's auto revenue losses. To objectively compare Port Hueneme's application with other Ports, staff requested Port Hueneme provide their total operating revenue losses. In calculating the Port's revenue losses, staff used total operating revenues, the 2019 fiscal year and 2020 calendar year figures, and 3-year total operating revenue growth rate of 5.63%.

Staff's calculation for the Port's total revenue losses are \$1.6 million for fiscal year 2020, compared to \$2.6 million using only the auto cargo segment over the same time period. Although the guidelines allow the Ports to use different methods to calculate losses, we believe \$1.6 million in total revenue losses is a more accurate comparison to use because it's comparable to the other Port calculation methods we've received. California Ports are facing similar financial hardships and staff recommends using the total operating revenue losses, allowing the funding to be distributed based on the Port's current financial situation.

Staff reviewed the financial data and the Port's proposed uses and based on the revised calculations; staff recommends distributing \$2,337,563 to the Port of Hueneme.

VENTURA PORT DISTRICT

Requested Amount: \$1,060,484

Staff's Recommendation: \$1,060,484

Proposed Uses:

Pandemic-Impacted Projects: The recovery funds would allow several American Disability Act Improvement projects that were deferred from the previous fiscal year to be advanced on schedule and will support economic recovery by increasing safe public access to visitor serving facilities. The Port District's harbor patrol and lifeguard vehicle replacement was also put on hold. The recovery funds would advance the procurement process ahead of the 2022 lifeguarding season.

Industry Support Projects: Several proposed projects will allow the Port District to continue to invest in services that will continue to bring visitors and commercial business to the waterfront. These projects include the demolition and rebuilding of the shower facilities at Harbor Cove and Surfers Knoll Beach, installation of electric vehicle charging stations, commercial fish hoist refurbishment, a "fish building" structural improvement project at Spinnaker Drive, and a pandemic Debt Forgiveness and Rental Abatement and Deferment Program.

Staff Recommendation:

The Ventura Port District noted that it periodically conducts one-time transactions for properties that are in long-term leases (such as assignment and option transactions). Some of these transactions are the realization of appreciation of parcels in 25-to-50-year leases and therefore the realization of the accrual in a given fiscal year represents the appreciation of many years. In 2020, the Ventura Port District was able to accrue three such one-time revenue transactions totaling \$1,014,875 that are not representative of normal operating revenues. The Ventura Port District requested that these one-time transactions not be credited against its revenue losses.

Staff reviewed the financial data and the Port's proposed uses and recommends the Commission disburse the requested amount to the Ventura Port District: \$1,060,484.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

Requested Amount: \$576,191

Staff's Recommendation: \$576,191

Proposed Uses:

Pandemic-Impacted Projects: The Humboldt Bay Harbor, Recreation, & Conservation District delayed efforts to construct a Humboldt Bay Offshore Wind Heavy Lift Marine Terminal. The public and private sector are now reengaged on this project and strongly encouraging the Port to bring the project back on schedule so that they can continue to invest in the emerging west coast offshore wind industry. The Harbor District plans to award a contract to complete engineering, California Environmental Quality Act analysis, and other soft costs.

Staff Recommendation:

Staff reviewed the financial data and the port's proposed uses and recommends the Commission disburse the requested amount to the Humboldt Bay Harbor, Recreation & Conservation District: \$576,191.

OTHER PERTINENT INFORMATION:

1. The Infrastructure Investment and Jobs Act, a federal bill passed by the 117th Congress and signed into law by President Joe Biden on November 15, 2021, provides approximately \$17 billion for ports and waterways. Roughly \$11.5 billion (68 percent) will be for new construction, though not all of that amount will be available to seaports. This new construction funding is allocated to the U.S. Army Corps of Engineers, which has jurisdiction over inland waterways. And while the U.S. Army Corps of Engineers jurisdiction overlaps with seaports and harbors, the new construction revenue is not exclusively for ports.

The Infrastructure Investment and Jobs Act provides \$2.25 billion for landside infrastructure at seaports serviced by rail and for projects that improve the resiliency of ports to address sea level rise, flooding, extreme weather events, earthquakes and tsunami inundation, as well as projects that reduce or eliminate port-related criteria pollutant or greenhouse gas emissions. Of this amount, \$450 million will be available in fiscal years 2022, 2023, 2024, 2025, and 2026. Project examples include:

- Port electrification or electrification master planning.
- Harbor craft or equipment replacements.
- Development of port or terminal micro grids.

- Providing idling reduction infrastructure.
- Purchase of cargo handling equipment and related infrastructure.
- Worker training to support electrification technology.
- Installation of port bunkering facilities from ocean-going vessels for fuels.
- Electric vehicle charge or hydrogen refueling infrastructure for drayage, and medium or heavy-duty trucks and locomotives that service the port and related grid upgrades.
- Other related activities including charging infrastructure, electric rubber-tired gantry cranes, and anti-idling technologies.

The Infrastructure Investment and Jobs Act also establishes an Advanced Research Projects Agency for Infrastructure within the Department of Transportation. This program, dedicated to funding research projects that advance transportation infrastructure, will include programs dedicated to advancing innovations at ports and harbors.

2. The City of Long Beach inquired whether the City would be eligible to receive ARPA funds from the Commission that could be allocated to future projects for the Queen Mary, located within Pier H of the Long Beach harbor complex. Although the Queen Mary and Pier H are located within the harbor complex, the City is responsible for the management and control of Pier H, not the Port of Long Beach. The ARPA funds disbursed by the Commission are to be used for ports to mitigate their negative economic impacts resulting from the COVID-19 pandemic. Staff advised the City that the Queen Mary is not eligible for the Commission's ARPA fund disbursement.
3. The total amount for this initial disbursement authorization, as recommended by staff, is ~~\$136,339,761~~ **\$136,239,515**. This leaves approximately ~~\$113,660,239~~ **\$113,760,485** left to disburse at a future Commission meeting. **Staff also anticipates recommending that the Commission reserve funds for staff costs. Staff will provide more details and a recommendation at a future Commission meeting.**
4. This action is constituent with the "Prioritizing Social, Economic, and Environmental Justice" and "Committing to Collaborative Leadership" strategic focus areas of the Commission's 2021-2025 Strategic Plan.
5. Authorizing the disbursement of funds is not a project as defined by CEQA because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

A. Funding Request Summaries

RECOMMENDED ACTION:

It is recommended that the Commission:

STATE'S BEST INTERESTS:

Find that the disbursement to the ports is in the State's best interests because the funds will provide Ports with the money necessary to sustain their essential services, maintain and develop critical infrastructure, retain and create jobs, and help to revitalize California's economic recovery following the significant negative impacts resulting from the COVID-19 pandemic.

Authorization:

1. Disburse funds as follows, contingent upon Commission staff receiving an executed Funding Agreement within 45 days of the Commission's authorization:
 - San Diego Unified Port District: \$61,390,747
 - Port Commission of San Francisco: ~~\$57,292,567~~ 56,616,130
 - Port Department of the City of Oakland: \$14,258,400
 - Oxnard Harbor District (Port Hueneme): \$2,337,563
 - Ventura Port District: \$1,060,484
 - Humboldt Bay Harbor, Recreation and Conservation District: \$576,191
2. Delegate authority to the Executive Officer or her designee to modify the Funding Agreements and Monitoring Plans as needed to update or replace projects and project descriptions, timelines, metrics, outputs, or any other modification necessary for the Commission to monitor the ports' use of the ARPA funds consistent with federal law and guidance.
3. Delegate authority to the Executive Officer or her designee to take actions necessary for compliance with the Funding Agreements, including enforcement.

Exhibit A

Funding Request Summaries



STATE OF CALIFORNIA – STATE LANDS COMMISSION

Funding Request Summary

APPLICANT / PORT NAME: San Diego Unified Port District

AMOUNT REQUESTED: 103,500,000.00

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Aimee Heim

TITLE: Program Director, Grants and Government Relations

EMAIL: aheim@portofsandiego.org

PHONE: 619-686-6390

MAILING ADDRESS: 3165 Pacific Highway, San Diego, CA 92101

The terms "you" and "your" as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. **COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT**

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒

NO ☐

If "Yes," please specify the pandemic response and support you provided including dates.

Response/Support Provided

Dates Provided

Port of San Diego staff rented and installed hardware

March 9, 2020 - September

If "Yes," please list the cost types/categories and the total amounts associated with each.

Cost Type/Category

Amount

1,309,622

General Services Expenses

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒

NO ☐

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- b. Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.
- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☐

NO ☒

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: _____

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:
- a. Number of staff that can be rehired
 - b. Number of layoffs that are avoided
 - c. Projects that will support compliance with COVID-19 safety standards and guidelines for public access to the port's waterfront
 - d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
 - e. Restoration of services at the port
 - f. Investments that result in additional economic activity within the port
 - g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities
 - h. Other planned uses
4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:
- a. Prior experience in managing Federal funds.
 - b. Prior experience in managing State funds.
 - c. Previous audit findings showing misuse of funds.
 - d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.



STATE OF CALIFORNIA – STATE LANDS COMMISSION
Funding Request Summary

APPLICANT / PORT NAME: Port of San Francisco
AMOUNT REQUESTED: 57,292,567.00

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Nate Cruz
TITLE: Finance Director
EMAIL: nate.cruz@sfport.com
PHONE: 415-994-3745
MAILING ADDRESS: Pier 1, San Francisco, CA 94111

The terms "you" and "your" as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒ NO ☐

If "Yes," please specify the pandemic response and support you provided including dates.

| <u>Response/Support Provided</u> | <u>Dates Provided</u> |
|-------------------------------------|-----------------------|
| See Worksheet '1. COVID Costs 2020' | 2020 |

If "Yes," please list the cost types/categories and the total amounts associated with each.

| <u>Cost Type/Category</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| See Worksheet '1. COVID Costs 2020' | \$2,219,685 |

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒

NO ☐

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- b. Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.
- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☒

NO ☐

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: \$2,219,685 is expected to be received.

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:
- a. Number of staff that can be rehired
 - b. Number of layoffs that are avoided
 - c. Projects that will support compliance with COVID-19 safety standards and guidelines for public access to the port's waterfront
 - d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
 - e. Restoration of services at the port
 - f. Investments that result in additional economic activity within the port
 - g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities
 - h. Other planned uses
4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:
- a. Prior experience in managing Federal funds.
 - b. Prior experience in managing State funds.
 - c. Previous audit findings showing misuse of funds.
 - d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.

| 4. Proposed Use of Funds (see Description of Use Categories document) | Tranche | | Total Projected Cost | Outcomes and Measures | State Budget Goals | | | | State Lands Factors | | | | | |
|---|------------|------------|----------------------|--|---------------------------------------|-----------------------------|----------------------------|-----------------------------|---------------------|----------------------------|-----------------------------|------------------------------|---------------------------------|------------------------|
| | 1 | 2* | | | 1: Mitigate Negative Economic Impacts | 2: Generate Economic Growth | 3: Restores Jobs/ Services | 4: Supports Safe Operations | A: Avoids Layoffs | B: Restores Jobs/ Services | C: Supports Port Operations | D: Delayed Capital or Maint. | E: Benefits Marginalized Groups | F: Benefits the Public |
| 1. Avoiding Approximately 50 Layoffs over 2 Years | | | | | | | | | | | | | | |
| a. Avoiding 30 Direct Layoffs | | | | | | | | | | | | | | |
| 15 Maintenance Positions | 5,400,000 | | 5,400,000 | n/a | x | x | | x | x | | x | | | |
| 10 Real Estate and Maritime Operations | 3,600,000 | | 3,600,000 | | x | x | | x | x | | x | | | |
| 5 Management and Executive positions | 1,800,000 | | 1,800,000 | | x | x | | | x | | x | | | |
| b. Filling Positions Left Vacant During COVID | | | | | | | | | | | | | | |
| 20 Various Positions | 5,400,000 | | 5,400,000 | n/a | x | x | x | x | | x | x | | | |
| 2. Driving Revenues to Fuel the Recovery | | | | | | | | | | | | | | |
| a.Supporting a clean and safe waterfront for tourism | | | | | | | | | | | | | | |
| Janitorial services along the Embarcadero and at Port tenancies | 1,560,000 | | 1,560,000 | Increased retail rents compared to 2020 | x | x | | x | x | | x | | | x |
| Public safety support | 5,700,000 | 780,000 | 6,480,000 | | x | x | | x | x | | x | | | x |
| Emergency public safety repairs | 3,282,498 | | 3,282,498 | | | | | x | | | x | x | | x |
| Fireboat support | | 9,360,000 | 9,360,000 | | x | x | | x | x | | x | | | x |
| b. Filling Port rental vacancies, maintaining and increasing rent revenue | | | | | | | | | | | | | | |
| Deferred Maintenance at Pier 29.5 | | 1,737,000 | 1,737,000 | Sqft and base rent of new leases executed | x | x | | x | x | | | x | | |
| Marketing resources for Port vacancies | 750,000 | | 750,000 | | x | x | | | x | x | x | | | |
| Legal support for leasing activity | | 2,000,000 | 2,000,000 | | x | x | | | x | x | x | | | |
| Safety improvements for Roundhouse 2 and Pier 9 | | 7,843,146 | 7,843,146 | | x | x | | x | x | | | x | | |
| Fire Safety Improvements for Pier 26 | | 800,000 | 800,000 | | x | x | | x | x | | | x | | |
| Unpaid rent collection resources | 1,090,000 | | 1,090,000 | | x | x | | | x | | x | | | |
| c. Investing in Maritime Tourism and Cargo Operations | | | | | | | | | | | | | | |
| Dredging cargo and cruise terminal berths | 6,800,000 | | 6,800,000 | Increased maritime income compared to 2020 | x | x | | x | x | | x | | x | |
| Cargo terminal storm water management improvements | | 750,000 | 750,000 | | x | x | | x | x | | x | x | x | |
| Improving bollards and fenders that secure ships to piers | | 14,670,000 | 14,670,000 | | x | x | | x | x | | x | x | x | |
| 3. Restoring Investments Delayed/Deferred/Cut due to COVID | | | | | | | | | | | | | | |
| a. Capital Projects and Resources | | | | | | | | | | | | | | |
| Pile removal in southern waterfront | 1,956,104 | | 1,956,104 | # of piles removed | | | x | x | | x | | x | x | x |
| Facility safety and repair inspections | 3,000,000 | | 3,000,000 | # of facilities inspected | | | x | x | | x | x | x | | x |
| Hiring of a pile crew | | 2,400,000 | 2,400,000 | crew hired | | | x | x | | x | x | x | x | |
| Design seismic improvements to maintenance facility | | 3,800,000 | 3,800,000 | completion of design | | | x | x | | | | | | |
| Project management resources to deliver capital projects | 3,600,000 | | 3,600,000 | # of projects managed | | | | | | | x | x | | |
| Crane barge | | 6,500,000 | 6,500,000 | purchase completed | | | x | x | | | x | x | | |
| Ladders and Skylight Safety Improvements | | 1,000,000 | 1,000,000 | # of safety repairs made | | | x | x | | | x | x | | |
| b. Operating Expenses | | | | | | | | | | | | | | |
| Restoring delayed equipment purchases | 2,000,000 | | 2,000,000 | n/a | | | x | | | x | x | x | | |
| Restoring materials and supplies inventory | 1,600,000 | | 1,600,000 | n/a | | | x | | | x | x | x | | |
| Restoring IT system upgrades | | 1,500,000 | 1,500,000 | n/a | | | x | | | x | x | | | |
| 4. Helping Communities Disporportionately Impacted by COVID | | | | | | | | | | | | | | |
| a. Supporting BIPOC Communities | | | | | | | | | | | | | | |
| Design the removal of blighted/abandoned silos | 1,150,000 | | 1,150,000 | completion of design | | | x | x | | x | | x | x | x |
| Youth Employment Programs | 1,926,000 | | 1,926,000 | # of participants | | | | | | | | | x | x |
| Race equity staff training, outreach, and planning | 1,020,000 | | 1,020,000 | n/a | | | x | | | x | x | | x | x |
| Heron's Head Park Improvements | - | 513,000 | 513,000 | project completed | x | x | | | x | | | | x | x |
| b. Supporting Small Businesses and BIPOC Entrepreneurs | | | | | | | | | | | | | | |
| Small business loans | 400,000 | | 400,000 | # of businesses/ entrepreneurs assisted | x | x | | | | | | | x | |
| Entrepreneur vending program support | 50,000 | | 50,000 | | x | x | | x | x | | x | | x | x |
| Tenant improvement to attract & retain tenants | 4,531,528 | 4,546,854 | 9,078,382 | | x | x | | | | | x | | x | |
| GRAND TOTAL | 56,616,130 | 58,200,000 | 114,816,130 | | | | | | | | | | | |

*Tranche 2 expenditures are preliminary, and subject to change in the Port's funding request for 2021 revenue losses



STATE OF CALIFORNIA – STATE LANDS COMMISSION
Funding Request Summary

APPLICANT / PORT NAME: Port of Long Beach
AMOUNT REQUESTED: 34,426,138.00

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Wei Chi
TITLE: Director of Finance
EMAIL: wei.chi@polb.com
PHONE: 562-283-7594
MAILING ADDRESS: 415 W. Ocean Blvd., Long Beach, CA 90802-6194

The terms "you" and "your" as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. **COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT**

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒ NO ☐

If "Yes," please specify the pandemic response and support you provided including dates.

| <u>Response/Support Provided</u> | <u>Dates Provided</u> |
|----------------------------------|-----------------------|
| COVID Testing Activities | Oct – Dec 2020 |
| Prevention Activities | Mar - Dec 2020 |

If "Yes," please list the cost types/categories and the total amounts associated with each.

| <u>Cost Type/Category</u> | <u>Amount</u> |
|---------------------------|--------------------|
| Salaries/Wages | \$2,766,512 |
| Materials | \$ 891,158 |
| Outside Services | \$ 220,858 |
| Total Expenses | \$3,878,528 |

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒

NO ☐

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. FY 2019 \$412,273,144 - Actual revenues
- b. FY 2020 \$429,176,343 - Anticipated revenues applying the allowed 4.1% growth rate
- c. FY 2020 \$398,628,733 - Actual revenues
- d. Declines in 2020 operating revenues : \$30,547,610
- e. Comprehensive Annual Financial Report (reference on page 15)
This audited financial report provides the Port's operating statement (revenues and expenses on page 15) for fiscal year ending September 2020 and 2019, and it is the only official document available.

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☐

NO ☒

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: _____

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:

The Port plans to use the allocation to support various programs and projects that benefit the neighboring communities adjacent to Port facilities and operations. These programs and projects, as detailed in Exhibit C, provide the opportunity for local disadvantaged communities to share the economic benefits of Port commerce, mitigate the environmental impact of Port operations, and restore community access to the waterfront. Although the proposed programs and projects expenditures in Exhibit C exceed the funding request, the Port plans to prioritize the expenditures on the programs and projects that will achieve the most immediate and leveraging community benefits. Details of the anticipated expenditures by programs and projects, brief description of community/environmental benefits, and expected results are provided in the attached Exhibit C.

4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:

The Port of Long Beach has extensive experience managing Federal, state, and local grants. During the last five years, the Port has received grants from Federal DOT/FHWA, Caltrans, MARAD, and LA Metro. Since 2016, the Port has concluded 9 audits from various granting agencies. There were no audit findings or comments on all 9 audits.

The Port of Long Beach will track current grant expenditures through program and/or project work orders in the Port's MUNIS financial system. Each program and/or project will have specific goals and objectives as approved by the Harbor Commission. Appropriate project milestones, environmental target, and specific community benefits will be tracked and reported to the appropriate authorities. Examples of the quarterly reporting to past granting agencies are available upon request.



STATE OF CALIFORNIA – STATE LANDS COMMISSION
Funding Request Summary

APPLICANT / PORT NAME: Port Department of the City of Oakland
AMOUNT REQUESTED: 14,258,400.00

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Julie Lam
TITLE: Chief Financial Officer
EMAIL: jlam@portoakland.com
PHONE: 510-627-1138
MAILING ADDRESS: 530 Water Street, Oakland, CA 94607

The terms “you” and “your” as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. **COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT**

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒ NO ☐

If “Yes,” please specify the pandemic response and support you provided including dates.

Response/Support Provided

Dates Provided

If “Yes,” please list the cost types/categories and the total amounts associated with each.

Cost Type/Category

Amount

\$41,118.39

See Attached Response to Question #1

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒

NO ☐

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- b. Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.
- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☒

NO ☐

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: See Attached Response to Question #3

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:
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 - d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
 - e. Restoration of services at the port
 - f. Investments that result in additional economic activity within the port
 - g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities
 - h. Other planned uses
4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:
- a. Prior experience in managing Federal funds.
 - b. Prior experience in managing State funds.
 - c. Previous audit findings showing misuse of funds.
 - d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.

State of California – State Lands Commission
Funding Request Summary Supplemental Information
Applicant: Port Department of the City of Oakland

Question #1 – Costs Incurred as a Result of Direct COVID-19 Pandemic Response and Support

| Cost Type/Category | Supplier | Invoice Date | Invoice Number | Amount | Ref # |
|--|--|---------------------|-----------------------|--------------------|--------------|
| Supplies – Purchase 100,000 Surgical Masks | Leephick Pharmaceutic Industry CO.,LTD | 4/29/2020 | lfkz2020041 | \$34,000.00 | 1 |
| Supplies – Customs for Surgical Masks | DB Schenker, Inc. | 4/29/2020 | 2611184826 | 3,632.01 | 2 |
| Services - Deep Cleaning of Office Space at 530 Water Street | ABM | 7/31/2020 | 15368805 | 2,590.00 | 3 |
| Supplies - Deep Cleaning of Office Space at 530 Water Street | ABM | 5/31/2020 | 15212555 | 897.38 | 4 |
| | | | Total | \$41,118.39 | |

Question #2 – Revenue Losses

Both the Port's Maritime and Commercial Real Estate (CRE) business lines have been adversely impacted by the COVID-19 pandemic. The Port estimates 2020 calendar year revenues declined \$14,217,300 based on the methodology outlined in the *State of California – State Lands Commission Funding Request Summary* form for calculating 2020 counterfactual revenue and comparing such value to actual revenues for the 12 months ending December 31, 2020. For purposes of calculating the 2020 counterfactual revenue, a growth rate of 4.65% rather than the standard 4.10% growth rate for all ports is used.

CALENDAR YEAR 2020 REVENUE LOSS CALCULATION

| <u>Maritime</u> | <u>Maritime + CRE</u> | <u>CRE</u> |
|-----------------|-----------------------|--|
| 12/31/2020 | 12/31/2020 | 12/31/2020 Calculation Date |
| 6/30/2019 | 6/30/2019 | 6/30/2019 Base Year Date |
| \$ 170,976 | \$ 188,975 | \$ 17,999 Base Year Revenue (FY2019) |
| 4.65% | 4.65% | 4.65% Growth Adjustment |
| 18 | 18 | 18 # of months elapsed from end of Base Year to Calculation Date |
| \$ 183,049 | \$ 202,319 | \$ 19,270 2020 Counterfactual Revenues |
| \$ 173,737 | \$ 188,101 | \$ 14,365 Actual Revenue (1/1/2020 to 12/31/2020) |
| \$ 9,312 | \$ 14,217 | \$ 4,905 CY 2020 Revenue Loss |

The 4.65% growth rate reflects the Port's average actual annual growth rate for the last three fiscal years pre-pandemic ending on June 30, 2019. As detailed in the table below, the annual growth rates of the combined Maritime and Commercial Real Estate businesses exceed the standard baseline growth rate of 4.10% for all ports.

State of California – State Lands Commission
Funding Request Summary Supplemental Information
Applicant: Port Department of the City of Oakland

REVENUE GROWTH RATE ASSUMPTION

REVENUES by Port Fiscal Year (Source: FY 2020 Comprehensive Annual Financial Report)

| Maritime | Maritime + CRE | CRE | |
|-----------------|-----------------------|------------|---------------|
| \$ 148,772 | \$ 164,970 | \$ 16,198 | FY2016 |
| \$ 151,377 | \$ 168,050 | \$ 16,673 | FY2017 |
| \$ 159,458 | \$ 176,718 | \$ 17,260 | FY2018 |
| \$ 170,976 | \$ 188,975 | \$ 17,999 | FY2019 |
| \$ 172,740 | \$ 189,326 | \$ 16,586 | FY2020 |

GROWTH in REVENUES

| | | |
|-------|-------|----------------------|
| 1.75% | 1.87% | 2.93% FY2017 |
| 5.34% | 5.16% | 3.52% FY2018 |
| 7.22% | 6.94% | 4.28% FY2019 |
| 1.03% | 0.19% | -7.85% FY2020 |

| | | | |
|--------------|--------------|--------------|-------------------------------------|
| 4.77% | 4.65% | 3.58% | FY2017-FY2019 Average Growth |
| 4.10% | 4.10% | 4.10% | Standard Growth Rate |
| 4.77% | 4.65% | 4.10% | Growth Rate for Calculation |

Link to the source document for revenue information used in the table above can be found below:

Comprehensive Annual Financial Report for the Years Ended June 30, 2020 and 2019 (see attachment 5):

Pages: Schedule 2 of Statistical Section (page 76) – Statements of Revenues, Expenses and Changes in Net Position, Last Ten Fiscal Years

<https://www.portofoakland.com/wp-content/uploads/FYE-2020-2019-CAFR-FINAL.pdf>

Question #3 – Other Aid

In the early months of the pandemic, the Port Department of the City of Oakland (Port) assisted in the rescue and recovery of passengers aboard the Princess Cruise line. The Port incurred costs related to this effort and applied for but has not yet received reimbursement for these costs. All costs associated with this effort have been excluded from the grant request.

| Funding | Purpose | Amount |
|-------------------------------------|--------------------|----------|
| Federal Emergency Management Agency | Cost Reimbursement | \$42,499 |

Additionally, Oakland International Airport (OAK), one of four operations managed by the Port, received five COVID-19 pandemic-related federal aid grants administered through the Federal Aviation Administration's (FAA) Airport Improvement Program. These grants have use restrictions limited to

State of California – State Lands Commission
Funding Request Summary Supplemental Information
Applicant: Port Department of the City of Oakland

reimbursements for certain eligible airport costs which include reimbursements of Airport operating costs, Airport debt service payments, or to provide rent relief to Airport concessionaires. Therefore, and in accordance with the State Lands Commission’s grant guidelines, all Airport revenues and expenses have been excluded from all other areas of this funding request. However, information on these five federal grants is provided below for completeness.

| Funding | Purpose | Amount |
|--|--|--------------|
| Coronavirus Aid, Relief, and Economic Security (CARES Act Funded) | Restricted to Airport operations, debt service, and capital (pre-approval from FAA required) | \$44,662,438 |
| Airports Coronavirus Response Grant Program (CRRSA Act Funded) | Restricted to Airport operations and debt service | \$13,072,473 |
| Airports Coronavirus Response Grant Program (CRRSA Act Funded) | Restricted to rent relief Programs for eligible airport concessionaires | \$1,405,030 |
| Airport Rescue Grant (ARP Act Funded) | Restricted to Airport operations and debt service | \$46,538,910 |
| Airport Rescue Grant (ARP Act Funded) – <i>Application Submitted/Award Pending</i> | Restricted to rent relief Programs for eligible airport concessionaires | \$5,620,121 |

Question #3 – Proposed Use of Funds

Background:

In March 2020, the Alameda County Health Office issued a Shelter-in-Place Order (“Order”) in response to the COVID-19 pandemic, affecting many tenants in the Port’s Commercial Real Estate area. The six direct restaurant tenants located on CRE properties were dramatically impacted by the Order by restricting restaurants to take-out or delivery services only. As restaurants typically operate on very small profit margins and tend to be owned and operated by small business operators, this limitation on operations has been extremely difficult to weather for these businesses.

The economic fallout of the Order to combat the spread of COVID-19 affected businesses across the region, with 11,860 businesses in the East Bay either momentarily or permanently closing between March 2020 and July 2021. To protect the small businesses within the Port area, the Port instituted relief measures for restaurant and entertainment tenants in the Port’s Jack London Square District.

Due to the continued loss of business volumes these restaurants experienced, Port staff instituted a short-term Rent Relief Program for these six tenants, in order to support this important small business sector of the Oakland economy. Passed by the Port Board of Commissioners in July 2020, the Rent Relief Program offered a rent abatement period that would credit already paid rent towards the first month’s rent owed. Followed by a rent deferral period ending June 2021, and a subsequent rent repayment period. The Rent Relief Program resulted in a write-off of approximately \$270,378 in revenue from rent.

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Additionally, Port staff is preparing an additional rent relief program of approximately \$640,000 for Board consideration later this month to permanently abate rent accrued but not paid during the period the Rent Relief Program was in place for two of the Port's oldest tenants and Oakland's most iconic dining and entertainment institutions.

At the onset of the COVID-19 pandemic, all Port revenue divisions saw dramatic decreases in operating revenue and had little to no visibility about the length and severity of the pandemic's impact to Port operations. As a result, Port leadership enacted various fiscal measures to radically decrease expenditures. This included instituting a hiring freeze and a reduction to the Port's Capital Improvement Program (CIP) for the seaport area delaying delivery of crucial capital improvement projects. The Port's updated five-year CIP for the 2022 to 2026 fiscal years reflects a prioritization of the most important capital projects addressing health and life safety, regulatory compliance, policy and contractual obligations, and preservation and generation of revenue. Many of the projects in the CIP meeting these criteria were delayed due to staffing constraints and in response to the COVID-19 pandemic were reprogrammed with delayed project timelines and expenditures. Some key infrastructure projects that were impacted are critical to the Port's ongoing operations, to advance the transition to a zero-emission seaport, and to meet environmental regulatory compliance, including sewer system replacements and stormwater trash capture device installation. Full funding for these projects exceeds the funding request and outcomes, outputs, and performance indicators would vary based on the revised timeline and the number of additional staff that can be supported by the amount of funding received.

Proposed Capital Projects for Use of Funds:

1. Sanitary Sewer Collection System. The Port owns, operates, and maintains an extensive sanitary sewer collection system that conveys sewage to the City of Oakland's (City) collection system and to East Bay Municipal Utility District's (EBMUD) wastewater treatment facility. The Port's sewer collection system serves the Port tenants, customers, employees, and the general public in the Seaport, Airport and Commercial Real Estate areas. On May 10, 2018 the Board of Port Commissioners (Board) adopted Ordinance 4474 (Port Private Sewer Lateral (PSL) Ordinance). The Port PSL Ordinance directs Port staff to prepare a Port Condition Assessment Plan (CAP) to assess Port-controlled PSLs. The CAP describes the plan for inspecting Port controlled sanitary sewer pipelines and assessing the potential for groundwater infiltration and storm water inflow (I/I) which could result in sanitary sewer overflows or discharge of partially treated sewage from the EBMUD's wet weather facility during storm events.

On June 13, 2019 the Board of Port Commissioners approved the Port CAP, which called for incrementally completing the inspection and assessment of the Port's sanitary sewer pipeline system over a 4-year timeframe. During Fiscal Year 2020-2021 (FY 20-21), Port staff accelerated the assessment and completed nearly all the sewer pipeline assessment at the Seaport and Airport (the remaining assessment in CRE will be assessed in FY 21-22). The assessment identified significant rehabilitation needed throughout the system including areas at high risk of failure. A number of pipeline rehabilitation projects are currently being designed or are in construction in response to deficiencies found through the assessment work. It is anticipated that additional deficiencies will be found as the CAP work is

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finalized and as Port staff uncover additional issues during construction, or failures occur prior to replacements being completed on already assessed areas.

2. Storm Water Management. The Port is implementing the requirements of the State’s National Pollutant Discharge Elimination System (NPDES) permits including, but not limited to, discharge of storm water from certain construction activity, certain industrial activity, and from the Port’s municipal separate storm sewer system (MS4).

In 2013, the Port established its MS4 program to reduce pollutants in storm water discharges and eliminate unauthorized non-storm water discharges to the Port’s MS4. General elements of the MS4 program include public education and outreach, public involvement and participation, illicit discharge detection and elimination, construction site storm water runoff control, post-construction storm water management, and program effectiveness assessment. To support implementation and administration of the MS4 program, the Board adopted the Port Storm Water Ordinance on January 15, 2015.

The Port is actively engaged with State and Regional Water Quality Control Boards in the effort to draft the next 5-year Municipal General Permit that applies to the Port. The new permit will have new provisions including implementation of a Full Trash Capture Program and programs to address pollutants of concern.

Funding from the State Lands Commission is expected to fund a portion of the improvement costs of the Sanitary Sewer Collection System and the Storm Water Management Full Trash Capture Program located at the seaport. The Port will work with the Commission to establish reasonable outputs, outcomes, and performance indicators based on the amount of funding received.

Question #4 – Noncompliance Risk Factors

- A. **Experience Managing Federal Funds:** For decades, the Port, through Oakland International Airport, has managed Federally funded grants received through the Airport Improvement Program (AIP) and its predecessor programs. The Port receives multiple grant awards annually with a performance period of up to four years. The Port prepares quarterly monitoring reports for all active grants, annual status reports, and meets with the District Office bi-weekly. The Port has also received several Seaport security grants through the U.S. Department of Homeland Security’s Port Security Grant Program, in which we have followed similar quarterly reporting processes. Additionally, the Port has received and managed grants through the U.S. Department of Transportation’s Transportation Investment Generating Economic Recovery (TIGER) program and the U.S. Environmental Protection Agency’s National Clean Diesel Emissions Reductions Program. In compliance with the federal guidelines, the Port obtains a single audit of our Federal grant expenditures from an independent auditor annually and is considered a low risk auditee. The results of those audits are available on our Port website under Financial Information: <https://www.portofoakland.com/financial-information/>

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- B. **Experience Managing State Funds:** The Port has received several state funded grants, some of the most recent grants being two grants from the State of California Department of Water Resources Local Levee Assistance Program for the design and construction of improvements to the Airport's Perimeter Dike, two grants from California Transportation Commission's Trade Corridor Improvement Fund, one for the construction of an intermodal rail facility on Seaport property and a second for the construction of a temperature-controller transload facility and rail track at the Seaport. The Port was also a recipient of a grant from the California Air Resources Board (CARB) for the construction of our shore power system at the Seaport. Requirements for monitoring and performance varies by grant. The Port works with the granting agencies requirements and establish procedures so that the Port can effectively and efficiently monitor and report on grant funded projects.
- C. **Previous Audit Findings Showing Misuse of Funds:** The Port is regularly audited by independent auditors and granting agencies. We have not had a finding in recent years that indicated a misuse of funds. While we have not had a finding of misuse, due to circumstances beyond our control, the intended user of shore power equipment constructed at one of the eleven sites constructed with grant funds vacated the premises after the equipment was constructed. Subsequently, the equipment was underutilized. The Port, the granting agency, and the grant administrator are actively discussing alternative projects of equal value and similar benefit, which the Port will construct to ensure all grant obligations are met. In the event alternative projects cannot be identified and agreed to by all parties involved, the Port may opt to return the amount of grant in question to the granting agency. Also, with regards to the \$65.8 million grant received from the California Transportation Commission's Trade Corridor Improvement Fund for the construction of a rail facility on Seaport property, the Port repaid approximately \$543,000 to the granting agency because specific project related costs submitted for reimbursement were later determined to be ineligible and to account for the value of an administrative trailer that was removed from the scope of the project.
- D. **Policies, Processes, and Procedures:** The Port maintains AP 513 – Grant Administration and Accounting as our policy and procedures for overall grant management, see attachment A. The Port will assign monitoring and reporting to the Grants Coordinator who will establish any specific reporting and monitoring schedules and coordinate with internal and external parties as needed.



STATE OF CALIFORNIA – STATE LANDS COMMISSION

Funding Request Summary

APPLICANT / PORT NAME: Port of Hueneme

AMOUNT REQUESTED: \$3,010,912

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Letitia Austin

TITLE: Public & Government Relations Manager

EMAIL: laustin@portofh.org

PHONE: (805) 271-2205

MAILING ADDRESS: 333 Ponomo Street, Port Hueneme, CA 93041

The terms "you" and "your" as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. **COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT**

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒ NO ☐

If "Yes," please specify the pandemic response and support you provided including dates.

Response/Support Provided

Dates Provided

Issued Ordinance No. 241

March 17, 2020

(See Appendix A-1)

If "Yes," please list the cost types/categories and the total amounts associated with each.

Cost Type/Category See

Amount

Appendix A

See Appendix A

Backups Appendix A-2

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒ NO ☐ (See Appendix B)

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- b. Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.
- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☐ NO ☒

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: _____

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:
- a. Number of staff that can be rehired
 - b. Number of layoffs that are avoided
 - c. Projects that will support compliance with COVID-19 safety standards and guidelines for public access to the port's waterfront
 - d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
 - e. Restoration of services at the port
 - f. Investments that result in additional economic activity within the port
 - g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities
 - h. Other planned uses
4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:
- a. Prior experience in managing Federal funds.
 - b. Prior experience in managing State funds.
 - c. Previous audit findings showing misuse of funds.
 - d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.

(Appendix A2) #1 - Costs Incurred as a Result of Direct Covid-19 Pandemic Response and Support

The Oxnard Harbor District (a Special District created by the California legislature in 1937) owns and administers the Port of Hueneme. The Port is a significant contributor to economic activity within the cities of Oxnard and Port Hueneme, as well as throughout Ventura County. Serving as a priority hub in the State's intermodal transportation network, the Port provides Ventura County with competitive advantages to attract business investment and create jobs. Over \$10.8 billion in cargo value moves through the Port of Hueneme, generating a total of \$1.7 billion in economic impact (revenue, output, and income), and \$119.2 million of state and local tax revenue.

The Port of Hueneme was deemed an "essential and critical infrastructure workforce" by the President and Governor of California at the start of the COVID-19 pandemic. As such, the Port remained open and operational in order to keep moving essential cargo. In response to the President's national emergency declaration, the Oxnard Board of Harbor Commissioners – comprised of five elected officials – proclaimed a local emergency regarding COVID-19 under the enclosed Ordinance No. 241. The Ordinance declared a local emergency to assist in a coordinated public health response to reduce COVID-19 transmission and the severity of illness (Pg. 2 Ordinance No. 241 WHEREAS No. 2). The services and supplies obtained by the Port during the ensuing months were done so in order to comply with the President's national emergency declaration and guidelines from the Centers for Disease Control and Prevention.

In response to the President's national emergency declaration for the COVID-19 pandemic on March 13, 2020, the Port procured PPEs for employees, customers, and public with the intent to protect and save lives by lessening the probability of virus spread and contraction. PPEs have proved effective as the Port has not had a significant outbreak since the start of the COVID-19 pandemic. Even with confirmed positive cases at the Port's facility, the use of PPEs has prevented further spread to other employees.

In addition, the Port began sanitation efforts using Reliance Cleaning Services with the intent to lessen virus spread and contraction through sanitation in order to protect and save lives during the COVID-19 pandemic. The services have been ongoing since the initial emergency declaration and have proved effective as the Port has not had a significant outbreak since the announcement of COVID-19. On a limited occasion when a confirmed positive case occurred at our facility, the disinfecting services have prevented further spread.

The Port's HVAC system, like many in office buildings, recirculate a majority percentage of indoor air. UV light is a proven method to kill viruses similar to COVID-19. To avoid person-to-person spread through our HVAC system, the Port installed a UV light system called Steril-Aire for essential personnel that could not work remote and who continued to work in the Port offices at the beginning of the pandemic.

The Port, following all mandates issued by the County of Ventura, State of California, and Federal guidelines, immediately began to initiate protocols that were inline with mandates for the safety of our employees, commercial customers, and the port community. In order to track employee wages and earnings during this time, the Port implemented wage type earnings codes. The earnings codes for Safety Leave (SL) are as follows:

- SL 1 : Mandated to be quarantined at home (based on age or underlying condition)
- SL 2 : Working from home, training/refresher videos, monitoring cameras, exempt staff regular duties, etc.
- SL 3 : At home but available to work
- SL 4 : SB 95 additional 80 hours of COVID 19 related sick leave (this code came in CY 2021, so it is not included in this request)

All hourly staff timesheets were adjusted to include these codes, and to coincide with the earnings statements for each employee. Making these adjustments by initiating the SL Codes, the Port was able to retain staff with no reduced wages or reduction in hours. This was imperative for the safe running of the Port and Port tenants in order to keep cargo moving.

a. COVID Related Payroll Expense (Calendar Year 2020)

| Position | Payroll Code | Hours | Gross Pay |
|-----------------|--------------|--------------|-------------------|
| Harbor Master 1 | SL 2 | 130 | \$ 3,292 |
| | SL 3 | 18 | \$ 448 |
| Admin 1 | SL 2 | 192 | \$ 3,840 |
| Facility 1 | SL 1 | 550 | \$ 25,562 |
| Harbor Master 2 | SL 1 | 80 | \$ 4,618 |
| | SL 2 | 296 | \$ 17,085 |
| Facility 2 | SL 1 | 310 | \$ 11,991 |
| | SL 3 | 140 | \$ 5,338 |
| Harbor Master 3 | SL 1 | 240 | \$ 11,150 |
| | SL 2 | 150 | \$ 7,071 |
| Harbor Master 4 | SL 2 | 90 | \$ 3,253 |
| | SL 3 | 8 | \$ 285 |
| Facility 3 | SL 1 | 230 | \$ 10,686 |
| | SL 2 | 19 | \$ 883 |
| | SL 3 | 120 | \$ 5,575 |
| Harbor Master 5 | SL 1 | 40 | \$ 1,424 |
| | SL 2 | 150 | \$ 5,424 |
| | SL 3 | 8 | \$ 285 |
| Admin 2 | SL 2 | 769 | \$ 23,332 |
| Facility 4 | SL 1 | 30 | \$ 947 |
| | SL 2 | 83 | \$ 2,567 |
| | SL 3 | 212 | \$ 6,557 |
| Admin 5 | SL 2 | 684 | \$ 19,628 |
| Harbor Master 6 | SL 1 | 240 | \$ 11,150 |
| | SL 2 | 93 | \$ 4,377 |
| Facility 5 | SL 3 | 252 | \$ 9,836 |
| Facility 6 | SL 1 | 210 | \$ 8,849 |
| | SL 2 | 8 | \$ 336 |
| | SL 3 | 168 | \$ 7,046 |
| Admin 6 | SL 2 | 213 | \$ 2,769 |
| Facility 7 | SL 2 | 83 | \$ 3,856 |
| | SL 3 | 210 | \$ 9,757 |
| Facility 8 | SL 2 | 4 | \$ 231 |
| Harbor Master 7 | SL 2 | 140 | \$ 3,549 |
| | SL 3 | 18 | \$ 448 |
| Total | | 6,188 | \$ 233,443 |

*Individual pay reports are available upon request.

b. COVID Response Direct Expense

| Doc# | Type | Invoice Date | Trans # | Amount |
|------|---------------------------------------|--------------|----------|--------------|
| 1 | Covid Response -Equipment/Maintenance | 6/30/2020 | 10083-21 | \$ 18,813.75 |
| 2 | Covid Response -Equipment/Maintenance | 7/7/2020 | 10181-50 | 5,716.99 |
| 3 | Covid Response -Consulting | 3/31/2020 | 9659-45 | 5,000.00 |
| 4 | Covid Response -Consulting | 4/30/2020 | 9759-30 | 5,000.00 |
| 5 | Covid Response -Consulting | 3/23/2020 | 9676-40 | 3,948.00 |
| 6 | Covid Response -Consulting | 3/31/2020 | 9805-4 | 3,265.50 |
| 7 | Covid Response -Consulting | 4/23/2020 | 9805-5 | 3,607.50 |
| 8 | Covid Response -Consulting | 5/19/2020 | 9839-14 | 2,406.50 |
| 9 | Covid Response -Consulting | 6/30/2020 | 10221-7 | 2,623.50 |
| 10 | Covid Response -Consulting | 9/30/2020 | 10418-68 | 1,391.00 |
| 11 | Covid Response -Consulting | 10/31/2020 | 10532-38 | 2,109.50 |
| 12 | Covid Response -Consulting | 11/30/2020 | 10710-5 | 725.00 |
| 13 | Covid Response- Legal | 3/31/2020 | 9904-3 | 1,288.00 |
| 14 | Covid Response- Legal | 3/31/2020 | 9904-8 | 10,046.00 |
| 15 | Covid Response- Legal | 4/30/2020 | 9839-10 | 1,336.00 |
| 16 | Covid Response- Legal | 5/31/2020 | 9931-34 | 2,446.00 |
| 17 | Covid Response- Legal | 6/3/2020 | 10083-10 | 1,796.00 |
| 18 | PPE | 5/4/2020 | 9778-1 | 481.35 |
| 19 | PPE | 4/4/2020 | 9710-3 | 515.63 |
| 20 | PPE | 6/30/2020 | 9955-1 | 591.91 |
| 21 | PPE | 5/28/2020 | 9839-18 | 750.00 |
| 22 | PPE | 4/4/2020 | 9890-3 | 918.60 |
| 23 | PPE | 6/30/2020 | 9955-1 | 1,056.49 |
| 24 | PPE | 4/4/2020 | 9710-3 | 2,234.34 |
| 25 | PPE | 5/14/2020 | 9791-7 | 3,056.85 |
| 26 | PPE | 6/11/2020 | 9913-1 | 8,156.25 |
| 27 | PPE | 7/23/2020 | 10181-40 | 7,778.30 |
| 28 | PPE | 9/9/2020 | 10394-13 | 6,250.00 |
| 29 | PPE | 9/18/2020 | 10418-29 | 3,153.75 |
| 30 | PPE | 11/25/2020 | 10710-37 | 6,985.44 |
| 31 | PPE | 9/25/2020 | 10418-37 | 1,840.35 |
| 32 | Equipment Rental | 3/2/2020 | 9805-23 | 1,276.19 |
| 33 | Equipment Rental | 4/30/2020 | 9747-48 | 1,271.53 |
| 34 | Equipment Rental | 5/25/2020 | 9805-22 | 1,276.19 |
| 35 | Equipment Rental | 6/22/2020 | 9931-24 | 1,276.19 |
| 36 | Equipment Rental | 7/15/2020 | 10084-41 | 253.91 |
| 37 | Equipment Rental | 7/20/2020 | 10085-1 | 1,276.19 |
| 38 | Equipment Rental | 8/4/2020 | 10181-58 | 275.00 |
| 39 | Equipment Rental | 8/17/2020 | 10221-33 | 1,276.19 |
| 40 | Equipment Rental | 9/8/2020 | 10262-53 | 11,962.50 |

| Doc # | Type | Invoice Date | Trans # | Amount |
|-------------------------------|---|--------------|----------|------------|
| 41 | Sanitation Service | 9/18/2020 | 10353-42 | 825.00 |
| 42 | Sanitation Service | 12/20/2020 | 10710-23 | 825.00 |
| 43 | Handwash Station/Portable Restroom rental | 3/26/2020 | 9676-23 | 391.60 |
| 44 | Handwash Station/Portable Restroom rental | 4/26/2020 | 9759-23 | 452.75 |
| 45 | Handwash Station/Portable Restroom rental | 6/19/2020 | 9912-8 | 452.75 |
| 46 | Handwash Station/Portable Restroom rental | 6/30/2020 | 10035-15 | 452.75 |
| 47 | Handwash Station/Portable Restroom rental | 12/6/2020 | 10640-28 | 452.75 |
| 48 | Handwash Station/Portable Restroom rental | 7/19/2020 | 10181-8 | 452.75 |
| 49 | Handwash Station/Portable Restroom rental | 8/16/2020 | 10221-27 | 452.75 |
| 50 | Handwash Station/Portable Restroom rental | 11/8/2020 | 10571-13 | 452.75 |
| 51 | Handwash Station/Portable Restroom rental | 9/13/2020 | 10353-40 | 452.75 |
| 52 | Handwash Station/Portable Restroom rental | 10/11/2020 | 10465-30 | 452.75 |
| 53 | Sanitation Service | 6/15/2020 | 9912-40 | 825.00 |
| 54 | Sanitation Service | 6/30/2020 | 10035-19 | 1,450.00 |
| 55 | Sanitation Service | 5/17/2020 | 9805-19 | 6,240.00 |
| 56 | Sanitation Service | 6/15/2020 | 9931-52 | 5,696.00 |
| 57 | Sanitation Service | 12/1/2020 | 10640-31 | 865.00 |
| 58 | Sanitation Service | 5/31/2020 | 9839-40 | 1,450.00 |
| 59 | Sanitation Service | 7/15/2020 | 10181-49 | 5,632.00 |
| 60 | Sanitation Service | 11/16/2020 | 10597-48 | 5,984.00 |
| 61 | Sanitation Service | 10/21/2020 | 10491-12 | 825.00 |
| 62 | Sanitation Service | 4/30/2020 | 9759-27 | 1,450.00 |
| 63 | Sanitation Service | 7/15/2020 | 10262-31 | 825.00 |
| 64 | Sanitation Service | 8/18/2020 | 10262-30 | 5,440.00 |
| 65 | Sanitation Service | 8/15/2020 | 10262-32 | 825.00 |
| 66 | Sanitation Service | 7/22/2020 | 10084-40 | 1,152.00 |
| 67 | Sanitation Service | 7/31/2020 | 10181-31 | 865.00 |
| 68 | Sanitation Service | 7/31/2020 | 10181-30 | 1,450.00 |
| 69 | Sanitation Service | 9/1/2020 | 10262-33 | 865.00 |
| 70 | Sanitation Service | 10/21/2020 | 10552-15 | 6,208.00 |
| 71 | Sanitation Service | 11/1/2020 | 10552-17 | 865.00 |
| 72 | Sanitation Service | 11/1/2020 | 10552-16 | 1,450.00 |
| 73 | Sanitation Service | 10/2/2020 | 10418-32 | 865.00 |
| 74 | Sanitation Service | 10/1/2020 | 10418-31 | 1,450.00 |
| 75 | Sanitation Service | 11/16/2020 | 10571-33 | 825.00 |
| 76 | Sanitation Service | 5/17/2020 | 9791-11 | 825.00 |
| 77 | Sanitation Service | 12/1/2020 | 10640-30 | 1,450.00 |
| 78 | Sanitation Service | 12/20/2020 | 10710-41 | 5,962.00 |
| 79 | Sanitation Service | 9/1/2020 | 10262-29 | 1,450.00 |
| 80 | Covid Response -Equipment/Maintenance | 8/5/2020 | 10181-34 | 2,495.00 |
| 81 | Covid Response -Equipment/Maintenance | 4/13/2020 | 9747-51 | 400.80 |
| 82 | Covid Response -Equipment/Maintenance | 4/30/2020 | 9747-52 | 1,557.68 |
| Total Covid Response Expense* | | | | \$ 209,191 |

Cost type/Category Summary

| Type | Amount |
|---|-------------------|
| Covid Response -Consulting | \$ 30,077 |
| Covid Response -Equipment/Maintenance | \$ 28,984 |
| Covid Response - Legal | \$ 16,912 |
| Covid Response - Equipment Rental | \$ 20,144 |
| Covid Reponse - Handwash Station/Portable Restroom rental | \$ 4,466 |
| Covid Reponse - PPE/Supply | \$ 43,769 |
| Covid Response - Sanitation Service | \$ 64,839 |
| Payroll- SL1 | \$ 86,377 |
| Payroll- SL2 | \$ 101,492 |
| Payroll- SL3 | \$ 45,574 |
| Total Covid 19 Direct Expense | \$ 442,635 |

ORDINANCE NO. 241

**AN ORDINANCE OF THE BOARD OF HARBOR
COMMISSIONERS OF THE OXNARD HARBOR DISTRICT
PROCLAIMING A LOCAL EMERGENCY REGARDING
NOVEL CORONAVIRUS (COVID-19)**

WHEREAS, the federal Center for Disease Control and Prevention ("CDC") has confirmed multiple cases of individuals who have severe respiratory illness caused by a novel coronavirus, called COVID-19, as well as deaths caused by this illness; and

WHEREAS, the World Health Organization declared COVID-19 a public health emergency of international concern, and the CDC announced that community spread of COVID-19 is likely to occur in the United States; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen within the Oxnard Harbor District (the "District") caused by the worldwide spread of COVID-19; and

WHEREAS, the President of the United States declared a national emergency on March 13, 2020, and both the State of California and the County of Ventura have declared emergencies as a result of the spread of COVID-19; and

WHEREAS, the California Department of Public Health reports at least one confirmed case of COVID-19 in Ventura County while many cases have been confirmed in neighboring counties, and the disease is having a global impact; and

WHEREAS, COVID-19 has spread globally to over 122 countries, infecting more than 132,700 persons and killing nearly 5,000 individuals worldwide; and

WHEREAS, COVID-19 has created conditions that are likely to be beyond the control of local resources and require the combined forces of other political subdivisions to combat; and

WHEREAS, the District's ability to mobilize local resources, coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and seek future reimbursement by the State and Federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, the conditions of extreme peril warrant and necessitate the proclamation of the existence of a local emergency; and

WHEREAS, there is an imminent and proximate threat to District employees and visitors as a result of the above-described circumstances; and

WHEREAS, the District is a top trading post and receives over \$9.5 billion in international cargo annually, generates \$1.7 billion in economic activity, and pays \$119 million in annual taxes; and

WHEREAS, a declaration of a local emergency will assist in a coordinated public health response to reduce transmission and illness severity, provide assistance to health care providers, coordinate and mitigate public services that may be disrupted from this emergency, and mitigate any other effects of this emergency on the communities that depend on the District for a livelihood; and

WHEREAS, California Government Code Section 8634 provides the District with the power and authority to "promulgate orders and regulations necessary to provide for the protection of life and property.... Such orders and regulations and amendments and rescissions thereof shall be in writing and shall be given widespread publicity and notice"; and

WHEREAS, California Harbors and Navigation Code Section 6070 provides that the Board of Harbor Commissioners may "pass all necessary ordinances for the regulation of the district, including, but not limited to, ordinances to provide for the protection and safety of persons or the property of persons using district facilities, and persons and property in and upon waters subject to the jurisdiction of the district, and adjacent property owned or controlled by the district" and Harbors and Navigation Code Section 6078 further provides that the Board may do all other acts necessary and convenient for the full exercise of its powers; and

WHEREAS, the Board of Harbor Commissioners desires to declare a local emergency.

NOW, THEREFORE, BE IT ORDAINED, by the Board Harbor Commissioners of the Oxnard Harbor District as follows:

Section 1. Pursuant to the California Government Code Section 8634 and the Ventura County Declaration of Emergency on March 12, 2020, the Board of Harbor Commissioners wishes to exercise its authority to protect life and property;

Section 2. Pursuant to California Harbors and Navigation Code section 6070, the Board of Harbor Commissioners hereby finds and proclaims a local emergency caused by conditions or threatened conditions of COVID-19 in the territorial jurisdiction of the Oxnard Harbor District, which constitutes an extreme peril of health and safety of persons within the territorial limits of the District.

Section 3. The local emergency shall be deemed to continue to exist until its termination is proclaimed by the Board of Harbor Commissioners.

Section 4. The CEO & Port Director is hereby authorized to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and

property pursuant to California Harbors and Navigation Code section 6070, to enter into agreements and to take all actions necessary to obtain State and/or federal emergency assistance to implement preventive measures to protect and preserve the employees and visitors of the District within the scope of the local emergency hereby declared.

Section 5. Pursuant to California Penal Code section 396, it is unlawful for any person or business of the City of Oxnard and City of Hueneme to charge more than 10% higher than the price charged by that person or business 30 days after the proclamation of this local emergency. The statute also authorizes the governing bodies with the authority to make a declaration of emergency to extend the price controls for additional 30-day period as needed to protect the lives, property or welfare of the citizens.

Section 6. The Board of Harbor Commissioners further orders that, until further notice:

A. The CEO & Port Director, or her designee, shall act as the Director of Emergency Services and ensure full and proper coordination with all federal, state and local authorities charged with implementing necessary measures to protect the life, property and welfare of all residents of the District, as well as that of the customers, tenants and other users of the Port of Hueneme.

B. The Director of Emergency Services is authorized to expend whatever sums necessary to procure goods, equipment, supplies and services necessary to mitigate loss and preserve and protect the facilities and assets of the Oxnard Harbor District, and to promote and protect the health and safety of all District employees and persons coming onto the Port of Hueneme and other District-owned property.

C. Any labor or personnel rule or regulation or memorandum of understanding that currently requires a doctor's note for a District employee to be absent from work for more than four (4) days due to sickness is hereby suspended and waived.

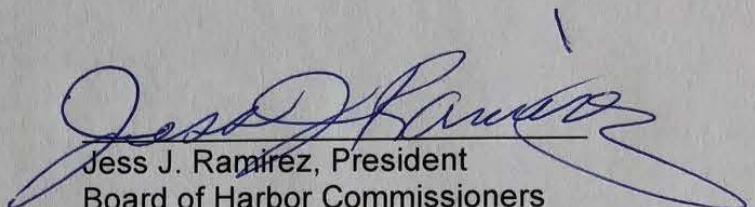
D. Warrants, drafts, checks and other payments made by or on behalf of the District may be signed either in-person or through the use of approved digital signatures, by two executive staff without the need for Harbor Commissioner signature, though manual oversight must be provided by the Director of Finance and Accounting and the Board of Harbor Commissioners must ratify all expenditures at a subsequent and duly-noticed public meeting.

E. The CEO & Port Director may take any other action she deems necessary or prudent to protect the employees of the District and the people, goods and cargo on-port, including with respect to employees' working hours, work locations and leaves.

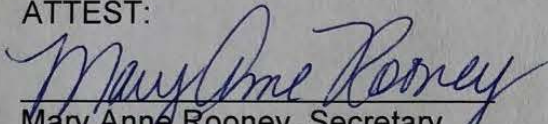
Section 7. During the existence of said local emergency, the powers, functions, and duties of the emergency organization of the District shall be those prescribed by state law, ordinances, and resolutions of the District.

PASSED, APPROVED and ADOPTED by the Board of Harbor Commissioners of the Oxnard Harbor District at an emergency meeting of said Board held on March 17, 2020, by the following vote:

AYES: 5
NAYS: 0
ABSENT: 0
ABSTAIN: 0


Jess J. Ramirez, President
Board of Harbor Commissioners
Oxnard Harbor District

ATTEST:


Mary Anne Rooney, Secretary
Board of Harbor Commissioners
Oxnard Harbor District

APPROVED AS TO FORM:
BEST, BEST & KRIEGER LLP

Ruben Duran, General Counsel

Funding Request Summary

APPLICANT / PORT NAME: Ventura Port District (VPD)

AMOUNT REQUESTED: \$1,060,484.23

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Brian Pendleton

TITLE: General Manager

EMAIL: BPendleton@VenturaHarbor.com

PHONE: 805-642-8538 x103

MAILING ADDRESS: 1603 Anchors Way Drive, Ventura CA 93001

The terms “you” and “your” as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒ NO ☐

Total costs incurred = \$253,785.17

If “Yes,” please specify the pandemic response and support you provided including dates.

Response/Support Provided

Dates Provided

- | | |
|--|-------------------------------|
| • Provision of EFMLA time off for staff** | April 1, 2020 – Dec. 31, 2020 |
| • Overtime costs accrued to cover essential shifts** | April 1, 2020 – Dec. 31, 2020 |
| • Contracts for additional services** | April 1, 2020 – Dec. 31, 2020 |
| • Equipment purchased** | April 1, 2020 – Dec. 31, 2020 |
| • Materials and Supplies purchased** | April 1, 2020 – Dec. 31, 2020 |
| • Uncollectable Debt* | April 1, 2020 – Dec. 31, 2020 |

* These costs have not been eligible for reimbursement from any other relief funding source.

** These categories have been deemed eligible for application for aid from other financial programs. Details on these funding requests is covered in VPD’s letter regarding COVID-19 Fiscal Recovery Funds, under Section 5: Other Aid. Note that at the time of application, no funding has been received.

If "Yes," please list the cost types/categories and the total amounts associated with each.

| <u>Cost Type/Category</u> | <u>Amount</u> |
|--|---------------|
| • Provision of EFMLA time off for staff** | \$18,469.58 |
| • Overtime costs accrued to cover essential shifts** | \$14,024.61 |
| • Contracts for additional services** | \$25,387.50 |
| • Equipment purchased** | \$498.50 |
| • Materials and Supplies purchased** | \$51,870.61 |
| • Uncollectable Debt* | \$143,534.37 |

* These costs have not been eligible for reimbursement from any other relief funding source.

** These categories have been deemed eligible for application for aid from other financial programs. Details on these funding requests is covered in VPD's letter regarding COVID-19 Fiscal Recovery Funds, under Section 5: Other Aid. Note that at the time of application, no funding has been received.

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

Appendix A – Aged Receivables document highlighting Uncollectable Debt; 2 pages

Appendix B – Table providing Employee COVID Related Costs; 1 page

Appendix E – FEMA California COVID-19 Pandemic (Application #4482DR-CA); page 6 of 11

Appendix F – COVID-19 Fiscal Relief for Special Districts (Submission ID: 367); 1 page

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒ NO ☐

Total revenue loss = \$798,332.86

If "Yes", please calculate 2020 calendar year revenue decline as follows:

- Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.

- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

The VPD periodically conducts one-time transactions for properties that are in long-term leases (such as assignment and option transactions). Some of these transactions are the realization of appreciation of parcels in 25 to 50 year leases and therefore the realization of the accrual in a given fiscal year represents the appreciation of many years. In 2020, the VPD was able to accrue three such one-time revenue transactions totaling \$1,014,875 that are not representative of normal operating revenues.

The other two one-time revenue transactions involved grant funding received. The VPD was the recipient of grant funding for specific projects from both the federal and state governments. The grant funding has been provided to the VPD to execute specific projects that require matching contributions from the VPD.

The VPD respectfully requests that one-time revenue transactions not be factored into to the calculation of revenue loss since they do not represent regular operating revenue, as per section 2.f of Exhibit A.

To best demonstrate how revenue loss was realized by the VPD, the table below outlines how each revenue category has been impacted:

| Category | 2019 Actual | 2020 Counterfactual | 2020 Actual | Revenue Loss |
|-------------------------------------|----------------|------------------------|----------------|-----------------|
| Master Tenants | 3,930,637 | 4,091,793 | 3,811,499 | (280,294) |
| VHV Restaurants | 1,174,718 | 1,222,881 | 1,086,664 | (136,217) |
| VHV Charters | 397,465 | 413,761 | 233,757 | (180,004) |
| VHV Retail | 496,664 | 517,027 | 533,197 | - |
| VHV Offices | 702,368 | 731,165 | 701,668 | (29,497) |
| CAM | 345,997 | 360,183 | 281,006 | (79,177) |
| Promo | 108,368 | 112,811 | 65,409 | (47,402) |
| Fisheries | 193,005 | 200,918 | 218,290 | - |
| Slip Income* | 664,226 | 691,459 | 832,175 | - |
| Dry Storage* | 11,215 | 11,675 | 76,307 | - |
| Fishermans Storage | 78,692 | 81,918 | 81,768 | (150) |
| Launch Ramp Pay Parking | 50,263 | 52,324 | 89,678 | - |
| Marketing Event & Co op Advertising | 26,730 | 27,826 | 2,412 | (25,414) |
| Harbor Event Usage Fees | 28,123 | 29,276 | 12,647 | (16,629) |
| Misc Harbor Income | 61,118 | 63,624 | 60,076 | (3,548) |
| Misc Village Income | 12,507 | 13,020 | 23,927 | - |
| SUB TOTAL | 8,282,096 | 8,621,662 | 8,110,480 | (798,333) |
| One Time Revenue | 136,000 | 141,576 | 1,014,875 | |
| Grant Revenue | 140,936 | 146,714 | 60,220 | |
| TOTALS | 8,559,032 | 8,909,952 | 9,185,575 | |
| TOTAL REVENUE LOSS | | | | \$ (798,332.86) |

* The Slip Income and Dry Storage revenue categories were low in 2019 due to major construction projects that significantly reduced the capacity for boats at both locations through much of 2019. As both revenue categories are underrepresented by calendar year 2019 and largely unaffected by the impacts of COVID-19, the increase in 2020 should not be taken into consideration.

Appendix C – General Ledger listing CAM and Promo Losses; 10 pages

Appendix D – Financial Statement; 24 pages

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☐

NO ☒

If “Yes”, please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: _____

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

Current Applications for Funding (no funding received as of time of submission):

- a) FEMA California COVID-19 Pandemic (Application #4482DR-CA; Appendix E): \$77,757
- b) COVID-19 Fiscal Relief for Special Districts (Submission ID: 367; Appendix F): \$118,617*
- * Includes costs applied for under FEMA application above. Excluding funds applied for from FEMA: \$40,860

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port’s discretion, activities may include, but are not limited to the following:

- a. Number of staff that can be rehired:
 - No Port District layoffs during pandemic
- b. Number of layoffs that are avoided
 - No Port District layoffs during pandemic
- c. Projects that will support compliance with COVID-19 safety standards and guidelines for public access to the port’s waterfront:
- d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
- e. Restoration of services at the port
 - Harbor Patrol/Lifeguard Vehicle Replacement: \$85,000:
VPD provides public safety services through its operation of the Harbor Patrol and through contracting the services of California State Parks to provide seasonal lifeguard services. Although property taxes assessed by Ventura County contribute to the public safety services provided by VPD, they do not cover full cost (an additional cost to the District of \$264,900 forecast for FY21-22, excluding capital expenditures for the department).

The Harbor Patrol has one vehicle that requires replacement by May of 2022 in order to be ready for the summer lifeguarding season. It is the anticipation of VPD to acquire a hybrid or fully electric vehicle in order to be environmentally sustainable.

If awarded, the requested amount will cover the procurement of the new vehicle including procuring the necessary lighting, sirens, radios, and safety equipment specifically necessary to conduct life safety/rescue operations in the harbor. The District will fund the costs of the procurement process as well as additional Electric Vehicle charging infrastructure at the VPD headquarters (which is not eligible for SCE's Charge Ready program). Bidding would be open and competitive per the VPD's procurement policy.

f. Investments that result in additional economic activity within the port

○ **Commercial Fish Hoist Refurbishment: \$25,000:**

The VPD provides a best-in-class working waterfront for commercial fishing, often achieving the highest value of commercial fish landings in the state. This is achieved through ongoing investment in infrastructure for commercial fishing operations, including nearly \$5 million in investments in new docks, vessel power pedestals, improvements to the commercial fishing storage yard, and the procurement of a new fish hoist.

Although VPD now provides two fish hoists to commercial fishing operations at no cost, one of the hoists requires refurbishment to address surface corrosion and re-waterproofing.

If awarded, the requested amount will be applied to addressing the surface corrosion of the crane including replacement of several components and the VPD will fund waterproofing the base plates after installation.

○ **1449 Spinnaker Drive "Fish Building" Structural Improvement: \$120,000:**

The VPD provides a best-in-class working waterfront for commercial fishing, often achieving the highest value of commercial fish landings in the state. This is achieved through ongoing investment in infrastructure for commercial fishing operations, including nearly \$5 million in investments in new docks, vessel power pedestals, improvements to the commercial fishing storage yard, and the procurement of a new fish hoist.

1449 Spinnaker Drive is home for two commercial squid fishing operations. One of the operators will be installing 50-tons of ice-making capacity to meet the demands of multiple commercial fishing operators. To do this, the building requires structural retrofitting to address the load requirements.

If awarded, the requested amount will be applied to implementing the needed structural elements to allow the operator to install the ice machines. The District will fund the engineering designs and permitting from the City of Ventura. Bidding would be open and competitive per the VPD's procurement policy.

g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities:

○ **1567 Spinnaker Drive Restrooms: ADA Upgrade: \$125,000:**

1567 Spinnaker Drive is a building address within Ventura Harbor Village, an outdoor shopping center within the VPD. The ground floor restrooms at this building serve the

public and the restrooms requires upgrading to be ADA compliant. This project has already been designed by a professional architect and is shovel-ready. Bidding would be open and competitive per the VPD's procurement policy.

- 1575 Spinnaker Drive Restrooms: ADA Upgrade: \$150,000:
1575 Spinnaker Drive is a building address within Ventura Harbor Village, an outdoor shopping center within the VPD. The ground floor restrooms at this building serve the public and the restrooms requires upgrading to be ADA compliant. This project has already been designed by a professional architect and is shovel-ready. Bidding would be open and competitive per the VPD's procurement policy.
- 1691 Spinnaker Drive Unisex Restroom: ADA Upgrade: \$130,000:
1691 Spinnaker Drive is a building address within Ventura Harbor Village, an outdoor shopping center within the VPD. The ground floor restrooms at this building serve the public and the unisex restroom requires upgrading to be ADA compliant. This project has already been designed by a professional architect and is shovel-ready. Bidding would be open and competitive per the VPD's procurement policy.
- Harbor Village ADA Trash Enclosures: \$270,000:
Ventura Harbor Village now has two ADA-compliant trash enclosures; however, two additional enclosures must be built to be both ADA-compliant and to accommodate changes to incorporate food waste recycling. Two existing trash enclosures will need to be demolished as part of this project. This project has already been designed by a professional architect and is shovel-ready. Bidding would be open and competitive per the VPD's procurement policy.
- Electrical Vehicle Charging Stations (including 6 new ADA parking stalls): \$60,000:
The Board of Commissioners for the VPD are highly supportive of initiatives that promote environmental sustainability. At the July 7, 2021 Board of Commissioners meeting, the Board approved VPD staff to seek grant funding for the installation of Electrical Vehicle Charging Stations. Although some value of work is anticipated to be provided by Southern California Edison (SCE) through the Charge Ready Program to provide infrastructure to provide power for 22 EV charging ports, the program will not provide the actual chargers nor install them. The project will also create six new ADA parking stalls and one new ADA access point to Ventura Harbor Village.

If awarded, the requested amount will cover the procurement of the chargers and the District will fund the cost of installation and the required operating costs for 10 years (per requirements by SCE). The project will be completed as soon as SCE finishes with their portion of the project (anticipated to be mid 2022). Bidding would be open and competitive per the VPD's procurement policy.

h. Other planned uses

- Harbor Cove & Surfers Knoll Beach: Public Shower Area & Retaining Wall Harbor Improvements: \$175,000:

Harbor Cove and Surfers Knoll are two popular public beaches located adjacent to Ventura Harbor Village each with a dedicated parking lot, restroom, and shower facilities maintained by the VPD. Although both restrooms and parking lots have been upgraded to be ADA compliant, the shower facilities and surrounding retaining walls require rehabilitation and would benefit from additional ADA improvements. VPD also provides a wheelchair pathway over the sand at Harbor Cove Beach and Harbor Patrol provide a beach-going wheelchair that allows those who may be mobility-impaired the opportunity to access the beach on a specially designed wheelchair.

If awarded, the requested amount will cover the demolition and rebuilding of the shower facilities at both locations as well as provide rehabilitation for the adjacent retaining walls. VPD will fund the replacement of the shower devices that will be fully ADA compliant as well as installing necessary handrails for ADA compliance. VPD will also add an additional wheelchair pathway over the sand at Surfers Knoll beach.

- COVID-19 Rental Abatement and Deferment Program – Uncollectable Debt Forgiveness: \$143,500:

Although the VPD's COVID-19 RADP has allowed businesses within the harbor to defer, and in many cases abate rent during the pandemic, some businesses have significant deferred rent balances. These businesses generally are visitor serving in nature that were disproportionately impacted by the effects of the pandemic. Understanding the nature of these businesses, VPD has categorized \$143,534.37 as uncollectable debt.

If awarded, the VPD would further evaluate Ventura Harbor Village COVID-19 related business impacts to consider opportunities for further financial investment in support of the economic recovery of the visitor-serving shopping center. For example, businesses continue to report issues with the supply chain, labor shortages, inflationary pressures, and uneven visitation. VPD will consider one or more of the following: sponsoring a Harbor job fair to match employers with prospective employees, enhancing destination marketing and advertising, increasing and/or expanding visitor-serving events and, where appropriate, consider individual business assistance. These efforts will specifically target business retention, expansion, and/or attraction to avoid layoffs and grow jobs.

4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:

- a. Prior experience in managing Federal funds:
 - i. 2018 NOAA Sea Grant \$266,660 – all requirements fulfilled as of August 31, 2021
 - ii. 2015 NOAA Sea Grant \$264,470 – all requirements fulfilled as of August 31, 2018
 - iii. 2005 FEMA Grant Office of Emergency Services \$417,458 - all requirements fulfilled as of March 21, 2007
- b. Prior experience in managing State funds.
 - i. California Coastal Conservancy Grant \$318,600 – all requirements fulfilled as of August 24, 2021 and final invoices submitted November 1, 2021.

- ii. California State Parks Division of Boating & Waterways Public Launch Ramp Rehabilitation Project \$2,205,355.47 – all requirements fulfilled as of October 2015 and final retention received March 2016.
- iii. California State Parks Division of Boating & Waterways Abandoned Watercraft \$3,851.45 - all requirements fulfilled as of December 20, 2017.
- iv. California State Parks Division of Boating & Waterways Abandoned Watercraft \$13,000 - all requirements fulfilled as of October 28, 2017.
- iv. California State Parks Division of Boating & Waterways, Misc. Equipment Grant \$30,000 - all requirements fulfilled as of August 20, 2010.
- v. California State Parks Division of Boating & Waterways, Misc. Equipment Grant \$34,418.60 - all requirements fulfilled as of August 24, 2014.
- vi. California State Parks Division of Boating & Waterways Division Equipment Grant \$45,557 - all requirements fulfilled as of November 3, 2017
- vii. California State Parks Division of Boating & Waterways Equipment Grant \$80,000 - all requirements fulfilled as of November 2, 2011

c. Previous audit findings showing misuse of funds.

Not applicable

d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.

The VPD follows Resolution No. 3428 Procurement Policy ([Resolution-No.-3428-revised-Procurement-Policy.pdf \(venturaharbor.com\)](#)) and Resolution 3404 Investment Policy ([Resolution-No.-3404-Investment-Policy-CURRENT.pdf \(venturaharbor.com\)](#)).



STATE OF CALIFORNIA – STATE LANDS COMMISSION

Funding Request Summary

APPLICANT / PORT NAME: Humboldt Bay Harbor, Recreation, & Conservation District

AMOUNT REQUESTED: 576,191.38

PERSON WE CAN CONTACT FOR QUESTIONS ABOUT THE INFORMATION PROVIDED ON THIS FORM

NAME: Larry Oetker

TITLE: Executive Director

EMAIL: loetker@humboldtbay.org

PHONE: (707)443-3401

MAILING ADDRESS: 601 Startare Drive, Eureka, CA 95502

The terms "you" and "your" as used herein shall refer to the applicant/port named above. Responses may be provided on this document or on attached pages.

1. **COSTS INCURRED AS A RESULT OF DIRECT COVID-19 PANDEMIC RESPONSE AND SUPPORT**

Did you incur any costs as a result of direct pandemic response and support you provided in calendar year 2020?

YES ☒

NO ☐

If "Yes," please specify the pandemic response and support you provided including dates.

Response/Support Provided

Dates Provided

Retained employees during COVID 19 shutdown

3/04/20 to 12/31/20

If "Yes," please list the cost types/categories and the total amounts associated with each.

Cost Type/Category

Amount

Wages & Benefits

\$364,621.58

Provide a list of the specific documentation (i.e. financial statements, salary or payroll reports, invoices, receipts, cash flow statements, or other financial or accounting documentation, etc.) along with copies of the same, supporting each of the cost categories/types and amounts listed above. Please also specify the applicable page number of each supporting documentation containing the relevant information.

2. REVENUE LOSSES

Did you experience any declines in your 2020 calendar year revenues?

YES ☒

NO ☐

If "Yes," please calculate 2020 calendar year revenue decline as follows:

- a. Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.
- b. Estimate 2020 counterfactual revenue, which is equal to base year revenue $\times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]$, where n is the number of months elapsed since the end of the base year to the calculation date December 31, 2020.
- c. Identify 2020 calendar year actual revenues, which equals total revenues collected over the past twelve months as of the calculation date.
- d. The extent of the reduction in revenue is equal to 2020 counterfactual revenue less 2020 calendar year actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.
- e. The 4.1% growth adjustment is a standard baseline rate for all ports. However, if a port believes the growth rate exceeds the baseline rate, ports can submit a worksheet detailing their calculated growth rate along with all supporting documentation for the calculation. (Provide a list of the specific documentation (i.e. Financial Statements and/or Revenue reports for 2019 and 2020 ...etc.) along with copies of each, supporting the alternate calculation. Please also specify the applicable page number of each supporting documentation containing the relevant information.)
- f. The State Lands Commission has the discretion to utilize and rely upon any reasonable method to calculate revenue losses/growth rates, including methods which may differ from those utilized by the ports. If a requesting port believes there is a more applicable way to determine revenue losses than the method described, it may provide the calculation and explanation of why it should be considered. The port must also provide revenue calculations as described in subdivisions (a) through (e).

3. OTHER AID. Did the port receive aid from any other pandemic-related stimulus or aid programs (for example, compensation you received from FEMA, local fiscal recovery funds, or other pandemic-related stimulus/aid programs)?

YES ☐

NO ☒

If "Yes," please specify the total amount of compensation/monies you received from all other pandemic-related stimulus or aid programs: _____

Provide a list of the specific aid or stimulus programs and the amount received, and a list of current and anticipated applications for funding (including the COVID-19 Fiscal Relief for Special Districts program, if applicable).

3. **DESCRIBE PROPOSED USE OF THESE FUNDS.** Please provide a summary of anticipated/proposed activities that will be undertaken by the port and related cost estimates if full funding requested is approved by the Commission. For items identified below, the port will be required to track the actual cost, expected outcomes, outputs, and performance measures. If the total requests exceed the funds awarded to the port, the port will have 30 days to revise the summary of proposed activities. While each proposal will be at the port's discretion, activities may include, but are not limited to the following:
- a. Number of staff that can be rehired
 - b. Number of layoffs that are avoided
 - c. Projects that will support compliance with COVID-19 safety standards and guidelines for public access to the port's waterfront
 - d. Incentives or assistance to businesses to reopen, expand hours, or rehire staff within the port
 - e. Restoration of services at the port
 - f. Investments that result in additional economic activity within the port
 - g. Environmental initiatives and/or expenditures within Port boundaries that benefit disadvantaged communities
 - h. Other planned uses
4. **NONCOMPLIANCE RISK FACTORS.** Please attach a brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:
- a. Prior experience in managing Federal funds.
 - b. Prior experience in managing State funds.
 - c. Previous audit findings showing misuse of funds.
 - d. Policies, processes, and procedures the port will use to track these funds to ensure expected outcomes, outputs, and performance indicators are achieved.