

Staff Report 49

Consider the third distribution of port stimulus funding to mitigate negative economic impacts from the COVID-19 pandemic pursuant to the 2021-2022 Budget Act.

BACKGROUND

In May 2021, Governor Newsom announced a one-time \$250 million allocation from federal American Rescue Plan Act of 2021 (ARPA) funding to California's ports to mitigate the negative economic impacts resulting from the COVID-19 pandemic (Port Stimulus Funds). The 2021-22 State budget appropriates the \$250 million to the California State Lands Commission for allocation to ports. The Budget Act requires that ports use these funds to support their economic recovery, such as for activities that include avoiding layoffs, restoring jobs and services lost due to the pandemic, and supporting safe operations.

At its [December 8, 2021](#) and [April 26, 2022](#) public meetings, the Commission authorized disbursement of \$243,106,568 to nine California ports. All ports, including those that did not apply during the first disbursement or that received an amount less than requested, were able to apply for the remaining funds.

On February 9, 2022, Governor Newsom signed SB 115 (Chapter 2, Statutes of 2022), which retroactively modified the source for the Port Stimulus Funds. SB 115 changed the fund source to the State's General Fund. Because of that change, recipient ports are no longer subject to federal ARPA requirements and restrictions, but they remain subject to the Budget Act requirements.

Staff released its application package for the third distribution on June 29, 2022, and the deadline for submission was July 25, 2022. 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 resulting from the COVID-19 pandemic and to support ports' economic recovery. 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 required description ports included proposed projects, uses, or general categories and cost estimates for each proposal.

Within 45 days of the Commission's approval to disburse funds, ports are required to submit a Funding Agreement to the Commission. The Funding Agreement includes conditions for the State's distribution of funds, including indemnity provisions and a monitoring plan.

Staff's review process included a technical review of the applications and adherence to the eligibility criteria, as well as analyzing 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:

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), and 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 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 the third distribution of recovery funds, staff focused on revenue losses and direct costs in the first half of calendar year 2022. Staff also reviewed the ports' proposed projects for consistency with the Budget Act's directives, including the directive to provide the ports with the flexibility to respond to the COVID-19 pandemic and support their economic recovery.

SPECIFIC REQUESTS FOR FUNDS

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

VENTURA PORT DISTRICT

Requested Amount: \$31,621

Proposed Uses:

The Ventura Port District is proposing to replace a harbor patrol rescue/firefighting vessel that was destroyed by a tsunami in January 2022. Insurance will not provide sufficient funding for the replacement. The District is pursuing funding from multiple sources to purchase a new harbor patrol vessel within 1-2 years.

Staff Recommendation:

Staff recommends disbursing the requested amount to the Ventura Port District, which represents the costs incurred as a result of direct COVID-19 response and support for the first half of the 2022 calendar year.

CRESCENT CITY HARBOR DISTRICT

Requested Amount: \$321,196

Proposed Uses:

The Crescent City Harbor District is proposing reconstruction of the Citizen's Dock Seawall with a structure that will withstand 5-year tsunami events to protect Citizen Dock and ensure continued economic activity at the port. Citizen Dock is the only working dock in the harbor and is used by the commercial crab, shrimp, and fish buyers to unload seafood from the fishing fleet.

Staff Recommendation:

Staff recommends disbursing the requested amount to the Crescent City Harbor District, which represents the amount of revenue loss for the first half of the 2022 calendar year.

SAN DIEGO UNIFIED PORT DISTRICT

Requested Amount: \$2,500,000, or an equal split with the Port of San Francisco, of remaining funds after other ports' disbursements.

Staff's Recommended Revised Amount: \$2,270,308

Proposed Uses:

The San Diego Unified Port District's application for the first and second distribution included 42 projects that are part of the Port's Economic Recovery Program. The Program was established to designate and track federal stimulus funds via the ARPA and the State of California's Coronavirus Fiscal Recovery Fund. The projects include major maintenance and repair projects 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. Projects also include the completion of the National City Balanced Plan environmental analysis, park maintenance improvement projects, an environmental education program, and the completion of several projects identified in the Port's 2021 Maritime Clean Air Strategy. The Port provided revised expenditures for the proposed projects.

Staff Recommendation:

The San Diego Unified Port District identified \$10.2 million in lost revenue during the first half of the 2022 calendar year. Because of the limited amount of remaining recovery funds, the District and the Port of San Francisco have agreed to split the remaining recovery funds after distribution to other port applicants.

Staff recommends disbursing \$2,270,308 to the San Diego Unified Port District, which represents half the remaining recovery funds, after distribution to other applicant ports.

PORT COMMISSION OF SAN FRANCISCO (PORT OF SAN FRANCISCO)

Requested Amount: \$5,000,000, or an equal split with the San Diego Unified Port District of remaining funds after other ports' disbursements.

Staff's Recommendation: \$2,270,308

Proposed Uses:

The Port of San Francisco will use the funds to support economic recovery, avoid layoffs and restore jobs, restore services lost due to COVID-19, and support eligible port operations. Projects include deferred maintenance at Piers 29.5 and 26, design and seismic improvements, information technology upgrades, improvements for cargo terminal access, and several other investments in maritime tourism and cargo operations and other capital projects. Expected outcomes include increased tourism and retail spending at the Port, more cargo and cruise activity, new leases, major reduction to deferred maintenance, and investments in small businesses.

Staff Recommendation:

The Port of San Francisco identified more than \$23 million in lost revenue during the first half of 2022. The Port of San Francisco and the San Diego Port Unified District have agreed to split the remaining recovery funds after distribution to other port applicants.

Staff recommends disbursing \$2,270,308 to the Port of San Francisco, which represents half the remaining recovery funds, after distribution to other applicant ports.

OTHER PERTINENT INFORMATION:

1. Staff recommends the Commission reserve funds for staff costs. Executive Order No. E 21/22 – 199, issued on April 7, 2022, moved \$2 million of the \$250 million Budget Act allocation to state operations to reimburse the Commission for staff costs incurred in processing applications for, distributing, and monitoring the Port Stimulus Funds.
2. 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.
3. Authorizing the disbursement of funds is not a project as defined by the California Environmental Quality Act 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 on Commission staff receiving an executed Funding Agreement within 45 days of the Commission's authorization:
 - Ventura Port District: \$31,621
 - Crescent City Harbor District: \$321,196
 - San Diego Unified Port District: \$2,270,308
 - Port Commission of San Francisco: \$2,270,308
2. Reserve \$2 million in funds to the State Lands Commission to reimburse for staff costs incurred in distributing and monitoring the Port Stimulus Funds, as directed by Executive Order No. E 21/22 – 199, issued on April 7, 2022.
3. 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 funds.
4. Delegate authority to the Executive Officer or her designee to take actions necessary for compliance with the Funding Agreements, including enforcement.



To: Jennifer Lucchesi, Executive Officer & California State Lands Commissioners
100 Howe Avenue, Suite 100 South
Sacramento CA 95825
916.574.1900

Regarding: California State Lands COVID-19 Fiscal Recovery Funds, Tranche 3

1. Executive Summary

The attached application outlines the Ventura Port District's ("VPD") funding request regarding COVID-19 related financial impacts experienced from January – June 2022 (**a total of \$31,621.11**), justifications, and project details for which the funding would be allocated. This letter includes a narrative associated with the attached Funding Request Summary to provide the State Lands Commission and staff with additional details regarding VPD's activities in mitigating the impacts of COVID-19 to our business partners and stakeholders, preserving jobs, and maintaining excellent public service.

The VPD thanks the State Lands Commission for consideration of this request and looks forward to expeditiously applying the COVID-19 Fiscal Recovery Funds Tranche 3 ("COVID-19 FRF-T3") for the good of our business partners and stakeholders.

2. Background

As a "California Port", VPD is an Independent Special District established in 1952 under the California Harbors and Navigation Code. As an agency that is 87% self-funded through operating revenues generated by the port and having been fiscally impacted by COVID-19, we would like to submit this letter requesting allocation from the COVID-19 FRF-T3 to help offset the additional costs incurred during the January – June 2022 time period of the pandemic.

The VPD takes pride in providing the commercial fishing industry a first-class working waterfront contributing to maritime trade services and jobs. In addition, VPD provides public safety services through Harbor Patrol and contracts California State Parks to provide lifeguard services throughout the summer.

The VPD has a policy to maintain a minimum of 40% of its annual operating budget as a reserve. Due to careful management of controllable expenses, including a hiring and salary freeze, reduction of departmental operating expenses, and deferment of several capital improvement projects, VPD was able to afford to provide a COVID-19 Rental Abatement and Deferment Program to the commercial tenants. Furthermore, VPD did not layoff or reduce hours for any of its own staff. This demonstrates VPD's commitment to maintaining jobs, assisting small businesses, and continuing to maintain a quality destination for tourists and locals alike.

3. Costs Incurred

As with all agencies, VPD did incur additional costs due to the impacts of the pandemic. The total COVID-19 related costs incurred from January – June 2022 is \$31,621.11. Those costs can be categorized as follows:

- a. Provision of EFMLA time off for staff: \$22,994.34
- b. Overtime costs accrued to cover essential shifts: \$8,626.77

As a public agency providing public safety, maintenance, and property management services for the benefit of the public, many shifts where staff could not work due to COVID-19 required backfilling with overtime shifts.

4. Other Aid

VPD was awarded \$1,060,484.00 (December 2021) and \$122,979.00 (April 2022), by the SLC COVID-19 Fiscal Recovery Funds Tranche 1 and Tranche 2 for the projects outlined in the respective applications for calendar years 2020 and 2021. VPD has applied for reimbursement of costs through FEMA California COVID-19 Pandemic (in Section 3 of the Funding Request Summary and in Appendix B), however that application was specific to costs incurred during calendar year 2020 and at this time, no funds have been received.

5. Proposed Uses of Funds

VPD Harbor Patrol (HP) is a first responder for visitors, residents, and businesses within Ventura Harbor and its surrounding communities. Full-time HP Officers are certified Emergency Medical Technicians, and their skill sets are used on land and water to provide public safety. HP responds to calls throughout the VPD's sphere of influence which includes up to a three-mile radius of its harbor. Further, it is common for HP to arrive three to five minutes prior to paramedic services during emergencies.

HP had two rescue vessels and one rescue/fire-fighting vessel. On January 15, 2022, the Tonga Tsunami damaged one rescue vessel and destroyed the other rescue vessel. The insurance payment covered the repairs of the damaged rescue vessel, however the insurance coverage for the destroyed rescue vessel is based upon "agreed upon value" rather than providing sufficient funding to purchase a new replacement vessel. Therefore, HP is deficient one vessel. It is imperative that another vessel is procured and equipped with the necessary safety equipment to remedy the deficiency and provide HP with the tools to perform public safety. Having redundant vessels is a necessity since vessels require maintenance and repairs, which causes a vessel to be out of commission from time to time. The current age of the HP fleet is 34 years for the repaired rescue vessel and 10 years for the rescue/fire vessel.

VPD is pursuing funding from multiple sources for the procurement of a replacement vessel, including using the proceeds from the insurance write off from the destroyed rescue vessel. If awarded this grant, the funds will be used towards the purchase of an HP vessel within the next 12 months (or up to 24 months, based on availability).

6. Experience with Managing Grant Funding

The VPD has recent and relevant experience in receiving, managing, and reporting on progress for grants awarded by both the Federal and California State governments. A list of recent grant management experience can be found detailed in the Funding Request Summary Form.

TIMOTHY PETRICK
Chief Executive Officer/
Harbormaster

Crescent City Harbor District

Phone (707) 464-6174 Fax (707) 465-3535
101 Citizens' Dock Road
Crescent City, California 95531
www.ccharbor.com



State Lands Commission
Attn: Benjamin Johnson, Legal Division
100 Howe Ave., Ste. 100-S
Sacramento, CA 95825

Dear Commission,

The Crescent City Harbor District is requesting \$321,195.65 in Port Economic Recovery Funds to mitigate the negative economic impacts resulting from the COVID-19 pandemic.

The Port of Crescent City relies heavily on tourism-based revenue, which was severely impacted by COVID-19. The largest impact we experienced during that time frame was the decline in the number of overnight stays in the RV parks in the harbor.

In the first six months of 2022, using the revenue loss calculation, we had a revenue loss of \$321,195.65.

The Crescent City Harbor is a shallow draft, critical harbor of refuge. It is also an economic engine, supporting two local business clusters: commercial fishing and tourism. It also offers sport fishing, recreational boating, restaurants, retail and commercial businesses.

The Crescent City Harbor District Board of Commissioners has dedicated harbor revenue to make much needed infrastructure improvements in the harbor, including developing required data and information to apply for grants and loans. However, the loss of revenue because of the pandemic, including in the first six month of 2022, has hampered these efforts.

The Crescent City Harbor District Board of Commissioners has identified as a top priority the reconstruction and elevation of the Citizen's Dock Seawall to ensure continued economic activity at the port and increase the port's resilience to climate-related hazards. The goal is to replace the seawall with a structure that will withstand 50-year tsunami events, and increasing storm surges.

Since its construction in 1965 following the Alaska earthquake tsunami, the seawall has been subjected to the impacts of tsunamis, severe winter storms, and tidal surges. The seawall is now rusted, full of holes and most of the bottom of the wall has rusted away.

Seawater is coming in through the seawall on a daily basis, infiltrating and undermining the ground behind the seawall. At low tide, seawater flows out of the ground through the holes in the seawall and back into the bay. As the tide rises, the cycle repeats. This regularly forms sinkholes in the road and the truck loading areas, which must be filled and asphalted over on a regular basis. Parts of land area protected by the seawall are now closed due to safety concerns caused by erosion.

The seawall protects key pieces of the port's commercial seafood industry and transportation infrastructure: Citizen's Dock, Citizen's Dock Road, the trestle that connects them together, the entrance to the Commercial Boat Basin, the Harbor District office and numerous tourism serving businesses, including restaurants and RV parks.

Citizens Dock is the only working dock in the harbor and is used by the commercial crab, shrimp and fish buyers to unload seafood catch from the fishing fleet and to transport the packaging and loading area behind the seawall. Located on Citizens Dock are buying buildings; hoists; boat tie ups, product loading area and numerous seafood businesses and the Ice House, which is used by all the commercial fishermen, seafood buyers and seafood processors.

Citizens Dock Road is the key transportation corridor in the port. It is the only road that connects the commercial fleet seafood unloading hoists and the seafood packing and truck loading area to U.S. Highway 101, where the commercial catch is transported out of the community for wholesale and retail sales.

The road is also the entrance to the commercial boat basin, home to more than 100 commercial boat owners, most of which are small businesses. The road is also used by the majority of tourists who visit the harbor and where the tourist serving businesses are located.

Repair/replacement of the seawall is identified as a priority activity in all of the local planning documents. Estimated replacement costs of the seawall are approximately \$9,000,000.

The Harbor District is seeking grants and loans to undertake the construction work. However, prior to construction, the Harbor District must evaluate and document the current structure and conditions in the harbor in order to prepare NEPA, CEQUA, federal, state and local construction permit requirements. In addition, the Harbor needs to gather additional information for grant and loan applications including preparing a Benefit Cost Analysis of the construction project.

The Harbor is proposing to use Port Economic Recovery Funds to do these vital first critical steps. The activities proposed to be completed with Port Economic Recovery Funds are the following:

- 1) Develop RFPs, release RFPs, evaluate responses, contract with entities to perform the following tasks
- 2) Evaluate existing conditions of the seawall and previous studies which identified mitigation measures.
- 3) Conduct field work to document present conditions on both sides of the seawall.
- 4) Conduct planning for preferred project design.
- 5) Collect data, including for Benefit Cost Analysis, to be used in grant applications to apply for construction costs of the seawall replacement project.
- 6) Gather and prepare data for CEQA, NEPA and federal, state and local permit applications.
- 7) Prepare additional grant and loan applications for construction funding.

The cost of these elements is more than the \$321,196.65 being requested. The Harbor District will use \$115,806 of dedicated revenues as match for this project.

The port will track the actual cost, expected outcomes, outputs, and performance measures throughout this project.

Among the expected outcomes are prevention of the disruption of vital local economic activities at the port.

Approximately 100 crab boats use harbor berths. Many are locally owned by multi-generational fishing families. Another 200 boats use the harbor during crab season. Using the local multiplier, the value of the commercial fishing industry to the local economy ranges from \$100MM to \$200MM per year, depending on the size of the catch. A resilient harbor is crucial to a successful commercial fishing industry.

Tourism is the largest business cluster in the county. The largest concentration of motels in the County are along the Harbor frontage. For tourists, the harbor is unique as they can watch a working commercial fishing fleet and ocean wildlife close-up. Tourism spending in 2018, represented \$130 million in direct taxable sales. Since the start of the pandemic travel spending is way down. Having a working harbor is key to continuing to grow local tourism.

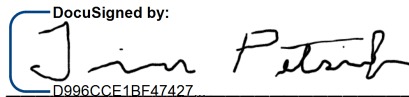
The importance of the Harbor to the county's economy is easy to measure during the 2011 harbor shutdown caused by tsunami damage, the local unemployment rate rose two points.

The work proposed with the funds will be completed prior to June 30, 2024, to meet the guidelines of Port Economic Recovery Funds.

The Crescent City Harbor District also certifies it qualifies to receive the funds; has the authority to carry out the project, and that all information provided in the application is true and correct.

The Port of Crescent City creates family-sustaining jobs and an infusion of federal funds from the Port Economic Recovery Funds will have a sizable impact helping us move forward on critical projects which support safe operation and economic activity at the port.

Thank you for your support of our efforts.

DocuSigned by:

D996CCE1BF47427

Tim Petrick
CEO/Harbormaster
Crescent City Harbor District
tpetrick@ccharbor.com
707-464-6174

STATE OF CALIFORNIA – STATE LANDS COMMISSION

Funding Request SummaryAPPLICANT / PORT NAME: Crescent City Harbor DistrictAMOUNT REQUESTED: \$321,195.65

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

NAME: Tim PetrickTITLE: CEO/HarbormasterEMAIL: tpetrick@ccharbor.comPHONE: 707-464-6174MAILING ADDRESS: 101 Citizens Dock Road, Crescent City, CA 95531

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 the first six months of calendar year 2022?

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**

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 the first six months of your 2022 calendar year revenues?

YES ☒

NO ☐

Amount: \$321,195.65

If "Yes," please calculate first six months 2022 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 first six months 2022 counterfactual revenue, which is equal to $(\text{base year revenue} \times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]) / 2$, where n is the number of months elapsed since the end of the base year to the calculation date June 30, 2022.
- c. Identify first six months 2022 calendar year actual revenues, which equals total revenues collected over the past six months as of June 30, 2022.
- d. The extent of the reduction in revenue is equal to 2022 counterfactual revenue less 2022 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: \$486,658.00

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.

Supporting Documentation - We have included as separate documents the following Excell workbooks:

CCHD_Pandemic Relief_Revenue Loss and Unanticipated Costs revised
CCHD_Pandemic Relief for Ports_Revenue Losses_Third Tranche revised

Crescent City Harbor District - **PROPOSED USE OF THE FUNDS**

The Crescent City Harbor District is requesting \$321,195.65 in Port Economic Recovery Funds to mitigate the negative economic impacts resulting from the COVID-19 pandemic. This amount is the revenue losses related to the COVID-19 pandemic the Port incurred from January 1, 2022 to June 30, 2022.

The Port of Crescent City relies heavily on tourism-based revenue, which was severely impacted by COVID-19. The largest impact we experienced during that time frame was the decline in the number of overnight stays in the RV parks in the harbor.

In the first six months of 2022, using the revenue loss calculation, we had a revenue loss of \$321,195.65.

- Total Operating Revenues for Fiscal year ended June 2019: 1,780,166
 - Annual growth rate: **6.02%** = $(1,780,166 / 1,679,107) - 1$
 - Attachment *Final Audit Report 2019.06.30* page 8
- Total Operating Revenues for Fiscal year ended June 2018: 1,679,107
 - Annual growth rate: **37.76%** = $(1,679,107 / 1,218,885) - 1$
 - Attachment *Final Audit Report 2019.06.30* page 8 & *Final Audit Report 2017.06.30* page 9
- Total Operating Revenues for Fiscal year ended June 2017: 1,218,885
 - Annual growth rate: **5.85%** = $(1,218,885 / 1,151,547) - 1$
 - Attachment *Final Audit Report 2017.06.30* page 9
- 3-year average annual growth rate: **16.54128%** = $(6.02\% + 37.76\% + 5.85\%) / 3$

When the 16.54% growth rate is used for the revenue loss calculation, it yields a revenue loss \$321,195.65.

- First half 2022 Counterfactual Revenue: $1,408,867 = 1,780,166 * ((1 + 0.1654128)^{(36/12)})/2$
- Actual Jan-Jun 2022 Revenue: 1,087,671
- Difference: \$321,196.65

The Crescent City Harbor District Board of Commissioners has dedicated harbor revenue to make much needed infrastructure improvements in the harbor, including developing required data and information to apply for grants and loans. However, the loss of revenue because of the pandemic, including in the first six month of 2022, has hampered these efforts.

The Port of Crescent City creates family-sustaining jobs and an infusion of federal funds from the Port Economic Recovery Funds will have a sizable impact helping us move forward on critical projects which support safe operation and economic activity at the port.

The Crescent City Harbor District is a political subdivision of the State of California. The CCHD is governed by a five-member Board of Commissioners who are elected by voters throughout Del Norte County. The Board of Commissioners serve four-year terms and appoint the Harbormaster who oversees the day-to-day operations and staff.

The Crescent City Harbor is a shallow draft, critical harbor of refuge. It is also an economic engine, supporting two local business clusters: commercial fishing and tourism. It also offers sport fishing, recreational boating, restaurants, retail and commercial businesses.

There is historic precedent at the harbor for infrastructure failure from tsunamis and storm surges. Over the past 80 years, thirty-nine tsunamis have been detected in the Harbor; four of which caused more

Crescent City Harbor District - **PROPOSED USE OF THE FUNDS**

than \$37 million in damage to the harbor. In addition, eight disaster declarations have been declared from storm surges and flooding in the past 30 years, resulting in additional millions of dollars of damage.

In 1964, the Alaskan earthquake triggered a tsunami that destroyed the Crescent City Harbor and killed 12 people. The port was rebuilt after that event and much of that infrastructure is now in dire need of replacement.

In 2011, a tsunami caused by the Tohoku earthquake destroyed the commercial and recreational boat slips and docks in the Crescent City Harbor. Commercial fishing was interrupted for more than a year, causing a 2% rise in local unemployment rate. The port was able to rebuild the boat basin to withstand a 50-year tsunami event, which would have prevented much of the damage experience in 2011.

The local Climate Change and Stormwater Management Plan identifies local risks to long term climate change. “[C]limate stressors that may pose a potential hazard to transportation assets in Del Norte County are identified as precipitation, sea level rise, and coastal storm surges, all of which are projected to increase frequency or severity in the future.”

The Crescent City Harbor District Board of Commissioners has identified as a top priority the reconstruction and elevation of the Citizen’s Dock Seawall with a structure that will withstand 50-year tsunami events to ensure continued economic activity at the port and increase the port’s resilience to climate-related hazards.

Since its construction in 1965 following the Alaska earthquake tsunami, the seawall has been subjected to the impacts of tsunamis, severe winter storms, and tidal surges. The seawall is now rusted, full of holes and most of the bottom of the wall has rusted away. Seawater is coming in through the seawall on a daily basis, infiltrating and undermining the ground behind the seawall. At low tide, seawater flows out of the ground through the holes in the seawall and back into the bay. As the tide rises, the cycle repeats. This regularly forms sinkholes in the road and the truck loading areas, which must be filled and asphalted over on a regular basis. Parts of land area protected by the seawall are now closed due to safety concerns caused by erosion.

The seawall protects key pieces of the port’s commercial seafood industry and transportation infrastructure: Citizen’s Dock, Citizen’s Dock Road, the trestle that connects them together, the entrance to the Commercial Boat Basin, the Harbor District office and numerous tourism serving businesses, including restaurants and RV parks.

Citizens Dock is the only working dock in the harbor and is used by the commercial crab, shrimp and fish buyers to unload seafood catch from the fishing fleet and to transport the packaging and loading area behind the seawall. Located on Citizens Dock are buying buildings; hoists; boat tie ups, product loading area and numerous seafood businesses and the Ice House, which is used by all the commercial fishermen, seafood buyers and seafood processors.

Citizens Dock Road is the key transportation corridor in the port. It is the only road that connects the commercial fleet seafood unloading hoists and the seafood packing and truck loading area to U.S. Highway 101, where the commercial catch is transported out of the community for wholesale sales.

Crescent City Harbor District - **PROPOSED USE OF THE FUNDS**

The road is also the entrance to the commercial boat basin, home to more than 100 commercial boat owners, most of which are small businesses. The road is also used by the majority of tourists who visit the harbor and where the tourist serving businesses are located.

The Del Norte County Operational Area Hazard Mitigation Plan and the Crescent City Harbor District Sea-Level Rise Assessment both detail that failure of harbor infrastructure will endanger the safety of all harbor users including tourists and the businesses that serve them, critically damage fish and animal habitat; disrupt, and possibly end the Dungeness crab industry in the harbor and potentially end the commercial fishing fleets use of the harbor for years to come.

Repair/replacement of Citizen's Dock and the seawall are also identified as a priority activity in the Crescent City Harbor District 10-Year Strategic Plan and Crescent City Harbor Coastal Land Use Plan and the Del Norte County Comprehensive Economic Development Strategic Plan.

Estimated replacement costs of the seawall are approximately \$9,000,000.

The Harbor District is seeking grants and loans to undertake that work. However, prior to construction, the Harbor District must evaluate and document the current structure and conditions in the harbor in order to prepare NEPA, CEQUA, federal, state and local construction permit requirements. In addition, the Harbor needs to gather additional information for grant and loan applications including preparing a Benefit Cost Analysis of the construction project.

The Harbor is proposing to use Port Economic Recovery Funds to do these vital first critical steps. The activities proposed to be completed with Port Economic Recovery Funds are the following:

- 1) Develop RFPs, release RFPs, evaluate responses, contract with entities to perform the following tasks
- 2) Evaluate existing conditions of the seawall and previous studies which identified mitigation measures.
- 3) Conduct field work to document present conditions on both sides of the seawall.
- 4) Conduct planning for preferred project design.
- 5) Collect data, including for Benefit Cost Analysis, to be used in grant applications to apply for construction costs of the seawall replacement project.
- 6) Gather and prepare data for CEQA, NEPA and federal, state and local permit applications.
- 7) Prepare additional grant and loan applications for construction funding.

The cost of these elements is more than the \$321,196.65 being requested.

The Harbor District will use its dedicated revenues as match for this project.

The estimated project budget is shown in the following chart.

Crescent City Harbor District - **PROPOSED USE OF THE FUNDS**

#	ACTIVITY ITEM NAME	COST ESTIMATE TOTAL	STATE LANDS Request	LOCAL SHARE
1	Develop RFPs, release RFPs, evaluate responses, contract with entities to perform tasks	\$ 40,000.00	\$ 30,000.00	\$ 10,000.00
2	Evaluate existing conditions and studies	\$ 80,000.00	\$ 60,000.00	\$ 20,000.00
3	Conduct field work if necessary	\$ 72,000.00	\$ 51,195.65	\$ 20,804.35
4	Conduct planning studies	\$ 130,000.00	\$ 100,000.00	\$ 30,000.00
5	Collect data for BCA	\$ 20,000.00	\$ 15,000.00	\$ 5,000.00
6	Compile data for NEPA, CEQA and permitting	\$ 75,000.00	\$ 55,000.00	\$ 20,000.00
7	Prepare Grant Applications	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	TOTALS	\$ 437,000.00	\$ 321,195.65	\$ 115,804.35

The port will track the actual cost, expected outcomes, outputs, and performance measures throughout this project.

The output of this project will be production of the key data and information needed to enable the District to meet the requirements of state and federal grants and loans and be able to replace the seawall and mitigate against the potential failure of this infrastructure.

Among the expected outcomes are prevention of the disruption of vital local economic activities at the port.

Approximately 100 crab boats use harbor berths. Many are locally owned by multi-generational fishing families. Another 200 boats use the harbor during crab season. The fishing and fishing products business cluster has the highest average local wage: \$78,050. The value of fish landings fluctuates each year. 2013 had the highest landed value of \$34MM; 2015, the lowest with \$6.5MM, because there was no crab season that year. Using the local multiplier, the value of the commercial fishing industry to the local economy ranges from \$100MM to \$200MM per year, depending on the size of the catch. A resilient harbor is crucial to a successful commercial fishing industry.

Tourism is the largest business cluster in the county. The largest concentration of motels in the County are along the Harbor frontage. For tourists, the harbor is unique as they can watch a working commercial fishing fleet and ocean wildlife close-up. Tourism spending in 2018, represented \$130 million in direct taxable sales. Since the start of the pandemic, travel spending is way down. Having a working harbor is key to continuing to grow local tourism.

In addition, the Harbor District is located in a socially vulnerable and low-income community. Incomes in the County and City are significantly lower than State averages, while poverty rates are higher. The importance of the Harbor to the county's economy is easy to measure: during the 2011 harbor shutdown, the local unemployment rate rose two points. Voters passed a local tax measure to pay the annual loan costs to rebuild the commercial boat basin after the 2011 tsunami, because they understand, a strong local economy relies on a harbor that is resilient to natural hazards.

This project will also benefit at least two census tracts each with a socially vulnerable and high hazard risk community. The OES Hazard Exposure and Social Vulnerability Heat Map shows Census tract 2.03

Crescent City Harbor District - **PROPOSED USE OF THE FUNDS**

with an SVI of .82. The southern part of the harbor district is within that Census tract. Numerous people who work in the harbor live in that Census Tract. This project will directly benefit those who live in the tract and work and use the harbor. In addition, mitigating the entire harbor for 50-year tsunami and flooding will assist residents of that Census Tract.

And the project will proactively address a community adversely affected by persistent poverty by promoting work force opportunities in project delivery. The construction project resulting from the elements funded with the grant will incorporate equitable mitigation and long-lasting benefits by mitigating a top priority hazard (flood, 0.92) for the area.

The activities proposed to be funding with Port Economic Recovery Funds are the important first steps in this mitigation process to reduce the risk of loss of life and property from natural hazards.

The CCHD manages legislatively granted lands and resources and this project is consistent with the terms of the granting statutes. On June 24, 1963, the District received a Land Grant from the State of California under Chapter 1510 of the statutes of 1963. The granted lands, were approved of “for the establishment, improvement, and conduct of a harbor, for the construction, maintenance and operation of wharves, docks, piers, slips, quays and other utilities, structures, facilities, and appliances necessary or convenient for commerce, navigation and fisheries, and for public recreation purposes” (Statutes of California, 1963).

This work proposed with the funds will be completed prior to June 30, 2024 to meet the guidelines of Port Economic Recovery Funds.

Crescent City Harbor District

List of the specific aid / stimulus programs and the amount received:

COVID-19 Fiscal Relief for Special Districts program: \$486,658.00

List of current and anticipated applications for funding

Port Economic Recovery Funds: \$300,000

Hazard Mitigation Assistance Grant: \$1,500,000 (Infrastructure Bill program) – Status:
Application Submitted

Port Infrastructure Development Program - \$7,366,565.60 (Infrastructure Bill program) – Status:
Application Submitted

Brief written statement to assist the Commission in assessing noncompliance risk factors that outlines:

a. Prior experience in managing Federal funds.

The Crescent City Harbor District has many years of experience in managing Federal funds. Current Crescent City Harbor District staff also has years of experience managing Federal funds.

The applicant has experience working with Federal agencies, previous experience with Federal grant funded construction projects, has the technical experience and resources dedicated to the project and has experience following Federal requirements.

b. Prior experience in managing State funds.

The Crescent City Harbor District has many years of experience managing State funds. Current Crescent City Harbor District staff also has years of experience managing State funds.

c. Previous audit findings showing misuse of funds.

The Crescent City Harbor District has had no audit 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.

The Crescent City Harbor District is a government entity which has numerous policies, processes, procedures, and accounting professionals in place to track these funds. They have experiencing managing grants, payments, draws, tracking and reporting.

Applicants and current applicant employees have undertaken and successfully completed numerous similar grant funded projects in the past. The District will use established project management processes to ensure outcomes, outputs and performance indicators are achieved.

The District will use it staff and hire professionals with many years of experience in their field to perform the specific tasks of this project. CCHD and current employees working with other ports and government entities, have hired key project consultants, engineers and designers to successfully implement projects. Regular meetings and updates will occur throughout the entire project process.

Funding Agreement

This Agreement is entered into by the State of California (State), acting through the State Lands Commission (Commission), and Crescent City Harbor District (Port). The Commission and Port are referred to individually as a Party and collectively as the Parties. The Parties, as consideration for, and as a condition to, the Commission awarding State Fiscal Recovery Funds, agree as follows:

1. Purpose. The 2021 Budget Act appropriated \$250 million to the Commission with instructions to allocate the funding to California ports to address negative economic impacts due to the COVID-19 pandemic. According to the Budget Act, ports shall use these funds to support their economic recovery, such as for activities that include avoiding layoffs, restoring jobs and services lost due to COVID-19, and supporting safe operations. During its April 26, 2022 Regular Meeting, the Commission approved distribution of (\$321,195.65) (the Funds). Entering this agreement is a condition for disbursement of the Funds.
2. Term. The term of this Agreement begins on the date this Agreement is executed by State and terminates when the Port expends or returns all Funds.
3. Accuracy. The Port represents and warrants that all information contained in its Funding Request is true and correct to the best of the Port's knowledge and ability. The Port acknowledges that providing false information may be a felony under California Penal Code section 115.
4. Use of Funds.
 - a. State law and guidance. The Port must use the Funds consistent with Item 3560-162-8506 and Control Section 11.96 of the 2021 Budget Act, applicable state law, as well as related guidance from the Commission, the Department of Finance, and other state entities. These funds are available for expenditure through December 31, 2026. A recipient port must return any funds to the State that are not encumbered as of December 31, 2026.
 - b. Fully automated cargo handling equipment. Funds must not be used for the purchase of fully automated cargo handling equipment. For the purposes of this paragraph, "fully automated" means equipment that is remotely operated or remotely monitored with or without the exercise of human intervention or control. This provision does not prohibit the use of the funds for a project that includes the purchase of human-operated zero-emission equipment, human-operated near-zero-emission equipment, and infrastructure supporting that human-operated equipment. Furthermore, this provision does not prohibit the purchase of devices that support human-operated equipment, including

equipment to evaluate the utilization and environmental benefits of that human-operated equipment.

- c. Funding Request. Ports must use the funds for the purposes described in their Monitoring Plan, discussed below. Ports may amend their projects descriptions as necessary.

5. Records.

- a. Retention. The Port must maintain records and financial documents related to the Funds for five years after all Funds have been expended. This provision survives termination of the Agreement.
- b. Availability. The Port must also provide or make available such records to the Commission, the California State Auditor, Department of Finance, and any other authorized State oversight agency. The Port agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Port agrees to include a similar right of the State to audit records and interview staff in any contract paid for with the Funds. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896). This provision survives termination of the Agreement.

6. Monitoring Plan.

- a. Commission staff will monitor the Port's activities to ensure that the Funds are used for authorized purposes, in compliance with state statutes, regulations, and the terms and conditions of this Agreement as described in the Monitoring Plan, attached to this Agreement as Exhibit A and incorporated by this reference.
- b. The Commission or Commission staff may modify the Monitoring Plan as necessary to ensure the Port's compliance with the ARPA, associated rules and guidance, and this Agreement. Commission staff will work with Port staff to update the Monitoring Plan to reflect cost estimates, outcomes, outputs, and performance indicators.
- c. The Port must promptly provide all information requested by the Commission or its staff that is necessary or desirable, in the Commission or its staff's sole discretion, to allow Commission staff to perform the monitoring activities described in the Monitoring Plan.
- d. If the Port receives notice of potential non-compliance, the Port must provide written confirmation highlighting the status of actions planned or taken to address the potential non-compliance. The Commission shall report any such notifications to the Department of Finance.

7. Reimbursement of Recouped Costs. If the State identifies any funds received by the Port for recoupment based on the Port's use, misuse, or failure to use any portion of the Funds, the Port must reimburse the State for the amount identified. Additionally, the

Port must reimburse the State and the Commission for any costs, including staff costs, relating to or arising out of the State's recoupment of those funds. This provision survives termination of the Agreement.

8. Indemnity. To the extent permitted by law, the Port must indemnify, hold harmless and, at the option of the Commission or the State, defend the Commission and the State and their officers, agents, and employees, from all damages, injuries, or claims arising from the Port's use of the Funds. This provision survives termination of the Agreement.
9. Nondiscrimination. When using the Funds, the Port must meet state requirements relating to nondiscrimination and nondiscriminatory use of funds. The Port must not deny the benefits paid for with the Funds to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor may the Port discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The Port must ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. The Port must comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. The Port must permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. The Port and its subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)
10. Authority. The Parties represent and warrant that the individuals signing below have authority to sign this Agreement on behalf of their respective Party.
11. Approval. This Agreement is of no force or effect until signed by both Parties.
12. Amendment. No amendment or variation of the terms of this Agreement is valid unless made in writing, signed by the Parties, and approved as required. No oral understanding


or Agreement not incorporated in the Agreement is binding on any of the Parties.

13. Conflict. This Agreement does not authorize or condone any act or omission that violates federal or state law. Any conflict between this Agreement and any applicable federal or state law must be resolved in favor of the applicable law.

Signatures on following page

Funding Agreement

Signature Page

DocuSigned by:
PORT: 
D996CCE1BE47427

By: Tim Petrick

Its: CEO / Harbor Master

Date: 8/8/2022

CALIFORNIA STATE LANDS COMMISSION

By: _____

Its: _____

Date: _____

APPLICANT / PORT NAME: _____

AMOUNT REQUESTED: _____

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

NAME: _____

TITLE: _____

EMAIL: _____

PHONE: _____

MAILING ADDRESS: _____

*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
the first six months of calendar year 2022?

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

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 the first six months of your 2022 calendar year revenues?

YES ☐

NO ☐

If “Yes,” please calculate first six months 2022 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 first six months 2022 counterfactual revenue, which is equal to $(\text{base year revenue} \times [(1 + 4.1\% \text{ growth adjustment})^{(n/12)}]) / 2$, where n is the number of months elapsed since the end of the base year to the calculation date June 30, 2022.
- c. Identify first six months 2022 calendar year actual revenues, which equals total revenues collected over the past six months as of June 30, 2022.
- d. The extent of the reduction in revenue is equal to 2022 counterfactual revenue less 2022 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).

4. 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

5. 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.

APPLICANT / PORT NAME: Port of San Francisco

AMOUNT REQUESTED: \$ 5,000,000

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) 274-0400

MAILING ADDRESS: Pier 1, The Embarcadero, 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 the first six months of calendar year 2022?

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

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.

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Did you experience any declines in the first six months of your 2022 calendar year revenues?

YES ☒

NO ☐

If “Yes,” please calculate first six months 2022 calendar year revenue decline as follows:

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- 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).

4. 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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- 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

5. 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.
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- 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.