



# San Diego Unified Port District

3165 Pacific Hwy.  
San Diego, CA 92101

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File #:2020-0168

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DATE: May 19, 2020

SUBJECT: FY 2021 PRELIMINARY BUDGET ADOPTION

- RESOLUTION TO REDUCE THE FY 2019-2023 CAPITAL IMPROVEMENT PROGRAM (CIP) BY \$5.7M AND ALLOCATE THE FUNDS TO THE CUMULATIVE UNRESTRICTED RESOURCES
- RESOLUTION AUTHORIZING THE USE OF CUMULATIVE UNRESTRICTED RESOURCES OF APPROXIMATELY \$15.7M FOR THE FOLLOWING: OPERATING BUDGET DEFICIT \$9.9M, COAST GUARD BUILD-OUT \$2.2M, SEAPORT VILLAGE PRE-APPROVED FUNDING \$2.8M, AND MAJOR MAINTENANCE MULTI-YEAR PROGRAM CARRYOVER FUNDING OF \$0.8M
- RESOLUTION NOT TO SOLICIT PROJECT APPLICATIONS OR HOLD A CIP WORKSHOP PURSUANT TO BOARD POLICY NO. 120
- RESOLUTION ADOPTING THE FY 2021 PRELIMINARY BUDGET AND SETTING THE DATE FOR PUBLIC HEARING ON THE BUDGET AS JUNE 23, 2020

## **EXECUTIVE SUMMARY:**

In accordance with the San Diego Unified Port District Act (Port Act) Sections 46 and 47, by June 15, 2020, the District must adopt and publish the Fiscal Year (FY) 2021 Preliminary Budget and set a date for the Board's adoption of the final budget not less than one month from publication. Staff intends to present the FY 2021 Preliminary Budget to the Board for adoption on May 19, 2020 and present the final budget to the Board for adoption on June 23, 2020.

In previous years, the budget has generally been developed on the belief that the national and local economy will continue to grow at a moderate pace. Now, as a direct consequence of the unforeseen COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted.

In response to these unique circumstances, at the March Board meeting, a 2020 Budget Impact Ad Hoc Committee (Ad Hoc) was created to proactively address the financial impacts of the COVID-19

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pandemic. District staff developed and worked with the Ad Hoc on three detailed scenarios for FY 2021, entitled Worse Case, Base Case, and Better Case, and presented the three scenarios at a special Board meeting on April 8, 2020. At that special meeting, the Board directed staff to prepare the FY 2021 preliminary budget using the Base Case scenario; Reduce the FY 2019-2023 CIP budget by \$5.7M and allocate the funds to the FY 2021 Operating Budget; and use Cumulative Unrestricted Resources to fund the deficit. Staff also recommended to monitor the District's performance against the budget frequently, reporting any changes to the Board and recommending adjustments to respond to changing economic conditions in connection with the COVID-19 pandemic.

This FY 2021 Preliminary Budget was prepared using the Base Case scenario with expenditures matching as closely as possible the revenue projections. Staff identified significant expense reductions and prepared some across-the-board percentage cuts in non-personnel expenses, major maintenance, equipment and other capital projects, technology management, and a variety of other programs. Staff also re-prioritized some expenses in order to find funding for programs that the Board wanted to continue to pursue such as the Clean Air program, the Port Master Plan Update (PMPU), homeless outreach, and some of the Blue Tech projects that could be a source of future revenue stream.

Staff also developed a range of strategies and measures to reduce expenses in the personnel budget and implemented some cost-saving measures that can be implemented quickly and do not require a meet and confer process with our collective bargaining units, with the underlying objective of keeping as many of our regular full-time employees working as possible, for as long as possible. The following cost-saving measures are being implemented quickly, as these do not require a meet and confer process with our collective bargaining units:

- Released all interns and all temporary employees;
- Stopped hiring for all vacant positions except dispatcher positions;
- Reduced overtime;
- Two percent (2%) pay-cut for all unrepresented employees with annual salaries of greater than \$75,000;
- No salary increases/cost of living adjustments (three percent (3%) increase) for all unrepresented employees;
- No merit increases for all unrepresented employees; and
- Unfunded 25 vacant regular positions of the 585 budgeted.

Additionally, while preparing this information, many District tenants requested rent relief. In response, District staff prepared an overall recommendation for a rent deferral program with a zero-interest repayment plan and waiver of late fees.

The District, created by the State of California Legislature, is a self-funded agency. The District collects no tax dollars, instead funding its operations and services through leases and other business agreements with tenants along the waterfront. The services funded by District revenues include, among other items, public safety, economic development activities, and supply chain transportation services that are critical for our region, state, and nation especially during the COVID-19 pandemic.

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At the May 19, 2020 Board meeting, staff is presenting for adoption the FY 2021 Preliminary Budget and the following corresponding actions necessary for the FY 2021 Preliminary Budget:

- Adopt resolution to reduce the FY 2019-2023 CIP by \$5.7M and allocate the funds to the Cumulative Unrestricted Resources.
- Adopt resolution authorizing the use of Cumulative Unrestricted Resources of approximately \$15.7M for the following: Operating Budget Deficit \$9.9M, Coast Guard Build-Out \$2.2M, Seaport Village Pre-Approved Funding \$2.8M, and Major Maintenance Multi-Year Program Carryover Funding of \$0.8M.
- Adopt resolution to not solicit project applications or hold a CIP workshop pursuant to Board Policy No. 120.

Due to a strong tradition of budget discipline and prudent policy direction, the District has not only maintained its Operating Reserves, but has also accumulated surplus funds in recent years that provide the District with a variety of tools to produce a FY 2021 budget that demonstrates the continued commitment to all stakeholders.

The District is an economic driver for the greater San Diego region, serving as a job creator and a job supporter, as well as a critical link in our nation's supply chain. Even under today's unprecedented social and economic climate, the District is very well positioned to continue to serve as that important economic engine; to support jobs, to move goods, and to perform the many essential services that the District provides.

It is important to reiterate that the FY 2021 budget is a plan that the Board can amend at any time during the year.

### **RECOMMENDATION:**

- Adopt resolution to reduce the FY 2019-2023 CIP by \$5.7M and allocate the funds to the Cumulative Unrestricted Resources
- Adopt resolution authorizing the use of Cumulative Unrestricted Resources of approximately \$15.7M for the following: Operating Budget Deficit \$9.9M, Coast Guard Build-Out \$2.2M, Seaport Village Pre-Approved Funding \$2.8M, and Major Maintenance Multi-Year Program Carryover Funding of \$0.8M
- Adopt resolution not to solicit project applications or hold a CIP workshop pursuant to Board Policy No. 120
- Adopt a resolution adopting the FY 2021 Preliminary Budget and setting the date for public hearing on the Budget as June 23, 2020.

### **FISCAL IMPACT:**

This proposed Board action has no fiscal impact. This item approves publication of the preliminary budget document and signals the start of the 30-day public comment period.

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**COMPASS STRATEGIC GOALS:**

This agenda item will help shape the FY 2021 Final Budget which, when adopted, will support the Compass Strategic Goals by allocating funds for Board priority projects and regulatory compliance.

This agenda item supports the following Strategic Goals:

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work, and play.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality

**DISCUSSION:****RESOLUTION ADOPTING THE FISCAL YEAR 2021 PRELIMINARY BUDGET AND SETTING THE DATE FOR PUBLIC HEARING ON THE BUDGET AS JUNE 23, 2020**

Staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of FY 2020 and expects revenue losses to continue through the rest of calendar year 2020. Unlike many public agencies, the District receives no tax funds to help stabilize revenues in the midst of this crisis.

A copy of the FY 2021 Preliminary Budget book is attached (Attachment A), along with Budget Slide Presentation (Attachment B), and a copy of the Agenda Sheet for the April 8, 2020 Special Meeting with attachments (Attachment C).

The table below is a summary of the FY 2021 Preliminary Budget that reflects directions received from the Board:

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	Adjusted Budget FY 2020	Preliminary Budget FY 2021	Change FY 2021-2020 Budget	% Change
<b>Revenue</b>				
Operating	\$ 192.8	\$ 152.9	\$ (39.9)	(20.7%)
Non-Operating	22.2	12.8	(9.4)	(42.5%)
<b>Total Revenue</b>	<b>\$ 215.0</b>	<b>\$ 165.7</b>	<b>\$ (49.3)</b>	<b>(22.9%)</b>
<b>Expenses</b>				
Personnel	\$ 103.4	\$ 101.7	\$ (1.7)	(1.6%)
Non-Personnel	75.2	56.7	(18.5)	(24.6%)
Major Maintenance Expense	0.7	0.5	(0.1)	(21.5%)
Capitalized Labor	(4.0)	(2.2)	1.8	(44.9%)
<b>Total Expenses</b>	<b>\$ 175.2</b>	<b>\$ 156.7</b>	<b>\$ (18.5)</b>	<b>(10.6%)</b>
<b>Other Sources &amp; Uses and Reserves*</b>	<b>\$ (37.7)</b>	<b>\$ (9.0)</b>	<b>\$ 28.8</b>	<b>(76.3%)</b>
<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2.0</b>	<b>\$ 0.0</b>	<b>\$ (2.0)</b>	<b>(100.0%)</b>

**Note:**

\* Please see Section 1 page 12 of the Budget Book for details of Other Sources & Uses and Reserves

**Revenues:**

Staff developed revenue forecasts from the ground up, tenant-by-tenant, and from top down using the best available information based in part on industry information, information provided by our tenants and partners, and the number of current District tenants that have temporarily closed due to the COVID-19 pandemic. Total Revenues for FY 2021 are projected to be \$49.3M lower than prior year's budget.

Details and highlights on these revenue categories are included in Attachment A - FY 2021 Preliminary Budget Book.

**Expenses:**

Staff have looked at reductions line-by-line for all District expenses as staff does its best job to balance District spending with various revenue reduction scenarios. Staff identified significant expense reductions and prepared some across-the-board percentage cuts in non-personnel expenses, major maintenance, equipment and other capital projects, technology management, and a variety of other programs. Staff also re-prioritized some expenses in order to find funding for those programs that the Board wanted to continue to pursue such as Clean Air program, the Port Master Plan Update (PMPU), homeless outreach, and some of the Blue Tech projects that could be a source of future revenue stream.

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Personnel: Personnel Expense budget for FY 2021 is budgeted at \$101.7M, \$1.7M lower than the prior FY. The following cost-saving measures are being implemented quickly, as these do not require a meet and confer process with our collective bargaining units:

- Released all interns and all temporary employees;
- Stopped hiring for all vacant positions except dispatcher positions;
- Reduced overtime;
- Two percent (2%) pay-cut for all unrepresented employees with annual salaries of greater than \$75,000;
- No salary increases/cost of living adjustments (three percent (3%) increase) for all unrepresented employees;
- No merit increases for all unrepresented employees; and
- Unfunded 25 vacant regular positions of the 585 budgeted.

As we continue to monitor finances throughout the year, some additional strategies and measures may be implemented as needed.

Non-Personnel Expenses: A philosophy was applied in expense-reductions that includes meeting our regulatory requirements, proactively postponing events based on the existing public health directives in place, reducing our dependency on consultants, moving as much work as feasible in-house, extending project schedules or deferring work as a means to reduce costs (while not losing the value we have already invested in many of these programs and projects) and advancing the various projects that were originally planned for FY 2021, including strategic and other major mission-critical projects.

### **Other Sources and Uses of Funds:**

This section includes other special funding sources and capital expenditures such as Major Maintenance, Technology, Equipment Outlay, and Debt Service. Details and highlights on this section are included in Attachment A - FY 2021 Preliminary Budget Book and Attachment C - Agenda Sheet for April 8, 2020 Special Meeting with attachments.

### **RESOLUTION TO REDUCE THE FY 2019-2023 CAPITAL IMPROVEMENT PROGRAM (CIP) BY \$5.7M AND ALLOCATE THE FUNDS TO THE CUMULATIVE UNRESTRICTED RESOURCES**

The CIP includes approximately \$5.7M of funding for projects that could be delayed and instead transferred to the Unrestricted Cumulative Resources. The Board directed staff to include this action in the Preliminary FY 2021 Budget at the April 8, 2020 Board meeting. Details and list of projects are included in Attachment C - Agenda Sheet for April 8, 2020 Special Meeting with attachments.

### **RESOLUTION AUTHORIZING THE USE OF CUMULATIVE UNRESTRICTED RESOURCES OF APPROXIMATELY \$15.7M FOR THE FOLLOWING: OPERATING BUDGET DEFICIT \$9.9M, COAST GUARD BUILD-OUT \$2.2M, SEAPORT VILLAGE PRE-APPROVED FUNDING \$2.8M, AND MAJOR MAINTENANCE MULTI-YEAR PROGRAM CARRYOVER FUNDING OF \$0.8M**

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The Board directed staff to use Unrestricted Resources to fund the Operating Budget Deficit of \$9.9M in the Preliminary FY 2021 Budget at the April 8, 2020 Board meeting.

The Coast Guard Build-Out \$2.2M is an investment for improvements to secure a long-term lease at the National Distribution Center (NDC). The US Coast Guard's Maritime Security Response Team (MSRT) is an anti-terrorism team established to protect local maritime assets and provides rapid waterborne and shoreside anti-terrorism protection for strategic shipping, high interest vessels and critical infrastructure. The Coast Guard has identified NDC as their preferred location for MSRT West operations and is requesting a new 10-year lease with one, three-year option at NDC. The proposed new lease would generate more than \$615,000 of incremental new revenue to the District annually with an internal rate of return of approximately 38% over the initial ten years. Additionally, the lease would solidify a long-term, maritime dependent use at NDC with a valuable partner.

Consistent with the General Services Administration standard process, the lease requires the landlord to design, initially fund and construct the improvements on behalf of the tenant. The build-out of the Coast Guard facility is estimated to cost \$2.2 million dollars of which approximately \$1.5M would be reimbursed by the Coast Guard and approximately \$650,000 would be paid for by the District. Given the strong return on our investment and the ability to secure a long-term maritime tenant, staff included this in the FY 2021 Equipment Outlay and Other Capital Projects budget.

Seaport Village pre-approved funding \$2.8M is a roll-over from prior year for investment spending towards tenant improvements. Of this \$2.8M approximately \$1.2M has already been committed to existing tenants. In order to be competitive in the specialty retail center market, the tenant improvement funding is necessary to attract and secure leases with high caliber tenants and positive returns on its investment. Tenant improvement allowance funding is standard of retail landlords and without it the District would be unable to secure new market rate deals with prospective tenants.

Major Maintenance (MM) Multi-year program carryover funding of \$0.8M is for projects already approved in the prior year for the multi-year MM program.

Board Policy No. 117, the Operating Reserve Policy, establishes the operating reserve balance and defines the calculation of the amount required. The Policy also states that uses of the operating reserve balance can be authorized by the Board if "Temporarily needed as a result of unfavorable financial performance due to the impact of an unfavorable economic environment."

## **RESOLUTION NOT TO SOLICIT PROJECT APPLICATIONS OR HOLD A CIP WORKSHOP IN FY 2021:**

FY 2021 marks the third year of the CIP's 5-year cycle that will extend to FY 2023. At the beginning of FY 2021, the CIP budget is projected to be \$14.7M. This amount will be reduced by \$5.7M for transfer to Cumulative Unrestricted Reserves to help fund the FY 2021 operating budget and the remaining \$9.0M will fund project expenditures during FY 2021. Pursuant to BPC Policy No. 120 - Capital Improvement Program, at the April Board meeting each year, the Board is to determine the amount of funding available for new CIP projects and decide whether to solicit project application

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forms for consideration at the following fall CIP workshop. Until the CIP is fully funded, staff recommends the Board not solicit project application forms or hold a CIP workshop in FY 2021.

The budget is prepared in a manner that facilitates its understanding by the public as well as District officials. Presenting a clear, readable budget will communicate effectively overall District goals and plans and contribute to the public's knowledge and appreciation of the District's positive impact on the region.

#### General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda and attachments as presented to it, and approves the same as to form and legality.

#### Environmental Review:

The proposed Board actions, including without limitation, resolutions adopting the FY 2021 Preliminary Budget and setting the date for public hearing on the budget, reducing the FY 2019-2023 CIP budget and allocating the funds to the cumulative unrestricted resources, authorizing the use of cumulative unrestricted resources, and maintaining the FY 2019-2023 CIP budget and to not solicit project applications or hold a CIP workshop, do not constitute an "approval" or a "project" under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the Board's actions that requires the District or the Board's discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The current Board actions in no way limit the exercise of this discretion. Therefore, no further CEQA review is required.

The proposed Board actions comply with Sections 20, 21, 35, 46, 47, and 86 of the Port Act, which require the Board to draw up a budget for each fiscal year, to adopt a preliminary budget, to publish a public notice regarding adoption of the preliminary budget, and to hold a public hearing prior to fixing the final budget, and which allow the Board to transfer amounts from one appropriated item to another in the budget allowance, to pass resolutions, and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

The proposed Board actions do not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires



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processing under the District's CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board's actions in no way limit the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Equal Opportunity Program:

Not applicable.

**PREPARED BY:**

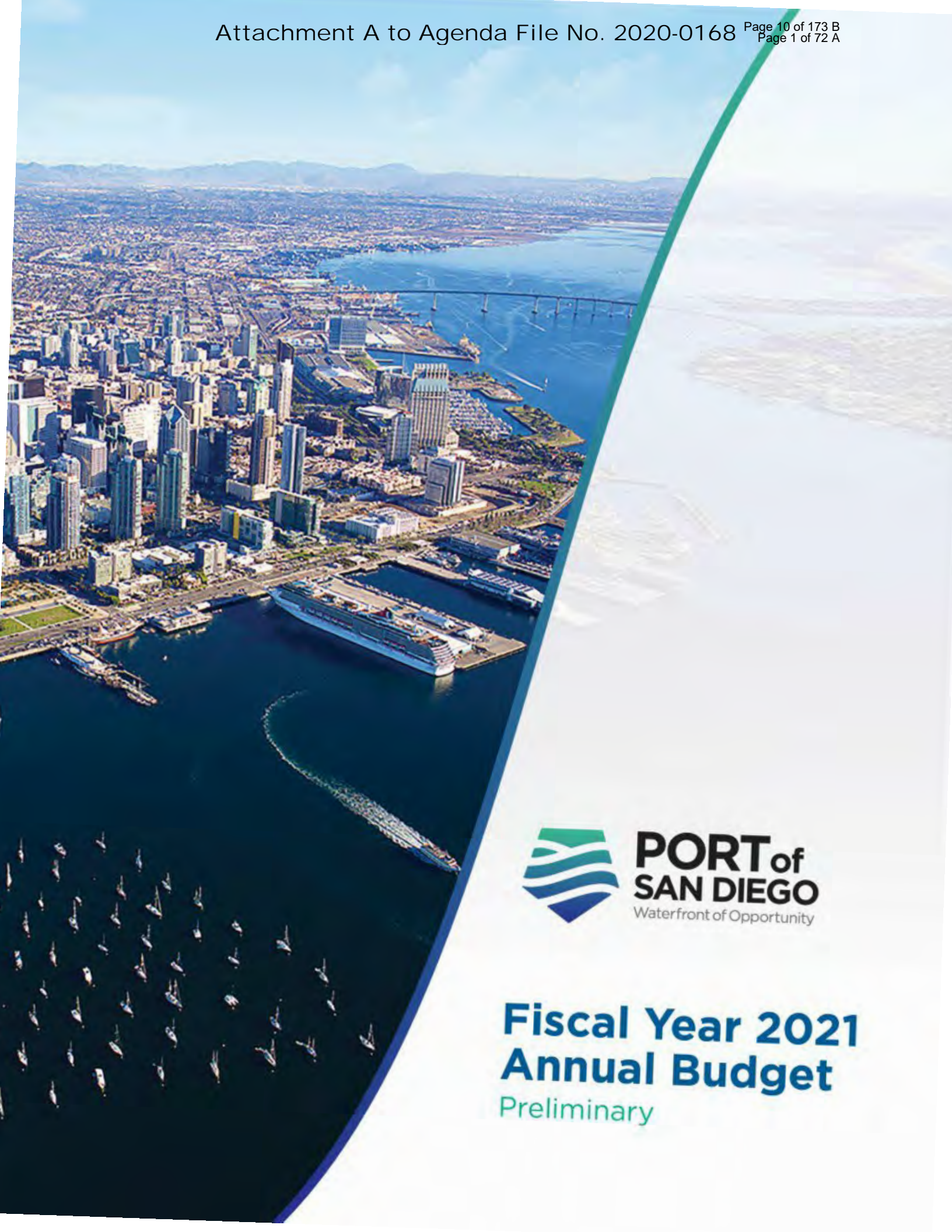
Robert DeAngelis  
Chief Financial Officer/Treasurer

Attachment(s):

Attachment A: FY 2021 Preliminary Budget Book

Attachment B: Budget Slide Presentation

Attachment C: Budget Agenda Sheet April 8, 2020 with attachments



**PORT of  
SAN DIEGO**  
Waterfront of Opportunity

# **Fiscal Year 2021 Annual Budget**

Preliminary

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# Overview

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The San Diego Unified Port District's (District) budget document establishes a one-year financial plan to fulfill the District's statutory mission, support the District's role as trustee of State tidelands, and achieve the strategic goals of the District. The budget is also a disclosure document intended to provide transparency on District operations.

The District's budget is divided into sections as presented below:

## Section 1 – Introduction

This section identifies the Board of Port Commissioners, Executive Leadership Group, Vision, Mission, and Core Values, Map of Tidelands, District Overview, and Branding.

This section also contains the Message from the Chief Financial Officer/Treasurer (CFO) and Budget in Brief. The CFO Message discusses the current state and future plans of the District, which will be included in the final Adopted Budget. The CFO Message also highlights the major provisions that have been included in the FY 2021 Budget and discusses changes from the prior year's budget and budget assumptions used to prepare the budget.

## Section 2 – Reader's Guide

This section is designed to help familiarize the reader with the District and its budget by providing an overview of the District organization, the District's fund and budget document structure, budget process, the budget timetable, and general information.

## Section 3 – Highlights

This section provides an overview of staffing, revenue and expenses, debt management, equipment outlay and other capital projects, Capital Improvement Program (CIP), Major Maintenance Program (MM), Technology Management Program (TMP), and other fund highlights.

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# Board of Port Commissioners

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## CHAIR

Ann Y. Moore  
City of Chula Vista

## VICE CHAIR

Michael Zucchet  
City of San Diego

## SECRETARY

Dan Malcolm  
City of Imperial Beach

## COMMISSIONERS

Garry J. Bonelli  
City of Coronado

Rafael Castellanos  
City of San Diego

Marshall Merrifield  
City of San Diego

Robert "Dukie" Valderrama  
City of National City

## Executive Leadership Group

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PRESIDENT/CEO  
Randa J. Coniglio

GENERAL COUNSEL  
Thomas A. Russell

ACTING PORT AUDITOR  
Mark Yeilding

ASSISTANT GENERAL COUNSEL  
Ellen F. Gross

EXECUTIVE VICE PRESIDENT  
Vacant

SENIOR DEPUTY GENERAL COUNSEL  
Rebecca Harrington

CHIEF ADMINISTRATIVE OFFICER  
VICE PRESIDENT  
Karen G. Porteous

PUBLIC SAFETY/CHIEF OF HARBOR POLICE  
VICE PRESIDENT  
Mark Stainbrook

CHIEF FINANCIAL OFFICER/TREASURER  
VICE PRESIDENT  
Robert DeAngelis

REAL ESTATE, ENGINEERING  
AND FACILITIES  
VICE PRESIDENT  
Shaun D. Sumner

PLANNING, ENVIRONMENT  
AND GOVERNMENT RELATIONS  
VICE PRESIDENT  
Jason H. Giffen

MARKETING AND COMMUNICATIONS  
VICE PRESIDENT  
Michael Brown

MARITIME  
VICE PRESIDENT  
Michael LaFleur

ASSISTANT VICE PRESIDENT  
Cid Tesoro

CHIEF POLICY STRATEGIST  
Job Nelson

CHIEF TECHNOLOGY OFFICER  
Keith Coffey

## Vision, Mission, and Core Values

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### VISION

21st Century Port - We are an innovative, global seaport courageously supporting commerce, community, and the environment.

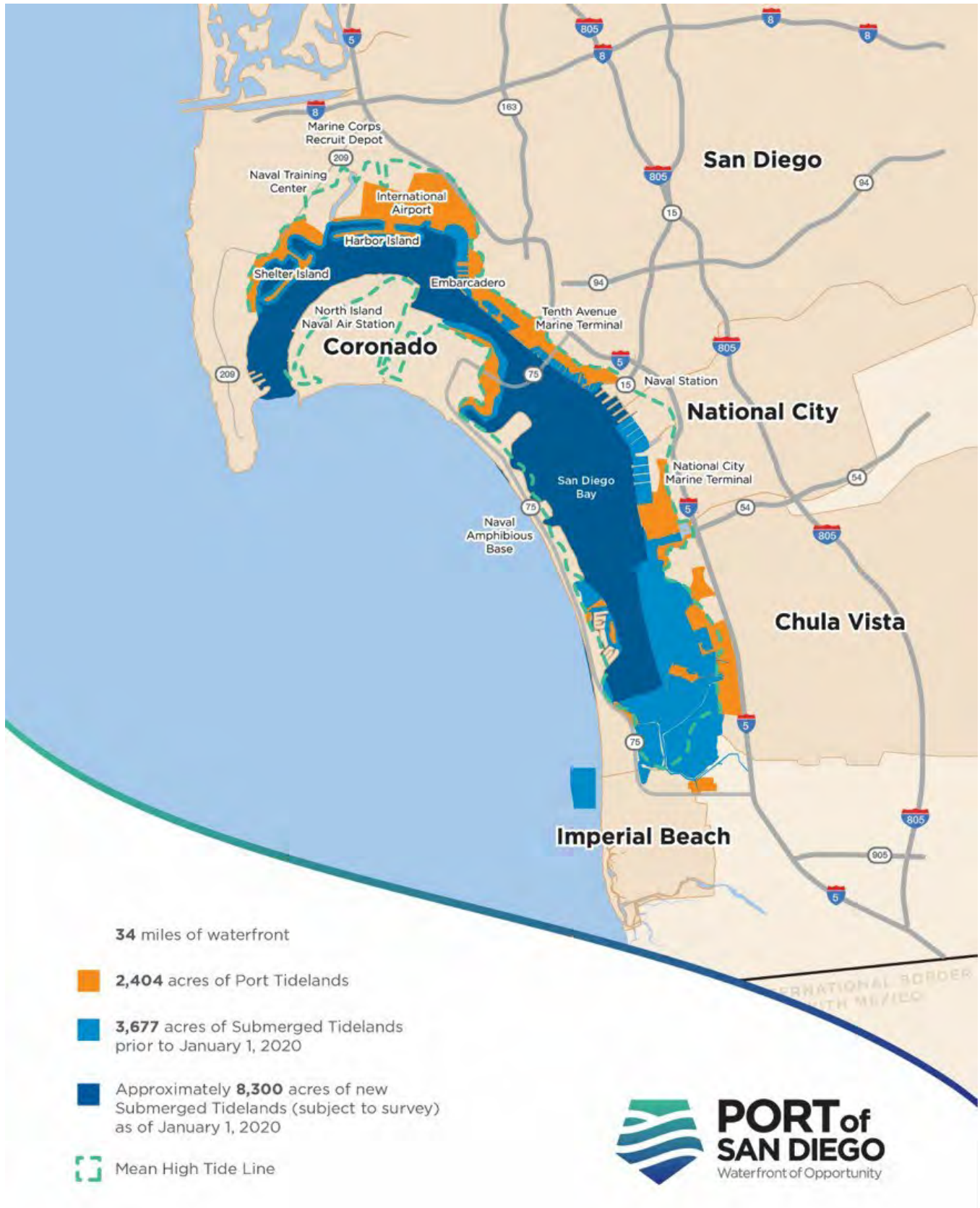
### MISSION

The Port of San Diego will protect the Tidelands Trust resources by providing economic vitality and community benefit through a balanced approach to maritime industry, tourism, water and land recreation, environmental stewardship, and public safety.

### CORE VALUES



# Map of Tidelands



# District Overview

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## THE SAN DIEGO UNIFIED PORT DISTRICT

The San Diego Unified Port District (District) is a regional public agency established in 1962 by an act of the California State Legislature to consolidate management responsibilities for the San Diego Bay. This consolidation provides ongoing efficiencies and centralized planning for the tidelands along the San Diego Bay.

- The District is an economic engine, creating jobs and dollars for the regional economy through the promotion of maritime trade, tourism, and other commercial activities.
- The District is an environmental steward, preserving and enhancing the natural resources of the San Diego Bay and surrounding tidelands.
- The District is a provider of community services, providing public access, public safety, recreation, and community activities along the waterfront for visitors and residents of the region.

A seven-member Board of Port Commissioners governs the District. Board members are appointed to four-year terms by the city councils of Chula Vista, Coronado, Imperial Beach, National City, and San Diego. The San Diego City Council appoints three commissioners and each of the other member city councils appoints one commissioner. Port Commissioners establish policies that the District staff, under the direction of the President/Chief Executive Officer (President/CEO), uses to conduct daily operations.

The District's maritime, real estate, and parking generate billions of dollars for the region's economy and allow the District to operate without the benefit of tax dollars. The District has the authority to levy a tax, but has not done so since 1970.

## PUBLIC TRUST DOCTRINE

The District is also a trustee of state lands subject to the Public Trust Doctrine, which mandates how California's sovereign lands should be managed. Also known as public trust lands, they include areas that used to be or are still under the bay and other waters. These lands cannot be bought and sold because they are held in the public trust and belong to the people of the State of California. As the trustee of these lands, the District is responsible for carrying out the principles of the Public Trust Doctrine. This includes protecting the environment, promoting the public's enjoyment of these lands, and enhancing economic development for the public's benefit.



# Branding






## Brand Promise

Enrich the relationship people and businesses have with the dynamic waterfront of San Diego Bay, providing prosperity and a more remarkable way of life.

## Brand Foundation

The District, commonly known as the Port of San Diego (Port), is where San Diego greets the world. On behalf of the State of California, the Port is an innovative champion for the 34 miles of San Diego Bay waterfront along Chula Vista, Coronado, Imperial Beach, National City, and San Diego.

The Port is a protector of the environment and our communities, an innovator for businesses and a host to visitors and residents. Self-funded, the Port reinvests the revenues from hundreds of businesses on our dynamic waterfront, creating prosperity and a remarkable way of life for all.

SUB-BRANDS	PURPOSE
	<p>Port Maritime moves goods and people around the world.</p> <p>Home to a successful working waterfront, we work with our maritime partners to provide well-paying jobs and billions of dollars for our community.</p>
	<p>Port Waterfront Development brings vision to reality.</p> <p>As the innovative champion for businesses in our region, we ensure our partners have the opportunity to stay competitive in the global marketplace.</p>
	<p>Port Public Safety protects and oversees the safety of the San Diego Bay waterfront.</p> <p>Our Harbor Police Department is at the front line of security and service, with specialized expertise on land and sea.</p>
	<p>Port Experiences provides unique opportunities to explore and enjoy our vibrant waterfront.</p> <p>As a treasured destination, the Port is the heart and soul of our collective pride, welcoming visitors from around the world to be inspired by San Diego Bay.</p>
	<p>Port Environment champions the safekeeping and environmental care of our dynamic waterfront.</p> <p>The Port is a leader in protecting our land, air and water, ensuring it remains a vital resource for generations to come.</p>

# Message from the Chief Financial Officer / Treasurer

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## Uncharted Waters

As a global seaport, *Uncharted Waters* couldn't be a more appropriate term for the situation the San Diego Unified Port District, along with the rest of the world, finds itself in. First detected in Wuhan City, Hubei Province, China at the end of 2019, a novel coronavirus quickly spread and was declared a pandemic in early 2020. The virus, named "SARS-CoV-2" and the disease it causes, "coronavirus disease 2019" (abbreviated COVID-19), became not only a global health crisis, but a global economic crisis as well, impacting travel, tourism, and trade - and as a result, District revenues.

Prioritizing public health and safety, the District acted quickly to the health crisis by closing public spaces and activities, including parks, beaches, piers, boat launch ramps and the District's Administration Building, to help lessen the spread of and exposure to COVID-19, per public health orders enacted by the State of California and the County of San Diego. Those health orders also forced the closure of many businesses around San Diego Bay - including hotels, restaurants, museums and other travel and tourism-related businesses. Additionally, cruise lines cancelled their remaining sailings for the 2019-2020 season. These closures and cancellations resulted in an immediate impact on Port revenues - \$31 million estimated for the end of Fiscal Year 2020 - and as presented in more detail in the report to follow, will have significant impacts on Fiscal Year 2021 (FY 2021).

The District's immediate focus looking to FY 2021 is on essential services such as public safety - Port of San Diego Harbor Police will continue to operate 24 hours a day, seven days a week; maritime operations - cargo tenants and the Working Waterfront will continue to be critical links in the local, regional and global supply chains; and maintenance of public infrastructure, facilities and spaces. Two additional primary objectives include keeping as much staff as possible, and keeping projects moving forward.

At the direction of the Board of Port Commissioners, District staff began developing the FY 2021 budget by looking at different budget scenarios, estimating where we thought the District would be by quarter, and preparing a list of expense reductions. We then made some across-the-board percentage cuts in non-personnel expenses, major maintenance, capital improvements, technology management, and a variety of other programs.

While preparing this information, many District tenants requested rent relief. In response, District staff prepared an overall recommendation for rent deferral with a zero-interest repayment plan.

Next, staff prepared budget scenarios for Worse Case, Base Case, and Better Case and presented those scenarios to an Ad Hoc Committee. The Committee strongly agreed with finding ways to keep as many employees as possible, supported the tenant relief program recommendation, and concurred with using reserves - specifically, \$17.6 million to complete FY 2020 and up to \$15.7 million to fund the FY 2021 budget based on the Base Case scenario. The full Board then unanimously approved the recommendations.

To reduce personnel expenses, the District suspended hiring for all positions except dispatcher positions, released all temporary employees and interns, reduced as much of the overtime as possible, and instituted a two percent salary reduction for unrepresented employees who make more than \$75,000 per year.

This FY 2021 Preliminary Budget book will have a very different look and feel and will not include all the narratives, or the department by department breakdowns. This budget book still includes a line item breakdown of expenses at the District level, which is still far more than we are legally required to produce. This will give us the flexibility to adjust more readily as we monitor our actual performance versus budget and the flexibility we will need in light of all of the uncertainty so we can allocate resources where they are most critical.

With an FY 2021 budget, and plans in place to meet the District's primary objectives, we look now to project goals for the year, which include:

- **Port Master Plan Update:** The Port Master Plan is a water and land use plan that designates specific areas of San Diego Bay for a balance of maritime, fishing, visitor-serving commercial, recreational, conservation and institutional uses. Continuing more than seven years of robust public outreach, staff will seek public and stakeholder feedback on a Revised Draft of the Port Master Plan Update, and then complete the environmental review process.



## Message from the Chief Financial Officer / Treasurer

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- **Chula Vista Bayfront:** In partnership with the City of Chula Vista and RIDA Chula Vista LLC, the District anticipates finalizing financing for the Gaylord Pacific resort hotel and convention center project, which includes public infrastructure, parks and other amenities. Next steps include obtaining building and grading permits, close of escrow, and delivery of an executed lease by RIDA to the Port. After that, construction can begin, starting with public infrastructure improvements including utilities, roadways, parks, etc. Additionally, the Costa Vista RV Resort and Sweetwater Bicycle and Promenade are anticipated to open.
- **Portside Pier:** The transformation of one of Southern California's iconic, flagship waterfront restaurant sites will be complete. The Brigantine Inc.'s Portside Pier - a two story restaurant development over the water on the North Embarcadero of San Diego Bay - will include four dining concepts and public access features including a second level perimeter walkway along the water's edge, public viewing deck with panoramic views, and an expanded dock and dine facility.
- **San Diego Symphony:** The Symphony's permanent outdoor performance and event venue in Embarcadero Marina Park South is scheduled to open in summer 2020. It will replace their temporary performance and event venue with permanent facilities on the same site. The Symphony is investing \$45 million in improvements in The Shell, formerly known as Bayside Performance Park, and public amenities, creating a new attraction on San Diego Bay.
- **Seaport Village:** Renovations and preparations continue for four future tenants at this waterfront retail center - Hess Brewing, Spill the Beans, Mr. Moto Pizza, and a yet-to-be named Sam the Cooking guy concept by Grain & Grit Collective - and an expansion of the San Pasqual Wine Tasting Room. All are anticipated to be open in FY 2021. The District welcomed three new tenants in FY 2020 and continued site enhancements and operational improvements thanks to proactive marketing, placemaking and management.
- **National City Balanced Plan:** In partnership with the City of National City, Pasha Automotive Services, and GB Capital Holdings, as well as community stakeholders and businesses, District staff anticipates finalizing and requesting Board review and approval of the Final Environmental Impact Report (Final EIR) for the National City Balanced Plan - a water and land use plan balancing three priorities - maritime, commercial recreation and public access. Next steps would include seeking Board approval of the Final EIR and Port Master Plan Amendment, an important step toward project entitlement and future implementation.
- **Clean Air:** The District initiated a Climate Action Plan Study in FY 2020 that will continue into FY 2021 to align the District's post-2020 Greenhouse Gas emission reduction goals to State targets. The solar-powered microgrid at the Tenth Avenue Marine Terminal, funded by a California Energy Commission grant, will begin installation during FY 2021. Additionally, the District continues to install electric vehicle charging stations around the bay to support the regional transition toward electric vehicles. These initiatives support our Climate Action Plan.

It is appropriate to reflect on the past year as we budget for the year ahead. The below accomplishments in Fiscal Year 20 (FY 2020) represent significant milestones, and work on many of them continues in FY 2021:

- **Airport Redevelopment Plan:** As part of ongoing collaboration related to the San Diego International Airport's Terminal 1 redevelopment plan, the District joined the San Diego County Regional Airport Authority, the City of San Diego, and the San Diego Association of Governments (SANDAG) in a Memorandum of Understanding (MOU) that addresses transit and mobility impacts related to the project, including a potential outbound roadway if and when needed to relieve traffic along the northern San Diego Bay waterfront; a framework for obtaining FAA approval of future funding for transit to the Airport; and future collaboration among the agencies. The District also submitted feedback on the Airport's revised Environmental Impact Report for the project to ensure alignment of the terminal redevelopment with the District's future vision for Tidelands.
- **Tenth Avenue Marine Terminal Modernization:** The District is nearing completion of the first phase of the Tenth Avenue Marine Terminal Redevelopment Plan. Phase I involved the demolition of two transit sheds, site enhancements, rail improvements, and relocating District staff offices on the terminal. Supported by a \$10 million TIGER grant from the U.S. Department of Transportation, the project commenced in FY 2018. The first phase of the entire 20-year, market driven Redevelopment Plan supports our specialty cargo advantage by providing laydown space and flexibility for the District's cargo types.

## Message from the Chief Financial Officer / Treasurer

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- **Blue Economy Incubator:** The District approved two additional Blue Economy Incubator pilot projects. For the seventh project, the District will work with EConcrete, Inc. to test a new design of tide pools made from environmentally sensitive, low carbon concrete that could serve as a replacement for traditional riprap to provide ecological armoring and shoreline stabilization while also creating well-defined local ecosystems that mimic natural rock tidepools. For the eighth project, the District will work with ecoSPEARS Inc., a startup cleantech solutions company working to develop a cost-effective and eco-friendly cleanup solution to extract and destroy toxic contaminants from sediment, soil and groundwater. Additionally, the District extended its agreement with Sunken Seaweed, a local startup conducting a pilot project to demonstrate the feasibility and co-benefits of seaweed aquaculture in San Diego Bay.
- **Tijuana River Pollution:** In collaboration with our local, regional and state partners, the District continued to urge the federal government to take action to eliminate the ongoing discharge of sewage and other waste from the International Boundary and Water Commission - United States Section's facilities into the Tijuana River, which flows to the Pacific Ocean and impairs the Port's public trust resources in Imperial Beach. The District joined the State Lands Commission, the San Diego Regional Water Quality Control Board, the County of San Diego, the cities of Chula Vista, Coronado, Imperial Beach, National City, San Diego, and Surfside San Diego, in adopting a joint resolution identifying the most urgent needs that regional leaders request from the federal level to address the underlying causes of the sewage, sediment and trash that have contaminated San Diego land and waterways for decades.
- **Bridge Lighting Project:** The California Coastal Commission authorized a Coastal Development Permit for the District to temporarily install and test LED lights on select mid-span piers of the San Diego-Coronado Bridge. The Bridge Lighting Mock-up Test, to be conducted over one week during a time period designated by the Coastal Commission, will help the District and its project consultants answer questions and prepare the documents required to continue moving forward on the project. In FY 2021, the District anticipates completing the testing, which is part of project Phase 2: Feasibility Study, as well as developing agreements for project Phase 3: Design Development.
- **Business Negotiated Events (BNEs) -** The District negotiated agreements with event producers that facilitate the production of large, complex, and high-impact events to generate direct revenue and promotional benefits to the District. Big Bay Boom, Holiday Bowl Parade, Wonderspaces, Lululemon 10k marathon, and Wonderfront Music Festival resulted in substantial financial, promotional, and community impacts. As the time of writing, Big Bay Boom and the Wonderfront Music Festival have been canceled in the first half of FY 2021. The status for the remaining BNEs is yet to be determined for FY 2021.
- **Procurement:** For the eleventh straight year, the District received the prestigious National Procurement Institute's (NPI) Achievement of Excellence (AEP) in Procurement Award. The AEP is earned by organizations that demonstrate excellence by obtaining a high score based on standardized criteria designed to measure innovation, professionalism, productivity, e-procurement and leadership attributes of the procurement organization. The District is one of 46 agencies in California and one of only 39 special districts in the United States and Canada to be recognized with the AEP award last year.
- **Financial Reporting Award:** For the fifth consecutive year, the District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the United States and Canada (GFOA) for its June 30, 2018 Comprehensive Annual Financial Report. The award is considered to be one of the most highly regarded recognitions in the area of governmental accounting and financial reporting and represents a major achievement for the Port.
- **IT Infrastructure:** The District executed on multiple network security architecture projects, including improvements to network redundancy and segmentation, threat monitoring, and equipment refresh. The District's workforce is empowered with laptops and mobile capabilities. We have fully engaged our collaboration and productivity platform for COVID-19, quickly pivoting to secure remote work and emergency operations coordination. Public interactions have been improved through automating park reservations and permitting, as well as online reporting of infrastructure issues within the Tidelands.
- **Cruise:** The District celebrated the return of Carnival Cruise Line to San Diego, with a sold-out inaugural cruise of the Carnival Miracle. Last seen in San Diego in 2012, Carnival scheduled 13 cruises with itineraries to the Mexican Riviera, Baja, Hawaii and the Panama Canal.

## Message from the Chief Financial Officer / Treasurer

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For the long term, thanks to a long history of prudent financial decisions, the District is very well positioned to weather this storm - both due to our operating reserve policy and our accumulation of unrestricted resources recent years. This fact and positive outlook has been validated by Fitch Ratings, who reviewed the credit ratings for all ports in light of the COVID-19 crisis.

Despite the *Uncharted Waters* of facing a global health crisis and a global economic crisis at the same time - the District and our tenant partners have navigated rough waters before, and we'll do so again. We are positioned to continue to serve our region as a vital economic engine all the way through this crisis.



Robert DeAngelis, CFO/Treasurer

# Budget in Brief

OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS & FUND ACTIVITIES					
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
<u>Operating Revenue</u>					
Real Estate	\$107,234,118	\$116,274,700	\$ 87,970,600	\$ (28,304,100)	(24.3)%
Port as a Service - Parking	17,058,125	16,279,700	11,649,800	(4,629,900)	(28.4)%
Maritime	38,649,728	40,175,700	33,415,200	(6,760,500)	(16.8)%
Harbor Police Department	17,068,801	16,619,600	16,659,600	40,000	0.2 %
Aquaculture & Blue Technology	332	—	—	—	N/A
Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,820,203	3,430,800	3,208,300	(222,500)	(6.5)%
Total Operating Revenue	\$183,831,307	\$192,780,500	\$152,903,500	\$ (39,877,000)	(20.7)%
<u>Non-Operating Revenue</u>					
Grants - Capital Project Reimbursement	\$ 8,715,645	\$ 15,084,195	\$ 6,047,500	\$ (9,036,695)	(59.9)%
Grant Revenue - Other	1,052,387	1,213,300	1,102,000	(111,300)	(9.2)%
Investment Revenue	3,693,094	1,700,000	800,000	(900,000)	(52.9)%
Other (Legal Settlements, Car Rental Fees, Donated Revenue, etc.)	7,903,756	4,200,000	4,811,000	611,000	14.5 %
Total Non-Operating Revenue	\$ 21,364,882	\$ 22,197,495	\$ 12,760,500	\$ (9,436,995)	(42.5)%
Total Revenue	\$205,196,189	\$214,977,995	\$165,664,000	\$ (49,313,995)	(22.9)%
<u>Expenses</u>					
Personnel	\$ 94,036,183	\$103,381,100	\$101,681,100	\$ (1,700,000)	(1.6)%
Non-Personnel Expense (NPE)	59,350,449	63,280,326	45,077,200	(18,203,126)	(28.8)%
Municipal Service Agreements (MSA) with Member Cities	7,995,558	8,143,400	8,329,800	186,400	2.3 %
Major Maintenance - Expense	221,283	650,000	510,000	(140,000)	(21.5)%
Non-Operating NPE	3,056,001	3,770,565	3,315,800	(454,765)	(12.1)%
Capitalized Labor	(3,579,661)	(3,989,500)	(2,200,000)	1,789,500	(44.9)%
Total Expenses	\$161,079,813	\$175,235,891	\$156,713,900	\$ (18,521,991)	(10.6)%
Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments	\$ 44,116,376	\$ 39,742,104	\$ 8,950,100	\$ (30,792,004)	(77.5)%
Sources & Uses of Funds and Reserves (see detail on following page)	\$ (31,717,791)	\$ (37,707,104)	\$ (8,950,100)	\$ 28,757,004	(76.3)%
Unrestricted Sources Over Uses of Funds	\$ 12,398,585	\$ 2,035,000	\$ —	\$ (2,035,000)	(100.0)%

Note:

See Section 3, Page 3 for Revenue Highlights explanations and Section 3, Page 17 for Expense Highlights explanations.

## Budget in Brief

OTHER SOURCES & USES OF FUNDS AND RESERVES DETAIL					
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
<b>SOURCES OF FUNDS</b>					
<u>Other Sources of Funds and Reserves</u>					
Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 8,715,645	\$ 15,084,195	\$ 6,047,500	\$ (9,036,695)	(59.9)%
Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	4,312,557	4,345,065	2,890,000	(1,455,065)	(33.5)%
Capital Improvement Program Reserve	12,414,978	16,075,000	4,298,000	(11,777,000)	(73.3)%
Non-Cash Adjustment	(1,506,453)	—	—	—	N/A
Investment Fund	54,991	50,000	—	(50,000)	(100.0)%
Funds From Prior Year Surplus	5,741,913	4,322,831	15,711,200	11,388,369	263.4 %
Total Other Sources of Funds and Reserves	\$ 29,733,631	\$ 39,877,091	\$ 28,946,700	\$ (10,930,391)	(27.4)%
<b>USES OF FUNDS</b>					
<u>Other Uses of Funds and Reserves</u>					
Capital Improvement Program	\$ 22,535,667	\$ 30,500,000	\$ 9,042,000	\$ (21,458,000)	(70.4)%
Technology Capital Projects	3,641,515	5,623,400	2,369,000	(3,254,400)	(57.9)%
Capital Major Maintenance (MM) Projects	10,233,661	9,150,000	3,970,000	(5,180,000)	(56.6)%
Equipment Outlay and Other Capital Projects	4,475,627	4,581,500	6,261,300	1,679,800	36.7 %
Debt Service (Principal Only)	4,628,763	4,855,800	4,784,500	(71,300)	(1.5)%
Coronado Bridge Lighting Project	140,000	820,000	400,000	(420,000)	(51.2)%
Environmental Fund Set-Aside	830,500	844,800	—	(844,800)	(100.0)%
Maritime Industrial Impact Fund Set-Aside	165,500	157,900	—	(157,900)	(100.0)%
NEVP Maintenance Fund Set-Aside	976,100	1,005,400	—	(1,005,400)	(100.0)%
Capital Grants	8,715,645	15,084,195	6,047,500	(9,036,695)	(59.9)%
Asset Forfeiture and Wellness Fund Set-Aside	239,482	—	—	—	N/A
Low Carbon Fuel Standard (LCFS)	—	—	386,000	386,000	N/A
RIDA Set-Aside	—	1,738,700	1,410,200	(328,500)	(18.9)%
Car Rental Transaction Fees	4,646,460	3,000,000	3,000,000	—	0.0 %
ACH Parking Facility Fund Set-Aside	222,502	222,500	226,300	3,800	1.7 %
Total Other Uses of Funds and Reserves	\$ 61,451,422	\$ 77,584,195	\$ 37,896,800	\$ (39,687,395)	(51.2)%
Total Other Sources & Uses of Funds and Reserves	\$ (31,717,791)	\$ (37,707,104)	\$ (8,950,100)	\$ 28,757,004	(76.3)%





## 2 Reader's Guide



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# Organization

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The Board establishes policy to realize the District's mission, vision, brand promise, and goals. Three positions reporting directly to the Board are responsible for execution of policy directives: the President/Chief Executive Officer (President/CEO), General Counsel, and Port Auditor. A Personnel Advisory Board also reports directly to the Board.

## HARBOR POLICE

Led by the Vice President of Public Safety/Chief of Harbor Police, the Harbor Police Department is responsible for initiatives and programs that provide safety, protection, and law enforcement. The Department also provides police and fire protection to San Diego Bay, as well as police services to San Diego International Airport. Under direction of the Chief of Harbor Police, homeland security, facility security, and law enforcement combine to protect and serve those who work, play, and visit the Port of San Diego.

## MARKETING

Led by the Vice President of Marketing and Communications, this Division raises awareness of the District, its business lines, activities, and regional value through accurate and transparent communications while building and maintaining partnerships with external stakeholders and other government agencies. This Division also issues over 1,100 permits annually, safeguarding and promoting public access to 22 District parks and facilities, establishing strategic event partnerships to provide additional revenue sources for the District, and programming a wide variety of community events to create a vibrant waterfront experience for residents and visitors to the region.

Departments in the Marketing Division include:

- Marketing & Communications
- Waterfront Arts & Activation

## ADMINISTRATION

Led by the Chief Administrative Officer/Vice President, this Division manages, directs, and integrates the functions, programs, and activities of District-wide Human Resources, People & Organizational Development, Office of the District Clerk, Information Technology, and the Project Management Office. The Chief Administrative Officer/Vice President is the District's lead negotiator for labor negotiations and provides strategic leadership in the delivery of centralized corporate, administrative, technology implementation, and support services.

Departments in the Administration Division include:

- Human Resources
- Information Technology
- Office of the District Clerk
- People & Organizational Development
- Project Management Office

## OPERATIONS

Led by the Vice President of Real Estate, Engineering, and Facilities, this Division's responsibilities include: commercial leasing and management of over 600 tenancies, the progress of over \$3.5 billion of projects in the pipeline, development and management of parking assets, design and construction engineering, capital improvement and major maintenance programs, facilities maintenance and services for several roadways, 22 parks, and several administrative buildings. The growth of revenue, both through core lines of business and new revenue streams, is a key responsibility for the Operations Division.



# Organization

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Departments and teams in the Operations Division include:

- Engineering - Construction
- General Services
- Real Estate
- Port as a Service - Parking

## FINANCIAL SERVICES

Led by the Chief Financial Officer/Treasurer Vice President, this Division oversees the District's Financial Services and Procurement Services. The CFO/Treasurer provides professional assistance and support to the President/CEO on the District's financial planning, accounting, investing, and procurement services. Financial Services includes financial planning and reporting, budgeting, treasury services, risk management, accounting, and payroll services.

Departments in the Financial Services Division include:

- Financial Services
- Procurement Services

## MARITIME

Led by the Vice President of Maritime, this Division is responsible for the import and export business of automobiles, produce, and bulk maritime cargo at two cargo terminals, and an international cruise business at two cruise terminals. The District is the primary port of entry for Honda, Fiat, Audi, and Volkswagen among others. Pasha Automotive Services at the National City Marine Terminal also receives finished vehicles by rail and trucking including Toyota Trucks from Mexico.

## PLANNING, ENVIRONMENT AND GOVERNMENT RELATIONS

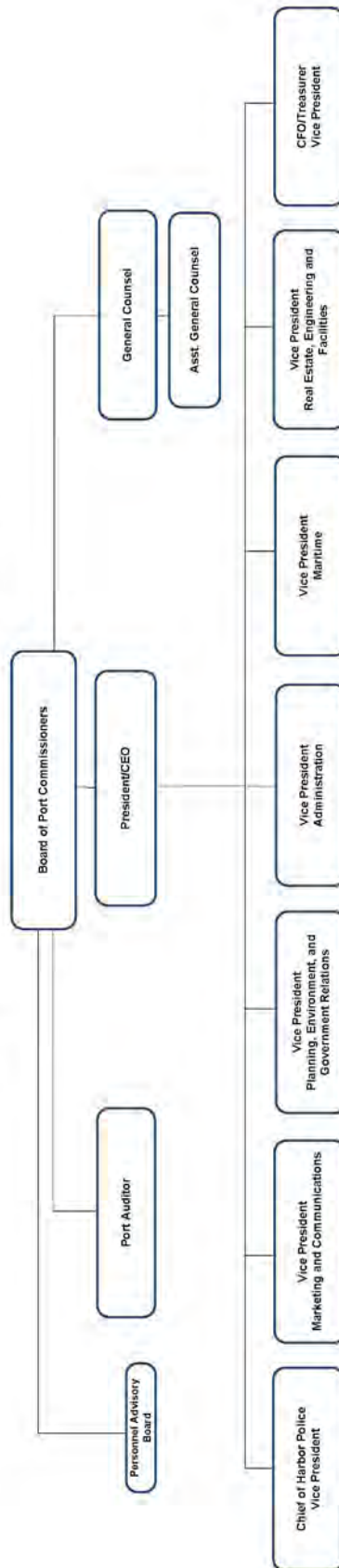
Led by the Vice President of Planning, Environment and Governmental Relations, this Division is responsible for the District's land use planning functions, including the creation of a Port Master Plan, issuance and application for permits for the 34 miles of waterfront around San Diego Bay; development and regulatory enforcement of air, land, and water quality improvement, protection, and conservation; development of an incubator business line focused on aquaculture and bluetech investments; compliance oversight of California Environmental Quality Act (CEQA) and California Coastal Act practices within the District's jurisdiction; communications and relationships with federal, state, and local elective and administrative bodies.

Departments in the Planning, Environmental Services Protection, Conservation, and Government Relations Division include:

- Aquaculture & Blue Technology (team)
- Development Services
- Energy (team)
- Environmental Conservation
- Environmental Protection
- Government & Civic Relations
- Planning

# Organization Chart

## DISTRICT ORGANIZATION CHART



## Budget Timetable

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The budget development process is integrated closely with strategic and project planning, where the entire management team conducts the review and the individual departments are given the control and accountability.

The Financial Analyst Team works with the Strategic Planning Team, all department Directors and the Executive Leadership Group to ensure that budget proposals support the District's Strategic Plan and that appropriate funding is available.

As a direct consequence of COVID-19, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted. At the March 10, 2020 Board meeting, a 2020 Budget Impact Ad Hoc Committee (Ad Hoc) was created to proactively address the financial impacts of the COVID-19 pandemic. Since the Ad Hoc was established, it has met on three occasions. The first meeting was held on March 20, 2020, and the focus of the discussion was the COVID-19 related impacts to FY 2020. The second meeting was held on April 3, 2020, and the focus of the discussion was on budget scenario planning for FY 2021. The third meeting was held on April 7, 2020, and the focus of the discussion was on the rent deferral program and the reintegration and reopening of the admin building. Staff has developed and worked with the Ad Hoc on three detailed scenarios for FY2021, entitled Worse Case, Base Case, and Better Case. Each case is based on carefully developed revenue projections that differ in the time it will take a variety of impacted business sectors to recover. Once the revenue projections were formulated, staff worked to address expense reductions to match the worse, base, and better revenue projections and identified in general what work will be impacted, and what work can be accomplished for each case.

**Special budget meeting.** Due to the negative impacts on the District's budget caused by the unforeseen COVID-19 pandemic, a special Board meeting was held on April 8, 2020. Staff presented the three scenarios and received direction from the Board to use the Base Case scenario. The direction given at the April 8, 2020 special meeting assisted staff in creating the preliminary budget.

**Preliminary budget adoption starts the public comment period.** Adoption of the preliminary budget occurs at the May Board meeting. Under the provisions of the Port Act, the preliminary budget must be adopted by June 15<sup>th</sup> each year which begins the public comment period. Not less than 30 days later, the Board considers the final budget for adoption.

**Final budget adoption follows the public comment period.** At its first meeting following the comment period, but no later than August 1<sup>st</sup>, the Board adopts the final budget, along with amendments to the Salary Ordinance for personnel changes included in the final budget. Ideally, this happens in June, prior to the start of the new fiscal year.

Once the budget is adopted, it is input into the *SAP Funds Management Accounting System (SAP-FM)* and the funds availability control, which tracks expenses against the budget, is activated.

**An appropriating ordinance may be required.** If no final budget is adopted by July 1<sup>st</sup>, a special ordinance is required to appropriate funds for continuing operations.

The budget is based on estimates made by departments prior to the end of the current fiscal year, and 16 to 17 months prior to the end of the budget year. Many events could occur after adoption that would make the actual results significantly different from the budget estimates.

Once adopted, the budget is not fixed. The budget can be amended at any time during the fiscal year by Board ordinance. Staff monitors budget results and programs throughout the fiscal year. Changes in plans, fluctuations in estimates, new programs for which no estimate was available, and other unexpected events may require a budget amendment.

Board of Port Commissioners (BPC) Policy No. 090 shall govern transfers between appropriated budget items.



## 3 Highlights

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## Revenue Highlights

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Total operating and non-operating revenues for the District are budgeted at \$165.7M, a decrease of \$48.9M, or 22.8%, from the prior fiscal year.

Trends affecting revenue are described below by profit center.

### Revenue by Profit Center

In previous years the budget has generally been developed on the belief that the national and local economy will continue to grow at a moderate pace. Revenues were projected by benchmarking major tenants, conducting tenant interviews, and using industry analysis to predict trends in revenue. Assumptions concerning prospective revenues from new and renegotiated leases were included. Revenues for leases scheduled to terminate are reduced by the probability that they will not be renewed. For leases with an option to expand facilities, revenues are reduced by the probability that the option will not be exercised.

Since concession revenue varies with economic conditions, the Real Estate revenue team performed a detailed analysis using recent data from multiple sources, published hotel industry forecasts, cruise ship activity projections, and convention bookings for 2020 and 2021. Actual year-to-date revenue, published hotel industry forecasts, cruise ship activity projections, and convention bookings were all reviewed and considered in developing the FY 2021 forecast.

Now, as this budget is prepared in Spring 2020, and as a direct consequence of the COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work, have been significantly and negatively impacted. The decreased revenue projections are based in part on industry information, information provided by our tenants and partners, and the number of current District tenants that have temporarily closed.

### Real Estate

Real Estate is budgeted at \$88.0M, a decrease of \$28.3M, or 24.3%. Differences from the FY 2020 revenue budget are projected in the following areas:

- Concession Revenue is budgeted at \$64.0M, a decrease of \$26.1M, or 29.0%. This decrease is mainly attributable to revenue projection reductions due to the anticipated adverse effects on the hotel and tourism industries as a result of the COVID-19 pandemic. Hotel percentage rent is close to three-fourths of all concession rent, followed by retail centers, marinas, and restaurants.
- Parking is budgeted at \$1.4M, a decrease of \$539k, or 27.6%. Parking revenue in the Real Estate department is limited to the Seaport Village retail center, and this decrease is primarily due to the anticipated adverse effects on the tourism industry, of which Seaport Village relies heavily, as a result of the COVID-19 pandemic.
- Seaport Village Common Area Maintenance is budgeted at \$1.4M, a decrease of \$1.6M, or 53.6%, primarily due to an expected reduction in common area expense reimbursements, which is partially related to tenant vacancies as the budgeted reimbursement rate is based on full occupancy, with no revenue received for vacant spaces.
- Seaport Village Marketing Fee is budgeted at \$375k, a decrease of \$358k, or 48.8%, primarily due to an expected reduction in marketing expense reimbursements, which is partially related to tenant vacancies as the budgeted reimbursement rate is based on full occupancy, with no revenue received for vacant spaces.
- Fixed Rent is budgeted at \$20.1M, an increase of \$407k, or 2.1%, primarily due to an increase in car rental lease revenue.



## Revenue Highlights

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### Port as a Service – Parking

Port as a Service - Parking is budgeted at \$11.6M, a decrease of \$4.6M, or 28.4%. Differences from the FY 2020 revenue budget are projected in the following areas:

- Parking is budgeted at \$7.4M, a decrease of \$2.8M, or 27.8%, mainly due to the anticipated adverse effects on visitation to Convention Center and Bayfront events as a result of the COVID-19 pandemic.
- Parking Meters is budgeted at \$2.6M, a decrease of \$1.1M, or 30.0%, mainly due to an anticipated reduction in demand at Tidelands parking meters as a result of the COVID-19 pandemic.
- Parking-Concession is budgeted at \$782k, a decrease of \$444k, or 36.2%, primarily due to anticipated decline in demand for long-term airport parking as a result of the COVID-19 pandemic.

### Maritime

Maritime is budgeted at \$33.8M, a decrease of \$6.4M, or 15.9%. Differences from the FY 2020 revenue budget are projected in the following areas:

- Wharfage is budgeted at \$8.5M, a decrease of \$3.3M, or 27.6%, primarily due to a lower projection in automobile units. The global COVID-19 pandemic has led to automobile manufacturing plant closures in Asia and Europe in the first quarter of 2020, as well as local dealership closures and lower market demand.
- Storage Space Rental is budgeted at \$1.5M, a decrease of \$989k, or 40.5%, primarily due to a lower projection in automobile storage at the National City Marine Terminal as a result of anticipated decline in automobile import.
- Concession Revenue is budgeted at \$1.8M, a decrease of \$612k, or 25.9%, due to lower projections in concession sales from harbor excursions and the marina in National City. These reductions, caused by the COVID-19 pandemic, are currently projected to slowly recover.
- Dockage is budgeted at \$1.8M, a decrease of \$552k, or 23.9%, due to lower projections in cruise and automobile vessels.
- Cruise Ship Passenger Fees is budgeted at \$1.9M, a decrease of \$443k, or 19.0%, due to lower projections in cruise vessel calls and cruise passengers as a result of the COVID-19 pandemic. Cruise activities are projected to recover in the second quarter of FY 2021.
- Fixed Rent is budgeted at \$16.1M, a decrease of \$439k, or 2.7%, due to an anticipated new lease at the National Distribution Center, budgeted in FY 2020, that did not materialize; as a result, reduced the FY 2021 budget accordingly.



## Revenue Highlights

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### Harbor Police

Harbor Police is budgeted at \$18.4M, an increase of \$627k, or 3.5%. The increase is primarily due to a reimbursement of expenses for lease space rental from the Department of Justice in relation to "Organized Crime Drug Enforcement Task Force."

The Harbor Police Department, in addition to serving the District tidelands, is the primary law enforcement agency at the San Diego County Regional Airport Authority (SDCRAA). The cost reimbursement for the police services provided to the SDCRAA is \$16.3M while the General and Administrative cost (G&A) reimbursement reported under the Miscellaneous profit center below is \$2.6M, bringing the total reimbursement to \$18.9M, same as prior year budget. The FY 2021 Public Services Provided revenue budget includes labor and burden based on actual individual officer's rate per pay period and department overhead.

Additionally, federal, state, and local grant reimbursements are budgeted at \$1.1M, a decrease of \$58k, or 5.0%, mainly due to the Department of Homeland Security funding for Operation Stone Garden, partially offset by a slight increase in the emergency management program.

### Miscellaneous

Projected other changes in revenue will occur primarily in the following areas:

- Grants – Capital Projects Reimbursement is budgeted at \$6.0M, a decrease of \$9.0M, or 59.9%. The decrease is primarily due to the completion of two grant-funded projects in FY 2020 - demolition and site improvement at Tenth Avenue Marine Terminal (TAMT) and the Chula Vista bike path. FY 2021 reimbursement consists primarily of a grant for the TAMT Microgrid Infrastructure project from the California Energy Commission to demonstrate the business case for microgrids in support of California's advancement of energy resiliency and greenhouse gas reduction program.
- Interest - Investments is budgeted at \$800k, a decrease of \$900k, or 52.9%. Investment earnings are expected to be lower than prior year budget due to the anticipated adverse impact in interest rates and capital markets from the COVID-19 pandemic.
- Partnership/Cost Sharing Reimbursement is budgeted at \$484k, a decrease of \$220k, or 31.2% mainly due to the schedule of cost sharing in the Regional Harbor Monitoring Program. The program provides \$1.0M every five years, which was received in FY 2019.
- Public Services Provided, which represents reimbursements for G&A costs associated with the SDCRAA agreement for Harbor Police services, is budgeted at \$2.6M, same as prior year budget.
- Donated Revenue, is budgeted at \$420k, a decrease of \$420k, or 50.0%. The decrease is primarily due to pausing work related to the Coronado Bridge Lighting project for FY 2021. This revenue primarily represents commercial and private donations, as well as tenant percent for art donations. The Tenant Percent for Art Program was established in BPC Policy No. 608 and requires tenants undertaking improvements to their leaseholds to provide a tenant percent for art allocation no less than 1% of the tenant improvement's total project cost. The revenue generated here primarily funds art projects, the largest of which is the Coronado Bridge Lighting Project.
- Car Rental Transaction Fee is budgeted at \$3.0M, same as prior year budget, due to the implementation of the fee at the end of FY 2018. This fee, while being recognized as revenue, represents funds that will be set aside for the purpose of constructing a parking structure that will be part of the Chula Vista Bayfront project.

## Revenue by Operating Center

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
<u>REAL ESTATE</u>					
Fixed Rent	\$ 20,230,477	\$ 19,648,200	\$ 20,055,000	\$ 406,800	2.1 %
Concession Revenue	82,972,799	90,070,100	63,994,200	(26,075,900)	(29.0)%
ACH Parking Facility Funding	222,502	222,500	226,300	3,800	1.7 %
Other Rental Revenue	114,000	—	—	—	N/A
Rents	\$ 103,539,778	\$ 109,940,800	\$ 84,275,500	\$ (25,665,300)	(23.3)%
Advertising	\$ 234,167	\$ 170,000	\$ 90,000	\$ (80,000)	(47.1)%
Parking	1,317,252	1,950,300	1,411,700	(538,600)	(27.6)%
Park Usage Fees	1,053,245	1,043,400	691,000	(352,400)	(33.8)%
Miscellaneous Other Operating Revenue	28,036	—	—	—	N/A
Reimbursed Cost/Cost Recovery	154,467	120,000	120,000	—	0.0 %
Seaport Village Common Area Maintenance	1,261,872	3,000,900	1,392,800	(1,608,100)	(53.6)%
Seaport Village Marketing Fee	388,100	732,200	374,600	(357,600)	(48.8)%
Waived Fees	(19,952)	—	—	—	N/A
Waived Fees-Tidelands Activation Program	(722,846)	(682,900)	(385,000)	297,900	(43.6)%
Fees & Service Charges	\$ 3,694,340	\$ 6,333,900	\$ 3,695,100	\$ (2,638,800)	(41.7)%
Damages Recovered	\$ 11,100	\$ —	\$ —	\$ —	N/A
Donated Revenue	18,940	—	—	—	N/A
Misc Other Non-Operating Revenue	19,273,851	—	—	—	N/A
Non-Operating Revenue	\$ 19,303,891	\$ —	\$ —	\$ —	N/A
<b>TOTAL REAL ESTATE</b>	<b>\$ 126,538,009</b>	<b>\$ 116,274,700</b>	<b>\$ 87,970,600</b>	<b>\$ (28,304,100)</b>	<b>(24.3)%</b>
<u>PORT AS A SERVICE - PARKING</u>					
Fixed Rent	\$ 454,656	\$ 457,200	\$ 356,400	\$ (100,800)	(22.0)%
Rents	\$ 454,656	\$ 457,200	\$ 356,400	\$ (100,800)	(22.0)%
Citations	849,368	851,700	636,200	(215,500)	(25.3)%
Parking	10,665,403	10,209,500	7,367,400	(2,842,100)	(27.8)%
Parking Meters	3,643,834	3,693,900	2,586,300	(1,107,600)	(30.0)%
Parking-Concession	1,508,391	1,225,900	782,400	(443,500)	(36.2)%
Reimbursed Cost/Cost Recovery	1,308	—	—	—	N/A
Waived Fees	(7,950)	—	—	—	N/A
Waived Fees-Tidelands Activation Program	(56,885)	(158,500)	(78,900)	79,600	(50.2)%
Fees & Service Charges	\$ 16,603,469	\$ 15,822,500	\$ 11,293,400	\$ (4,529,100)	(28.6)%
<b>TOTAL PORT AS A SERVICE - PARKING</b>	<b>\$ 17,058,125</b>	<b>\$ 16,279,700</b>	<b>\$ 11,649,800</b>	<b>\$ (4,629,900)</b>	<b>(28.4)%</b>

## Revenue by Operating Center

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
<u>MARITIME</u>					
Fixed Rent	\$ 15,684,221	\$ 16,564,800	\$ 16,125,600	\$ (439,200)	(2.7)%
Concession Revenue	2,257,540	2,364,600	1,752,200	(612,400)	(25.9)%
Storage Space Rental	2,796,489	2,442,500	1,453,800	(988,700)	(40.5)%
Other Rental Revenue	800,884	856,100	554,300	(301,800)	(35.3)%
Rents	\$ 21,539,134	\$ 22,228,000	\$ 19,885,900	\$ (2,342,100)	(10.5)%
Bunkering	\$ 46,787	\$ 39,300	\$ 22,800	\$ (16,500)	(42.0)%
Cruise Ship Passenger Fees	2,204,574	2,330,200	1,887,500	(442,700)	(19.0)%
Cruise Ship Passenger Security Charges	1,151,145	1,281,800	1,049,800	(232,000)	(18.1)%
Dockage	2,659,685	2,305,600	1,753,900	(551,700)	(23.9)%
Environmental Surcharge	12,267	9,700	21,600	11,900	122.7 %
Permit & License Fees	1,482	1,000	1,000	—	0.0 %
Parking	31,974	28,000	20,200	(7,800)	(27.9)%
Wharfage	10,930,116	11,809,700	8,547,100	(3,262,600)	(27.6)%
Miscellaneous Other Operating Revenue	83,962	270,000	145,800	(124,200)	(46.0)%
Maritime Incentive Credit	(22,000)	—	—	—	N/A
Waived Fees	(7,000)	(22,000)	(15,900)	6,100	(27.7)%
Waived Fees-Tidelands Activation Program	(117,911)	(252,500)	(70,900)	181,600	(71.9)%
Fees & Service Charges	\$ 16,975,081	\$ 17,800,800	\$ 13,362,900	\$ (4,437,900)	(24.9)%
Utilities Furnished	\$ 101,560	\$ 88,900	\$ 107,200	\$ 18,300	20.6 %
Reimbursed Cost/Cost Recovery	33,953	58,000	59,200	1,200	2.1 %
Services	\$ 135,513	\$ 146,900	\$ 166,400	\$ 19,500	13.3 %
Grant Revenue-Other	13,200	10,000	10,000	—	0.0 %
Low Carbon Fuel Standard (LCFS) Revenue	—	—	386,000	386,000	N/A
Non-Operating Revenue	\$ 13,200	\$ 10,000	\$ 396,000	\$ 386,000	3,860.0 %
<b>TOTAL MARITIME</b>	<b>\$ 38,662,929</b>	<b>\$ 40,185,700</b>	<b>\$ 33,811,200</b>	<b>\$ (6,374,500)</b>	<b>(15.9)%</b>
<u>HARBOR POLICE</u>					
Fixed Rent	\$ 7,656	\$ 7,600	\$ 7,600	\$ —	0.0 %
Rents	\$ 7,656	\$ 7,600	\$ 7,600	\$ —	0.0 %
Citations	\$ 141,264	\$ 115,000	\$ 130,000	\$ 15,000	13.0 %
Piers & Floats	225,442	200,000	210,000	10,000	5.0 %
Miscellaneous Other Operating Revenue	33,203	20,000	20,000	—	0.0 %
Fees & Service Charges	\$ 399,909	\$ 335,000	\$ 360,000	\$ 25,000	7.5 %
Public Services Provided	\$ 16,514,850	\$ 16,262,000	\$ 16,262,000	\$ —	0.0 %

## Revenue by Operating Center

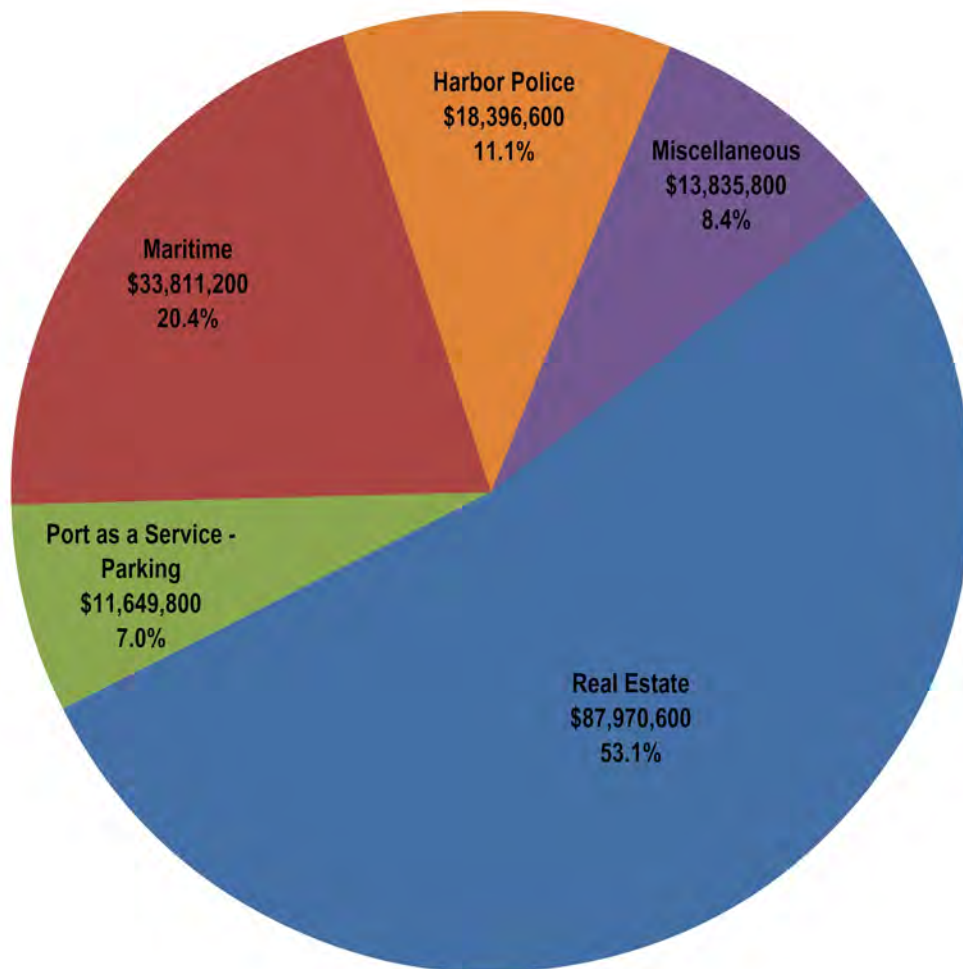
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Reimbursed Cost/Cost Recovery	146,386	15,000	30,000	15,000	100.0 %
Services	\$ 16,661,236	\$ 16,277,000	\$ 16,292,000	\$ 15,000	0.1 %
Damages Recovered	\$ 4,990	\$ —	\$ —	\$ —	N/A
Grant Revenue-Other	670,894	1,149,600	1,092,000	(57,600)	(5.0)%
Misc Other Non-Operating Revenue	(6)	—	645,000	645,000	N/A
Asset Forfeiture Proceeds-Harbor Police	239,482	—	—	—	N/A
Non-Operating Revenue	\$ 915,360	\$ 1,149,600	\$ 1,737,000	\$ 587,400	51.1 %
TOTAL HARBOR POLICE	\$ 17,984,161	\$ 17,769,200	\$ 18,396,600	\$ 627,400	3.5 %
<u>AQUACULTURE &amp; BLUE TECHNOLOGY</u>					
Concession Revenue	\$ 332	\$ —	\$ —	\$ —	N/A
Rents	\$ 332	\$ —	\$ —	\$ —	N/A
TOTAL AQUACULTURE & BLUE TECHNOLOGY	\$ 332	\$ —	\$ —	\$ —	N/A
<u>MISCELLANEOUS</u>					
Citations	\$ 1,800	\$ —	\$ —	\$ —	N/A
Miscellaneous Other Operating Revenue	98,526	—	—	—	N/A
Miscellaneous Other Operating Revenue	\$ 100,326	\$ —	\$ —	\$ —	N/A
Public Services Provided	\$ 2,523,192	\$ 2,624,300	\$ 2,624,300	\$ —	0.0 %
Reimbursed Cost/Cost Recovery	23,556	103,000	100,000	(3,000)	(2.9)%
Services	\$ 2,546,748	\$ 2,727,300	\$ 2,724,300	\$ (3,000)	(0.1)%
Partnership/Cost Sharing Reimbursement	\$ 1,170,213	\$ 703,500	\$ 484,000	\$ (219,500)	(31.2)%
Partnership/Cost Sharing Reimbursement	\$ 1,170,213	\$ 703,500	\$ 484,000	\$ (219,500)	(31.2)%
Damages Recovered	\$ 241,222	\$ —	\$ —	\$ —	N/A
Grants - Capital Project Reimbursement	8,715,645	15,084,195	6,047,500	(9,036,695)	(59.9)%
Grant Revenue-Other	368,293	53,700	—	(53,700)	(100.0)%
Donated Revenue	160,000	840,000	420,000	(420,000)	(50.0)%
Reimbursed Legal Fees	654,041	—	—	—	N/A
Legal Settlements	601,583	—	—	—	N/A
Misc Other Non-Operating Revenue	1,245,364	300,000	300,000	—	0.0 %
Car Rental Transaction Fees	4,646,460	3,000,000	3,000,000	—	0.0 %
Sale of Surplus Items - Proceeds	80,579	60,000	60,000	—	0.0 %
Non-Operating Revenue	\$ 16,713,188	\$ 19,337,895	\$ 9,827,500	\$ (9,510,395)	(49.2)%
Interest - Investments	\$ 2,511,720	\$ 1,700,000	\$ 800,000	\$ (900,000)	(52.9)%
Interest - Unamortized Bond Premium	56,548	—	—	—	N/A

## Revenue by Operating Center

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Unrealized Gain/Loss On Inv. (GASB 31)	761,277	—	—	—	N/A
Interest - Miscellaneous	363,548	—	—	—	N/A
Investment Revenue	\$ 3,693,094	\$ 1,700,000	\$ 800,000	\$ (900,000)	(52.9)%
Discounts Earned	\$ 2,916	\$ —	\$ —	\$ —	N/A
Other Revenue	\$ 2,916	\$ —	\$ —	\$ —	N/A
TOTAL MISCELLANEOUS	\$ 24,226,485	\$ 24,468,695	\$ 13,835,800	\$ (10,632,895)	(43.5)%
TOTAL REVENUE	\$ 224,470,041	\$ 214,977,995	\$ 165,664,000	\$ (49,313,995)	(22.9)%

## Revenue by Operating Center

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<b>TOTAL REVENUE</b>	<b>\$ 165,664,000</b>
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## Revenue by Account

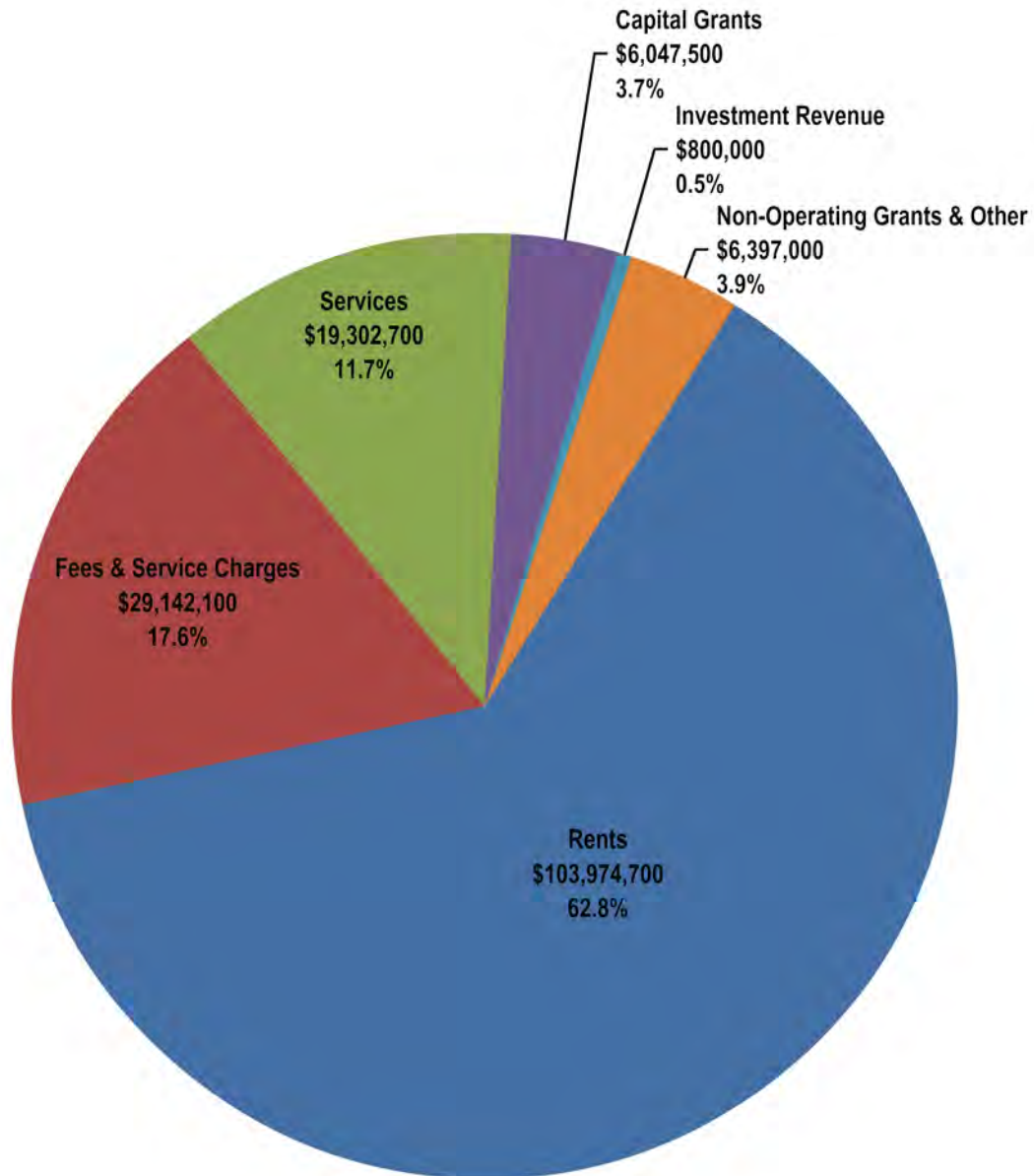
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Fixed Rent	\$ 36,377,010	\$ 36,677,800	\$ 36,544,600	\$ (133,200)	(0.4)%
Concession Revenue	85,230,671	92,434,700	65,746,400	(26,688,300)	(28.9)%
Storage Space Rental	2,796,489	2,442,500	1,453,800	(988,700)	(40.5)%
ACH Parking Facility Funding	222,502	222,500	226,300	3,800	1.7 %
Other Rental Revenue	914,884	856,100	554,300	(301,800)	(35.3)%
RE Revenue from Rent Reduction	1	—	—	—	N/A
Waived Fees	(34,902)	(22,000)	(15,900)	6,100	(27.7)%
Waived Fees-Tidelands Activation Program	(897,642)	(1,093,900)	(534,800)	559,100	(51.1)%
<b>RENTS</b>	<b>\$ 124,609,014</b>	<b>\$ 131,517,700</b>	<b>\$ 103,974,700</b>	<b>\$ (27,543,000)</b>	<b>(20.9)%</b>
Bunkering	\$ 46,787	\$ 39,300	\$ 22,800	\$ (16,500)	(42.0)%
Advertising	234,167	170,000	90,000	(80,000)	(47.1)%
Citations	992,432	966,700	766,200	(200,500)	(20.7)%
Cruise Ship Passenger Fees	2,204,574	2,330,200	1,887,500	(442,700)	(19.0)%
Cruise Ship Passenger Security Charges	1,151,145	1,281,800	1,049,800	(232,000)	(18.1)%
Dockage	2,659,685	2,305,600	1,753,900	(551,700)	(23.9)%
Environmental Surcharge	12,267	9,700	21,600	11,900	122.7 %
Permit & License Fees	1,482	1,000	1,000	—	0.0 %
Parking	12,014,630	12,187,800	8,799,300	(3,388,500)	(27.8)%
Parking Meters	3,643,834	3,693,900	2,586,300	(1,107,600)	(30.0)%
Parking-Concession	1,508,391	1,225,900	782,400	(443,500)	(36.2)%
Park Usage Fees	1,053,245	1,043,400	691,000	(352,400)	(33.8)%
Piers & Floats	225,442	200,000	210,000	10,000	5.0 %
Seaport Village Common Area Maintenance	1,261,872	3,000,900	1,392,800	(1,608,100)	(53.6)%
Seaport Village Marketing Fee	388,100	732,200	374,600	(357,600)	(48.8)%
Wharfage	10,930,116	11,809,700	8,547,100	(3,262,600)	(27.6)%
Miscellaneous Other Operating Revenue	243,727	290,000	165,800	(124,200)	(42.8)%
<b>FEES &amp; SERVICE CHARGES</b>	<b>\$ 38,571,894</b>	<b>\$ 41,288,100</b>	<b>\$ 29,142,100</b>	<b>\$ (12,146,000)</b>	<b>(29.4)%</b>
Public Services Provided	\$ 19,038,042	\$ 18,886,300	\$ 18,886,300	\$ —	0.0 %
Utilities Furnished	101,560	88,900	107,200	18,300	20.6 %
Maritime Incentive Credit	(22,000)	—	—	—	N/A
Reimbursed Cost/Cost Recovery	359,669	296,000	309,200	13,200	4.5 %
<b>SERVICES</b>	<b>\$ 19,477,271</b>	<b>\$ 19,271,200</b>	<b>\$ 19,302,700</b>	<b>\$ 31,500</b>	<b>0.2 %</b>
Partnership/Cost Sharing Reimbursement	\$ 1,170,213	\$ 703,500	\$ 484,000	\$ (219,500)	(31.2)%
<b>OTHER</b>	<b>\$ 1,170,213</b>	<b>\$ 703,500</b>	<b>\$ 484,000</b>	<b>\$ (219,500)</b>	<b>(31.2)%</b>
Damages Recovered	\$ 257,312	\$ —	\$ —	\$ —	N/A
Grants - Capital Project Reimbursement	8,715,645	15,084,195	6,047,500	(9,036,695)	(59.9)%



## Revenue by Account

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Grant Revenue-Other	1,052,387	1,213,300	1,102,000	(111,300)	(9.2)%
Donated Revenue	178,940	840,000	420,000	(420,000)	(50.0)%
Reimbursed Legal Fees	654,041	—	—	—	N/A
Legal Settlements	601,583	—	—	—	N/A
Misc Other Non-Operating Revenue	20,519,209	300,000	945,000	645,000	215.0 %
Low Carbon Fuel Standard (LCFS) Revenue	—	—	386,000	386,000	N/A
Car Rental Transaction Fees	4,646,460	3,000,000	3,000,000	—	0.0 %
Sale of Surplus Items - Proceeds	80,579	60,000	60,000	—	0.0 %
Asset Forfeiture Proceeds-Harbor Police	239,482	—	—	—	N/A
Interest - Investments	2,511,720	1,700,000	800,000	(900,000)	(52.9)%
Interest - Unamortized Bond Premium	56,548	—	—	—	N/A
Unrealized Gain/Loss On Inv. (GASB 31)	761,277	—	—	—	N/A
Interest - Miscellaneous	363,548	—	—	—	N/A
Discounts Earned	2,916	—	—	—	N/A
NON-OPERATING REVENUE	\$ 40,641,649	\$ 22,197,495	\$ 12,760,500	\$ (9,436,995)	(42.5)%
TOTAL REVENUE	\$ 224,470,041	\$ 214,977,995	\$ 165,664,000	\$ (49,313,995)	(22.9)%

## Revenue by Account



<b>TOTAL REVENUE</b>	<b>\$ 165,664,000</b>
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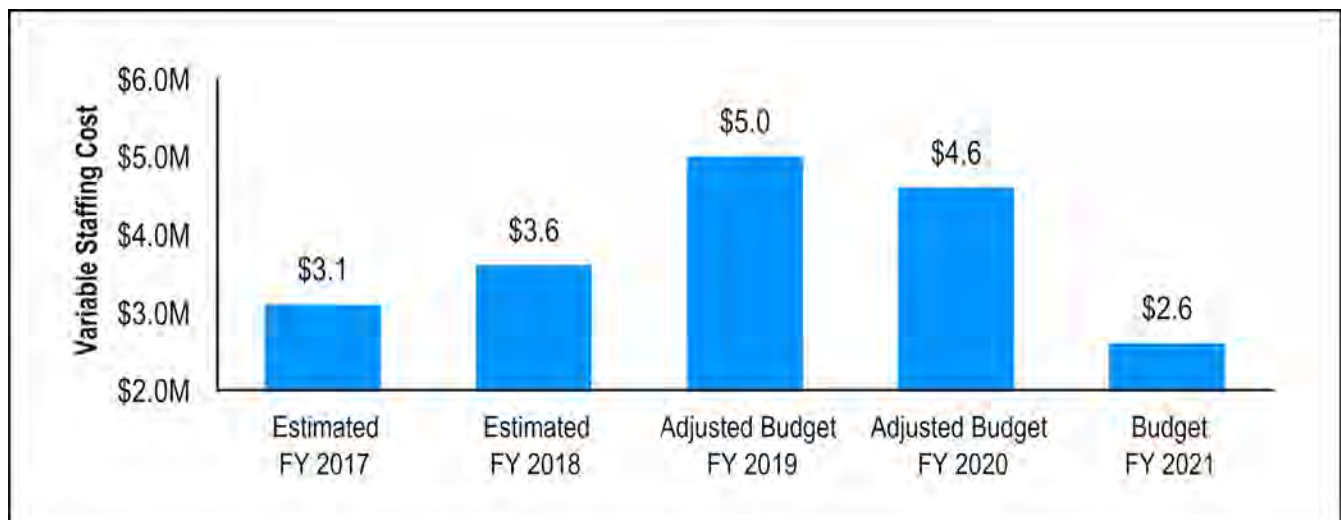
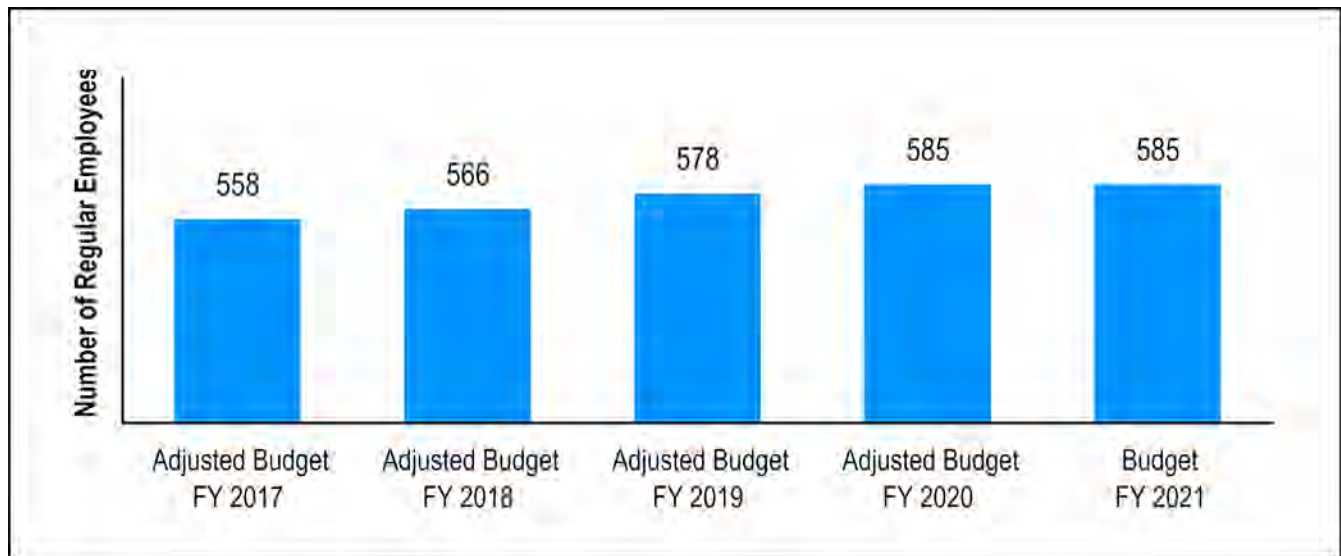
## Staffing Overview

The District personnel expenses consist of limited along with regular employees. The District continues to manage the increasing demands for resources along with executing the strategic goals presented herein by relying more on the flexibility of having variable staff. Services of limited may be reduced at any time as the nature of the services are limited in duration. For instance, by Personnel Rule 14, in the event of an economic downturn in finances, reductions would first occur in this variable subset of staffing that is budgeted in the Variable Staffing cost center. The variable personnel expense will still be included as part of the Total Personnel Expense Appropriation, consistent with prior year's budget.

The following cost-saving measures are being implemented:

- Released all Interns and Temporary Staff
- Stopped hiring for all vacant positions except Dispatcher positions and reduced overtime
- 2% pay-cut for all Unrepresented employees with annual salaries greater than \$75k
- Unfunded 28 vacant regular positions of the 585 budgeted

As we continue to monitor finances throughout the year, some additional strategies and measures may be implemented as needed.



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## Expense Highlights

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Total operating and non-operating expenses for the District are budgeted at \$156.7M, a decrease of \$18.5M, or 10.6%, from the prior fiscal year. As a direct consequence of the COVID-19 pandemic, the hospitality and maritime trade economic activity that generates the revenues necessary for our mission-critical work has dropped into dramatic decline. Unlike many public agencies, the District receives no tax funds to help stabilize revenues in the midst of this crisis. Once the revenue projections were calculated, staff turned to expenses to try to match as closely as possible the revenue projections in a managed approach to budgeting for expenses.

The expenses continue to include mission-critical and strategic projects which fulfill the District's mission and trust obligations. Significant budget-to-budget variances are projected in the following areas due to reductions of FY 2021 budgets to primarily focus on the cost of minimum work and regulatory requirements required to remain in compliance, and to advance our top priority projects during the COVID-19 pandemic:

### Personnel Expense

Fiscal Year 2021 Personnel Expense is budgeted at \$101.7M, a \$1.7M decrease or 1.6% from the previous year's adjusted budget. The following cost-saving measures are being implemented: Released all interns and temporary staff, stopped all hiring for vacant positions except dispatcher positions, reduced overtime, a 2% pay-cut for all unrepresented employees with annual salaries of \$75k and above, and unfunded 28 vacant regular positions of the 585 budgeted.

Budgeted Personnel Expense consists of Salaries & Wages, Overtime, and Burden.

- Salaries & Wages (not including Overtime) is budgeted at \$57.6M, a decrease of \$2.2M, or 3.7%.
- Burden is budgeted at \$41.3M, an increase of \$1.4M, or 3.4% from the prior fiscal year. This includes District-responsible payroll taxes and employee health benefits, as well as \$19.7M Actuarial Determined Contribution to the District's pension plan.

### Non-Personnel Expense

Overall, Non-Personnel Expense (NPE) is budgeted at \$57.2M, a decrease of \$18.6M, or 24.5%, from the prior fiscal year. Significant budget-to-budget variances for certain NPE accounts are due to reductions in FY 2021 budgets to primarily focus on the cost of minimum work and regulatory requirements required to remain in compliance, and to advance our top priority projects during the COVID-19 pandemic:

- Services - Professional & Other is budgeted at \$6.8M, a decrease of \$4.7M, or 41.1%.
- Services - Security is budgeted at \$2.0M, a decrease of \$225k, or 10.0%.
- Space Rental is budgeted at \$1.1M, an increase of \$216k, or 25.8%.
- Common Area Maintenance is budgeted at \$2.0M, a decrease of \$1.2M, or 37.2%.
- Major Maintenance Expense is budgeted at \$510k, a decrease of \$140k, or 21.5%.
- Tenant Improvements are not budgeted in FY 2021 as work is suspended during the pandemic.
- Joint Programs/Studies Assistance is budgeted at \$673k, a decrease of \$600k, or 47.1%.

### Capitalized Labor

Capitalized labor is budgeted at \$2.2M, a decrease of \$1.8M, or 44.9%, from the prior fiscal year. Capitalized labor is internal labor costs (personnel and overhead) that are directly incurred in the development and construction of approved capital projects.

## Expense Highlights

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Generally Accepted Accounting Principles (GAAP) requires capitalization of these costs and since these costs are already included in the Salaries & Wages and the associated NPE for overhead, capital labor is considered a reduction in expense when capitalized. Capitalized labor for FY 2021 is included in the CIP, MM, Other Capital Projects, and TMP project budgets.



## Expense by Account

LINE ITEM	ACTUAL	ADJUSTED	BUDGET	CHANGE	
	RESULTS	BUDGET		FY 2021-2020	%
	FY 2019	FY 2020	FY 2021	BUDGET	CHANGE
Salaries & Wages	\$ 54,085,689	\$ 59,844,300	\$ 57,636,000	\$ (2,208,300)	(3.7)%
Overtime	3,248,928	3,276,700	2,775,400	(501,300)	(15.3)%
Temporary Personnel	107,250	342,300	—	(342,300)	(100.0)%
<b>SALARIES &amp; WAGES</b>	<b>\$ 57,441,867</b>	<b>\$ 63,463,300</b>	<b>\$ 60,411,400</b>	<b>\$ (3,051,900)</b>	<b>(4.8)%</b>
Burden Expense	\$ 36,594,316	\$ 39,917,800	\$ 41,269,700	\$ 1,351,900	3.4 %
<b>SUBTOTAL PERSONNEL</b>	<b>\$ 94,036,183</b>	<b>\$ 103,381,100</b>	<b>\$ 101,681,100</b>	<b>\$ (1,700,000)</b>	<b>(1.6)%</b>
Awards - Service	\$ 1,140	\$ 5,200	\$ 700	\$ (4,500)	(86.5)%
Books & Periodicals	82,285	66,400	40,900	(25,500)	(38.4)%
Employee Recognition	36,895	46,700	8,100	(38,600)	(82.7)%
Memberships & Dues	331,798	309,300	157,400	(151,900)	(49.1)%
Health & Wellness	5,196	1,500	200	(1,300)	(86.7)%
Recruiting	213,925	36,000	12,200	(23,800)	(66.1)%
Seminars & Training	463,252	742,100	249,600	(492,500)	(66.4)%
Tuition Reimbursement Program	48,335	55,000	31,600	(23,400)	(42.5)%
<b>STAFF DEVELOPMENT</b>	<b>\$ 1,182,826</b>	<b>\$ 1,262,200</b>	<b>\$ 500,700</b>	<b>\$ (761,500)</b>	<b>(60.3)%</b>
Mileage Reimbursement	\$ 214,992	\$ 227,800	\$ 177,200	\$ (50,600)	(22.2)%
Travel	638,417	666,900	216,800	(450,100)	(67.5)%
<b>TRAVEL</b>	<b>\$ 853,409</b>	<b>\$ 894,700</b>	<b>\$ 394,000</b>	<b>\$ (500,700)</b>	<b>(56.0)%</b>
Services - Professional & Other	\$ 14,969,975	\$ 11,474,381	\$ 6,754,500	\$ (4,719,881)	(41.1)%
Services - Legal - Port Attorney	2,269,811	2,931,400	1,524,500	(1,406,900)	(48.0)%
Services - Security	1,914,302	2,252,200	2,026,800	(225,400)	(10.0)%
Services - Operator Retention	2,821,477	2,780,500	1,970,400	(810,100)	(29.1)%
Aquaculture & Blue Technology	137,000	450,000	195,000	(255,000)	(56.7)%
<b>CONTRACTUAL SERVICES</b>	<b>\$ 22,112,565</b>	<b>\$ 19,888,481</b>	<b>\$ 12,471,200</b>	<b>\$ (7,417,281)</b>	<b>(37.3)%</b>
Breakage & Obsolescence	\$ 1,039	\$ —	\$ —	\$ —	N/A
Equipment & Systems	2,869,584	2,342,700	2,006,000	(336,700)	(14.4)%
Equipment Rental/Leasing	224,670	337,900	250,500	(87,400)	(25.9)%
Office & Operating Supplies	326,787	319,400	232,600	(86,800)	(27.2)%
Postage & Shipping	48,665	37,600	37,600	—	0.0 %
Safety Equipment & Supplies	280,375	438,500	316,400	(122,100)	(27.8)%
Small Tools	71,630	34,000	20,900	(13,100)	(38.5)%
Fuel & Lubricants	674,155	638,500	668,900	30,400	4.8 %
Parking Meter Supplies	1,831	12,000	12,000	—	0.0 %
Blueprints	64	500	—	(500)	(100.0)%
Uniforms	295,385	307,700	291,600	(16,100)	(5.2)%

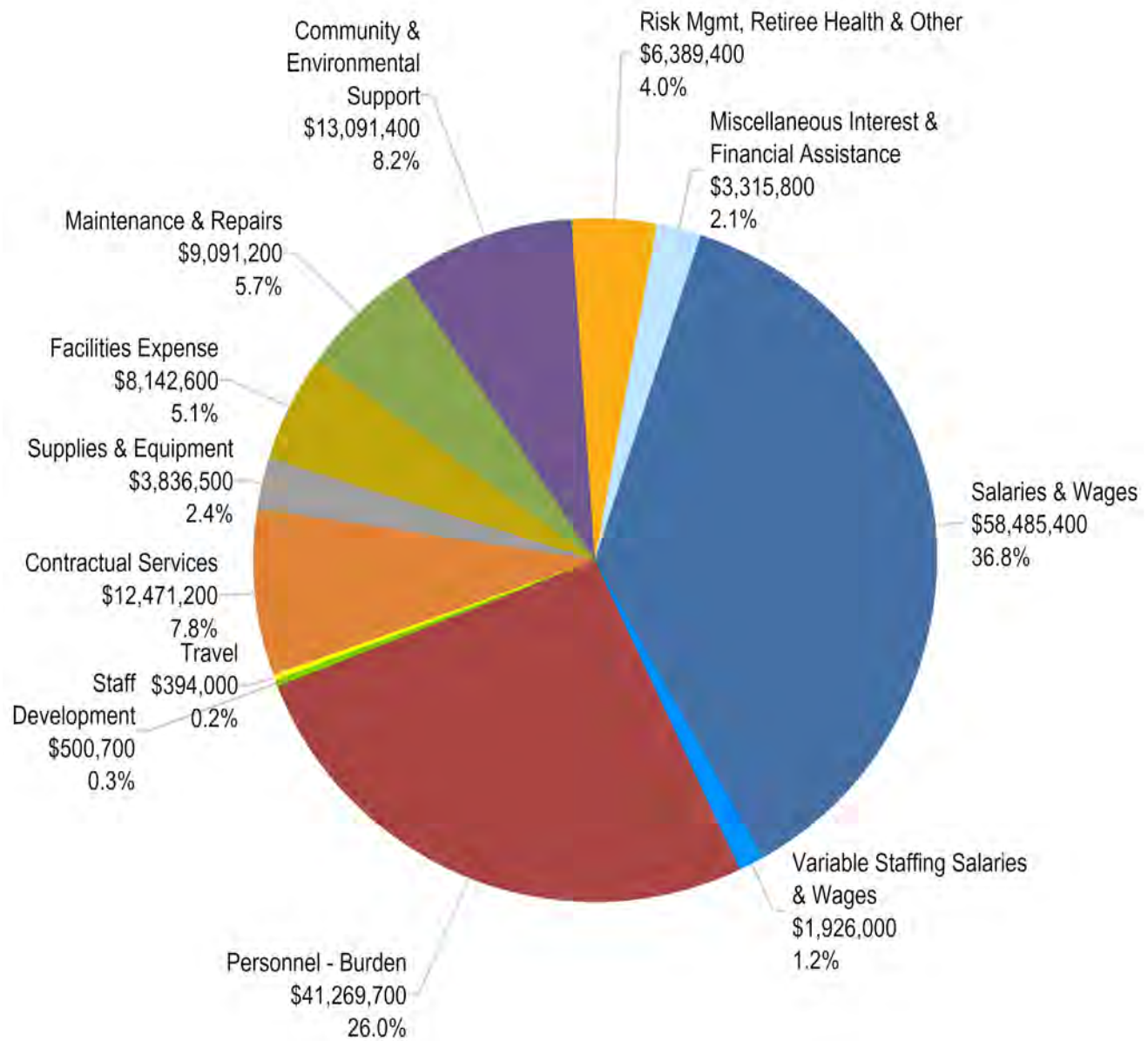
## Expense by Account

LINE ITEM	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
SUPPLIES & EQUIPMENT	\$ 4,794,187	\$ 4,468,800	\$ 3,836,500	\$ (632,300)	(14.1)%
Space Rental	\$ 426,331	\$ 836,000	\$ 1,051,700	\$ 215,700	25.8 %
Telephone & Communications	1,153,573	1,254,400	1,322,300	67,900	5.4 %
Utilities - Gas & Electric	1,820,257	1,696,300	1,690,000	(6,300)	(0.4)%
Utilities - Water	1,284,725	1,427,800	1,500,000	72,200	5.1 %
Facility Management Services	5,463,865	3,054,200	2,578,600	(475,600)	(15.6)%
FACILITIES EXPENSE	\$ 10,148,751	\$ 8,268,700	\$ 8,142,600	\$ (126,100)	(1.5)%
Common Area Maintenance	\$ —	\$ 3,187,500	\$ 2,000,300	\$ (1,187,200)	(37.2)%
Facilities Maintenance - Supplies	1,009,125	807,000	610,800	(196,200)	(24.3)%
Facilities Maintenance - Outside Services	3,045,610	3,748,800	2,753,300	(995,500)	(26.6)%
Major Maintenance Expense	221,283	650,000	510,000	(140,000)	(21.5)%
Equipment Maintenance - Supplies	296,001	279,500	279,200	(300)	(0.1)%
Equipment Maintenance - Outside Services	1,784,375	2,113,200	1,472,000	(641,200)	(30.3)%
As - Needed Maintenance	1,061,657	970,600	601,400	(369,200)	(38.0)%
Software Maintenance	903,101	992,400	864,200	(128,200)	(12.9)%
Tenant Improvements	—	1,537,200	—	(1,537,200)	(100.0)%
MAINTENANCE & REPAIRS	\$ 8,321,152	\$ 14,286,200	\$ 9,091,200	\$ (5,195,000)	(36.4)%
Advertising	\$ 32,272	\$ 55,300	\$ 45,400	\$ (9,900)	(17.9)%
Marketing Fees	—	788,600	580,400	(208,200)	(26.4)%
Marketing/Outreach	2,200,236	2,579,500	923,000	(1,656,500)	(64.2)%
Promotional Services	464,626	467,600	122,500	(345,100)	(73.8)%
Promotional Materials	167,849	172,000	66,900	(105,100)	(61.1)%
Svcs - Fire, Police, Rescue, Emergency	7,995,558	8,143,400	8,329,800	186,400	2.3 %
Eligible Environmental Fund Expenditures	2,107,574	1,321,800	900,000	(421,800)	(31.9)%
Grant Funded Expenditures	443,122	500,545	536,400	35,855	7.2 %
Public Art Fund Expenditures	314,746.27	820,000	400,000	(420,000)	(51.2)%
Remediation	74,007	50,000	300,000	250,000	500.0 %
Refuse & Hazardous Waste Disposal	195,700	159,000	159,000	—	0.0 %
Joint Programs/Studies Assistance	738,425	1,272,400	672,600	(599,800)	(47.1)%
Public Art Program	54,105	175,000	55,400	(119,600)	(68.3)%
COMMUNITY & ENVIRONMENTAL SUPPORT	\$ 14,788,222	\$ 16,505,145	\$ 13,091,400	\$ (3,413,745)	(20.7)%
Bank & Credit Card Fees	\$ 358,418	\$ 382,900	\$ 268,100	\$ (114,800)	(30.0)%
Insurance	1,259,977	1,401,500	1,998,100	596,600	42.6 %
Insurance Claims	—	5,000	800	(4,200)	(84.0)%
Permits/Certificates/License	30,319	62,100	56,400	(5,700)	(9.2)%
Legal Settlements	148,808	—	—	—	N/A

## Expense by Account

LINE ITEM	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Retiree Health Benefits (Paid)	3,616,196	3,322,300	3,642,000	319,700	9.6 %
Preservation of Benefits Plan (POB)	243,000	265,000	265,000	—	0.0 %
Other Miscellaneous Operating Expenses	(299,183)	1,060,700	159,000	(901,700)	(85.0)%
RISK MGMT, RETIREE HEALTH & OTHER	\$ 5,357,535	\$ 6,499,500	\$ 6,389,400	\$ (110,100)	(1.7)%
SUBTOTAL NON-PERSONNEL	\$ 67,558,647	\$ 72,073,726	\$ 53,917,000	\$ (18,156,726)	(25.2)%
Capitalized Labor	\$ (3,579,661)	\$ (3,989,500)	\$ (2,200,000)	\$ 1,789,500	(44.9)%
SUBTOTAL OPERATING	\$ 158,015,168	\$ 171,465,326	\$ 153,398,100	\$ (18,067,226)	(10.5)%
Financial Assistance/Grants/Contributions	\$ 50,086	\$ 1,078,165	\$ 865,000	\$ (213,165)	(19.8)%
FINANCIAL ASSISTANCE	\$ 50,086	\$ 1,078,165	\$ 865,000	\$ (213,165)	(19.8)%
Interest-SDCRAA, NEVP, & Other Misc	\$ 1,850,349	\$ 1,718,700	\$ 1,560,700	\$ (158,000)	(9.2)%
Interest Expense - Series A 2004 Bonds	76,608	9,800	—	(9,800)	(100.0)%
Interest Expense - Series A 2013 Bonds	984,329	963,900	890,100	(73,800)	(7.7)%
MISCELLANEOUS INTEREST	\$ 2,911,285	\$ 2,692,400	\$ 2,450,800	\$ (241,600)	(9.0)%
Seized Asset/Forfeitures-Harbor Police	\$ 88,272	\$ —	\$ —	\$ —	N/A
Other Misc Non-Operating Expense	6,357	—	—	—	N/A
OTHER MISCELLANEOUS	\$ 94,629	\$ —	\$ —	\$ —	N/A
SUBTOTAL NON-OPERATING	\$ 3,056,000	\$ 3,770,565	\$ 3,315,800	\$ (454,765)	(12.1)%
TOTAL	\$ 161,071,169	\$ 175,235,891	\$ 156,713,900	\$ (18,521,991)	(10.6)%

## Expense by Account



EXPENSE	\$ 158,913,900
CAPITALIZED LABOR	(2,200,000)
TOTAL EXPENSE	\$ 156,713,900

## Debt Management Highlights

Promissory Note to the SDCRAA. As part of the January 2003 transfer of the airport, the District issued a \$50.0M promissory note to SDCRAA. In accordance with the May 20, 2004 settlement agreement, the note is being amortized over 25 years beginning in January 2006 at a fixed interest rate of 5.5% per annum.

Revenue Bonds. The District issued revenue bonds on October 28, 2004. The debt issuance consisted of \$23.0M Series A and \$26.5M Series B bonds for a total of \$49.5M. The 2004 series A bonds were fully paid in August 2019. The bonds were issued to reimburse the District for previously incurred expenditures on Capital Improvement Program (CIP) projects approved by the Board of Port Commissioners.

On November 20, 2013, the District refunded its \$26.5M Series B 2004 Bonds which resulted in the issuance of \$25.5M Series A 2013 Revenue Bonds for a term of 16 years with interest rates ranging from 2.0% to 5.0% with maturity dates ranging from September 1, 2014 to September 1, 2029.

Civic San Diego (formerly, Center City Development Corporation). In April 2007, the City of San Diego and the Redevelopment Agency of the City of San Diego, acting through Civic San Diego, executed a Joint Exercise of Power Agreement (JPA) to design and implement the NEVP Phase I project.

The first amendment to the JPA was executed on February 28, 2011. Project costs for the first phase are shared equally between the District and Civic San Diego at \$14.3M each. Project costs have subsequently increased to \$15.6M. The District commenced repaying Civic San Diego \$850k annually on July 1, 2013 at a fixed interest rate of 4.77% per annum. After applying certain credits for previous work on Broadway Pier, principal payments, and offsets for future maintenance and security credits of \$7.9M, the loan balance as of June 30, 2019 is \$1.4M. The Civic San Diego loan will be fully paid in FY 2021.

Debt Service Payments FY 2021. Payments are estimated at \$7.5M (see table below).

Debt Limits. According to section 28 of the Port Act, the District may not incur general obligation bonded debt that exceeds 15.0% of the assessed value of its real and personal property. There are also statutory debt limits that further constrain the District borrowing. At this time, the District does not have any general obligation bonds outstanding. The District has never failed to pay its principal and interest payments when due.

### DEBT SERVICE PAYMENTS

	PRINCIPAL	INTEREST	BUDGET FY 2021
SDCRAA Promissory Note	\$ 2,123,800	\$ 1,560,700	\$ 3,684,500
2013 Revenue Bonds (Series A)	1,995,000	1,153,800	3,148,800
Civic San Diego	665,700	—	665,700
<b>TOTAL</b>	<b>\$ 4,784,500</b>	<b>\$ 2,714,500</b>	<b>\$ 7,499,000</b>

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## Equipment Outlay and Other Capital Projects

DEPARTMENT	DESCRIPTION	QTY	BUDGET FY 2021
Energy	DESIGN OF ENERGY EFFICIENCY PROJECTS <sup>(1) (3)</sup>	1	\$ 100,000
Energy	EV CHARGING STATION IN PUBLIC PARK <sup>(2) (3)</sup>	1	25,000
		2	\$ 125,000
General Services	1 TON TRUCK DIESEL	1	\$ 84,000
General Services	12 FOOT VESSEL W/TRAILER	1	40,000
General Services	3/4 TON TRUCK HYBRID	2	150,000
General Services	COMPACT VAN HYBRID	1	53,000
General Services	HEAVY DUTY EQUIPMENT TRAILERS	2	16,000
General Services	HIGH VOLTAGE MAIN SWITCHBOARD	1	30,000
General Services	VESSEL PUMP OUT STATION <sup>(6)</sup>	5	72,000
		13	\$ 445,000
Harbor Police	911 CALL TAKING POSITION	1	\$ 10,000
Harbor Police	COASTAL SURVEILLANCE VIDEO STORAGE (IB) <sup>(4)</sup>	1	25,000
Harbor Police	COMMAND STAFF VEHICLES	1	34,500
Harbor Police	COMMAND VEH BUILDOUT (IB) <sup>(4)</sup>	1	20,000
Harbor Police	MESH NETWORK FOR PORT-WIDE UNIFIED COMMAND (PSGP FY 18) <sup>(5)</sup>	1	60,000
Harbor Police	MOTOROLA RADIO CONSOLES	2	20,000
Harbor Police	PATROL VEHICLE BUILDOUT	3	105,000
Harbor Police	POLICE PATROL VEHICLE	3	120,000
Harbor Police	PORTABLE APX RADIOS	3	21,000
Harbor Police	SECURITY IMPROVEMENTS AT HPD	1	55,000
Harbor Police	SUV (INVESTIGATIONS)	1	40,000
Harbor Police	UTILITY TERRAIN VEHICLES (CITY OF IB) <sup>(4)</sup>	2	37,800
		20	\$ 548,300
Information Technology	THERMAL CAMERAS-MARINE SECURITY OPS	3	\$ 75,000
		3	\$ 75,000
Maritime	6' X 20' YOKOHAMA FENDERS	2	\$ 36,000
Maritime	7' X 14' YOKOHAMA FENDERS	1	22,000
Maritime	COAST GUARD BUILDOUT <sup>(3)</sup>	1	2,200,000
Maritime	CSS SUPER CELL FENDER 800	1	6,000
Maritime	LED LIGHT FIXTURES (NCMT)	1	40,000
		6	\$ 2,304,000
Real Estate	SEAPORT VILLAGE TENANT IMPROVEMENTS <sup>(3)</sup>	1	\$ 2,764,000
		1	\$ 2,764,000
<b>TOTAL</b>		<b>45</b>	<b>\$ 6,261,300</b>

Notes:

<sup>(1)</sup> Reimbursable through a local partnership program with SDG&E<sup>(2)</sup> Funded from Environmental Fund<sup>(3)</sup> Other Capital Projects<sup>(4)</sup> Per the Municipal Services Agreement with the City of Imperial Beach, the District provides equipment for lifeguard services<sup>(5)</sup> Partially grant funded<sup>(6)</sup> District match for a proposed grant from CA State Parks Division of Boating and Waterways



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## Seaport Village Highlights

Seaport Village is a tourist-oriented specialty retail shopping center consisting of approximately 90,000 square feet of specialty retailers, restaurants, outdoor entertainment, and parking on an approximately 14-acre Bayfront site located at 849 West Harbor Drive in San Diego, California. Seaport Village was managed and operated by Terramar Retail Centers, LLC (Terramar) on behalf of Seaport Village Operating Company, LLC under a long-term ground lease which expired on September 30, 2018. The District assumed ownership of the Seaport Village assets on October 1, 2018, which consist of 32 buildings and one over-water structure. The property has 57 tenants and is currently managed and operated by a property management company on the District's behalf.

For FY 2021, the District is budgeting approximately \$7.3M in revenue for Seaport Village, which consists of four categories: base rent generated from tenant leases (fixed and concession revenue), common area maintenance (CAM) fee recovery income, marketing fee recovery income, and parking revenue. The District is budgeting approximately \$2.8M in operating expenses for Seaport Village, based on the following three categories: projected leasing commissions to the District's commercial broker for leasing vacant spaces; management's operating budget for the day-to-day management, operation, and maintenance of Seaport Village; and marketing expenditures to spread the word about this unique waterfront venue. The District is also budgeting \$2.8M in investment spending for tenant improvements. By investing in these expenditures, the District will be taking a proactive approach in order to ensure that Seaport Village operates efficiently and continues to serve as a vibrant and prosperous waterfront destination for residents, visitors and the businesses that operate it until the redevelopment of the Central Embarcadero commences.

SUMMARY OF SEAPORT VILLAGE REVENUE AND EXPENDITURES	BUDGET FY 2021
<u>Revenue Sources:</u> <sup>(1)</sup>	
Fixed Rent	\$ 28,000
Concession Revenue	4,092,600
Common Area Maintenance	1,392,800
Marketing Fee	374,600
Parking Revenue	1,411,700
Total Revenue Sources	\$ 7,299,700
<u>Operating Expenses:</u> <sup>(2)</sup>	
Broker Services	\$ 200,000
Common Area Maintenance <sup>(3)</sup>	2,000,300
Marketing Fee	580,400
Total Operating Expenses	\$ 2,780,700
Operating Income	\$ 4,519,000
<u>Investment Spending:</u>	
Tenant Improvements <sup>(4)</sup>	\$ 2,764,000
Total Investment Spending	\$ 2,764,000
Total Income After Investment Spending	\$ 1,755,000

Notes:

- (1) Revenue sources for Seaport Village are budgeted in the Real Estate profit center (see Section 3, Page 6)  
 (2) Operating expenses are budgeted in Real Estate  
 (3) Management's operating budget is included in Common Area Maintenance expense  
 (4) Tenant Improvements are budgeted in Equipment Outlay and Other Capital Projects (see Section 3, Page 25)

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## Public Art Fund Highlights

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In 1982, the Public Art Fund was established in BPC Policy No. 609: Public Art Programs, for the purpose of accumulating funds for the inclusion of public artworks within the tidelands of the District's five member cities to help create a vibrant waterfront destination. Since then, most of the 70 permanent public artworks now in the District's "Tidelands Collection," plus numerous temporary artwork exhibitions, have been funded from the Public Art Fund. Though originally funded by an annual budget set-aside equivalent to a fraction of one-percent of the District's projected annual gross revenues, plus accrued interest, the Public Art Fund has since become, as well, a depository for funds received from other sources, such as: tenant percent for art in-lieu of contributions; aggregated percent for art contributions from Capital Improvement Program projects; art-related grants, donations or bequests from outside sources; and any future income that may accrue from the potential sale, loan or licensing of artworks. Monies in the Public Art Fund are reserved for expenditures for special art acquisitions or exhibitions of exceptional merit, quality, and significance for the tidelands and the greater San Diego region.

The District's vision for the waterfront includes investing in the community through creative placemaking with innovative artworks, cultural programming, and activation opportunities that enhance the visual excitement and cultural richness of District tidelands. Waterfront Arts & Activation staff provides leadership, advocacy, and support for arts and culture programming that contributes to the creative economy and economic vitality of the region. The 13-member Arts, Culture & Design Committee serves as an advisory panel to staff and the Board of Port Commissioners and supports the development of arts and cultural programs within the District's jurisdiction.

### Coronado Bridge Lighting Project

In FY 2021, the District will continue progressing through Phase 2 of the bridge lighting project, which commenced during the third quarter of FY 2018 and is projected to continue through mid-FY 2023. During Phase 2, the design team consisting of the artist, architectural lighting specialists, and consulting engineers, will continue developing and updating the bridge lighting concept design and documenting its full project description in a project report. Concurrently during FY 2021, work will advance on the project's Phase 3 design development with a goal of achieving 60% design submittal within the fiscal year.

The Phase 2 project report will be subject to engineering review and approval by the California Department of Transportation (Caltrans) and will serve as the basis for environmental studies and reviews, including preparation and certification of the environmental document in accordance with the California Environmental Quality Act (CEQA). The goal of the project is to illuminate the San Diego-Coronado Bridge with an artistic and dynamic colored light-emitting diode (LED) lighting installation that is computer programmable and powered by sustainable energy sources. The project is being funded through charitable donations from businesses and the public, plus in-lieu percent-for-art contributions from District tenants.

# Public Art Fund Highlights

## SUMMARY OF PUBLIC ART FUND

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021
Beginning Balance	\$ 1,073,715	\$ 920,800	\$ 837,300
<u>Income Sources</u>			
Interest Income <sup>(1)</sup>	\$ 21,844	\$ 26,500	\$ 6,300
Donation <sup>(2)</sup>	—	820,000	400,000
Tenant Percent for Art in-lieu of Contributions	140,000	—	—
Total Income	\$ 161,844	\$ 846,500	\$ 406,300
<u>Expenditures</u>			
Public Art <sup>(3)</sup>	\$ 300,091	\$ 820,000	\$ 400,000
Capital Projects <sup>(4)</sup>	14,655	110,000	—
Total Expenditures	\$ 314,746	\$ 930,000	\$ 400,000
Ending Balance	\$ 920,813	\$ 837,300	\$ 843,600

### Notes:

- <sup>(1)</sup> Monies placed in the Fund shall be accounted for separately from other District funds and any earnings thereon shall accrue to the Fund
- <sup>(2)</sup> Donation includes donations from fundraising efforts towards the Coronado Bridge Lighting project as well as a Tenant percent for art in-lieu of contributions
- <sup>(3)</sup> Public Art expenses are primarily for the Coronado Bridge Lighting project, and funds will not be expended if donations are not received
- <sup>(4)</sup> FY 2020 Budget is for art works

## Environmental Fund Highlights

In 2006, the Environmental Fund was established by BPC Policy 730: the Port Environmental Advisory Committee Policy, for the purpose of reviewing and providing input and recommendations on District environmental programs and initiatives, and commenting on funding projects aimed at improving the condition of the Bay and surrounding District tidelands. In approving the policy, the Board of Port Commissioners created both the Environmental Advisory Committee (Committee) and the Environmental Fund (Fund). The key component of the Committee and Fund is to support projects that ensure the District's compliance with environmental laws and regulations, as well as, advising the Board on actions that can be taken for the protection and improvement of the environmental conditions of the Bay and surrounding tidelands. Additionally, the Committee and Fund meet the District's goal of "A Port with a healthy and sustainable bay and its environment." To date, the Fund has supported more than 82 projects worth over \$15 million with the projects bringing in over \$11 million in matching funds. The Fund specifically supports projects that address air, water and sediment quality; sustainability and climate action planning; natural resources and endangered species management; habitat creation, restoration or protection; reclaiming natural shoreline conditions; environmental education; research and monitoring; and/or other issues in the Bay and/or the tidelands. The 18 member Committee is an advisory committee to staff and the Board and consists of stakeholder representatives from environmental advocacy groups, the US Navy, regulatory agencies, resource agencies, member cities, academia, local business, and labor.

The Environmental Fund is funded in accordance with BPC Policy No. 730, which sets aside one-half of one percent (1/2 of 1%) of the District's projected gross revenues for that year. The gross revenue shall not include anticipated grants from any source or any other restricted revenue source.

INITIATIVES	DESCRIPTION OF EXPENDITURES	BUDGET FY 2021
AIR QUALITY	MARITIME CLEAN AIR PROJECTS	\$ 50,000
ENDANGERED SPECIES	CLAPPER RAIL PROPAGATION PROGRAM	20,000
ENVIRONMENTAL EDUCATION	ENVIRONMENTAL EDU SCHOOL PARTNERSHIP	171,600
MITIGATION/RESTORATION	ON-CALL PLANNING - MITIGATION BANKING	29,700
MITIGATION/RESTORATION	MITIGATION BANKING	285,000
MITIGATION/RESTORATION	SHORELINE EROSION STUDY-OYSTER REEF	20,000
RESEARCH & MONITORING	BAYWIDE ECOLOGICAL ANALYSES	145,000
RESEARCH & MONITORING	BAYWIDE COLLABORATION	107,000
RESEARCH & MONITORING	COASTAL AND BAY CLEAN-UPS	15,200
RESEARCH & MONITORING	CV BAYFRONT SETTLEMENT AGREEMENT	30,000
RESEARCH & MONITORING	EELGRASS SURVEYS	16,000
SUSTAINABILITY	GREEN MARINE PARTICIPATION	10,500
	TOTAL NON-CAPITAL PROJECT COSTS	\$ 900,000
SUSTAINABILITY	EV CHARGING STATION IN PUBLIC PARK	25,000
	TOTAL CAPITAL PROJECT COSTS	\$ 25,000
	TOTAL EXPENDITURES	\$ 925,000

# Environmental Fund Highlights

## SUMMARY OF ENVIRONMENTAL FUND

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021
Beginning Balance	\$ 3,514,452	\$ 1,237,000	\$ 961,900
<u>Income Sources</u>			
Port Revenues for Environmental Fund <sup>(1)</sup>	\$ 166,104,200	\$ 167,526,670	\$ 127,585,720
Set-Aside Percentage	0.5%	0.5%	0.5%
Total Set-Aside	\$ 830,500	\$ 837,600	\$ 637,900
Total Set-Aside Not Funded <sup>(2)</sup>	—	—	(637,900)
Interest Income <sup>(3)</sup>	62,935	16,100	8,400
Total Income	\$ 893,435	\$ 853,700	\$ 8,400
<u>Expenditures</u>			
Non-Capital Project Costs	\$ 2,107,574	\$ 1,321,800	\$ 900,000
Capital Project Costs	1,063,316	—	25,000
Estimated Costs Not Expended in Fiscal Year	—	(193,000)	—
Total Expenditures	\$ 3,170,890	\$ 1,128,800	\$ 925,000
Ending Balance	\$ 1,236,997	\$ 961,900	\$ 45,300

### Notes:

<sup>(1)</sup> According to BPC Policy No. 730, for the purpose of the Environmental Fund gross revenue calculation, gross revenue shall be based upon projected revenues and shall not include anticipated grants from any source or any other restricted revenue source

<sup>(2)</sup> FY 2021 Total Set-Aside will not be funded due to the negative financial impact of the COVID-19 pandemic.

<sup>(3)</sup> Monies placed in the Fund shall be accounted for separately from other District funds and any earnings thereon shall accrue to the Fund



## Maritime Industrial Impact Fund Highlights

In July 2010, the Board established a Marine Terminal Impact Fund. The purpose of the fund is to invest in projects that will help offset the negative marine industrial impacts on neighboring communities.

The Board established an initial set-aside of \$500k with additional funds to be set aside annually starting in FY 2011. The annual set-aside is calculated at one-half of one percent (1/2 of 1%) of the actual gross revenues earned from the Tenth Avenue Marine Terminal (TAMT) and the National City Marine Terminal (NCMT).

In March 2015, BPC Policy No. 773 was adopted, and the Marine Terminal Impact Fund was renamed the Maritime Industrial Impact Fund (MIIF). In June 2015, BPC Policy No. 773 was revised to change the way the annual set-aside is calculated. The annual set-aside is now calculated at one-half of one percent (1/2 of 1%) of the actual gross revenues earned from TAMT and NCMT as well as revenues from maritime industrial tenants located between the two terminals. The actual amount of the funding will be posted after the end of each fiscal year when the gross revenues from each terminal are known.

DESCRIPTION OF EXPENDITURES	BUDGET FY 2021
CLEAN AIR ACTION PLAN	\$ 165,000
NATIONAL CITY BAYSHORE BIKEWAY	700,000
TOTAL EXPENDITURES	\$ 865,000

## Maritime Industrial Impact Fund Highlights

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021
Beginning Balance	\$ 1,720,903	\$ 1,882,000	\$ 1,149,900
<u>Income Sources</u>			
Revenues <sup>(1)</sup>	\$ 33,100,000	\$ 31,580,000	\$ 26,925,000
Set-Aside Percentage	0.5%	0.5%	0.5%
Total Set-Aside	\$ 165,500	\$ 157,900	\$ 134,600
Total Set-Aside Not Funded <sup>(2)</sup>	\$ —	\$ —	\$ (134,600)
Set-Aside True-Up <sup>(3)</sup>	(4,281)	—	—
Total Income	\$ 161,219	\$ 157,900	\$ —
<u>Expenditures</u>			
Project Costs <sup>(4)</sup>	\$ —	\$ 890,000	\$ 865,000
Total Expenditures	\$ —	\$ 890,000	\$ 865,000
Ending Balance	\$ 1,882,122	\$ 1,149,900	\$ 284,900

### Notes:

- <sup>(1)</sup> According to BPC Policy No. 773 for the purpose of the MIIF Set-Aside calculation, revenues are gross revenues from TAMT, NCMT and maritime industrial tenants between the two terminals.
- <sup>(2)</sup> FY 2021 Total Set-aside will not be funded due to the negative impact of the COVID-19 pandemic.
- <sup>(3)</sup> FY 2018 Set-aside true-up of actual revenues from TAMT, NCMT, and maritime industrial tenants were recorded in FY 2019.
- <sup>(4)</sup> FY 2020 project costs included Air Filters Installation at Perkins Elementary School, Sustainable Freight Demonstration, and Working Waterfront Noise Study (estimated to be completed in June 2020). Clean Air Action Plan and National City Bayshore Bikeway projects are re-budgeted in FY 2021 (see previous page).

## Capital Improvement Program Highlights

The Five-Year Capital Improvement Program (CIP) FY 2019-2023 has been previously approved and adopted by the Board in accordance with BPC Policy 120 upon approval of the FY 2021 budget. The projects are funded from the CIP reserve (pre-approved/designated funding), unrestricted sources over uses of funds, and other sources such as grants and contributions for specific projects.

FY 2019-2023 approved CIP projects underway are shown below. The amounts shown totaling \$14.7M represent the estimated remaining program budget including capitalized labor. Actual remaining project funds will be revised when the end of year expenditures are realized. An estimated \$9.0M will be spent in FY 2021 to execute these projects. And as presented at the Special BPC meeting held on April 8, 2020, an estimated \$5.7M will be reduced from the remaining FY 2019-2023 CIP Budget and reallocated to the cumulative unrestricted resources. For a complete list of FY 2019-2023 CIP projects underway and completed refer to the latest CIP Quarterly Report.

PROJECT NAME	REMAINING FY 2019-2023 CIP BUDGET	PLANNED FY 2021 EXPENDITURES	REALLOCATE TO CUMULATIVE UNRESTRICTED RESOURCES
Microgrid Infrastructure at TAMT <sup>(1)</sup>	\$ 4,100,000	\$ 4,100,000	\$ —
Imperial Beach Pier Enhancements	1,800,000	350,000	1,450,000
Chula Vista Bayfront - South Campus Pavement and Foundation Demolition	1,700,000	1,700,000	—
CIP Contingency	1,583,800	—	1,583,800
Site Preparation at Chula Vista Bayfront <sup>(2)</sup>	1,200,000	1,200,000	—
Setback Park/Plaza	1,057,000	—	1,057,000
B Street Mooring Dolphin	936,800	—	936,800
Capitalized Labor	825,000	950,000	(125,000)
National City Balanced Land Use Plan	550,000	—	550,000
Security Gate Physical Enhancements at Tenth Avenue Marine Terminal <sup>(3)</sup>	464,000	464,000	—
Demolition and Site Improvements of Transit Sheds 1 and 2 of TAMT <sup>(4)</sup>	185,000	150,000	35,000
Cold Ironing Phase 2 at B Street and Broadway Piers	150,000	—	150,000
Security Gate Physical Enhancements at B Street Cruise <sup>(5)</sup>	128,000	128,000	—
CIP Reserve	61,900	—	61,900
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>	<b>\$ 14,741,500</b>	<b>\$ 9,042,000</b>	<b>\$ 5,699,500</b>

### Notes:

- <sup>(1)</sup> Fully grant funded
- <sup>(2)</sup> Includes \$200k in grant funding
- <sup>(3)</sup> Includes \$348k in grant funding
- <sup>(4)</sup> District cost related to TIGER-funded TAMT modernization project
- <sup>(5)</sup> Includes \$96k in grant funding

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## Major Maintenance Program Highlights

The following list of Major Maintenance projects for FY 2021 will be implemented in accordance with BPC Policy No. 130. This list represents a 3-year outlook of projects that were initially generated through the Asset Management Program (AMP) which uses a scientifically based methodology to determine repairs or replacements of high risk assets before they fail. The Major Maintenance Program is part of the District's strategic initiative, and many of the projects span multiple years. The next two years are forecasted values for information only and subject to change prior to the next fiscal year's budget. The amount budgeted for FY 2021 is an estimate of the anticipated work to be completed, but may continue to subsequent fiscal years.

The budget year is being impacted by the ongoing COVID-19 pandemic. This will have an impact on the program in two ways. During FY 2020, the Board supported a recommendation to reduce funding and defer a few existing projects which had a \$1.2M impact on project execution (see note 2 accompanying the table below). For FY 2021, the recommended budget is reduced \$4.7M below the prior FY 2020 forecast. These reductions do not eliminate the need to address maintenance and these projects will be included in a future FY budget.

PROJECT NAME	TOTAL PROJECT BUDGET <sup>(1)</sup>	BUDGET FY 2021	FORECAST FY 2022	FORECAST FY 2023
Major Maintenance Capital Projects				
Concrete Repairs at San Diego Hilton Bayfront Garage Deck 7	\$ 875,000	\$ 785,000	\$ —	\$ —
Electrical Improvements at TAMT Phase 3	2,000,000	450,000	—	—
Roof Replacement at Harbor Police Headquarters Administration Building	300,000	300,000	—	—
Vertical Pile Repairs to Navy Pier	7,000,000	250,000	350,000	—
Curtain Wall Repairs and Backfilling at B Street Pier	7,500,000	245,000	2,500,000	4,305,000
Retaining Wall at Centennial Park	275,000	210,000	—	—
Structural Repairs at NCMT Berth 24-3	11,300,000	200,000	350,000	2,300,000
Roof Replacement at NCMT Warehouse 24-B	2,800,000	50,000	2,750,000	—
HVAC Replacement at HPD Administration Building	300,000	50,000	250,000	—
Pavement Improvements at Shelter Island Parking Lots <sup>(2)</sup>	1,050,000	—	950,000	—
Wave Attenuation Panel Replacement at Crosby Street Pier	800,000	—	350,000	375,000
Structural Repairs at NCMT Berth 24-11	11,000,000	—	350,000	900,000
Substation Electrical Improvements at TAMT	300,000	—	150,000	150,000
18 & 22 Inch Pile Repairs at B Street Pier	7,425,000	—	150,000	—
Deferred Maintenance - Seaport Village <sup>(2)</sup>	1,125,000	—	100,000	—
Utility Piping Repairs at Imperial Beach	365,000	—	35,000	—
Structural Repairs at NCMT Berth 24-1, 24-2, and 24-4	6,400,000	—	—	250,000
Timber Fender System Replacement at Broadway Pier	8,215,000	—	—	—
Pavement Improvements at National City	1,200,000	—	—	—
Railroad Tie Repairs at TAMT	700,000	—	—	—
Elevator Car Improvements at San Diego Hilton Bayfront Parking Garage	260,000	—	—	—
Switchboard and Transformer Replacement at National City Marine Terminal	250,000	—	—	—

## Major Maintenance Program Highlights

PROJECT NAME	TOTAL PROJECT BUDGET <sup>(1)</sup>	BUDGET FY 2021	FORECAST FY 2022	FORECAST FY 2023
Major Maintenance Capital Projects				
Dock Replacement & Repairs at Tuna Harbor Docks 2 & 3 <sup>(2)</sup>	1,400,000	—	—	—
Major Maintenance Capital Contingency	1,000,000	250,000	500,000	500,000
Capitalized Labor	3,550,000	750,000	1,200,000	1,200,000
SUB-TOTAL MAJOR MAINTENANCE CAPITAL	\$ 77,390,000	\$ 3,540,000	\$ 9,985,000	\$ 9,980,000
MAJOR MAINTENANCE CAPITAL CARRYOVER - FY 2020	—	430,000	—	—
TOTAL MAJOR MAINTENANCE CAPITAL	\$ 77,390,000	\$ 3,970,000	\$ 9,985,000	\$ 9,980,000

PROJECT NAME	TOTAL PROJECT BUDGET <sup>(1)</sup>	BUDGET FY 2021	FORECAST FY 2022	FORECAST FY 2023
Major Maintenance Expense Projects				
Fire Service Repairs at TAMT Warehouse C	\$ 140,000	\$ 140,000	\$ —	\$ —
Sand Replenishment at Kellogg Beach <sup>(2)</sup>	950,000	—	250,000	250,000
Electrical Upgrades to NCMT Berths 24-10 & 24-11	550,000	—	200,000	350,000
Carpet Replacement at Port Admin FY	550,000	—	—	—
Pavement Maintenance at Chula Vista Boat Launch	450,000	—	—	—
Pavement Maintenance at National City	225,000	—	—	—
SUB-TOTAL MAJOR MAINTENANCE EXPENSE	\$ 2,865,000	\$ 140,000	\$ 450,000	\$ 600,000
MAJOR MAINTENANCE EXPENSE CARRYOVER - FY 2020	—	370,000	—	—
TOTAL MAJOR MAINTENANCE EXPENSE	\$ 2,865,000	\$ 510,000	\$ 450,000	\$ 600,000

TOTAL MAJOR MAINTENANCE PROGRAM	\$ 80,255,000	\$ 4,480,000	\$ 10,435,000	\$ 10,580,000
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Notes:

- (1) Total Project Budget may include prior year actual expenses incurred or forecasted expenditures beyond FY 2023.
- (2) FY 2020 Budget's project funding was reduced by a total of \$1.2M. These funds will be included in a future budget when possible. The amount reduced by project is shown below:
- (a) Dock 2 Replacement and Dock 3 Repair at Tuna Harbor \$100k
  - (b) Pavement Improvements at Shelter Island Parking Lots \$900k
  - (c) Deferred Maintenance - Seaport Village \$100k
  - (d) Doors & Windows Replacement at National City Rail Car Plaza \$20k
  - (e) Pedestrian Safety Improvements at Shelter Island Drive & Anchorage Way \$30k
  - (f) Sand Replenishment at Kellogg Beach \$50k

## Technology Management Program

The Technology Management Program is a strategic, operationally responsive, and fiscally responsible approach to manage District technologies. It allows the District to standardize systems and leverage cost saving opportunities through economies of scale. Additionally, it facilitates coordinated implementation schedules of planned technology refresh strategies that will keep the District up-to-date. It uses a cost-benefit analysis method and governance model to make technology investment decisions, ensuring the highest likelihood of a return on investment.

DESCRIPTION	BUDGET FY 2021
Services - Professional & Other	\$ 1,060,800
Equipment & Systems	1,694,200
Telephone & Communications	855,100
Equipment Maintenance - Outside Services	699,600
Software Maintenance	790,800
<b>NON-PERSONNEL EXPENSE</b>	<b>\$ 5,100,500</b>
PSGP FY19 Thermal Find & Follow <sup>(1)</sup>	\$ 400,000
UASI Mesh Data Communications <sup>(2)</sup>	364,000
PSGP FY18 HPD Maritime Domain Awareness II, CommandBridge <sup>(1)</sup>	250,000
Cisco UCS Upgrade	205,000
PSGP FY17 Multi Factor Authentication <sup>(1)</sup>	192,000
Document Management System Replacement	150,000
GASB87 Compliance	150,000
PSGP FY17 Emergency Operations Center (PUC & EOC) <sup>(1)</sup>	138,000
PSGP FY17 Cyber Threat Intelligence <sup>(1)</sup>	100,000
Cisco Data Center 5k Switch Upgrade	50,000
HPD HQ Data Center HVAC Replacement	30,000
UPS HVAC Installation Admin 4	20,000
Physical Data Center Improvements	20,000
Capitalized Labor	300,000
<b>TECHNOLOGY CAPITAL PROJECTS</b>	<b>\$ 2,369,000</b>
<b>TOTAL TECHNOLOGY MANAGEMENT PROGRAM</b>	<b>\$ 7,469,500</b>

Notes:

<sup>(1)</sup> Partially Port Security Grant Program (PSGP) funded projects

<sup>(2)</sup> Fully grant funded project



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## Sponsorships & Grants

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### Waterfront Arts & Activation

Waterfront Arts & Activation (WA&A) is expected to generate \$984k in gross revenue from fees collected on the use of District parks and facilities for special events for which the department issues permits.

Approximately \$535k of this amount is waived for sponsored events through the Tidelands Activation Program (TAP), resulting in a budgeted \$449k in net direct revenue generated by WA&A. This amount does not include the indirect revenue accruing to the District as a result of special events that WA&A permits, which includes concession-rent revenue from hotels, restaurants, retail facilities, and parking in tenant- or operator-managed facilities generated by special event attendees.

In Real Estate, Park Usage Fees for special event permits are budgeted at \$569k in gross revenue, of which \$385k is expected to be waived through sponsorships, resulting in net revenue of \$184k.

In Maritime, special event permit fees for Broadway and B Street Piers are budgeted at \$336k, of which \$71k is expected to be waived through TAP-sponsored events, resulting in net revenue of \$265k.

In Port as a Service-Parking, Parking Fees in District-managed areas, in conjunction with special events permits, are budgeted to generate \$79k in revenue, of which \$79k will be waived through TAP-sponsored events.

### Sponsorships from the Tidelands Activation Program

Each year, under the Tidelands Activation Program (TAP), the District sponsors Community and Signature events that support the District's mission of providing community benefit and economic vitality through maritime, tourism, water and land recreation, environmental stewardship, and public safety. These events drive visitors to the waterfront and provide an opportunity for the District to educate the public on its purpose and mission.

The TAP is approved on an annual basis by the Board of Port Commissioners. This activation program includes direct funding and/or waiver of District service fees for park permitting, facility rentals, and parking. For FY 2021, the Waterfront Arts & Activation department plans to provide up to \$535k in waived District service fees to event organizers and suspend direct sponsorship funding due to the COVID-19 pandemic.

### Revenue-generating Business Negotiated Events

The Business Negotiated Event (BNE) program consists of strategic partnerships that produce high-profile national/international activations on the waterfront. They are complex in nature and involve collaborations among businesses and agencies - including regional tourism agencies - to bring large-scale, revenue-producing events to San Diego Bay.

For these partnerships, WA&A negotiates direct revenue streams from a percentage of sales from ticket sales, concessions, merchandise, and/or total net profit. Incremental revenue to the District and its tenants is also derived from additional room nights booked by event attendees, and by event-generated parking.

Previous BNEs have included events such as the Red Bull Air Races, Comic-Con, Big Bay Boom, Holiday Bowl Parade, Wonderspaces, Lululemon 10k, and Wonderfront Music & Arts Festival.

## Sponsorships & Grants

### Grants from Other Agencies to the District

Grant Revenue is included in the revenue budget. The District may pursue grants from other agencies where the District may be qualified and the grant would provide for a strategic service. The budget excludes grants that have not been officially awarded.

ANTICIPATED GRANTS	BUDGET FY 2021
Capital Grants – Maritime	\$ 4,594,000
Capital Grants – Recreational	200,000
Capital Grants – Information Technology	1,208,500
Capital Grants – Harbor Police	45,000
Grants Revenue - Other – Harbor Police	1,092,000
Grants Revenue - Other – Maritime	10,000
<b>TOTAL</b>	<b>\$ 7,149,500</b>

Grants that are expected to be received in FY 2021 include the following:

Grants for Maritime. The District will continue to receive grant funds from California Energy Commission for the demonstration of business case for advance microgrids in support of California's energy and greenhouse gas policies program for the TAMT Microgrid Infrastructure project, from the Department of Homeland Security for physical security enhancements, and from the Department of Fish and Game for the Harbor Safety Committee Secretariat program.

Grants for Recreational Projects. The District will continue to receive grant funds from the State of California Natural Resources Agency for the Sweetwater Bicycle Path and Promenade project in City of Chula Vista Bayfront.

Grants for Information Technology Projects. The District will continue to receive grant funds from the Department of Homeland Security for Maritime Sensor Program, Cyber Threat Intelligence, Multi Factor Authentication Program, Thermal Find and Follow Protection, and San Diego Bay Regional Fiber Optic Infrastructure project.

Grants for Harbor Police. The District will continue to receive grants from the following sources: 1) High Intensity Drug Trafficking reimbursement for overtime, 2) Transportation Safety Administration K-9 grant, 3) Marine Task Force Officer reimbursement, 4) Joint Terrorism Task Force grant, 5) Cross-Border Violence Task Force, 6) San Diego County Operation Stonegarden program, 7) Urban Area Security Initiative, and 8) Department of Homeland Security for Patrol Vessel Maintenance and Area Maritime Security Committee (AMSC) Emergency Operations Center.

## Sponsorships & Grants

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Partnership/Cost Sharing Reimbursement for Environmental Projects. The District will continue to receive reimbursements from SDG&E for Efficiency Partnership Program to enhance the District's capacity to incorporate energy efficiency throughout the District and Regional Harbor Monitoring Program for a coordinated monitoring program among the San Diego region.

PARTNERSHIP/COST SHARING REIMBURSEMENT	BUDGET FY 2021
SDG&E Energy Efficiency Partnership	\$ 435,000
Regional Harbor Monitoring Program	49,000
TOTAL	\$ 484,000

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Ordinance XXXX - will be inserted after budget adoption



Prepared by:  
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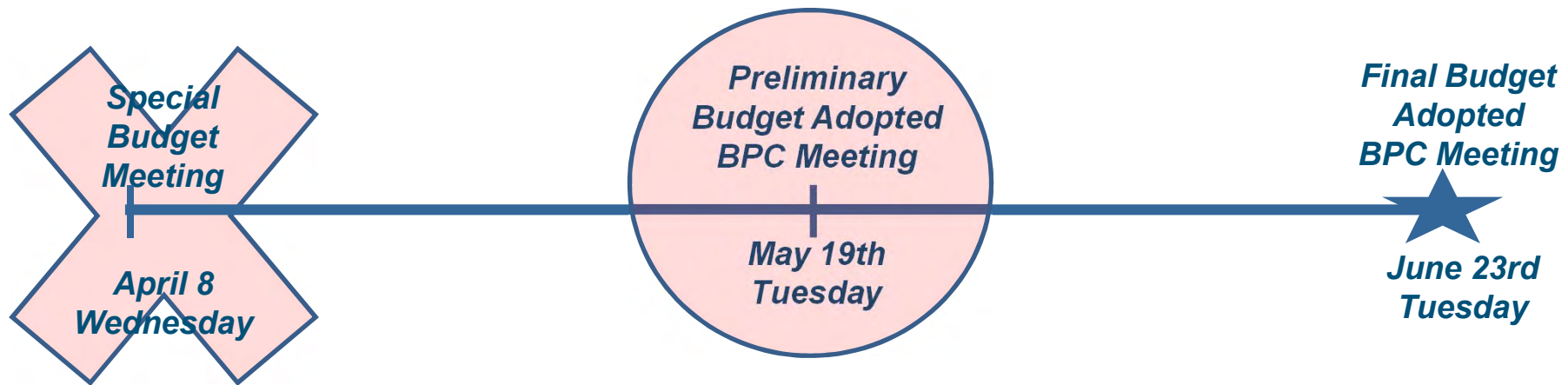


# Fiscal Year 2021 Preliminary Budget

# *Agenda*

- FY 2021 Budget Timeline
- April Special Budget Meeting
- Preliminary Budget FY 2021
- Recommendation

# ***FY 2021 Budget Timeline***



## **San Diego Unified Port District Act:**

**§ 47. NOTICE OF ADOPTION OF PRELIMINARY BUDGET; HEARING ON FINAL BUDGET.** On or before the 15th day of June of each year, the board shall publish a notice pursuant to Section 6061 of the Government Code in the district stating:

- (1) That the preliminary budget has been adopted and is available at a time and at a place within the district specified in the notice for inspection by interested taxpayers
- (2) That on a specified date not less than one month after the publication of the notice and at a specified time and place, the district board will meet for the purposes of fixing the final budget

## ***April Special Budget Meeting Recap***

### **Board Recommendations:**

- Direct staff to prepare the FY2021 Budget using the Base Case Scenario
- Reduce the FY 2019-2023 CIP budget by \$5.7M and reallocate to the FY 2021 Operating budget
- Use Cumulative Unrestricted Resources and/or Operating Reserves to fund the deficit of \$10 million
- Monitor the District's performance against the budget frequently, report to the Board any discrepancies, and recommend adjustments as time passes, as the COVID-19 pandemic resolves, and as the economy responds.

# Preliminary Budget FY 2021

(millions)

	Adjusted Budget FY 2020	Preliminary Budget FY 2021	Change FY 2021-2020 Budget	% Change
<b>Revenue</b>				
Operating	\$ 192.8	\$ 152.9	\$ (39.9)	(20.7%)
Non-Operating	22.2	12.8	(9.4)	(42.5%)
<b>Total Revenue</b>	<b>\$ 215.0</b>	<b>\$ 165.7</b>	<b>\$ (49.3)</b>	<b>(22.9%)</b>
<b>Expenses</b>				
Personnel	\$ 103.4	\$ 101.7	\$ (1.7)	(1.6%)
Non-Personnel	75.2	56.7	(18.5)	(24.6%)
Major Maintenance Expense	0.7	0.5	(0.1)	(21.5%)
Capitalized Labor	(4.0)	(2.2)	1.8	(44.9%)
<b>Total Expenses</b>	<b>\$ 175.2</b>	<b>\$ 156.7</b>	<b>\$ (18.5)</b>	<b>(10.6%)</b>
<b>Other Sources &amp; Uses and Reserves*</b>	<b>\$ (37.7)</b>	<b>\$ (9.0)</b>	<b>\$ 28.8</b>	<b>(76.3%)</b>
<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2.0</b>	<b>\$ 0.0</b>	<b>\$ (2.0)</b>	<b>(100.0%)</b>

**Note:**

\* Please see Section 1 page 12 of the Budget Book for details of Other Sources & Uses and Reserves

## ***Recommendation***

- Adopt resolution to reduce the FY 2019-2023 CIP by \$5.7M and allocate the funds to the Cumulative Unrestricted Resources
- Adopt resolution authorizing the use of Cumulative Unrestricted Resources of approximately \$15.7M for the following: Operating Budget Deficit \$9.9M, Coast Guard Build-Out \$2.2M, Seaport Village Pre-approved funding \$2.8M, and Major Maintenance Multi-year program carryover funding of \$0.8M
- Adopt resolution to not solicit project applications or hold a CIP workshop pursuant to Board Policy No. 120
- Adopt a resolution adopting the FY 2021 Preliminary Budget and setting the date for public hearing on the Budget as June 23, 2020



# San Diego Unified Port District

3165 Pacific Hwy.  
San Diego, CA 92101

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File #:2020-0101

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DATE: APRIL 08, 2020

SUBJECT:

ACCEPT PRELIMINARY BUDGET INFORMATION AND PROVIDE DIRECTION TO STAFF ON PREPARING THE FISCAL YEAR (FY) 2021 BUDGET INCLUDING DIRECTION ON A STAFF RECOMMENDATION TO PREPARE THE FY 2021 BUDGET PURSUANT TO A BASE CASE SCENARIO; TO REDUCE THE FY 2019-2023 CAPITAL IMPROVEMENT BUDGET BY \$5.7M AND REALLOCATE TO THE FY 2021 OPERATING BUDGET; TO USE CUMULATIVE UNRESTRICTED RESOURCES AND/OR OPERATING RESERVES TO FUND ANY REMAINING BUDGET DEFICIT; AND TO MONITOR THE DISTRICT'S PERFORMANCE AGAINST THE BUDGET FREQUENTLY, REPORTING ANY CHANGES TO THE BOARD AND RECOMMENDING ADJUSTMENTS TO RESPOND TO CHANGING ECONOMIC CONDITIONS IN CONNECTION WITH THE CORONAVIRUS (COVID-19) PANDEMIC

## EXECUTIVE SUMMARY:

In accordance with the San Diego Unified Port District Act (Port Act) Sections 46 and 47, by June 15 the District must adopt and publish the FY 2021 preliminary budget and set a date for the Board's adoption of the final budget not less than one month from publication. Staff intends to present the FY 2021 preliminary budget to the Board for adoption on May 19, 2020, and to present the final budget to the Board for adoption on June 23, 2020. Due to the negative impacts to the District's budget caused by the COVID-19 crisis, a special Board meeting will be held on April 8, 2020, for staff to present a draft preliminary budget, receive direction from the Board, and answer any questions the Board may have prior to staff completing a budget. The direction given at the April 8, 2020 special meeting will assist staff in creating the preliminary budget. A copy of the budget PowerPoint presentation is attached (Attachment A), as well as supporting budget documents including Budget in Brief, revenue and expense scenarios, and major capital program expense scenarios (Attachment B). Finally, a copy of an Economic Relief to Seaports from COVID-19 Impacts Letter sent to California State Lands Commissioners is attached (Attachment C).

The District, created by the State of California Legislature, is a self-funded agency. The District collects no tax dollars, instead funding its operations and services through leases and other business agreements with tenants along the waterfront. The services funded by District revenues include, among other items, public safety, economic development activities, and supply chain transportation services that are critical for our region, state, and nation especially in the midst of the current COVID-19 pandemic.

Now, as a direct consequence of COVID-19, the hospitality and tourism industries and maritime trade



File #:2020-0101

economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted. At the March Board meeting, a 2020 Budget Impact Ad Hoc Committee (Ad Hoc) was created to proactively address the financial impacts of the COVID-19 pandemic. Since the Ad Hoc was established, it has met on two occasions. The first meeting was held on March 20, 2020, and the focus of the discussion was the COVID-19 related impacts to FY 2020. The second meeting was held on April 3, 2020, and the focus of the discussion was on budget scenario planning for FY 2021. Similar to the meetings with the Ad Hoc, the April 8, 2020 special budget meeting is intended to make the Board aware of the most current budget information compiled by staff to inform the District's approach to budgeting in FY 2021, given the unique circumstances. Due to continued uncertainties in the local, state, and national economies, staff will continue to work with the Ad Hoc and the Board to make adjustments to the budget throughout the rest of the calendar and fiscal years.

Staff has developed and worked with the Ad Hoc on three detailed scenarios for FY2021, entitled Worse Case, Base Case, and Better Case. Each case is based on carefully developed revenue projections that differ in the time it will take a variety of impacted business sectors to recover. Once the revenue projections were formulated, staff worked to address expense reductions to match the worse, base, and better revenue projections and identified in general what work will be impacted, and what work can be accomplished for each case. The assumptions with respect to the revenue discounts in each scenario are attached hereto in Attachment B.

Staff has also developed projections for the fourth quarter of FY 2020 that reflect the COVID-19 impact (see Attachment B). Our current estimate is that District revenues will fall short of the expected FY 2020 revenues by approximately \$31 million due to the closure of most tourist-oriented waterfront businesses, including hotels, restaurants, retail, and attractions. A number of measures have been and will be taken to reduce expenses through the remainder of this FY. In addition to cutting expenses, staff recommends that the Board authorize use of some reserve funds to close the gap for FY 2020.

At the April 8, 2020 special meeting, staff will present the above items to the Board and request direction. The proposed budget scenarios will reflect "Unrestricted Sources Over Uses of Funds" (Unrestricted Resources) of \$(13.4M), \$(10.0M), and \$(7.4M) in the "Worse Case," "Base Case," and "Better Case" scenarios, respectively. Staff recommends the following:

- Direct staff to prepare the FY 2021 budget using the Base Case scenario;
- Reduce the FY 2019-2023 CIP budget by \$5.7M and allocate the funds to the FY 2021 Operating Budget;
- Use Cumulative Unrestricted Resources and/or Operating Reserves to fund the deficit; and
- Monitor the District's performance against the budget frequently, reporting any changes to the Board and recommending adjustments to respond to changing economic conditions in connection with the COVID-19 pandemic.

## RECOMMENDATION:

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Accept the FY 2021 preliminary budget information and provide direction to staff. In particular, staff recommends the following:

- Direct staff to prepare the FY2021 Budget using the Base Case Scenario
- Reduce the FY 2019-2023 CIP budget by \$5.7M and reallocate to the FY 2021 Operating budget
- Use Cumulative Unrestricted Resources and/or Operating Reserves to fund the deficit of \$10 million
- Monitor the District's performance against the budget frequently, report to the Board any discrepancies, and recommend adjustments as time passes, as the COVID-19 pandemic resolves, and as the economy responds.

#### FISCAL IMPACT:

The proposed Board actions have no immediate fiscal impact until the Board adopts the FY 2021 final budget on June 23, 2020, and/or takes other action to re-allocate funds.

#### COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goals:

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

#### DISCUSSION:

As a direct consequence of COVID-19, the hospitality and maritime trade economic activity that generates the revenues necessary for our mission-critical work has dropped into dramatic decline. Staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of FY 2020 and expects revenue losses to continue through the rest of calendar year 2020. Unlike many public agencies, the District receives no tax funds to help stabilize revenues in the midst of this crisis. While staff continues to talk to the State of California and the federal government to seek economic relief, the District must take prudent steps to manage our budget in these uncertain economic times (see Attachment C).

This perfect storm has caused projected District revenues to fall in a number of areas. The decreased revenue projections are based in part on industry information, information provided by our tenants and partners, and the number of current District tenants that have temporarily closed. That

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said, it is important to recognize, acknowledge, and be grateful for the position we are in today as an agency. Thanks to the wisdom and leadership of Port Commissioners and executives over the last 50-plus years, we have a very healthy “rainy-day fund.” Due to a strong tradition of budget discipline and prudent policy direction, the District has not only maintained its Operating Reserves, but has also accumulated surplus funds in recent years that provide the District with a variety of tools to weather this storm.

District staff realized the magnitude of the problem and at the March Board meeting after a report out on the magnitude of the coming fiscal emergency due to the pandemic, Chair Moore created the 2020 Budget Impact Ad Hoc Committee (Ad Hoc) that was comprised of the Executive Committee of the Board to proactively address the financial impacts of the COVID-19 crisis. The Executive Committee includes Chair Ann Moore, Vice Chair Michael Zucchet, and Secretary Dan Malcolm.

The District is an economic driver for the greater San Diego region, serving as a jobs creator and a jobs supporter, as well as a critical link in our nation’s supply chain. Even today, the District is very well positioned to continue to serve as that important economic engine; to support jobs, to move goods, and to perform the many essential services that the District provides. The District’s positive outlook was verified by Fitch Ratings Agency just last week, which undertook a review of all US Ports considering the impacts of the COVID-19 pandemic. Fitch downgraded many ports but confirmed the District’s “A+ Stable” rating. The District has an opportunity to demonstrate leadership, now when it is most needed; to lead the way through the current crisis and into the future.

Since the state of the economy is so uncertain, District staff looked at three revenue scenarios for the upcoming fiscal year, including a Worse Case, Base Case, and Better Case. Once the revenue projections were formulated, staff worked to address expense reductions to match the worse, base, and better revenue projections and created three potential budget scenarios - Worse Case, Base Case and Better Case. Staff also identified in general what work will be impacted, and what work can be accomplished for each case. The following is a summary of the three potential scenarios compared to the Adjusted Fiscal Year 2020 Budget (details are also provided in Attachments A and B):

## SUMMARY FY 2021 PRELIMINARY BUDGET INFORMATION IN THREE SCENARIOS:

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	ADJUSTED BUDGET FY 2020	WORSE CASE BUDGET FY 2021	BASE CASE BUDGET FY 2021	BETTER CASE BUDGET FY 2021
Revenue				
Operating Revenue	\$ 192.8	\$ 143.0	\$ 152.9	\$ 162.7
Non-Operating Revenue	22.2	12.9	13.3	13.5
Total Revenue	\$ 215.0	\$ 155.9	\$ 166.2	\$ 176.2
Expenses				
Personnel	\$ 103.4	\$ 100.4	\$ 101.7	\$ 103.4
Non-Personnel Expense	75.8	\$ 52.8	\$ 56.3	\$ 59.9
Capitalized Labor	(4.0)	(1.7)	(2.0)	(2.1)
Total Expenses	175.2	151.4	156.1	161.2
Sources & Uses of Funds and Reserves	\$ (37.7)	\$ (17.8)	\$ (20.1)	\$ (22.4)
Unrestricted Sources Over Uses of Funds	\$ 2.0	\$ (13.4)	\$ (10.0)	\$ (7.4)

Revenues:

This COVID-19 pandemic is a perfect storm that caused projected District revenues to fall in several areas. Staff developed revenue forecasts from the ground up, tenant by tenant, and from top down using the best available information based in part on industry information, information provided by our tenants and partners, and the number of current District tenants that have temporarily closed.

Attached as Attachment A are forecast discount tables for three scenarios: Worse Case, Base Case, and Better Case revenue projection. For each case, there are three tables with discount percentages in each column. On the left, the District's portfolio is broken down by industry segment: Convention Hotels, other hotels, and so on for the District's commercial portfolio. Moving to the right are the monthly forecast discounts for the balance of this fiscal year through FY 2021. Each of the percentages listed is a discount against how staff projected each category might perform prior to COVID-19. Although not reflected, a different methodology was used to project revenues for Seaport Village. Staff assumed a vacancy rate at Seaport of 23% in the Better Case, 32% in the Base Case, and 40% in the Worse Case. These projections are not intended to be exact but rather to provide a range of inputs and scenarios in developing a revenue budget.

At the bottom of each table is a shaded bar, which indicates when District staff projects the bottom of the downturn. The projected bottom is different for each of the three cases. Under the Worse Case scenario, staff projected the greatest impacts to Real Estate concession rents through June 2020 followed by a slow recovery. For example, in the first table, the top line, Convention Hotels, a 100% discount to the rents through June means staff is projecting to receive no rental income from that category. Staff projects a similar trend for parking revenues, with a slightly longer period of bottoming out through August 2020. In the Base Case scenario, the bottoming out bar in blue along the bottom of the first table of Real Estate concessions is slightly shorter with a recovery beginning in June 2020 and then ramping up. Also, in the Base Case scenario, a recovery in parking revenues largely mirrors the concession revenue recovery. These forecasts assume some aspects of the tourism industry begin to recover and that travel restrictions begin to ease in early summer. In the optimistic Better Case scenario, April and May 2020 are projected to be the absolute bottom and a recovery is slightly

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more aggressive than the Base Case scenario. For example, in the Better Case scenario, Convention Hotels are projected to ramp up more aggressively in the summer 2020, which has a disproportionately higher impact on our revenues than any other category. Parking revenues also recover sooner in this scenario.

For maritime revenue, depending on the scenario, the cruise sector reflected the reduction or complete removal of cruise business through January 2021, and a reduced volume of passengers and voyages for the remainder of the 2021 season. A disruption in cargo operations is also expected, with reduced volumes due to manufacturing and supply chain challenges in Asia, Europe, and North America.

Staff will go over in detail the methodologies used in each revenue scenario at the April 8, 2020 Board meeting.

### Expenses:

Once the revenue projections were calculated, staff turned to expenses to try to match as closely as possible the revenue projections. Within each scenario, staff looked at a combination of cuts to both personnel and non-personnel line items. Staff discussed a variety of options in both of these categories with the Ad Hoc. Attachment B includes detailed expenses by account for each budget scenario. Staff relied on several philosophies in crafting the three budget scenarios:

#### Personnel:

With the underlying objective of keeping as many of our regular full-time employees working as possible, for as long as possible, staff developed a range of strategies and measures which can be implemented to reduce expenses in our personnel budget. A number of cost-saving measures can be implemented quickly, and do not require a meet and confer process with our collective bargaining units; others will require meet and confer. It is staff's intent to begin conversations with our labor union partners immediately in order to develop a complete game plan.

#### Non-Personnel Expenses:

Staff have looked at reductions line-by-line for all our expenses as we do our best job to balance District spending with various revenue reduction scenarios. In general, the source of funding for expenses is from the revenues, therefore for the Worse Case scenario, non-personnel expenses were evaluated only to include the cost of the minimum work and regulatory requirements required to remain in compliance and to advance our top priority projects. For the Base and Better cases, incremental increases were added in expenditures based on increase in revenue to advance the various projects that were originally planned in FY 2021, including strategic and other major projects.

A philosophy was applied in expense-reductions that includes meeting our regulatory requirements, proactively postponing events based on the existing public health directives in place, reducing our dependency on consultants, moving as much work as feasible in-house, extending project schedules or deferring work as a means to reduce costs, while not losing the value we have already invested in

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many of these programs and projects.

Project impacts will be presented in each scenario at the April 8, 2020 Board meeting and are attached hereto in Attachment A.

#### Other Sources and Uses of Funds:

This section includes other special funding sources and capital expenditures such as Major Maintenance, Technology, Equipment Outlay, and Debt Service. Attachment B includes additional details for each of these categories.

#### Major Maintenance (MM) Program:

A multi-year Major Maintenance (MM) program was established in FY 2020, which allows for the completion of projects over multiple years. A multi-year MM program provides the capability to move projects forward or backward, depending on the financial situation. Prior to the onset of COVID-19, the District began development of the FY 2021 budget including the FY 2021 MM proposed budget. In conjunction with the District's efforts in developing the three budget scenarios - Worse Case, Base Case, and Better Case - the MM program assessed the multi-year projects to determine potential cost savings. Staff considered the following criteria in determining priority MM projects:

- Projects already under construction;
- Construction-ready projects; and
- The Asset Management Program.

Based on the scenarios, a greatly reduced FY 2021 MM project list was developed. The reductions will not affect our ability to operate the port. Attachment B details the MM expenditures proposed for each Case.

#### Equipment Outlay and Other Capital Projects

The Equipment Outlay and Other Capital Projects provides another source of funds for the District to potentially reduce. In order to develop the three budget scenarios of Worse Case, Base Case, and Better Case, the following criteria were used in making the selective reductions:

- Safety;
- Need for continuity of operations; and
- Age and usability of equipment.

Equipment Outlay provides for the replacement of items such as vehicles that have exceeded their useful life. Consideration was made to maintain Harbor Police vehicles and General Services work trucks longer than planned without sacrificing safety. A complete list is attached as Attachment B.

#### Technology Management Program:

Technology Management projects were ranked based on a set of criteria in order to prioritize which projects we would proceed with under each of the three scenarios.

The criteria used were:

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- Security - Including cybersecurity, Harbor Police programs, and general maritime security;
- Regulatory requirements and previous audit findings;
- Grant funding;
- Business Case - looking at both hard and soft positive impacts; and
- Projects already in progress.

For the Worse Case scenario, staff recommends moving forward with only the grant-funded, security-related projects, the regulatory related GASB87 project, and the Document Management Project due to its positive impact of \$150,000 annually in reduced license costs. For the Base and Better Case scenarios, additional projects related to regulatory requirements and projects that drive positive business cases for the District's budget were included. Refer to Attachments A and B for details.

#### Reserves:

The District has total cash at the end of March 2020 of approximately \$135 million. This balance is made up of Operating Reserves of \$68.1 million, restricted reserves of \$24.1 million, cumulative unrestricted resources of \$16.1 million, Board designated reserves of \$5.8 million, working capital required of \$4.6 million, and Capital Improvement Program reserves of \$16.2 million (see Attachment A for additional details). Board Policy No. 117, the Operating Reserve Policy, establishes the operating reserve balance and defines the calculation of the amount required. The Policy also states that uses of the operating reserve balance can be authorized by the Board if "Temporarily needed as a result of unfavorable financial performance due to the impact of an unfavorable economic environment." Board Policy No. 117 is attached, as Attachment D.

In addition, there is \$5.7 million in the Capital Improvement Program that could be applied to the Reserves. This amount is achievable by delaying construction, transferring out unassigned fund, and budgets for idle projects. Those projects are listed in Attachment A.

Combining the Operating Reserves, the Cumulative Unrestricted Resources, and the CIP inactive projects provides potential funding of approximately \$90 million towards operations.

#### Staff Proposed Recommendation:

The proposed budget scenarios will generate "Unrestricted Sources Over Uses of Funds" (Unrestricted Resources) of \$(13.4M), \$(10.0M), and \$(7.4M) in the "Worse Case," "Base Case," and "Better Case" scenarios, respectively. Based on input from two meetings with the Ad Hoc and on the best analysis of current data, staff recommends the following:

- Direct staff to prepare the FY2021 Budget using the Base Case Scenario
- Reduce the FY 2019-2023 CIP budget by \$5.7M and reallocate to the FY 2021 Operating budget
- Use Cumulative Unrestricted Resources and/or Operating Reserves to fund the deficit of \$10 million
- Monitor the District's performance against the budget frequently, report to the Board any discrepancies, and recommend adjustments as time passes, as the COVID-19 pandemic resolves, and as the economy responds.

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Due to continued uncertainty with the local, regional, state, and federal economies, staff will continue to work with the Ad Hoc and the Board to continue to refine our fiscal plan in the coming months. The budget is a plan that the Board can amend at any time during the year. While other organizations are only presenting place holder budgets, the District believes that presenting a clear, readable budget will effectively communicate overall the District goals and plans and contribute to the public's knowledge and appreciation of the District's positive impact on the region.

#### General Counsel's Comments:

The Office of the General Counsel has reviewed the agenda sheet and attachments, as presented to it, and approves the same as to form and legality.

#### Environmental Review:

The proposed Board action, including without limitation, accepting the FY 2020 preliminary budget information and providing direction to staff do not constitute an "approval" or a "project" under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of Board's action that requires the District or the Board's discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The current Board direction in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board direction or action complies with Sections 20, 21, 35, 46, and 47 of the Port Act, which require the Board to draw up a budget for each fiscal year, to adopt a preliminary budget, to publish a public notice regarding adoption of the preliminary budget, and to hold a public hearing prior to fixing the final budget, and allow the Board to pass resolutions and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or actions do not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because they will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board's direction or action in



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no way limits the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

Attachment(s):

Attachment A: Budget Presentation to the Board of Port Commissioners, April 8, 2020

Attachment B: Supporting Budget Documents

Attachment C: Economic Relief to Seaports from COVID-19 Impacts Letter to California State  
Lands Commissioners

Attachment D: Board Policy No. 117, the Operating Reserve Policy

# Budget Presentation to the Board of Port Commissioners

April 8, 2020

# Agenda

- Opening Message – Randa Coniglio
- Overview of Reserves – Robert DeAngelis
- CIP – Cid Tesoro
- Methodology – Shaun Sumner and Mike LeFleur
- FY 2021 Budget – Robert DeAngelis
  - Revenue with Methodology Applied
  - Expense by Account
  - Major Maintenance
  - Equipment and Other Capital Projects
  - Technology Capital Projects
  - Budget Scenarios
  - Personnel Strategies (yellow document) – Randa Coniglio
  - Project Impacts for Each Budget Scenario – Randa Coniglio
- Review Revised Q4 Budget for FY 2020 – Randa Coniglio
- Recommended Path Forward: Base Budget – Randa Coniglio
- Tenant Status and Recommendations – Shaun Sumner
- Federal and State Stimulus Opportunities – Job Nelson
- Next Steps – Randa Coniglio

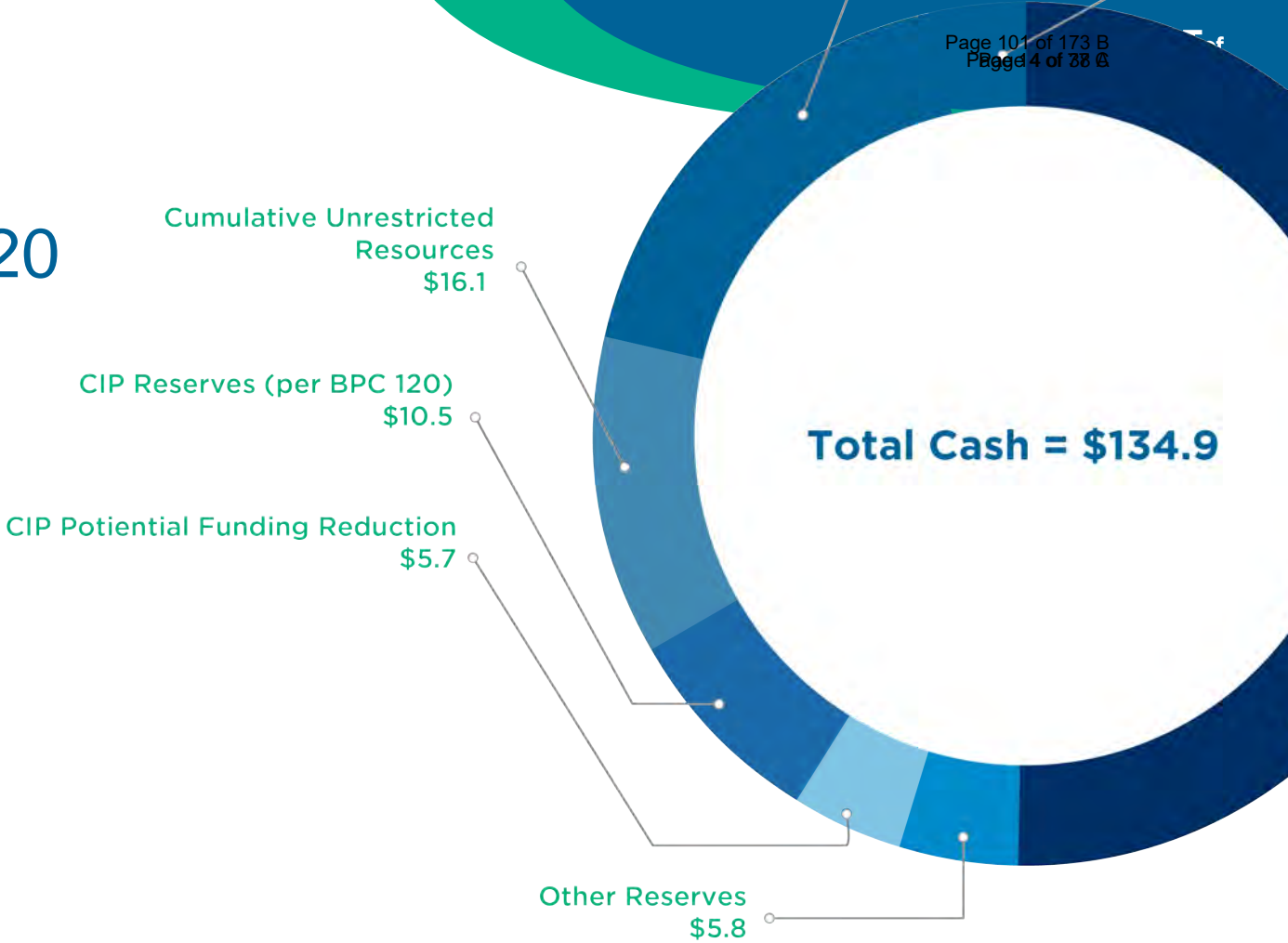
# Resilient

We've Navigated Rough Waters Before, We'll Do So Again



# San Diego Unified Port District Cash Status As Of March 31, 2020 (Expressed In Millions)

Cumulative Unrestricted Resources	\$16.1M
CIP Potential Funding Reduction	\$5.7M
Operating Reserves	\$68.1M
<b>TOTAL CASH AVAILABLE</b>	<b>\$89.9M</b>



\* The Operating Reserves (6 months per BPC 117) for FY 2020 is estimated to be approximately \$68.1M.

# Capital Improvement Program

## Proposed Project Expenditures FY 2021

PROJECT NAME	PROPOSED SCOPE OF WORK	REMAINING FY19-FY23 CIP FUNDS	WORSE CASE PLANNED EXPENDITURES	WORSE CASE REDUCTION
Microgrid Infrastructure at TAMT (Portion grant funded)	Construction	\$4,100,000	\$4,100,000	\$0
Imperial Beach Pier Enhancements	Construction	\$1,800,000	\$350,000	(\$1,450,000)
Chula Vista Bayfront - South Campus Pavement and Foundation Demolition	Construction	\$1,700,000	\$1,700,000	\$0
CIP Contingency	N/A	\$1,583,869	\$0	(\$1,583,869)
Site Preparation at Chula Vista Bayfront (Portion grant funded)	Design/Construction	\$1,200,000	\$1,200,000	\$0
Setback Park/Plaza	On-Hold	\$1,057,000	\$0	(\$1,057,000)
B Street Mooring Dolphin	On-Hold	\$936,800	\$0	(\$936,800)
Capitalized Labor	N/A	\$825,000	\$950,000	\$125,000
National City Balanced Land Use Plan	Design	\$550,000	\$0	(\$550,000)
Security Gate Physical Enhancements at Tenth Avenue Marine Terminal (Portion grant funded)	Design	\$463,980	\$463,980	\$0
Demolition and Site Improvements of Transit Sheds 1 and 2 of TAMT (Portion grant funded)	Construction	\$185,000	\$150,000	(\$35,000)
Cold Ironing Phase 2 at B Street and Broadway Piers	Construction	\$150,000	\$0	(\$150,000)
Security Gate Physical Enhancements at B Street Cruise (Portion grant funded)	Design	\$128,040	\$128,040	\$0
CIP Reserve	N/A	\$61,899	\$0	(\$61,899)
<b>Total</b>		<b>\$14,741,588</b>	<b>\$9,042,020</b>	<b>(\$5,699,568)</b>

# Revenue Methodology: Shaun Sumner and Mike LaFleur



# Revenue Forecast Assumptions – WORSE CASE

(Discount from original forecast)

Real Estate - Worse Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Convention Hotels	90%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Other Hotels	85%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Restaurants	75%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Marinas	15%	15%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	15%	15%	15%	15%	
Retail	85%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Sportfishing	85%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Yacht Clubs	20%	25%	25%	25%	25%	25%	25%	20%	20%	20%	20%	20%	15%	15%	15%	15%	
Tourism	95%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Marine Sales & Service	30%	30%	40%	40%	40%	35%	30%	30%	30%	25%	25%	20%	15%	15%	15%	15%	
Other	75%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
FY 20					FY21												

Worse Case Bottom-Out

Parking - Worse Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Parking Garages	90%	87%	88%	91%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Parking Lots	47%	60%	60%	69%	77%	70%	61%	54%	49%	40%	36%	25%	24%	28%	35%	35%	
Parking Meters	75%	95%	95%	100%	98%	88%	78%	68%	58%	48%	38%	28%	23%	23%	23%	23%	
FY 20					FY21												

Worse Case Bottom-Out

Maritime - Worse Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Concession	95%	100%	100%	100%	90%	80%	70%	60%	50%	40%	30%	20%	15%	15%	15%	15%	
Cruise	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	14%	13%	14%	14%	11%	5%	
Pasha	-	50%	50%	50%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	
FY 20					FY21												

Worse Case Bottom-Out



# Revenue Forecast Assumptions – BASE CASE

(Discount from original forecast)

Real Estate - Base Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Convention Hotels	90%	100%	100%	90%	80%	65%	50%	35%	20%	15%	15%	15%	15%	10%	10%	10%	10%
Other Hotels	85%	100%	100%	90%	80%	65%	50%	35%	20%	15%	15%	15%	15%	10%	10%	10%	10%
Restaurants	75%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Marinas	10%	10%	15%	15%	15%	15%	15%	15%	15%	10%	10%	10%	10%	10%	10%	10%	10%
Retail	75%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Sportfishing	85%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Yacht Clubs	20%	25%	25%	25%	20%	20%	20%	20%	20%	15%	15%	15%	15%	10%	10%	10%	10%
Tourism	95%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Marine Sales & Service	20%	20%	30%	30%	25%	25%	20%	20%	20%	15%	15%	15%	15%	10%	10%	10%	10%
Other	75%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
FY 20									FY21								

Base Case Bottom-Out

Parking - Base Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Parking Garages	90%	87%	88%	81%	80%	65%	50%	35%	20%	15%	15%	15%	15%	10%	10%	10%	10%
Parking Lots	47%	60%	60%	58%	66%	56%	46%	37%	30%	26%	28%	22%	21%	17%	25%	26%	
Parking Meters	75%	95%	95%	85%	83%	68%	53%	38%	23%	23%	23%	23%	18%	18%	18%	18%	
FY 20									FY21								

Base Case Bottom-Out

Maritime - Base Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Concession	95%	100%	100%	85%	75%	60%	45%	30%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Cruise	-	100%	100%	100%	-	-	71%	72%	62%	31%	22%	46%	37%	0%	0%	0%	
Pasha	-	50%	50%	50%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
FY 20									FY21								

Base Case Bottom-Out

# Revenue Forecast Assumptions – BETTER CASE

(Discount from original forecast)

Real Estate - Better Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Convention Hotels	90%	100%	100%	85%	65%	45%	35%	25%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Other Hotels	85%	100%	100%	80%	60%	40%	30%	20%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Restaurants	75%	100%	100%	75%	55%	35%	25%	15%	15%	15%	10%	10%	5%	5%	5%	5%	
Marinas	10%	10%	15%	15%	10%	10%	10%	10%	10%	10%	10%	10%	5%	5%	5%	0%	
Retail	75%	100%	100%	75%	55%	35%	25%	15%	15%	15%	10%	10%	5%	5%	5%	0%	
Sportfishing	85%	100%	100%	75%	55%	35%	25%	15%	15%	15%	10%	10%	5%	5%	5%	0%	
Yacht Clubs	20%	25%	25%	20%	15%	15%	15%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Tourism	95%	100%	100%	95%	75%	55%	35%	25%	15%	15%	10%	10%	5%	5%	5%	0%	
Marine Sales & Service	20%	20%	30%	20%	15%	15%	15%	15%	15%	15%	15%	15%	10%	10%	10%	10%	
Other	75%	100%	100%	75%	55%	35%	25%	15%	15%	15%	10%	10%	5%	5%	5%	0%	
FY 20					FY21												

Better Case Bottom-Out

Parking - Better Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Parking Garages	90%	87%	88%	76%	65%	45%	35%	25%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Parking Lots	46%	59%	59%	51%	51%	39%	33%	28%	30%	26%	25%	19%	18%	11%	11%	11%	10%
Parking Meters	75%	95%	95%	75%	63%	43%	33%	23%	23%	23%	18%	18%	13%	13%	13%	13%	
FY 20					FY21												

Better Case Bottom-Out

Maritime - Better Case																	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Concession	95%	100%	100%	95%	75%	55%	35%	25%	15%	15%	10%	10%	5%	5%	5%	0%	
Cruise	-	40%	60%	-	-	-	11%	13%	14%	14%	14%	13%	14%	14%	11%	5%	
Pasha	-	12%	12%	12%	2%	2%	6%	6%	6%	6%	8%	8%	8%	8%	8%	8%	
FY 20					FY21												

Better Case Bottom-Out

# FY 2021 Budget

# Budget Scenarios: Robert DeAngelis

Refer to the spreadsheets, printed on white paper

# Project Impacts for Each Budget Scenario

# Waterfront Development

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Port Master Plan Update	<ul style="list-style-type: none"> <li>Drafting and subsequent release of Port Master Plan Update significantly delayed</li> <li>Public engagement delayed</li> <li>Preparation of Environmental Impact Report delayed</li> </ul>	<p>X</p> <p>X</p> <p>X</p>	<p>-</p> <p>X</p> <p>X</p>	<p>-</p> <p>X</p> <p>X</p>
SB507 Trust Lands Plan	<ul style="list-style-type: none"> <li>Drafting of Trust Lands Plan, including surveying completed in-house</li> <li>Public engagement and environmental review deferred to FY22</li> </ul>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>	<p>X</p> <p>X</p>
National City Balanced Plan	<ul style="list-style-type: none"> <li>Project management to be done in-house, which may result in schedule impacts to EIR completion</li> <li>No 3rd party financial analysis of development submittals (in-house analysis only)</li> </ul>	<p>X</p> <p>X</p>	<p>X</p> <p>-</p>	<p>-</p> <p>-</p>
East Harbor Island Redevelopment (Sunroad and TopGolf)	<ul style="list-style-type: none"> <li>No 3rd party financial analysis of development submittals (in-house analysis only)</li> </ul>	<p>X</p>	<p>-</p>	<p>-</p>
Seaport Village Management	<ul style="list-style-type: none"> <li>Activation or program-based marketing for Seaport Village (excluding Common Area Maintenance and Marketing)</li> <li>Tenant improvement funding for future Seaport Village deals</li> </ul>	<p>X</p> <p>X</p>	<p>-</p> <p>-</p>	<p>-</p> <p>-</p>

# Waterfront Development (continued)

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Central Embarcadero	<ul style="list-style-type: none"> <li>No 3rd party financial analysis of development submittals (in-house analysis only)</li> </ul>	X	-	-
Chula Vista Bayfront (RIDA)	<ul style="list-style-type: none"> <li>Marketing and outreach for all new solicitations (RFP, RFQ, etc.)</li> </ul>	X	-	-
1220 Pacific Highway	<ul style="list-style-type: none"> <li>No 3rd party financial analysis of development submittals (in-house analysis only)</li> </ul>	X	-	-
Low Cost Overnight Accommodations	<ul style="list-style-type: none"> <li>No 3rd party financial analysis of development submittals (in-house analysis only)</li> </ul>	X	-	-

# Waterfront Development (continued)

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Development Services – Tenant Projects	• Project reviews extended due to reduced reliance on project management consultants	X	X	X
	• Delay implementation of process improvements, such as a new Historic Sites Review process for projects on Tidelands in the City of San Diego	X	X	X
Aquaculture (FLUPSY)	• Health testing required for new and existing species (clams, oysters, abalone) interrupted, delaying deployment of new products and commerce.	X	X	X
	• Health testing for OSHV-1 will continue with CDFW and University of North Carolina	X	X	X
Aquaculture (Baywide)	• Postpone aquaculture pilot planning to establish new aquaculture sites on Port tidelands	X	X	X
Blue Economy Incubator	• Continue active Blue Economy Incubator projects including ECOcrete, ecoSPEARS, and Sunken Seaweed.	X	X	X
	• No new partnerships requiring Port investment dollars.	X	X	X



Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Stormwater	<ul style="list-style-type: none"> <li>All regulatory programs will continue (inspections, enforcement, construction oversight, BMP assessments, education) and significantly reduce discretionary activities</li> <li>Defer installation of trash capture device</li> </ul>	X X	X X	X X
Environmental Investigations	<ul style="list-style-type: none"> <li>Schedule extended to complete studies required to support site specific investigations (e.g. TAMT) and baywide pollution studies</li> <li>High potential to reduce discretionary investigations</li> </ul>	X X	X X	X -
Climate Action Plan	<ul style="list-style-type: none"> <li>Delay completion of an updated Maritime Emissions Inventory</li> <li>Delay Climate Action Plan update</li> </ul>	X X	- X	- X
Maritime Clean Air Strategy	<ul style="list-style-type: none"> <li>Maritime Clean Air Strategy schedule extended due to reduced consultant support and shifting more work to in-house staff</li> </ul>	X	-	-
Mitigation Banking (Pond 20)	<ul style="list-style-type: none"> <li>Continue entitlement work. Reduced funding may impact schedule, especially responding to agency/public comments</li> </ul>	X	-	-
Baywide Ecological Monitoring and Surveys	<ul style="list-style-type: none"> <li>Conduct required monitored and surveys and significantly reduce non-regulatory activities or complete in-house</li> </ul>	X	X	X
California Sea Grant Fellowships	<ul style="list-style-type: none"> <li>Take a hiatus from entering contracts with new fellows</li> </ul>	X	X	-

# Maritime

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Travel/Business Marketing/Association memberships	<ul style="list-style-type: none"> <li>Trade team will be limited in ability to travel for trade missions and revenue generating business development trips</li> <li>Would have to limit membership in associations, conferences, and trade groups. Reduced networking</li> </ul>	X	X	-
TAMT/NCMT electrification projects	<ul style="list-style-type: none"> <li>Development of design and capacity would be stalled as a consultant was planned for evaluation of electrification needs in response to upcoming CARB regulations</li> </ul>	X	X	-
Maritime security	<ul style="list-style-type: none"> <li>Reduced capacity for surge requirements or increased security measure requirements.</li> </ul>	X	X	-
Cruise optimization	<ul style="list-style-type: none"> <li>Delay in further development of Cruise Terminal upgrades with support of Cruise lines. Consultant services and design will be delayed/postposed</li> </ul>	X	X	-

# Experiences

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Baywide Signage	<ul style="list-style-type: none"> <li>No new Port-branded signage installed; project put on hold</li> </ul>	X	X	X
Ticket and Table Sponsorships	<ul style="list-style-type: none"> <li>Very select number of ticket and table sponsorships</li> </ul>	X	X	X
Destination Marketing Campaign (Discover Your Wonderfront)	<ul style="list-style-type: none"> <li>No destination marketing campaign</li> </ul>	X	-	-
Destination Marketing Campaign (Discover Your Wonderfront)	<ul style="list-style-type: none"> <li>Very limited destination marketing campaign using existing creative</li> </ul>	-	X	X

# Experiences (continued)

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Coronado Bridge Lighting	<ul style="list-style-type: none"> <li>Work on Mock-Up Testing is proceeding using funding from donations and pledges</li> <li>If no additional donated funds are received, all work will stop and existing service agreements will pause upon completion of Mock-Up in FY21</li> </ul>	X	X	X
Tidelands Activation Program (TAP)	<ul style="list-style-type: none"> <li>No funding for any FY21 TAP event</li> <li>No funding for existing multi-year Signature events</li> <li>Recommend approving service fee waivers</li> </ul>	X	X	X
IB Pier Enhancements	<ul style="list-style-type: none"> <li>Project progress has slowed</li> <li>Unused equipment outlay dollars from FY20 would need to be reallocated to FY21 to complete work in progress (installation fishing rods holders, placards, markers, painting)</li> <li>Additional project funding is categorized under CIP which is also required to complete purchase of materials</li> </ul>	X	-	-

# Public Safety

Major Projects / Programs	Description of Impact to Work	Worse Case	Base Case	Better Case
Special Events Staffing & Equipment (ie- 4 <sup>th</sup> of July & Wonderfront, et al)	<ul style="list-style-type: none"> <li>•Overtime impacted to deploy staff</li> <li>•Funding to rent/ purchase needed security equipment</li> </ul>	X	X	-
Alpha Project	<ul style="list-style-type: none"> <li>•Suspend or reduce program to give additional options to homeless individuals on Port Tideland</li> </ul>	X	X	-
NEVP & IB Security Program	<ul style="list-style-type: none"> <li>•Suspend or reduce NEVP &amp; IB Pier Security</li> </ul>	X	X	-
HPD Training	<ul style="list-style-type: none"> <li>•Reduce specialized training (Dive, Firefighting, Tactical, Officer Safety, Leadership)</li> <li>•Conduct only minimum training required by law (Use of Force, Driving, Shooting)</li> </ul>	X	X	-
Travel, Employee Recognition, Professional Education, other services	<ul style="list-style-type: none"> <li>•Suspend all travel, employee recognition, books/periodicals &amp; professional services</li> </ul>	X	X	X

# Revised Q4 Budget for FY 2020

Refer to pages 15-19 of budget documents printed on white paper

# Recommendation: Base Budget

A Monthly Check-In and Appropriate Pivots

# Tenant Status and Recommendations: Shaun Sumner



# STATUS UPDATE

Overview of February 2020 Rent  
Due in March 2020

# February 2020 Rent Analysis at a Glance

(includes Real Estate and Maritime Concessions, Seaport Village CAM and Rent)

Total Rent Due	\$10,163,146
Total Rent Paid	\$9,729,146
Total Rent Unpaid / Underpaid	\$434,000
Unpaid Rent as a % of Total Rent Due	4%
Total Number of Agreements w/ Rent Due	323
Agreements Unpaid / Underpaid	39*
Unpaid Agreements as % of Total	12%

## OVERVIEW

- February 2020 rent payments which were due and paid in March 2020 were normal, except for Seaport Village.
- 57% of rent due at Seaport Village for February 2020 was unpaid totaling approximately \$347K.

*\*Note: 33 of the 39 agreements are at Seaport Village*

# **RENT RELIEF RECOMMENDATION**

## **Option B – Rent Deferral**

# PRELIMINARY Rent Relief Recommendations

## RECOMMENDATION

### Scenario B: Rent Deferral Program

- Applies to concession based tenants and Seaport Village tenants only
- 3 months of rent deferral – March, April, and May 2020
- Deferral equals difference between minimum rent owed and percentage rent paid
- In the case of businesses that have closed, there will be no percentage rent generated
- Payback begins January 2021 over six months, no interest
- Fixed rent tenants excluded (to be addressed on a case by case basis only)

## QUALIFICATIONS

To qualify for any rent relief from the Port, the following conditions apply. The tenants MUST:

- Be "in good standing" pursuant to BPC 355.
- Provide evidence of financial hardship.
- Apply for state and federal aid.
- Provide proof of application for state and federal aid.
- Diligently pursue application and provide notice of determination.
- Accept state or federal aid if offered.

## INTEREST AND LATE FEES

- No interest will be charged on deferred rental payments
- Waive late fees for 30 – 60 days for all eligible tenants
- Addresses non-payment of February 2020 rent
- Addresses the amount of time it may take to implement the program from Board action

## TOTAL POTENTIAL\* FINANCIAL IMPACT TO THE DISTRICT

<b>FY 20</b>	<b>\$(6,148,854)</b>
<b>FY 21</b>	<b>\$5,908,608</b>
<b>TOTAL</b>	<b>\$(240,246)</b>

- \*Assumptions:
- (1) Deductions from the Base Case
  - (2) All eligible tenants participate
  - (3) Some Seaport tenants default

## Rent Relief Scenarios

Updated April 2, 2020

			FY20				FY 21				TOTAL (FY20 and FY21)			
Assumptions and Notes			Revenue Impact	Base Case w/o Rent Relief	Base Case with Rent Relief	% Difference	Revenue Impact	Base Case w/o Rent Relief	Base Case with Rent Relief	% Difference	Revenue Impact	Base Case w/o Rent Relief	Base Case with Rent Relief	% Difference
Option A PTA Request Rent Waiver	Concession	(a) Pay percentage rent only for March, April, May 2020. (b) WAIVE minimum rent requirement for those 3 months. (b) No payback of minimum rent to the Port.	\$ (4,917,564)	\$ 63,775,061	\$ 58,857,497	-7.71%	\$ 850,134	\$ 59,439,150	\$ 60,289,284	1.43%	\$ (4,067,430)	\$ 123,214,211	\$ 119,146,781	-3.30%
	Seaport	(a) WAIVE all rent for March, April, and May 2020. (b) Tenants pay CAM and Marketing only for those 3 months. (b) No payback to the Port.	\$ (1,231,291)	\$ 4,979,682	\$ 3,748,391	-24.73%	\$ -	\$ 4,092,573	\$ 4,092,573	0.00%	\$ (1,231,291)	\$ 9,072,255	\$ 7,840,964	-13.57%
	TOTAL		\$ (6,148,855)	\$ 68,754,743	\$ 62,605,888	-8.94%	\$ 850,134	\$ 63,531,723	\$ 64,381,857	1.34%	\$ (5,298,721)	\$ 132,286,466	\$ 126,987,745	-4.01%
Option B Rent Deferral	Hotels	(a) Pay percentage rent only for March, April, May 2020. (b) DEFER minimum rent requirement for those 3 months. (c) Payback over 6 mos starting Jan 2021, no interest.	\$ (3,948,624)	\$ 43,755,855	\$ 39,807,231	-9.02%	\$ 3,948,624	\$ 40,644,216	\$ 44,592,840	9.72%	\$ -	\$ 84,400,071	\$ 84,400,071	0.00%
	Restaurants	Same assumptions and notes for all concession tenants.	\$ (634,411)	\$ 3,454,211	\$ 2,819,800	-18.37%	\$ 634,411	\$ 3,994,828	\$ 4,629,239	15.88%	\$ -	\$ 7,449,039	\$ 7,449,039	0.00%
	Sportfishing		\$ -	\$ 2,227,057	\$ 2,227,057	0.00%	\$ -	\$ 1,752,387	\$ 1,752,387	0.00%	\$ -	\$ 3,979,444	\$ 3,979,444	0.00%
	Tourism		\$ (40,878)	\$ 541,502	\$ 500,624	-7.55%	\$ 40,878	\$ 408,456	\$ 449,334	10.01%	\$ -	\$ 949,958	\$ 949,958	0.00%
	Retail (Excl. Seaport)		\$ (151,895)	\$ 690,212	\$ 538,317	-22.01%	\$ 151,895	\$ 692,198	\$ 844,093	21.94%	\$ -	\$ 1,382,410	\$ 1,382,410	0.00%
	Marine Sales & Service/Other		\$ (140,848)	\$ 1,411,364	\$ 1,270,516	-9.98%	\$ 140,848	\$ 1,137,601	\$ 1,278,449	12.38%	\$ -	\$ 2,548,965	\$ 2,548,965	0.00%
	Marinas/Yacht Clubs		\$ (907)	\$ 11,694,859	\$ 11,693,952	-0.01%	\$ 907	\$ 10,809,464	\$ 10,810,371	0.01%	\$ -	\$ 22,504,323	\$ 22,504,323	0.00%
	Total Concession		\$ (4,917,563)	\$ 63,775,060	\$ 58,857,497	-7.71%	\$ 4,917,563	\$ 59,439,150	\$ 64,356,713	8.27%	\$ -	\$ 123,214,210	\$ 123,214,210	0.00%
	Seaport Village	(a) DEFER all rent for March, April, May 2020. (b) DEFER CAM and Marketing fees. (c) Will result in increased expenses to Port. (d) Payback over 6 mos starting Jan 2021, no interest.	\$ (1,231,291)	\$ 4,979,682	\$ 3,748,391	-24.73%	\$ 991,045	\$ 4,092,573	\$ 5,083,618	24.22%	\$ (240,246)	\$ 9,072,255	\$ 8,832,009	-2.65%
	TOTAL		\$ (6,148,854)	\$ 68,754,742	\$ 62,605,888	-8.94%	\$ 5,908,608	\$ 63,531,723	\$ 69,440,331	9.30%	\$ (240,246)	\$ 132,286,465	\$ 132,046,219	-0.18%



# Brief Overview of CARES Act (Stimulus III)

## Federal Opportunities for Small Tenant Relief

Small tenants have viable alternatives to rent relief as evidenced by the CARES Act:

- Until June 30, 2020, the Small Business Administration will be authorized to guarantee loans (under a provision called the **Paycheck Protection Program**).
- Any business concern that employs not more than 500 employees per physical location of the business concern (**including hotels, bars, restaurants**) is eligible.
- Borrowers can receive a **loan totaling no more than two-and-a-half times** what they paid each month (on average) for payrolls over the last year with a maximum loan size of \$10,000,000.
- Loans may be used for payrolls, worker healthcare, **payment of rent**, and payment of interest (not principal) on any mortgage.
- **Borrowers may have their loan forgiven** to the extent that it was used to pay rent, pay mortgage interest, and retain employees.

See: <https://www.bisnow.com/national/news/economy/massive-stimulus-bill-includes-relief-for-retail-hotels-multifamily-103588>

See also: <https://www.proskauer.com/alert/cares-act-key-provisions-affecting-the-hospitality-industry>

# Brief Overview of CARES Act (Stimulus III)

## Federal Opportunities for Mid-Sized and Large Tenant Relief

### Resources available under the Coronavirus Economic Stabilization Act of 2020 (part of CARES):

- Up to \$454 billion in lending facilities available to provide liquidity.
- Covered mid-sized businesses including **hospitality with between 500 and 10,000 employees.**
- **Deferral of all principal and interest payments** for at least six months and a 2% capped interest rate.

### Tax benefits available in certain circumstances:

- Eligible employers with a **refundable payroll tax credit** equal to 50% of certain “qualified wages”.
- Postpone the deadline for payment of the **employer portion of the 6.2% employer share** of the Social Security tax (but not the 1.45% employer share of the Medicare tax) through 2020.
- Businesses can now **expense certain costs for improvements to “qualified improvement property,”** reversing existing provisions of the Tax Cuts and Jobs Act (TCJA) that prevented businesses from expensing these costs and required them to be depreciated over the 39-year life of the building.

# Federal and State Stimulus Opportunities: Job Nelson



# How does stimulus money differ from emergency operations?

## Port as two entities -- Business and Public Agency

1. As a public agency the Port has a duty to respond to emergencies. It can declare an emergency and seek reimbursement for costs from State and Federal Government (if they also declare an emergency) for funding associated with costs of responding to emergency. **This process is highly defined and prescribed**
2. As a business the Port may experience revenue shortfalls due to loss of business caused by an emergency. The Port may appeal to the State and/or Federal government for relief under specially created legislative and budget programs designed to stimulate the economy. **This process is unique to each financial crisis and guidelines are sometimes more ambiguous**

# Sampling of State and Federal Stimulus for Tenants

Program	Funder/Agency	Beneficiary	Amount
Economic Injury Disaster Loans & Emergency Economic Injury Grants	Small Business Administration (SBA)	These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).	Up to \$10,000
Jump Start Loan Program	California iBank	Loans and loan guarantees via a partnership between the Small Business Finance Center and the Financial Development Corporation	Loans up to \$20M, max guarantee \$1M for up to 7 years, interest rates are negotiable
Small Business Finance Center (SBFC)	iBank	Small Businesses located in California with 1-750 employees, Eligible Nonprofits	Loans up to \$20M, max guarantee \$1M for up to 7 years, interest rates are negotiable
Paycheck Protection Program (PPP) Loans	Small Business Administration (SBA)		\$350B available federally guaranteed loans for employers who maintain their payroll during this emergency. small business loans
Debt Relief for Existing and New SBA Borrowers	Small Business Administration (SBA)	Debt relief for small businesses, allows businesses to extend the duration of existing and new small business loans	\$17B total, including the ability to defer debt payments for existing loans

# Sampling of State and Federal Stimulus for Tenants

## (continued)

Program	Funder/Agency	Beneficiary	Amount
Paid Leave for Government Contractors	Small Business Administration (SBA)	Paid leave for employees working on small business contracts for the federal government	
Resources for Business Counseling Services	Small Business Administration (SBA)		\$275M to Small Business Development Centers, Women's Business Centers and Minority Business Development Centers
California Capital Access Program for Small Business	California Treasurer		Loans via banks and lending institutions to small businesses that have difficulty finding financing.
Rapid Response Services for Business	California Employment Development Department	Resources for employers and employees to access training, unemployment benefits and work sharing opportunities	Early intervention and on-site services based on business and employee needs.
Economic Stabilization Act of 2020	U.S. Treasury	Loan program for mid-sized businesses with between 500 and 10,000 employees. Applicable terms for the mid-sized business loan program include complete deferral of all principal and interest payments for at least six months	\$454B available to provide liquidity to covered businesses, including in the hospitality sector

# CARES Act Opportunity for Port of San Diego

## Title VI -- State and Local Government



- State and Local Governments to receive \$150 Billion in the form of block grants
- Only local governments eligible are cities with populations over 500,000
- California to get approximately \$10 billion with \$5.5 billion going to state and \$4.5 going to big cities
- Because the state will be getting \$5.5 billion the District has petitioned the Governor through State Lands for \$30 million in relief funding
- Talking to our delegation and our being supported by Teamsters, HPOA and ILWU

# CARES Act Opportunity for Port of San Diego

## Title IV -- State and Local Government

- \$454 billion in direct lending authority to businesses, states, and municipalities to be run by the Federal Reserve and Department of Treasury
- Port is eligible for this funding. Municipality (A) a political subdivision of a State, and (B) an instrumentality of a municipality, a State, or a political subdivision of a State
- The Secretary is authorized to make loans, loan guarantees, and other investments. At this point in time how those provisions are defined for states and local governments is not defined
- The District has created a coalition of other Tourism Ports including Everglades, Seattle and New Orleans



# Stimulus Package #4



- House is already talking about Stimulus 4 with an emphasis on providing more money to states and local governments
- Also potential money for infrastructure
- Could be used to clean up provisions that we feel like need help in the CARES Act
- Partnering with AAPA, CAPA and our Tourism Ports Coalition to help shape the next version
- Questions regarding the appetite of Senate Republicans for such a measure

# Next Steps: Randa Coniglio

	A	B	C	D	F	K	L	M	R	S	T	Y	AA
1		Port of San Diego											
2		Revenue by Operating Center											
3													
4			ADJUSTED BUDGET FY 2020	WORSE CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	BASE CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	BETTER CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	
6		<b>REAL ESTATE</b>											
7		Fixed Rent	\$ 19,648,200	\$ 20,054,992	\$ 406,792	2.1%	\$ 20,054,992	\$ 406,792	2.1%	\$ 20,054,992	\$ 406,792	2.1%	
8		Concession Revenue	90,070,100	58,531,878	(31,538,222)	(35.0)%	63,994,243	(26,075,857)	(29.0)%	67,465,284	(22,604,816)	(25.1)%	
9		ACH Parking Facility Funding	222,500	226,252	3,752	1.7%	226,252	3,752	1.7%	226,252	3,752	1.7%	
11		Rents	\$ 109,940,800	\$ 78,813,122	\$ (31,127,678)	(28.3)%	\$ 84,275,487	\$ (25,665,313)	(23.3)%	\$ 87,746,528	\$ (22,194,272)	(20.2)%	
13		Advertising	\$ 170,000	\$ 90,000	\$ (80,000)	(47.1)%	\$ 90,000	\$ (80,000)	(47.1)%	\$ 220,000	\$ 50,000	29.4%	
14		Parking	1,950,300	1,111,248	(839,052)	(43.0)%	1,411,696	(538,604)	(27.6)%	1,626,312	(323,988)	(16.6)%	
15		Park Usage Fees	1,043,400	409,210	(634,190)	(60.8)%	711,669	(331,731)	(31.8)%	1,043,400	-	0.0%	
17		Reimbursed Cost/Cost Recovery	120,000	100,000	(20,000)	(16.7)%	120,000	-	0.0%	140,000	20,000	16.7%	
18		Seaport Village Common Area Maintenance	3,000,900	1,208,218	(1,792,682)	(59.7)%	1,392,799	(1,608,101)	(53.6)%	1,576,781	(1,424,119)	(47.5)%	
19		Seaport Village Marketing Fee	732,200	325,133	(407,067)	(55.6)%	374,619	(357,581)	(48.8)%	424,104	(308,096)	(42.1)%	
21		Waived Fees-Tidelands Activation Program	\$ (682,900)	(233,260)	449,640	(65.8)%	(405,699)	277,201	(40.6)%	(682,900)	-	0.0%	
22		Fees & Service Charges	\$ 6,333,900	\$ 3,010,549	\$ (3,323,351)	(52.5)%	\$ 3,695,084	\$ (2,638,816)	(41.7)%	\$ 4,347,697	\$ (1,986,203)	(31.4)%	
29		<b>TOTAL REAL ESTATE</b>	<b>\$ 116,274,700</b>	<b>\$ 81,823,671</b>	<b>\$ (34,451,029)</b>	<b>(29.6)%</b>	<b>\$ 87,970,571</b>	<b>\$ (28,304,129)</b>	<b>(24.3)%</b>	<b>\$ 92,094,225</b>	<b>\$ (24,180,475)</b>	<b>(20.8)%</b>	
31		<b>PORT AS A SERVICE - PARKING</b>											
32		Fixed Rent	\$ 457,200	\$ 356,400	\$ (100,800)	(22.0)%	\$ 356,400	\$ (100,800)	(22.0)%	\$ 356,400	\$ (100,800)	(22.0)%	
33		Rents	\$ 457,200	\$ 356,400	\$ (100,800)	(22.0)%	\$ 356,400	\$ (100,800)	(22.0)%	\$ 356,400	\$ (100,800)	(22.0)%	
35		Citations	\$ 851,700	\$ 488,601	\$ (363,099)	(42.6)%	\$ 636,234	\$ (215,466)	(25.3)%	\$ 729,692	\$ (122,008)	(14.3)%	
36		Parking	10,209,500	5,943,901	(4,265,599)	(41.8)%	7,367,394	(2,842,106)	(27.8)%	8,162,389	(2,047,111)	(20.1)%	
37		Parking Meters	3,693,900	1,908,052	(1,785,848)	(48.3)%	2,507,406	(1,186,494)	(32.1)%	2,887,835	(806,065)	(21.8)%	
38		Parking-Concession	1,225,900	685,950	(539,950)	(44.0)%	782,438	(443,463)	(36.2)%	907,110	(318,790)	(26.0)%	
41		Waived Fees-Tidelands Activation Program	(158,500)	-	158,500	(100.0)%	-	158,500	(100.0)%	-	158,500	(100.0)%	
42		Fees & Service Charges	\$ 15,822,500	9,026,505	\$ (6,795,995)	(43.0)%	11,293,472	\$ (4,529,028)	(28.6)%	12,687,026	\$ (3,135,474)	(19.8)%	
44		<b>TOTAL PORT AS A SERVICE - PARKING</b>	<b>\$ 16,279,700</b>	<b>\$ 9,382,905</b>	<b>\$ (6,896,795)</b>	<b>(42.4)%</b>	<b>\$ 11,649,872</b>	<b>\$ (4,629,828)</b>	<b>(28.4)%</b>	<b>\$ 13,043,426</b>	<b>\$ (3,236,274)</b>	<b>(19.9)%</b>	
46		<b>MARITIME</b>											
47		Fixed Rent	\$ 16,564,800	\$ 16,000,500	\$ (564,300)	(3.4)%	\$ 16,125,600	\$ (439,200)	(2.7)%	\$ 16,125,600	\$ (439,200)	(2.7)%	
48		Concession Revenue	2,364,600	1,417,967	(946,633)	(40.0)%	1,752,202	(612,398)	(25.9)%	1,883,870	(480,730)	(20.3)%	
49		Storage Space Rental	2,442,500	1,453,800	(988,700)	(40.5)%	1,453,800	(988,700)	(40.5)%	2,187,700	(254,800)	(10.4)%	
50		Other Rental Revenue	856,100	522,667	(333,433)	(38.9)%	645,867	(210,233)	(24.6)%	694,400	(161,700)	(18.9)%	
51		Rents	\$ 22,228,000	\$ 19,394,933	\$ (2,833,067)	(12.7)%	\$ 19,977,468	\$ (2,250,532)	(10.1)%	\$ 20,891,570	\$ (1,336,430)	(6.0)%	
53		Bunkering	\$ 39,300	\$ 34,000	\$ (5,300)	(13.5)%	\$ 22,800	\$ (16,500)	(42.0)%	\$ 57,000	\$ 17,700	45.0%	
54		Cruise Ship Passenger Fees	2,330,200	1,266,500	(1,063,700)	(45.6)%	1,887,500	(442,700)	(19.0)%	2,359,300	29,100	1.2%	
55		Cruise Ship Passenger Security Charges	1,281,800	919,500	(362,300)	(28.3)%	1,049,800	(232,000)	(18.1)%	1,749,600	467,800	36.5%	
56		Dockage	2,305,600	1,682,941	(622,659)	(27.0)%	1,753,890	(551,710)	(23.9)%	2,217,330	(88,270)	(3.8)%	
57		Environmental Surcharge	9,700	21,600	11,900	122.7%	21,600	11,900	122.7%	21,600	11,900	122.7%	



	A	B	C	D	F	K	L	M	R	S	T	Y	AA
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2	Revenue by Operating Center												
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4			ADJUSTED BUDGET FY 2020	WORSE CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	BASE CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	BETTER CASE FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE	
122			Donated Revenue	840,000	912,000	72,000 8.6%	912,000	72,000 8.6%	912,000	72,000 8.6%	912,000	72,000 8.6%	
125			Misc Other Non-Operating Revenue	300,000	300,000	- 0.0%	300,000	- 0.0%	300,000	- 0.0%	300,000	- 0.0%	
126			Car Rental Transaction Fees	3,000,000	3,000,000	- 0.0%	3,000,000	- 0.0%	3,000,000	- 0.0%	3,000,000	- 0.0%	
127			Sale of Surplus Items - Proceeds	60,000	60,000	- 0.0%	60,000	- 0.0%	60,000	- 0.0%	60,000	- 0.0%	
128			Non-Operating Revenue	\$ 19,337,895	\$ 10,319,515	\$ (9,018,380) (46.6)%	\$ 10,319,515	\$ (9,018,380) (46.6)%	\$ 10,319,515	\$ (9,018,380) (46.6)%	\$ 10,319,515	\$ (9,018,380) (46.6)%	
130			Interest - Investments	\$ 1,700,000	\$ 400,000	\$ (1,300,000) (76.5)%	\$ 800,000	\$ (900,000) (52.9)%	\$ 1,000,000	\$ (700,000) (41.2)%	\$ (700,000) (41.2)%		
134			Investment Revenue	\$ 1,700,000	\$ 400,000	\$ (1,300,000) (76.5)%	\$ 800,000	\$ (900,000) (45.8)%	\$ 1,000,000	\$ (700,000) (41.2)%	\$ (700,000) (41.2)%		
139			<b>TOTAL MISCELLANEOUS</b>	<b>\$ 24,468,695</b>	<b>\$ 13,927,815</b>	<b>\$ (10,540,880) (43.1)%</b>	<b>\$ 14,327,815</b>	<b>\$ (10,140,880) (41.4)%</b>	<b>\$ 14,527,815</b>	<b>\$ (9,940,880) (40.6)%</b>			
141			<b>TOTAL REVENUE</b>	<b>\$ 214,977,995</b>	<b>\$ 155,851,935</b>	<b>\$ (59,126,060) (27.5)%</b>	<b>\$ 166,156,075</b>	<b>\$ (48,821,920) (22.7)%</b>	<b>\$ 176,171,785</b>	<b>\$ (38,806,211) (18.1)%</b>			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>Port of San Diego Expense by Account</b>													
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4		<b>FY 2020</b>		<b>Worse</b>	<b>CHANGE</b>			<b>Base</b>	<b>CHANGE</b>			<b>Better</b>	<b>CHANGE</b>	
5		<b>ADJUSTED</b>		<b>Case</b>	<b>FY 2021-2020</b>			<b>Case</b>	<b>FY 2021-2020</b>			<b>Case</b>	<b>FY 2021-2020</b>	
6	<b>LINE ITEM</b>	<b>BUDGET</b>		<b>FY 2021</b>	<b>BUDGET</b>	<b>% CHANGE</b>		<b>FY 2021</b>	<b>BUDGET</b>	<b>% CHANGE</b>		<b>FY 2021</b>	<b>BUDGET</b>	<b>% CHANGE</b>
8	Awards - Service	5,200		-	(5,200)	-100%		\$705	(4,495)	-86%		\$1,304	(3,896)	-75%
9	Books & Periodicals	66,400		6,520	(59,880)	-90%		15,322	(51,078)	-77%		22,804	(43,596)	-66%
10	Employee Recognition	46,700		-	(46,700)	-100%		5,385	(41,315)	-88%		9,962	(36,738)	-79%
11	Memberships & Dues	309,300		92,400	(216,900)	-70%		133,980	(175,320)	-57%		169,323	(139,977)	-45%
12	Health & Wellness	1,500		-	(1,500)	-100%		225	(1,275)	-85%		416	(1,084)	-72%
13	Recruiting	36,000		7,600	(28,400)	-79%		12,160	(23,840)	-66%		16,036	(19,964)	-55%
14	Seminars & Training	742,100		159,560	(582,540)	-78%		255,296	(486,804)	-66%		336,672	(405,428)	-55%
15	Tuition Reimbursement Program	55,000		27,500	(27,500)	-50%		31,625	(23,375)	-43%		35,131	(19,869)	-36%
16	<b>STAFF DEVELOPMENT</b>	<b>1,262,200</b>		<b>293,580</b>	<b>(968,620)</b>	<b>-77%</b>		<b>\$454,698</b>	<b>(807,502)</b>	<b>-64%</b>		<b>\$591,648</b>	<b>(670,552)</b>	<b>-53%</b>
18	Mileage Reimbursement	227,800		113,850	(113,950)	-50%		\$130,928	(96,873)	-43%		\$145,443	(82,357)	-36%
19	Travel	666,900		170,100	(496,800)	-74%		246,645	(420,255)	-63%		311,708	(355,192)	-53%
20	<b>TRAVEL</b>	<b>894,700</b>		<b>283,950</b>	<b>(610,750)</b>	<b>-68%</b>		<b>\$377,573</b>	<b>(517,128)</b>	<b>-58%</b>		<b>\$457,152</b>	<b>(437,548)</b>	<b>-49%</b>
22	Services - Professional & Other	11,474,381		5,453,900	(6,020,481)	-52%		\$6,271,985	(5,202,396)	-45%		\$6,967,357	(4,507,024)	-39%
23	Services - Legal - Port Attorney	2,931,400		1,405,650	(1,525,750)	-52%		1,616,498	(1,314,903)	-45%		1,795,718	(1,135,682)	-39%
24	Services - Security	2,252,200		2,776,800	524,600	23%		2,776,800	524,600	23%		2,776,800	524,600	23%
25	Services - Operator Retention	2,780,500		1,938,192	(842,308)	-30%		1,970,350	(810,150)	-29%		2,631,300	(149,200)	-5%
26	Aquaculture & Blue Technology	450,000		90,000	(360,000)	-80%		106,500	(343,500)	-76%		120,525	(329,475)	-73%
27	<b>CONTRACTUAL SERVICES</b>	<b>19,888,481</b>		<b>11,664,542</b>	<b>(8,223,939)</b>	<b>-41%</b>		<b>\$12,742,132</b>	<b>(7,146,349)</b>	<b>-36%</b>		<b>\$14,291,700</b>	<b>(5,596,781)</b>	<b>-28%</b>
29	Equipment & Systems	2,342,700		1,940,100	(402,600)	-17%		2,037,105	(305,595)	-13%		2,119,559	(223,141)	-10%
30	Equipment Rental/Leasing	337,900		233,625	(104,275)	-31%		245,306	(92,594)	-27%		255,235	(82,665)	-24%
31	Office & Operating Supplies	319,400		204,960	(114,440)	-36%		225,456	(93,944)	-29%		242,878	(76,522)	-24%
32	Postage & Shipping	37,600		40,900	3,300	9%		40,900	3,300	9%		40,900	3,300	9%
33	Safety Equipment & Supplies	438,500		210,300	(228,200)	-52%		241,845	(196,655)	-45%		268,658	(169,842)	-39%
34	Small Tools	34,000		20,280	(13,720)	-40%		22,308	(11,692)	-34%		24,032	(9,968)	-29%
35	Fuel & Lubricants	638,500		668,900	30,400	5%		668,900	30,400	5%		668,900	30,400	5%
36	Parking Meter Supplies	12,000		12,000	-	0%		12,000	-	0%		12,000	-	0%
37	Blueprints	500		500	-	0%		500	-	0%		500	-	0%
38	Uniforms	307,700		301,600	(6,100)	-2%		301,600	(6,100)	-2%		301,600	(6,100)	-2%
39	<b>SUPPLIES &amp; EQUIPMENT</b>	<b>4,468,800</b>		<b>3,633,165</b>	<b>(835,635)</b>	<b>-19%</b>		<b>\$3,795,920</b>	<b>(672,880)</b>	<b>-15%</b>		<b>\$3,934,262</b>	<b>(534,538)</b>	<b>-12%</b>
41	Space Rental	836,000		1,488,300	652,300	78%		\$1,488,300	652,300	78%		\$1,488,300	652,300	78%
42	Telephone & Communications	1,254,400		997,800	(256,600)	-20%		1,047,690	(206,710)	-16%		1,090,097	(164,304)	-13%
43	Utilities - Gas & Electric	1,696,300		1,781,100	84,800	5%		1,781,100	84,800	5%		1,781,100	84,800	5%
44	Utilities - Water	1,427,800		1,498,200	70,400	5%		1,498,200	70,400	5%		1,498,200	70,400	5%
45	Facility Management Services	3,054,200		2,333,952	(720,248)	-24%		2,913,301	(140,899)	-5%		3,268,700	214,500	7%
46	<b>FACILITIES EXPENSE</b>	<b>8,268,700</b>		<b>8,099,352</b>	<b>(169,348)</b>	<b>-2%</b>		<b>\$8,728,591</b>	<b>459,891</b>	<b>6%</b>		<b>\$9,126,397</b>	<b>857,697</b>	<b>10%</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2	<b>Expense by Account</b>													
4		<b>FY 2020</b>		<b>Worse</b>	<b>CHANGE</b>			<b>Base</b>	<b>CHANGE</b>			<b>Better</b>	<b>CHANGE</b>	
5		<b>ADJUSTED</b>		<b>Case</b>	<b>FY 2021-2020</b>	<b>% CHANGE</b>		<b>Case</b>	<b>FY 2021-2020</b>	<b>% CHANGE</b>		<b>Case</b>	<b>FY 2021-2020</b>	<b>% CHANGE</b>
6	<b>LINE ITEM</b>	<b>BUDGET</b>		<b>FY 2021</b>	<b>BUDGET</b>			<b>FY 2021</b>	<b>BUDGET</b>			<b>FY 2021</b>	<b>BUDGET</b>	
48	Common Area Maintenance	3,187,500		2,315,700	(871,800)	-27%		\$2,315,700	(871,800)	-27%		\$2,315,700	(871,800)	-27%
49	Facilities Maintenance - Supplies	807,000		458,500	(348,500)	-43%		527,275	(279,725)	-35%		585,734	(221,266)	-27%
50	Facilities Maintenance - Outside Services	3,748,800		1,795,500	(1,953,300)	-52%		2,064,825	(1,683,975)	-45%		2,293,751	(1,455,049)	-39%
51	Equipment Maintenance - Supplies	279,500		209,625	(69,875)	-25%		220,106	(59,394)	-21%		229,015	(50,485)	-18%
52	Equipment Maintenance - Outside Services	2,113,200		946,650	(1,166,550)	-55%		1,088,648	(1,024,553)	-48%		1,209,345	(903,855)	-43%
53	As - Needed Maintenance	970,600		646,000	(324,600)	-33%		742,900	(227,700)	-23%		825,265	(145,335)	-15%
54	Software Maintenance	992,400		987,040	(5,360)	-1%		1,024,054	31,654	3%		1,055,516	63,116	6%
55	Tenant Improvements	1,537,200		-	(1,537,200)	-100%		0	(1,537,200)	-100%		0	(1,537,200)	-100%
56	<b>MAINTENANCE &amp; REPAIRS</b>	<b>13,636,200</b>		<b>7,359,015</b>	<b>(6,277,185)</b>	<b>-46%</b>		<b>\$7,983,508</b>	<b>(5,652,692)</b>	<b>-41%</b>		<b>\$8,514,327</b>	<b>(5,121,873)</b>	<b>-38%</b>
58	Advertising	55,300		53,800	(1,500)	-3%		\$53,800	(1,500)	-3%		\$53,800	(1,500)	-3%
59	Marketing Fees	788,600		580,400	(208,200)	-26%		580,400	(208,200)	-26%		580,400	(208,200)	-26%
60	Marketing/Outreach	2,579,500		606,075	(1,973,425)	-77%		878,809	(1,700,691)	-66%		1,110,632	(1,468,868)	-57%
61	Promotional Services	467,600		58,830	(408,770)	-87%		138,251	(329,350)	-70%		205,758	(261,842)	-56%
62	Promotional Materials	172,000		22,750	(149,250)	-87%		53,463	(118,538)	-69%		79,568	(92,432)	-54%
63	Svcs - Fire, Police, Rescue, Emergency	8,143,400		8,329,800	186,400	2%		8,329,800	186,400	2%		8,329,800	186,400	2%
64	Eligible Environmental Fund Expenditures	1,321,800		691,800	(630,000)	-48%		773,300	(548,500)	-41%		876,945	(444,855)	-34%
65	Grant Funded Expenditures	500,545		586,400	85,855	17%		586,400	85,855	17%		586,400	85,855	17%
66	Public Art Fund Expenditures	820,000		-	(820,000)	-100%		133,800	(686,200)	-84%		247,530	(572,470)	-70%
67	Remediation	50,000		300,000	250,000	500%		300,000	250,000	500%		300,000	250,000	500%
68	Refuse & Hazardous Waste Disposal	159,000		154,000	(5,000)	-3%		154,000	(5,000)	-3%		154,000	(5,000)	-3%
69	Joint Programs/Studies Assistance	1,272,400		778,000	(494,400)	-39%		778,000	(494,400)	-39%		778,000	(494,400)	-39%
70	Public Art Program	175,000		-	(175,000)	-100%		29,415	(145,585)	-83%		54,418	(120,582)	-69%
71	<b>COMMUNITY &amp; ENVIRONMENTAL SUPPORT</b>	<b>16,505,145</b>		<b>12,161,855</b>	<b>(4,343,290)</b>	<b>-26%</b>		<b>\$12,789,437</b>	<b>(3,715,709)</b>	<b>-23%</b>		<b>\$13,357,251</b>	<b>(3,147,894)</b>	<b>-19%</b>
73	Bank & Credit Card Fees	382,900		286,800	(96,100)	-25%		\$301,140	(81,760)	-21%		\$313,329	(69,571)	-18%
74	Insurance	1,401,500		1,701,500	300,000	21%		1,701,500	300,000	21%		1,701,500	300,000	21%
75	Insurance Claims	5,000		-	(5,000)	-100%		750	(4,250)	-85%		1,388	(3,613)	-72%
76	Permits/Certificates/License	62,100		58,400	(3,700)	-6%		58,400	(3,700)	-6%		58,400	(3,700)	-6%
77	Retiree Health Benefits (Paid)	3,322,300		3,642,000	319,700	10%		3,642,000	319,700	10%		3,642,000	319,700	10%
78	Preservation of Benefits Plan (POB)	265,000		265,000	-	0%		265,000	-	0%		265,000	-	0%
79	Other Miscellaneous Operating Expenses	1,060,700		-	(1,060,700)	-100%		159,015	(901,685)	-85%		294,178	(766,522)	-72%
80	<b>RISK MGMT, RETIREE HEALTH &amp; OTHER</b>	<b>6,499,500</b>		<b>5,953,700</b>	<b>(545,800)</b>	<b>-8%</b>		<b>\$6,127,805</b>	<b>(371,695)</b>	<b>-6%</b>		<b>\$6,275,794</b>	<b>(223,706)</b>	<b>-3%</b>
82	<b>SUBTOTAL OPERATING NON-PERSONNEL</b>	<b>71,423,726</b>		<b>49,449,159</b>	<b>(21,974,567)</b>	<b>-31%</b>		<b>\$52,999,663</b>	<b>(18,424,063)</b>	<b>-26%</b>		<b>\$56,548,531</b>	<b>(14,875,195)</b>	<b>-21%</b>
84	Financial Assistance/Grants/Contributions	1,078,165		855,000	(223,165)	-21%		869,250	(208,915)	-19%		881,363	(196,803)	-18%
85	<b>FINANCIAL ASSISTANCE</b>	<b>1,078,165</b>		<b>855,000</b>	<b>(223,165)</b>	<b>-21%</b>		<b>\$869,250</b>	<b>(208,915)</b>	<b>-19%</b>		<b>\$881,363</b>	<b>(196,803)</b>	<b>-18%</b>
87	Interest-SDCRAA, NEVP, & Other Misc	1,718,700		1,560,700	(158,000)	-9%		1,560,700	(158,000)	-9%		1,560,700	(158,000)	-9%
88	Interest Expense - Series A 2004 Bonds	9,800		-	(9,800)	-100%		0	(9,800)	-100%		0	(9,800)	-100%
89	Interest Expense - Series A 2013 Bonds	963,900		890,100	(73,800)	-8%		890,100	(73,800)	-8%		890,100	(73,800)	-8%
90	<b>MISCELLANEOUS INTEREST</b>	<b>2,692,400</b>		<b>2,450,800</b>	<b>(241,600)</b>	<b>-9%</b>		<b>\$2,450,800</b>	<b>(241,600)</b>	<b>-9%</b>		<b>\$2,450,800</b>	<b>(241,600)</b>	<b>-9%</b>
92	<b>SUBTOTAL NON-OPERATING</b>	<b>3,770,565</b>		<b>3,305,800</b>	<b>(464,765)</b>	<b>-12%</b>		<b>\$3,320,050</b>	<b>(450,515)</b>	<b>-12%</b>		<b>\$3,332,163</b>	<b>(438,403)</b>	<b>-12%</b>
94	<b>TOTAL</b>	<b>75,194,291</b>		<b>52,754,959</b>	<b>(22,439,332)</b>	<b>-30%</b>		<b>\$56,319,713</b>	<b>(18,874,578)</b>	<b>-25%</b>		<b>\$59,880,693</b>	<b>(15,313,598)</b>	<b>-20%</b>

	A	C	J	O	T
1	<b>Port of San Diego</b>				
2	<b>Major Maintenance Capital and Expense Program</b>				
3					
4		Planned	Worse Case	Base Case	Better Case
5	PROJECT NAME	FY 2021	Total	Total	Total
6	Major Maintenance Capital Projects				
7	Curtain Wall Repairs and Backfilling at B Street Pier	2,655,000	245,000	245,000	245,000
8	Concrete Repairs at San Diego Hilton Bayfront Deck 7	785,000	785,000	785,000	785,000
9	Railroad Tie Repairs at TAMT	625,000	-	-	625,000
10	Pavement Improvements at National City	600,000	-	-	-
11	Structural Repairs at NCMT Berth 24-3	450,000	100,000	200,000	210,000
12	Electrical Improvements at TAMT Phase 3	450,000	-	450,000	450,000
13	Roof Replacement at Harbor Police Headquarters Administration Building	300,000	-	300,000	300,000
14	HVAC Replacement at HPD Administration Building	300,000	50,000	50,000	150,000
15	Vertical Pile Repairs to Navy Pier	250,000	100,000	250,000	250,000
16	Major Maintenance Capital Contingency	250,000	250,000	250,000	250,000
17	Switchboard and Transformer Replacement at National City Marine Terminal	250,000	-	-	-
18	Retaining Wall at Centennial Park	210,000	210,000	210,000	210,000
19	Wave Attenuation Panel Replacement at Crosby Street Pier	175,000	-	-	-
20	Roof Replacement at NCMT Warehouse 24-B	150,000	25,000	50,000	50,000
21	Substation Electrical Improvements at TAMT	75,000	-	-	75,000
22	Elevator Car Improvements at San Diego Hilton Bayfront Parking Garage	60,000	-	-	-
23	Utility Piping Repairs at Imperial Beach	50,000	-	-	-
24	Structural Repairs at NCMT Berth 24-11	-	-	-	-
25	Timber Fender System Replacement at Broadway Pier	-	-	-	-
26	18 & 22 Inch Pile Repairs at B Street Pier	-	-	-	-
27	Structural Repairs at NCMT Berth 24-1, 24-2, and 24-4	-	-	-	-
28	Dock Replacement & Repairs at Tuna Harbor Docks 2 & 3	-	-	-	-
29	Pavement Improvements at Shelter Island Parking Lots	-	-	-	-
30	Deferred Maintenance - Seaport Village	-	-	-	-
31	Capitalized Labor	1,150,000	750,000	750,000	900,000



	A	C	J	O	T
4		Planned	Worse Case	Base Case	Better Case
5	PROJECT NAME	FY 2021	Total	Total	Total
32	<b>Total Major Maintenance Capital</b>	<b>8,785,000</b>	<b>2,515,000</b>	<b>3,540,000</b>	<b>4,500,000</b>
33					
34	Major Maintenance Expense Projects				
35	Carpet Replacement at Port Admin FY 2021	250,000	-	-	250,000
36	Pavement Maintenance at National City	225,000	-	-	225,000
37	Fire Service Repairs at TAMT Warehouse C	140,000	140,000	140,000	140,000
38	Sand Replenishment at Kellogg Beach	-	-	-	-
39	Electrical Upgrades to NCMT Berths 24-10 & 24-11	-	-	-	-
40	Pavement Maintenance at Chula Vista Boat Launch	-	-	-	-
41	Carpet Replacement at Port Admin FY 2022	-	-	-	-
42	Carpet Replacement at Port Admin FY 2023	-	-	-	-
43	<b>Total Major Maintenance Expense</b>	<b>615,000</b>	<b>140,000</b>	<b>140,000</b>	<b>615,000</b>
44					
45	<b>Total Major Maintenance Program</b>	<b>9,400,000</b>	<b>2,655,000</b>	<b>3,680,000</b>	<b>5,115,000</b>
46					
47	<b>NOTE: CARRY OVER FUNDS ARE NOT INCLUDED IN THESE SCENARIOS. THIS IS JUST NEW FUNDING REQUESTS</b>				

	A	B	C	D	E	J	O	C	T
1	<div>Port of San Diego</div> <div>Equipment Outlay and Other Capital Projects</div>								
2									
3									
4					Planned	Worse Case	Base Case	Better Case	
5			Sub Items	Qty	FY 2021	Total	Total	Total	
6	124	Information Technology	THERMAL CAMERAS-MARINE SECURITY OPS	3	75,000	-	75,000	75,000	
7	124	<b>Information Technology</b>	<b>Result</b>	<b>3</b>	<b>75,000</b>	-	<b>75,000</b>	<b>75,000</b>	
8	138	Port as a Service-Parking	EMBARCADERO MARINA PARK NORTH PARKING	1	100,000	-	-	-	
9	138	<b>Port as a Service-Parking</b>	<b>Result</b>	<b>1</b>	<b>100,000</b>	-	-	-	
10	140	Engineering - Construction	BREAKWATER AT TUNA HARBOR	1	250,000	-	-	250,000	
11	140	<b>Engineering - Construction</b>	<b>Result</b>	<b>1</b>	<b>250,000</b>	-	-	<b>250,000</b>	
12	141	Energy	DESIGN OF ENERGY EFFICIENCY PROJECTS	1	100,000	-	-	-	
13	141	Energy	EV CHARGING STATION IN PUBLIC PARK	1	90,000	25,000	25,000	25,000	
14	141	Energy	LIGHTING EFFICIENCY IMPROVEMENTS HPD	1	100,000	-	-	-	
15	141	<b>Energy</b>	<b>Result</b>	<b>3</b>	<b>290,000</b>	-	-	-	
16	144	Planning	STORM WATER MEDIA FILTERS	1	25,000	-	-	-	
17	144	Planning	TRASH BMP FOR STORM DRAIN	1	90,000	-	-	-	
18	144	<b>Planning</b>	<b>Result</b>	<b>2</b>	<b>115,000</b>	-	-	-	
19	146	Environmental Protection	TRASH SYSTEM	1	75,000	-	-	-	
20	146	<b>Environmental Protection</b>	<b>Result</b>	<b>1</b>	<b>75,000</b>	-	-	-	
21	152	Harbor Police	911 CALL TAKING POSITION	1	10,000	10,000	10,000	10,000	
22	152	Harbor Police	ADMINISTRATIVE VEHICLES	2	80,000	-	80,000	80,000	
23	152	Harbor Police	COASTAL SURVEILLANCE VIDEO STORAGE (IB)	1	25,000	-	25,000	25,000	
24	152	Harbor Police	COMMAND STAFF VEHICLES	2	94,000	-	94,000	94,000	
25	152	Harbor Police	COMMAND VEH BUILDOUT (IB)	1	20,000	-	20,000	20,000	
26	152	Harbor Police	EVIDENCE LOCKER	1	7,600	-	-	7,600	
27	152	Harbor Police	FORCED ENTRY TRAINING DOOR	1	8,900	-	-	8,900	
28	152	Harbor Police	FULL SIZED PICK UP TRUCK	1	40,000	-	-	40,000	
29	152	Harbor Police	MARTAC ENTRY SHIELD	1	8,300	-	-	8,300	
30	152	Harbor Police	MESH NETWORK FOR PORT-WIDE UNIFIED COMMAND (PSGP FY 18)	1	60,000	60,000	60,000	60,000	
31	152	Harbor Police	MOBILE DIGITAL COMPUTERS	3	15,000	-	-	15,000	
32	152	Harbor Police	MOTOROLA RADIO CONSOLES	2	20,000	20,000	20,000	20,000	
33	152	Harbor Police	PATROL VEHICLE BUILDOUT	5	175,000	-	105,000	105,000	
34	152	Harbor Police	PICK UP TRUCK BUILDOUT	1	15,000	-	-	15,000	
35	152	Harbor Police	POLICE PATROL VEHICLE	5	240,000	-	120,000	120,000	
36	152	Harbor Police	PORTABLE APX RADIOS	10	70,000	-	21,000	70,000	
37	152	Harbor Police	REBS GIRAFFE PNEUMATIC POLE	1	61,400	-	-	61,400	
38	152	Harbor Police	SECURITY IMPROVEMENTS AT HPD	1	75,000	-	75,000	75,000	
39	152	Harbor Police	SUV (INVESTIGATIONS)	1	40,000	-	40,000	40,000	
40	152	Harbor Police	UTILITY TERRAIN VEHICLES (CITY OF IB)	2	37,800	-	-	-	

	A	B	C	D	E	J	O	T
2			<b>Equipment Outlay and Other Capital Projects</b>					
4					Planned FY 2021	Worse Case Total	Base Case Total	Better Case Total
5			Sub Items	Qty				
41	152	Harbor Police	Result	43	1,103,000	90,000	670,000	875,200
42	153	Maritime	6' X 20' YOKOHAMA FENDERS	4	72,000	36,000	36,000	72,000
43	153	Maritime	7' X 14' YOKOHAMA FENDERS	2	44,000	22,000	22,000	22,000
44	153	Maritime	CSS SUPER CELL FENDER 1000	1	10,000	-	-	10,000
45	153	Maritime	CSS SUPER CELL FENDER 800	1	6,000	6,000	6,000	6,000
46	153	Maritime	GOLF CART	2	20,000	-	-	10,000
47	153	Maritime	LED LIGHT FIXTURES (NCMT)	1	40,000	20,000	40,000	40,000
48	153	Maritime	LED LIGHT FIXTURES (TAMT)	1	108,000	-	-	-
49	153	Maritime	ROLL UP DOOR (CST)	1	21,000	-	-	21,000
50	153	Maritime	SECURITY CAMERA	1	25,000	-	-	25,000
51	153	Maritime	Result	14	346,000	84,000	104,000	206,000
52	160	Marketing & Communications	BAYWIDE SIGNAGE	1	380,000	-	-	-
53	160	Marketing & Communications	Result	1	380,000	-	-	-
54	182	General Services Administration	1 TON DIESEL TRUCK	1	61,000	-	-	-
55	182	General Services Administration	1 TON TRUCK DIESEL	4	336,000	-	252,000	252,000
56	182	General Services Administration	12 FOOT VESSEL W/TRAILER	1	40,000	-	40,000	40,000
57	182	General Services Administration	3/4 TON TRUCK HYBRID	5	375,000	-	150,000	150,000
58	182	General Services Administration	COMPACT VAN HYBRID	1	53,000	-	53,000	53,000
59	182	General Services Administration	FULL SIZE SERVICE VAN HYBRID	1	80,000	-	-	-
60	182	General Services Administration	HIGH VOLTAGE MAIN SWITCHBOARD	1	30,000	30,000	30,000	30,000
61	182	General Services Administration	VESSEL PUMP OUT STATION	5	72,000	72,000	72,000	72,000
62	182	General Services Administration	Result	19	1,047,000	102,000	597,000	597,000
63		Result		88	3,781,000	276,000	1,446,000	2,003,200



**Port of San Diego  
Technology Capital Projects**

			Worse Case	Base Case	Better Case
<b>FY 21</b>	<b>Project Name</b>	<b>Total</b>			
<i>Grant</i>	<b>PSGP FY19 Thermal Find &amp; Follow</b>	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
<i>Grant</i>	<b>UASI Mesh Data Communications</b>	\$ 364,000	\$ 364,000	\$ 364,000	\$ 364,000
<i>Grant</i>	<b>PSGP FY17 Cyber Threat Intelligence</b>	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<i>Grant</i>	<b>Emergency Operations Center (AMSC MUC)</b>	\$ 138,000	\$ 138,000	\$ 138,000	\$ 138,000
<i>Grant</i>	<b>PSGPFY17 Multi Factor Authentication</b>	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
<i>Grant</i>	<b>PSGP FY18 HPD Maritime Domain Awareness</b>	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
<i>Grant</i>	<b>PSGP FY18 Fiber Phase 4B</b>	\$ 457,800	\$ -		
<i>In Flight</i>	<b>Enterprise Asset Management</b>	\$ 350,000			
<i>In Flight</i>	<b>SalesForce Phase II-Maritime, HR</b>	\$ 600,000			\$ 270,000
<i>In Flight</i>	<b>Document Management System Front End Rep</b>	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<i>In Flight</i>	<b>Wireless Refresh</b>	\$ 350,000			\$ 250,000
	<b>Digital Transformation Phase II</b>	\$ 500,000			\$ 200,000
	<b>GASB87</b>	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
	<b>Implement Network Segmentation</b>	\$ 150,000			\$ 150,000
	<b>Implement Vmware Monitoring Solution</b>	\$ -			
	<b>Improve Physical Data Center</b>	\$ 20,000		\$ 20,000	\$ 20,000
	<b>Install HVAC for UPS Room-Admin 4</b>	\$ 20,000		\$ 20,000	\$ 20,000

### Technology Capital Projects

FY 21	Project Name	Total	Worse Case	Base Case	Better Case
	Migrate SAP to Hana	\$ -			
	Move HPHQ Data Center	\$ 50,000			\$ 15,000
	Replace HVAC at HPHQ Data Center	\$ 30,000		\$ 30,000	\$ 30,000
	SalesForce Phase III-Real Estate	\$ 600,000			
	Upgrade Cisco Data Center 5k Switches	\$ 50,000		\$ 50,000	\$ 183,000
	Upgrade Cisco UCS	\$ 400,000		\$ 205,000	\$ 205,000
	Migrate Telephony System	\$ 200,000	\$ -	\$ -	\$ -
	Capital Labor	\$ 800,000			
		<b>\$ 6,321,800</b>	<b>\$1,744,000</b>	<b>\$ 2,069,000</b>	<b>\$3,087,000</b>

	B	D	I	J	K	P	Q	R	W	X	Y
1	<b>Budget in Brief</b>										
2											
3	<b>OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS &amp; FUND ACTIVITIES</b>										
4		<b>ADJUSTED BUDGET FY 2020</b>	<b>WORSE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>	<b>BASE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>	<b>BETTER CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
6	<b>Operating Revenue</b>										
7	Real Estate	\$ 116,274,700	\$ 81,823,671	\$ (34,451,029)	(29.6)%	\$ 87,970,571	\$ (28,304,129)	(24.3)%	\$ 92,094,225	\$ (24,180,475)	(20.8)%
8	Port as a Service - Parking	16,279,700	9,382,905	(6,896,795)	(42.4)%	11,649,872	(4,629,828)	(28.4)%	13,043,426	(3,236,274)	(19.9)%
9	Maritime	40,175,700	31,924,944	(8,250,756)	(20.5)%	33,415,218	(6,760,482)	(16.8)%	37,713,718	(2,461,982)	(6.1)%
10	Harbor Police Department	16,619,600	16,659,600	40,000	0.2%	16,659,600	40,000	0.2%	16,659,600	40,000	0.2%
12	Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,430,800	3,208,300	(222,500)	(6.5)%	3,208,300	(222,500)	(6.5)%	3,208,300	(222,500)	(6.5)%
13	<b>Total Operating Revenue</b>	<b>\$ 192,780,500</b>	<b>\$ 142,999,420</b>	<b>\$ (49,781,080)</b>	<b>(25.8)%</b>	<b>\$ 152,903,560</b>	<b>\$ (39,876,940)</b>	<b>(20.7)%</b>	<b>\$ 162,719,269</b>	<b>\$ (30,061,231)</b>	<b>(15.6)%</b>
15	<b>Non-Operating Revenue</b>										
16	Grants - Capital Project Reimbursement	\$ 15,084,195	\$ 6,047,515	\$ (9,036,680)	(59.9)%	\$ 6,047,515	\$ (9,036,680)	(59.9)%	\$ 6,047,515	\$ (9,036,680)	(59.9)%
17	Grant Revenue - Other	1,213,300	1,102,000	(111,300)	(9.2)%	1,102,000	(111,300)	(9.2)%	1,102,000	(111,300)	(9.2)%
18	Investment Revenue	1,700,000	400,000	(1,300,000)	(76.5)%	800,000	(900,000)	(52.9)%	1,000,000	(700,000)	(41.2)%
19	Other (Legal Settlements, Car Rental Fees, Donated Revenue, etc.)	4,200,000	5,303,000	1,103,000	26.3%	5,303,000	1,103,000	26.3%	5,303,000	1,103,000	26.3%
20	<b>Total Non-Operating Revenue</b>	<b>\$ 22,197,495</b>	<b>\$ 12,852,515</b>	<b>\$ (9,344,980)</b>	<b>(42.1)%</b>	<b>\$ 13,252,515</b>	<b>\$ (8,944,980)</b>	<b>(40.3)%</b>	<b>\$ 13,452,515</b>	<b>\$ (8,744,980)</b>	<b>(39.4)%</b>
21	<b>Total Revenue</b>	<b>\$ 214,977,995</b>	<b>\$ 155,851,935</b>	<b>\$ (59,126,060)</b>	<b>(27.5)%</b>	<b>\$ 166,156,075</b>	<b>\$ (48,821,920)</b>	<b>(22.7)%</b>	<b>\$ 176,171,784</b>	<b>\$ (38,806,211)</b>	<b>(18.1)%</b>
23	<b>Expenses</b>										
24	Personnel	\$ 103,381,100	\$ 100,381,100	\$ (3,000,000)	(2.9)%	\$ 101,681,100	\$ (1,700,000)	(1.6)%	\$ 103,381,100	\$ -	0.0%
25	Non-Personnel Expense (NPE)	63,280,326	40,884,359	(22,395,967)	(35.4)%	44,449,113	(18,831,213)	(29.8)%	47,535,093	(15,745,233)	(24.9)%
26	Municipal Service Agreements (MSA) with Member Cities	8,143,400	8,329,800	186,400	2.3%	8,329,800	186,400	2.3%	8,329,800	186,400	2.3%
27	Major Maintenance - Expense	650,000	140,000	(510,000)	(78.5)%	140,000	(510,000)	(78.5)%	615,000	(35,000)	(5.4)%
28	Non-Operating NPE	3,770,565	3,400,800	(369,765)	(9.8)%	3,400,800	(369,765)	(9.8)%	3,400,800	(369,765)	(9.8)%
29	Capitalized Labor	(3,989,500)	(1,700,000)	2,289,500	(57.4)%	(1,950,000)	2,039,500	(51.1)%	(2,100,000)	1,889,500	(47.4)%
30	<b>Total Expenses</b>	<b>\$ 175,235,891</b>	<b>\$ 151,436,059</b>	<b>\$ (23,799,832)</b>	<b>(13.6)%</b>	<b>\$ 156,050,813</b>	<b>\$ (19,185,078)</b>	<b>(10.9)%</b>	<b>\$ 161,161,793</b>	<b>\$ (14,074,098)</b>	<b>(8.0)%</b>
32	<b>Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments</b>	<b>\$ 39,742,104</b>	<b>\$ 4,415,876</b>	<b>\$ (35,326,228)</b>	<b>(88.9)%</b>	<b>\$ 10,105,262</b>	<b>\$ (29,636,842)</b>	<b>(74.6)%</b>	<b>\$ 15,009,991</b>	<b>\$ (24,732,113)</b>	<b>(62.2)%</b>
34	<b>Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (17,771,148)</b>	<b>\$ 19,935,956</b>	<b>(52.9)%</b>	<b>\$ (20,075,848)</b>	<b>\$ 17,631,256</b>	<b>(46.8)%</b>	<b>\$ (22,393,673)</b>	<b>\$ 15,313,431</b>	<b>(40.6)%</b>
35	(see detail on following page)										
36	<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2,035,000</b>	<b>\$ (13,355,272)</b>	<b>\$ (15,390,272)</b>	<b>(756.3)%</b>	<b>\$ (9,970,586)</b>	<b>\$ (12,005,586)</b>	<b>(590.0)%</b>	<b>\$ (7,383,682)</b>	<b>\$ (9,418,682)</b>	<b>(462.8)%</b>

	B	D	I	J	K	P	Q	R	W	X	Y
39	<b>Budget in Brief</b>										
40											
41	<b>OTHER SOURCES &amp; USES OF FUNDS AND RESERVES DETAIL</b>										
42		<b>ADJUSTED BUDGET FY 2020</b>	<b>WORSE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>	<b>BASE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>	<b>BETTER CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
43											
44	<b>SOURCES OF FUNDS</b>										
45											
46	<b>Other Sources of Funds and Reserves</b>										
47	Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 15,084,195	\$ 6,047,515	\$ (9,036,680)	(59.9)%	\$ 6,047,515	\$ (9,036,680)	(59.9)%	\$ 6,047,515	\$ (9,036,680)	(59.9)%
48	Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	4,345,065	2,281,800	(2,063,265)	(47.5)%	2,497,100	(1,847,965)	(42.5)%	2,714,475	(1,630,590)	(37.5)%
49	Capital Improvement Program Reserve	16,075,000	4,248,004	(11,826,996)	(73.6)%	9,947,572	(6,127,428)	(38.1)%	9,947,572	(6,127,428)	(38.1)%
50	Investment Fund	50,000	-	(50,000)	(100.0)%	-	(50,000)	(100.0)%	-	(50,000)	(100.0)%
51	Funds From Prior Year Surplus	8,122,831	-	(8,122,831)	(100.0)%	-	(8,122,831)	(100.0)%	-	(8,122,831)	(100.0)%
52	<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 43,677,091</b>	<b>\$ 12,577,319</b>	<b>\$ (31,099,772)</b>	<b>(71.2)%</b>	<b>\$ 18,492,187</b>	<b>\$ (25,184,904)</b>	<b>(57.7)%</b>	<b>\$ 18,709,562</b>	<b>\$ (24,967,529)</b>	<b>(57.2)%</b>
53											
54	<b>USES OF FUNDS</b>										
55											
56	<b>Other Uses of Funds and Reserves</b>										
57	Capital Improvement Program	\$ 30,500,000	\$ 9,042,020	\$ (21,457,980)	(70.4)%	\$ 14,741,588	\$ (15,758,412)	(51.7)%	\$ 14,741,588	\$ (15,758,412)	(51.7)%
58	Technology Capital Projects	5,623,400	1,744,000	(3,879,400)	(69.0)%	2,069,000	(3,554,400)	(63.2)%	3,087,000	(2,536,400)	(45.1)%
59	Capital Major Maintenance (MM) Projects	9,150,000	2,515,000	(6,635,000)	(72.5)%	3,540,000	(5,610,000)	(61.3)%	4,500,000	(4,650,000)	(50.8)%
60	Equipment Outlay and Other Capital Projects	8,381,500	301,000	(8,080,500)	(96.4)%	1,471,000	(6,910,500)	(82.4)%	2,028,200	(6,353,300)	(75.8)%
61	Debt Service (Principal Only)	4,855,800	4,784,500	(71,300)	(1.5)%	4,784,500	(71,300)	(1.5)%	4,784,500	(71,300)	(1.5)%
62	Coronado Bridge Lighting Project	820,000	892,000	72,000	8.8%	892,000	72,000	8.8%	892,000	72,000	8.8%
63	Environmental Fund Set-Aside	844,800	-	(844,800)	(100.0)%	-	(844,800)	(100.0)%	-	(844,800)	(100.0)%
64	Maritime Industrial Impact Fund Set-Aside	157,900	-	(157,900)	(100.0)%	-	(157,900)	(100.0)%	-	(157,900)	(100.0)%
65	NEVP Maintenance Fund Set-Aside	1,005,400	-	(1,005,400)	(100.0)%	-	(1,005,400)	(100.0)%	-	(1,005,400)	(100.0)%
66	Capital Grants	15,084,195	6,047,515	(9,036,680)	(59.9)%	6,047,515	(9,036,680)	(59.9)%	6,047,515	(9,036,680)	(59.9)%
67	Low Carbon Fuel Standard (LCFS)	-	386,000	386,000	N/A	386,000	386,000	N/A	386,000	386,000	N/A
68	RIDA Set-Aside	1,738,700	1,410,180	(328,520)	(18.9)%	1,410,180	(328,520)	(18.9)%	1,410,180	(328,520)	(18.9)%
69	Car Rental Transaction Fees	3,000,000	3,000,000	-	0.0%	3,000,000	-	0.0%	3,000,000	-	0.0%
70	ACH Parking Facility Fund Set-Aside	222,500	226,252	3,752	1.7%	226,252	3,752	1.7%	226,252	3,752	1.7%
71	<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 81,384,195</b>	<b>\$ 30,348,467</b>	<b>\$ (51,035,728)</b>	<b>(62.7)%</b>	<b>\$ 38,568,035</b>	<b>\$ (42,816,160)</b>	<b>(52.6)%</b>	<b>\$ 41,103,235</b>	<b>\$ (40,280,960)</b>	<b>(49.5)%</b>
72											
73	<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (17,771,148)</b>	<b>\$ 19,935,956</b>	<b>(52.9)%</b>	<b>\$ (20,075,848)</b>	<b>\$ 17,631,256</b>	<b>(46.8)%</b>	<b>\$ (22,393,673)</b>	<b>\$ 15,313,431</b>	<b>(40.6)%</b>
74											
75											
76											

	B	D	E	F	G	H	I	J	K
1	<b>Budget in Brief</b>								
2									
3	<b>OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS &amp; FUND ACTIVITIES</b>								
4		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>WORSE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
6	<b>Operating Revenue</b>								
7	Real Estate	\$ 116,274,700	\$ 18,448,578	\$ 18,815,773	\$ 20,976,334	\$ 23,582,986	\$ 81,823,671	\$ (34,451,029)	(29.6)%
8	Port as a Service - Parking	16,279,700	1,077,947	1,612,205	2,988,956	3,703,797	9,382,905	(6,896,795)	(42.4)%
9	Maritime	40,175,700	6,779,561	7,010,566	9,522,833	8,611,984	31,924,944	(8,250,756)	(20.5)%
10	Harbor Police Department	16,619,600	4,164,900	4,164,900	4,164,900	4,164,900	16,659,600	40,000	0.2%
12	Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,430,800	802,075	802,075	802,075	802,075	3,208,300	(222,500)	(6.5)%
13	<b>Total Operating Revenue</b>	<b>\$ 192,780,500</b>	<b>\$ 31,273,061</b>	<b>\$ 32,405,520</b>	<b>\$ 38,455,097</b>	<b>\$ 40,865,742</b>	<b>\$ 142,999,420</b>	<b>\$ (49,781,080)</b>	<b>(25.8)%</b>
15	<b>Non-Operating Revenue</b>								
16	Grants - Capital Project Reimbursement	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
17	Grant Revenue - Other	1,213,300	275,500	275,500	275,500	275,500	1,102,000	(111,300)	(9.2)%
18	Investment Revenue	1,700,000	100,000	100,000	100,000	100,000	400,000	(1,300,000)	(76.5)%
19	Other (Legal Settlements, Car Rental Fees, Donated Revenue, etc.)	4,200,000	1,325,751	1,325,751	1,325,751	1,325,747	5,303,000	1,103,000	26.3%
20	<b>Total Non-Operating Revenue</b>	<b>\$ 22,197,495</b>	<b>\$ 3,213,130</b>	<b>\$ 3,213,130</b>	<b>\$ 3,213,130</b>	<b>\$ 3,213,126</b>	<b>\$ 12,852,515</b>	<b>\$ (9,344,980)</b>	<b>(42.1)%</b>
21	<b>Total Revenue</b>	<b>\$ 214,977,995</b>	<b>\$ 34,486,191</b>	<b>\$ 35,618,649</b>	<b>\$ 41,668,227</b>	<b>\$ 44,078,868</b>	<b>\$ 155,851,935</b>	<b>\$ (59,126,060)</b>	<b>(27.5)%</b>
23	<b>Expenses</b>								
24	Personnel	\$ 103,381,100	\$ 25,095,275	\$ 25,095,275	\$ 25,095,275	\$ 25,095,275	\$ 100,381,100	\$ (3,000,000)	(2.9)%
25	Non-Personnel Expense (NPE)	63,280,326	8,569,523	8,987,307	11,219,100	12,108,429	40,884,359	(22,395,967)	(35.4)%
26	Municipal Service Agreements (MSA) with Member Cities	8,143,400	2,082,450	2,082,450	2,082,450	2,082,450	8,329,800	186,400	2.3%
27	Major Maintenance - Expense	650,000	35,000	35,000	35,000	35,000	140,000	(510,000)	(78.5)%
28	Non-Operating NPE	3,770,565	850,200	850,200	850,200	850,200	3,400,800	(369,765)	(9.8)%
29	Capitalized Labor	(3,989,500)	(425,000)	(425,000)	(425,000)	(425,000)	(1,700,000)	2,289,500	(57.4)%
30	<b>Total Expenses</b>	<b>\$ 175,235,891</b>	<b>\$ 36,207,448</b>	<b>\$ 36,625,232</b>	<b>\$ 38,857,025</b>	<b>\$ 39,746,354</b>	<b>\$ 151,436,059</b>	<b>\$ (23,799,832)</b>	<b>(13.6)%</b>
32	<b>Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments</b>	<b>\$ 39,742,104</b>	<b>\$ (1,721,257)</b>	<b>\$ (1,006,583)</b>	<b>\$ 2,811,202</b>	<b>\$ 4,332,514</b>	<b>\$ 4,415,876</b>	<b>\$ (35,326,228)</b>	<b>(88.9)%</b>
34	<b>Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,112,972)</b>	<b>\$ (3,476,307)</b>	<b>\$ (3,473,612)</b>	<b>\$ (4,708,257)</b>	<b>\$ (17,771,148)</b>	<b>\$ 19,935,956</b>	<b>(52.9)%</b>
35	(see detail on following page)								
36	<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2,035,000</b>	<b>\$ (7,834,229)</b>	<b>\$ (4,482,890)</b>	<b>\$ (662,410)</b>	<b>\$ (375,743)</b>	<b>\$ (13,355,272)</b>	<b>\$ (15,390,272)</b>	<b>(756.3)%</b>

	B	D	E	F	G	H	I	J	K
39	<b>Budget in Brief</b>								
40									
41	<b>OTHER SOURCES &amp; USES OF FUNDS AND RESERVES DETAIL</b>								
42		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>WORSE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
44	<b>SOURCES OF FUNDS</b>								
46	<b>Other Sources of Funds and Reserves</b>								
47	Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
48	Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	4,345,065	570,450	570,450	570,450	570,450	2,281,800	(2,063,265)	(47.5)%
49	Capital Improvement Program Reserve	16,075,000	1,062,001	1,062,001	1,062,001	1,062,001	4,248,004	(11,826,996)	(73.6)%
51	Investment Fund	50,000	-	-	-	-	-	(50,000)	(100.0)%
52	Funds From Prior Year Surplus	8,122,831	-	-	-	-	-	(8,122,831)	(100.0)%
53	<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 43,677,091</b>	<b>\$ 3,144,330</b>	<b>\$ 3,144,330</b>	<b>\$ 3,144,330</b>	<b>\$ 3,144,330</b>	<b>\$ 12,577,319</b>	<b>\$ (31,099,772)</b>	<b>(71.2)%</b>
55	<b>USES OF FUNDS</b>								
57	<b>Other Uses of Funds and Reserves</b>								
58	Capital Improvement Program	\$ 30,500,000	\$ 2,260,505	\$ 2,260,505	\$ 2,260,505	\$ 2,260,505	\$ 9,042,020	\$ (21,457,980)	(70.4)%
59	Technology Capital Projects	5,623,400	436,000	436,000	436,000	436,000	1,744,000	(3,879,400)	(69.0)%
60	Capital Major Maintenance (MM) Projects	9,150,000	301,800	377,250	377,250	1,458,700	2,515,000	(6,635,000)	(72.5)%
62	Equipment Outlay and Other Capital Projects	8,381,500	15,050	30,100	75,250	180,600	301,000	(8,080,500)	(96.4)%
63	Debt Service (Principal Only)	4,855,800	3,253,460	526,295	478,450	526,295	4,784,500	(71,300)	(1.5)%
64	Coronado Bridge Lighting Project	820,000	223,000	223,000	223,000	223,000	892,000	72,000	8.8%
65	Environmental Fund Set-Aside	844,800	-	-	-	-	-	(844,800)	(100.0)%
66	Maritime Industrial Impact Fund Set-Aside	157,900	-	-	-	-	-	(157,900)	(100.0)%
67	NEVP Maintenance Fund Set-Aside	1,005,400	-	-	-	-	-	(1,005,400)	(100.0)%
68	Capital Grants	15,084,195	1,511,879	1,511,879	1,511,879	1,511,879	6,047,515	(9,036,680)	(59.9)%
69	Low Carbon Fuel Standard (LCFS)	-	96,500	96,500	96,500	96,500	386,000	386,000	N/A
72	RIDA Set-Aside	1,738,700	352,545	352,545	352,545	352,545	1,410,180	(328,520)	(18.9)%
73	Car Rental Transaction Fees	3,000,000	750,000	750,000	750,000	750,000	3,000,000	-	0.0%
74	ACH Parking Facility Fund Set-Aside	222,500	56,563	56,563	56,563	56,563	226,252	3,752	1.7%
75	<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 81,384,195</b>	<b>\$ 9,257,302</b>	<b>\$ 6,620,637</b>	<b>\$ 6,617,942</b>	<b>\$ 7,852,587</b>	<b>\$ 30,348,467</b>	<b>\$ (51,035,728)</b>	<b>(62.7)%</b>
76	<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,112,972)</b>	<b>\$ (3,476,307)</b>	<b>\$ (3,473,612)</b>	<b>\$ (4,708,257)</b>	<b>\$ (17,771,148)</b>	<b>\$ 19,935,956</b>	<b>(52.9)%</b>

	B	D	L	M	N	O	P	Q	R
1	<b>Budget in Brief</b>								
2									
3	<b>OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS &amp; FUND ACTIVITIES</b>								
4		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>BASE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
6	<b>Operating Revenue</b>								
7	Real Estate	\$ 116,274,700	\$ 19,127,710	\$ 19,993,628	\$ 23,561,758	\$ 25,287,475	\$ 87,970,571	\$ (28,304,129)	(24.3)%
8	Port as a Service - Parking	16,279,700	1,899,222	2,440,913	3,301,115	4,008,621	11,649,872	(4,629,828)	(28.4)%
9	Maritime	40,175,700	7,000,814	8,248,680	9,254,816	8,910,907	33,415,218	(6,760,482)	(16.8)%
10	Harbor Police Department	16,619,600	4,164,900	4,164,900	4,164,900	4,164,900	16,659,600	40,000	0.2%
12	Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,430,800	802,075	802,075	802,075	802,075	3,208,300	(222,500)	(6.5)%
13	<b>Total Operating Revenue</b>	<b>\$ 192,780,500</b>	<b>\$ 32,994,721</b>	<b>\$ 35,650,196</b>	<b>\$ 41,084,665</b>	<b>\$ 43,173,978</b>	<b>\$ 152,903,560</b>	<b>\$ (39,876,940)</b>	<b>(20.7)%</b>
15	<b>Non-Operating Revenue</b>								
16	Grants - Capital Project Reimbursement	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
17	Grant Revenue - Other	1,213,300	275,500	275,500	275,500	275,500	1,102,000	(111,300)	(9.2)%
18	Investment Revenue	1,700,000	200,000	200,000	200,000	200,000	800,000	(900,000)	(52.9)%
19	Other (Legal Settlements, Car Rental Fees, Donated Revenue, etc.)	4,200,000	1,325,751	1,325,751	1,325,819	1,325,679	5,303,000	1,103,000	26.3%
20	<b>Total Non-Operating Revenue</b>	<b>\$ 22,197,495</b>	<b>\$ 3,313,130</b>	<b>\$ 3,313,130</b>	<b>\$ 3,313,198</b>	<b>\$ 3,313,058</b>	<b>\$ 13,252,515</b>	<b>\$ (8,944,980)</b>	<b>(40.3)%</b>
21	<b>Total Revenue</b>	<b>\$ 214,977,995</b>	<b>\$ 36,307,851</b>	<b>\$ 38,963,326</b>	<b>\$ 44,397,862</b>	<b>\$ 46,487,036</b>	<b>\$ 166,156,075</b>	<b>\$ (48,821,920)</b>	<b>(22.7)%</b>
23	<b>Expenses</b>								
24	Personnel	\$ 103,381,100	\$ 25,420,275	\$ 25,420,275	\$ 25,420,275	\$ 25,420,275	\$ 101,681,100	\$ (1,700,000)	(1.6)%
25	Non-Personnel Expense (NPE)	63,280,326	9,185,456	10,163,560	12,165,265	12,934,832	44,449,113	(18,831,213)	(29.8)%
26	Municipal Service Agreements (MSA) with Member Cities	8,143,400	2,082,450	2,082,450	2,082,450	2,082,450	8,329,800	186,400	2.3%
27	Major Maintenance - Expense	650,000	35,000	35,000	35,000	35,000	140,000	(510,000)	(78.5)%
28	Non-Operating NPE	3,770,565	850,200	850,200	850,200	850,200	3,400,800	(369,765)	(9.8)%
29	Capitalized Labor	(3,989,500)	(487,500)	(487,500)	(487,500)	(487,500)	(1,950,000)	2,039,500	(51.1)%
30	<b>Total Expenses</b>	<b>\$ 175,235,891</b>	<b>\$ 37,085,881</b>	<b>\$ 38,063,985</b>	<b>\$ 40,065,690</b>	<b>\$ 40,835,257</b>	<b>\$ 156,050,813</b>	<b>\$ (19,185,078)</b>	<b>(10.9)%</b>
32	<b>Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments</b>	<b>\$ 39,742,104</b>	<b>\$ (778,030)</b>	<b>\$ 899,341</b>	<b>\$ 4,332,172</b>	<b>\$ 5,651,779</b>	<b>\$ 10,105,262</b>	<b>\$ (29,636,842)</b>	<b>(74.6)%</b>
34	<b>Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,321,897)</b>	<b>\$ (3,774,482)</b>	<b>\$ (3,947,287)</b>	<b>\$ (6,032,182)</b>	<b>\$ (20,075,848)</b>	<b>\$ 17,631,256</b>	<b>(46.8)%</b>
35	(see detail on following page)								
36	<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2,035,000</b>	<b>\$ (7,099,927)</b>	<b>\$ (2,875,141)</b>	<b>\$ 384,885</b>	<b>\$ (380,403)</b>	<b>\$ (9,970,586)</b>	<b>\$ (12,005,586)</b>	<b>(590.0)%</b>



	B	D	L	M	N	O	P	Q	R
39	<b>Budget in Brief</b>								
40									
41	<b>OTHER SOURCES &amp; USES OF FUNDS AND RESERVES DETAIL</b>								
42		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>BASE CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
44	<b>SOURCES OF FUNDS</b>								
46	<b>Other Sources of Funds and Reserves</b>								
47	Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
48	Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	4,345,065	624,275	624,275	624,275	624,275	2,497,100	(1,847,965)	(42.5)%
49	Capital Improvement Program Reserve	16,075,000	2,486,893	2,486,893	2,486,893	2,486,893	9,947,572	(6,127,428)	(38.1)%
51	Investment Fund	50,000	-	-	-	-	-	(50,000)	(100.0)%
52	Funds From Prior Year Surplus	8,122,831	-	-	-	-	-	(8,122,831)	(100.0)%
53	<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 43,677,091</b>	<b>\$ 4,623,047</b>	<b>\$ 4,623,047</b>	<b>\$ 4,623,047</b>	<b>\$ 4,623,047</b>	<b>\$ 18,492,187</b>	<b>\$ (25,184,904)</b>	<b>(57.7)%</b>
55	<b>USES OF FUNDS</b>								
57	<b>Other Uses of Funds and Reserves</b>								
58	Capital Improvement Program	\$ 30,500,000	\$ 3,685,397	\$ 3,685,397	\$ 3,685,397	\$ 3,685,397	\$ 14,741,588	\$ (15,758,412)	(51.7)%
59	Technology Capital Projects	5,623,400	517,250	517,250	517,250	517,250	2,069,000	(3,554,400)	(63.2)%
60	Capital Major Maintenance (MM) Projects	9,150,000	424,800	531,000	531,000	2,053,200	3,540,000	(5,610,000)	(61.3)%
62	Equipment Outlay and Other Capital Projects	8,381,500	73,550	147,100	367,750	882,600	1,471,000	(6,910,500)	(82.4)%
63	Debt Service (Principal Only)	4,855,800	3,253,460	526,295	478,450	526,295	4,784,500	(71,300)	(1.5)%
64	Coronado Bridge Lighting Project	820,000	223,000	223,000	223,000	223,000	892,000	72,000	8.8%
65	Environmental Fund Set-Aside	844,800	-	-	-	-	-	(844,800)	(100.0)%
66	Maritime Industrial Impact Fund Set-Aside	157,900	-	-	-	-	-	(157,900)	(100.0)%
67	NEVP Maintenance Fund Set-Aside	1,005,400	-	-	-	-	-	(1,005,400)	(100.0)%
68	Capital Grants	15,084,195	1,511,879	1,511,879	1,511,879	1,511,879	6,047,515	(9,036,680)	(59.9)%
69	Low Carbon Fuel Standard (LCFS)	-	96,500	96,500	96,500	96,500	386,000	386,000	N/A
72	RIDA Set-Aside	1,738,700	352,545	352,545	352,545	352,545	1,410,180	(328,520)	(18.9)%
73	Car Rental Transaction Fees	3,000,000	750,000	750,000	750,000	750,000	3,000,000	-	0.0%
74	ACH Parking Facility Fund Set-Aside	222,500	56,563	56,563	56,563	56,563	226,252	3,752	1.7%
75	<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 81,384,195</b>	<b>\$ 10,944,944</b>	<b>\$ 8,397,529</b>	<b>\$ 8,570,334</b>	<b>\$ 10,655,229</b>	<b>\$ 38,568,035</b>	<b>\$ (42,816,160)</b>	<b>(52.6)%</b>
76	<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,321,897)</b>	<b>\$ (3,774,482)</b>	<b>\$ (3,947,287)</b>	<b>\$ (6,032,182)</b>	<b>\$ (20,075,848)</b>	<b>\$ 17,631,256</b>	<b>(46.8)%</b>



	B	D	S	T	U	V	W	X	Y
1	<b>Budget in Brief</b>								
2									
3	<b>OVERVIEW OF REVENUES, EXPENSES, CAPITAL REQUIREMENTS &amp; FUND ACTIVITIES</b>								
4		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>BETTER CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
6	<b>Operating Revenue</b>								
7	Real Estate	\$ 116,274,700	\$ 20,060,267	\$ 21,928,239	\$ 24,302,721	\$ 25,802,998	\$ 92,094,225	\$ (24,180,475)	(20.8)%
8	Port as a Service - Parking	16,279,700	2,820,947	2,600,762	3,389,798	4,231,920	13,043,426	(3,236,274)	(19.9)%
9	Maritime	40,175,700	7,995,106	10,087,014	10,239,098	9,392,501	37,713,718	(2,461,982)	(6.1)%
10	Harbor Police Department	16,619,600	4,164,900	4,164,900	4,164,900	4,164,900	16,659,600	40,000	0.2%
12	Miscellaneous (G&A for HPD services to SDCRAA, Cost Recovery, etc.)	3,430,800	802,075	802,075	802,075	802,075	3,208,300	(222,500)	(6.5)%
13	<b>Total Operating Revenue</b>	<b>\$ 192,780,500</b>	<b>\$ 35,843,295</b>	<b>\$ 39,582,989</b>	<b>\$ 42,898,591</b>	<b>\$ 44,394,394</b>	<b>\$ 162,719,269</b>	<b>\$ (30,061,231)</b>	<b>(15.6)%</b>
15	<b>Non-Operating Revenue</b>								
16	Grants - Capital Project Reimbursement	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
17	Grant Revenue - Other	1,213,300	275,500	275,500	275,500	275,500	1,102,000	(111,300)	(9.2)%
18	Investment Revenue	1,700,000	250,000	250,000	250,000	250,000	1,000,000	(700,000)	(41.2)%
19	Other (Legal Settlements, Car Rental Fees, Donated Revenue, etc.)	4,200,000	1,325,751	1,325,751	1,325,772	1,325,726	5,303,000	1,103,000	26.3%
20	<b>Total Non-Operating Revenue</b>	<b>\$ 22,197,495</b>	<b>\$ 3,363,130</b>	<b>\$ 3,363,130</b>	<b>\$ 3,363,151</b>	<b>\$ 3,363,105</b>	<b>\$ 13,452,515</b>	<b>\$ (8,744,980)</b>	<b>(39.4)%</b>
21	<b>Total Revenue</b>	<b>\$ 214,977,995</b>	<b>\$ 39,206,425</b>	<b>\$ 42,946,119</b>	<b>\$ 46,261,742</b>	<b>\$ 47,757,498</b>	<b>\$ 176,171,784</b>	<b>\$ (38,806,211)</b>	<b>(18.1)%</b>
23	<b>Expenses</b>								
24	Personnel	\$ 103,381,100	\$ 25,845,275	\$ 25,845,275	\$ 25,845,275	\$ 25,845,275	\$ 103,381,100	\$ -	0.0%
25	Non-Personnel Expense (NPE)	63,280,326	10,239,396	11,510,822	12,638,073	13,146,802	47,535,093	(15,745,233)	(24.9)%
26	Municipal Service Agreements (MSA) with Member Cities	8,143,400	2,082,450	2,082,450	2,082,450	2,082,450	8,329,800	186,400	2.3%
27	Major Maintenance - Expense	650,000	153,800	153,800	153,800	153,600	615,000	(35,000)	(5.4)%
28	Non-Operating NPE	3,770,565	850,200	850,200	850,200	850,200	3,400,800	(369,765)	(9.8)%
29	Capitalized Labor	(3,989,500)	(525,000)	(525,000)	(525,000)	(525,000)	(2,100,000)	1,889,500	(47.4)%
30	<b>Total Expenses</b>	<b>\$ 175,235,891</b>	<b>\$ 38,646,121</b>	<b>\$ 39,917,547</b>	<b>\$ 41,044,798</b>	<b>\$ 41,553,327</b>	<b>\$ 161,161,793</b>	<b>\$ (14,074,098)</b>	<b>(8.0)%</b>
32	<b>Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments</b>	<b>\$ 39,742,104</b>	<b>\$ 560,304</b>	<b>\$ 3,028,572</b>	<b>\$ 5,216,944</b>	<b>\$ 6,204,171</b>	<b>\$ 15,009,991</b>	<b>\$ (24,732,113)</b>	<b>(62.2)%</b>
34	<b>Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,665,114)</b>	<b>\$ (4,174,359)</b>	<b>\$ (4,430,744)</b>	<b>\$ (7,123,456)</b>	<b>\$ (22,393,673)</b>	<b>\$ 15,313,431</b>	<b>(40.6)%</b>
35	(see detail on following page)								
36	<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 2,035,000</b>	<b>\$ (6,104,810)</b>	<b>\$ (1,145,787)</b>	<b>\$ 786,200</b>	<b>\$ (919,285)</b>	<b>\$ (7,383,682)</b>	<b>\$ (9,418,682)</b>	<b>(462.8)%</b>

	B	D	S	T	U	V	W	X	Y
39	<b>Budget in Brief</b>								
40									
41	<b>OTHER SOURCES &amp; USES OF FUNDS AND RESERVES DETAIL</b>								
42		<b>ADJUSTED BUDGET FY 2020</b>	<b>Q1 BUDGET FY 2021</b>	<b>Q2 BUDGET FY 2021</b>	<b>Q3 BUDGET FY 2021</b>	<b>Q4 BUDGET FY 2021</b>	<b>BETTER CASE BUDGET FY 2021</b>	<b>CHANGE FY 2021-2020 BUDGET</b>	<b>% CHANGE</b>
44	<b>SOURCES OF FUNDS</b>								
46	<b>Other Sources of Funds and Reserves</b>								
47	Grant Funded TMP, CIP, and Equipment Outlay and Other Capital Projects	\$ 15,084,195	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 1,511,879	\$ 6,047,515	\$ (9,036,680)	(59.9)%
48	Public Art, Environmental, Asset Forfeiture, NEVP, and Maritime Industrial Impact Fund	4,345,065	678,618	678,618	678,618	678,621	2,714,475	(1,630,590)	(37.5)%
49	Capital Improvement Program Reserve	16,075,000	2,486,893	2,486,893	2,486,893	2,486,893	9,947,572	(6,127,428)	(38.1)%
51	Investment Fund	50,000	-	-	-	-	-	(50,000)	(100.0)%
52	Funds From Prior Year Surplus	8,122,831	-	-	-	-	-	(8,122,831)	(100.0)%
53	<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 43,677,091</b>	<b>\$ 4,677,390</b>	<b>\$ 4,677,390</b>	<b>\$ 4,677,390</b>	<b>\$ 4,677,393</b>	<b>\$ 18,709,562</b>	<b>\$ (24,967,529)</b>	<b>(57.2)%</b>
55	<b>USES OF FUNDS</b>								
57	<b>Other Uses of Funds and Reserves</b>								
58	Capital Improvement Program	\$ 30,500,000	\$ 3,685,397	\$ 3,685,397	\$ 3,685,397	\$ 3,685,397	\$ 14,741,588	\$ (15,758,412)	(51.7)%
59	Technology Capital Projects	5,623,400	771,750	771,750	771,750	771,750	3,087,000	(2,536,400)	(45.1)%
60	Capital Major Maintenance (MM) Projects	9,150,000	540,000	675,000	675,000	2,610,000	4,500,000	(4,650,000)	(50.8)%
62	Equipment Outlay and Other Capital Projects	8,381,500	101,410	202,820	507,050	1,216,920	2,028,200	(6,353,300)	(75.8)%
63	Debt Service (Principal Only)	4,855,800	3,253,460	526,295	478,450	526,295	4,784,500	(71,300)	(1.5)%
64	Coronado Bridge Lighting Project	820,000	223,000	223,000	223,000	223,000	892,000	72,000	8.8%
65	Environmental Fund Set-Aside	844,800	-	-	-	-	-	(844,800)	(100.0)%
66	Maritime Industrial Impact Fund Set-Aside	157,900	-	-	-	-	-	(157,900)	(100.0)%
67	NEVP Maintenance Fund Set-Aside	1,005,400	-	-	-	-	-	(1,005,400)	(100.0)%
68	Capital Grants	15,084,195	1,511,879	1,511,879	1,511,879	1,511,879	6,047,515	(9,036,680)	(59.9)%
69	Low Carbon Fuel Standard (LCFS)	-	96,500	96,500	96,500	96,500	386,000	386,000	N/A
72	RIDA Set-Aside	1,738,700	352,545	352,545	352,545	352,545	1,410,180	(328,520)	(18.9)%
73	Car Rental Transaction Fees	3,000,000	750,000	750,000	750,000	750,000	3,000,000	-	0.0%
74	ACH Parking Facility Fund Set-Aside	222,500	56,563	56,563	56,563	56,563	226,252	3,752	1.7%
75	<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 81,384,195</b>	<b>\$ 11,342,504</b>	<b>\$ 8,851,749</b>	<b>\$ 9,108,134</b>	<b>\$ 11,800,849</b>	<b>\$ 41,103,235</b>	<b>\$ (40,280,960)</b>	<b>(49.5)%</b>
76	<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (37,707,104)</b>	<b>\$ (6,665,114)</b>	<b>\$ (4,174,359)</b>	<b>\$ (4,430,744)</b>	<b>\$ (7,123,456)</b>	<b>\$ (22,393,673)</b>	<b>\$ 15,313,431</b>	<b>(40.6)%</b>



# FY 2020 Quarter 4 Projections

**San Diego Unified Port District  
FY 2020 Post COVID-19 Year End Summary**

	Fav / (Unfav)
Unrestricted Sources of Funds - Budget FY 2020	\$ 2,035,000
Year End Operating Revenue Projection Variance	\$ (30,989,600)
Year End Expenditure Projection Variance	\$ 11,387,309
Projected Deficit Before Additional Funds Applied	<u>\$ (17,567,291)</u>
Additional Funds Identified:	
Release of 2004 bond reserve	\$ 830,000
America's Cup Harbor	\$ 2,000,000
Investment Fund	\$ 850,000
Projected Deficit	<u><u>\$ (13,887,291)</u></u>

## MAJOR MAINTENANCE FY 2020 PROGRAM REDUCTION

WBS LEVEL #2	PROJECT NAME	FY 2020 BUDGET	REMAINING FY 2020 BUDGET (MARCH)	PROJECT FUNDS REDUCTION	COMMENTS
MC-0068-01	Retaining Wall at Centennial Park	\$65,000	\$29,600		
MC-0070-01	Dock 2 Replacement and Dock 3 Repair at Tuna Harbor	\$2,400,000	\$2,097,125	(\$100,000)	Project bids were less than anticipated and project savings are offered for reduction.
MC-0071-01	Pavement Improvements at Shelter Island Parking Lots	\$1,000,000	\$991,900	(\$900,000)	If project is suspended the remaining budget would be available for reduction.
MC-0072-01	Maintenance Repairs at Various Seaport Village Buildings	\$810,000	\$763,900	(\$20,000)	Project is in construction and project savings are offered for reduction.
MC-0072-03	MEP Repairs at Various Seaport Village Buildings	\$140,000	\$81,800	(\$80,000)	Project is being advertised and could be put on hold. The construction budget would be available for reduction.
MC-0072-04	Overwater Repairs at Seaport Village Café	\$175,000	\$153,500		
MC-0073-01	Curtain Wall Repairs and Backfilling at B Street Pier	\$450,000	\$149,600		
MC-0074-01	Doors & Windows Replacement at National City Rail Car Plaza	\$125,000	\$28,200	(\$20,000)	Project is complete and the project savings are offered for reduction.
MC-0075-01	Pedestrian Safety Improvements at Shelter Island Drive & Anchorage Way	\$115,000	\$110,400	(\$30,000)	Project is in design and construction is expected to be less than originally planned. The project savings are offered for reduction.
MC-0076-01	Pedestrian Safety Improvements at Belt Street and Sampson Street	\$115,000	\$108,300		
MC-0077-01	Concrete Repairs at San Diego Hilton Bayfront Deck 7	\$90,000	\$56,500		
MC-0078-01	Railroad Tie Repairs at TAMT	\$75,000	\$34,200		
ME-0021-01	Sand Replenishment at Kellogg Beach	\$460,000	\$519,800	(\$50,000)	Project bids were less than anticipated and project savings are offered for reduction.
	TOTALS	\$6,020,000	\$5,124,825	(\$1,200,000)	

	A	B	C	D	E
1	<b>San Diego Unified Port District</b>				
2	<b>FY 2020 Post COVID-19 Year End Expense Projection</b>				
3					
4		<b>EXPENSE PROJECTION POST COVID-19</b>	<b>Budget</b>	<b>Expense Reductions FY 2020</b>	<b>Comments/Notes</b>
5					
6	Personnel - freeze hiring	\$ 95,590,248	\$ 99,205,000	\$ 3,614,752	36 vacancies as of March 28 2020 excluding Port Auditor position.
7					
8					
9	Variable Personnel - Interns & Temps	617,300	842,300	225,000	4 temps and 26 interns as of March 28
10					
11					
12	Services - Professional & Other	6,864,500	9,050,800	2,186,300	No new market research projects will be done for remainder of the year, such as PMPU survey that was part of the outreach plan (PMPU outreach has been postponed until the summer)
13					Cutting back on PR support for outreach for PMPU, copper reduction and Kellogg Beach Sand Replenishment
14					Stopped work on Port Academy by outside consultant
15					No new outsourced performance audits
16					
17					
18	Seaport Village operating costs	3,176,100	4,176,100	1,000,000	
19					
20					
21	Contingency	150,000	1,000,000	850,000	
22					
23					
24	Travel and seminars	681,982	1,409,000	727,018	
25					
26					
27	Facility Management Services (Parking)	2,354,200	3,054,200	700,000	
28					
29					
30	Major Maintenance	8,604,000	9,800,000	1,196,000	Retaining Wall at Centennial Park - \$18,000
31					Dock replacement at Tuna Harbor Docks 2 & 3 - \$100,000
32					Pavement Improvements at Shelter Island - \$900,000
33					Doors & Windows Replacement at National City - \$28,000
34					Deferred Maintenance at Seaport Village - \$100,000
35					Sand Replenishment at Kellogg Beach - \$50,000
36					
37					
38	Services - Operator Retention (Pasha)	2,246,500	2,780,500	534,000	
39					
40					
41	Services - Legal	2,631,400	2,931,400	300,000	
42					

	A	B	C	D	E
		<b>EXPENSE PROJECTION POST COVID-19</b>	<b>Budget</b>	<b>Expense Reductions FY 2020</b>	<b>Comments/Notes</b>
4					
43					
44	Marketing Outreach	2,303,500	2,579,500	276,000	Cut out the following paid marketing campaigns:
45					Picnic in the Park promotion (event cancelled)
					Remainder of destination marketing campaign, no promotion of tenant businesses will run for the remainder of FY20 (including production of and paid media campaign promoting Shelter Island tenants/public spaces which was originally scheduled to run in May and June)
46					Maritime Month television and radio campaign (reduced to just a social media and very small digital campaign)
47					Not producing any new creative for Maritime Month, using existing footage and images and just updating the messaging
48					Cut out doing any Maritime Month bus and boat tours for public
49					Stopped producing any new environmental (#ThatsMyBay) campaign creative
50					Lobby redesign project stopped
51					Reduced support needed for baywide signage design to bare minimum
52					Stopped any new general marketing/branding requests for departments
53					
54					
55					
					No Aquaculture Pilot Planning and Predevelopment to establish new aquaculture sites on Port tidelands
56	Aquaculture Planning & Joint Ventures	615,000	835,000	220,000	No new partnerships or joint ventures via the Blue Economy Incubator that involve a funding contribution
57					
58					
59	Technology Project - WIFI Refresh	-	215,000	215,000	
60					
61					
62	Services - Security (includes cruise)	2,108,700	2,252,200	143,500	
63					
64					
65	Equipment Outlay and Other Cap Projects	5,381,500	5,381,500	-	Lighting Efficiency Improvement - \$85,000
66					Gutter (Roof) Replacement at GS - \$145,000
67					Baywide Wayfinding and Signage - \$85,000
68					Mobile Restroom at NDC) - \$65,000
69					Port Pavilion - \$315,000 Unfunded on-hold
70					TAMT Longshore Mobile Restroom - \$66,000 Unfunded Form 100
71					Convert meters to multi-space pay stations (EMPS) - \$55,000 Unfunded Form 100
72					Convert meters to multi-space pay stations (Portside Pier) - \$25,000 unfunded Form 100
73					Cap Labor for OC Projects - Projected savings
74					
75					
76	Additional Anticipated NPE Savings	-	1,000,000	1,000,000	- Paused development of artwork concepts with 6 service providers
77					Deferred restoration of Imperial Beach mosaic artwork (Illuminations) at Portwood Plaza
78					YTD Savings of \$600k expected to continue through remainder of the year.
79					

	A	B	C	D	E
		<b>EXPENSE PROJECTION POST COVID-19</b>	<b>Budget</b>	<b>Expense Reductions FY 2020</b>	<b>Comments/Notes</b>
4					
80					
81	Retiree Health Benefits Premium	3,522,300	3,322,300	(200,000)	
82					
83					
84	Legislative Services	695,000	395,000	(300,000)	
85					
86					
					PMPU schedule is being extended and associated costs deferred to future years. For remainder of FY20 drafting the Port Master Plan will continue, while previously planned public engagement and EIR preparation will be deferred to
87	PMPU	1,942,700	1,238,300	(704,400)	FY21. Total forecasted overspend for FY20 is (\$527,300) as of 4/1/2020.
88					
89					
90	Select Expenditures Forecast	\$ 139,484,930	\$ 151,468,100	\$ 11,983,170	



VIA EMAIL

March 30, 2020

Chair Betty T. Yee  
California State Controller  
300 Capitol Mall, #1850  
Sacramento, CA 95814

Eleni Kounalakis  
Lieutenant Governor  
State Capitol, #1114  
Sacramento, CA 95814

Keely Bosler  
Director of the California Department of Finance  
913 L Street  
Sacramento, CA 95814

RE: Economic Relief to Seaports for COVID-19 Impacts

Dear State Lands Commissioners,

On behalf of the San Diego Unified Port District (District), I am writing to seek emergency direct financial assistance from the State of California. It is our hope that the State Lands Commission, as our oversight body, can help shepherd that request to the Governor's Office.

The Port of San Diego is a self-funded special district created by the State of California. The District collects no tax dollars, instead funding its operations and services through leases and other business agreements with tenants along the waterfront. These services funded by these revenues include public safety, economic development activities, and supply chain transportation services that are critical for our region, state, and nation especially in the midst of this pandemic.

Now, as a direct consequence of COVID-19, the hospitality and maritime trade economic activity that generates the revenues necessary for our mission-critical work has dropped into dramatic decline and **we currently estimate potential lost revenue of at least \$30 million across every major revenue category for the Port District as a result of the pandemic over the next four months** and we expect revenue losses to continue through the rest of calendar year 2020. Again, we receive no tax funds to help back stop us during this crisis.

This perfect storm has caused projected District revenues to fall in a number of areas based in part on industry information, information provided by our tenants and partners, and the number of current District tenants that have temporarily closed:

- The Port District's concessions revenues from hotels, restaurants, retail, and attractions is expected to fall by \$22.4 million for the fiscal year, which is 19% below FY2020 budget levels. **This is a result of a predicted drop of nearly 50% for these revenues beginning in March and extending through June.**



RE: Economic Relief to Seaports for COVID-19 Impacts

March 30, 2020

Page 2

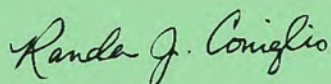
- Parking revenues from people visiting the Port Tidelands are expected to fall by \$3.8 million for the fiscal year, which is 23% below FY2020 budget levels. **This is a result of a predicted 80% drop in these revenues beginning in March and extending through June.**
- Maritime cargo and cruise revenues are expected to fall by 12%, or \$4.8 million, below FY2020 budget levels. **This is a result of a predicted 35% drop in these revenues beginning in March and extending through June.**
- Already, direct revenue loss to the District from **impacts to cruise business is over \$1,000,000.** Not only does this impact the District directly, but also represents a \$26.2 million impact to the San Diego region.

We are worried about the impact this crisis is having on worker retention around the Bay. People from around the region work in 800 businesses of all sizes along the District's waterfront including a convention center, 2 cargo terminals, 2 cruise terminals, 18 major hotels and resorts (with nearly 8,000 rooms), 20 marinas and related facilities, a commercial shipping fleet, 4 shipyards, and 105 restaurants. **Many of these tenants are seeking financial help from the District that we may not be able to provide without help from the State.** Additionally, we are wrestling with how to reduce expenses without severely impacting our environmental responsibilities. Even though we have built a responsible rainy-day reserve and have begun the difficult process of reducing expenses, the District faces a significant financial crisis as we expect our industries – which were among the first hit – to suffer through the rest of the 2020 calendar year.

Now more than ever, historic public partnerships among government agencies – such as the state government and California's public ports – must be bolstered to confront what lies ahead. **The District is asking Sacramento for \$30 million in direct assistance** to confront the threat of COVID-19 and to mitigate associated impacts. Unlike the State and many ports (that are divisions of their cities), the Port of San Diego is ineligible for federal Corona Virus Relief funds in Title VI of the recently passed stimulus package that are being distributed as block grants to the State and large cities around California. While we know that the state is experiencing its own financial pressures, the magnitude of our ask is small but will make a significant difference for the District, our tenants, and our workers along the waterfront.

Thank you for your leadership and willingness to work with the District in our responsibility to serve the public good and fulfill our economic and environmental mission. For more information, please feel free to contact my office at (619) 686-6201 or call Job Nelson, our Chief Policy Strategist, at 619-430-0953. The Port of San Diego stands ready to help in any way possible and is grateful for your support.

Sincerely,



Randa J. Coniglio  
President/CEO  
San Diego Unified Port District

cc: Jennifer Lucchesi, Executive Director, State Lands Commission  
Senate President Pro Tempore Toni Atkins



## Draft Port of San Diego Stimulus Help Plan

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### **Immediate Term Ask:**

\$30 million from State Block Grant Stimulus Recovery Funds to cover District Revenue shortfalls and to provide short term relief to Tourism Industry

### **Implementation Plan:**

- Brief State Delegation: Atkins, Gloria, Hueso **(COMPLETE)**
- Provide Fact Sheet to Senate President Pro Tem Atkins Office and Assemblymember Gloria **(COMPLETE)**
- Reach out to Jennifer Lucchesi, State Lands Commission, to see if SLC serve as pass through and shepherd request. **(COMPLETE)**
- Prepare Formal request to SLC with Jennifer distributing it to DOF and to Natural Resources Secretary: focus on keeping people employed now; generating economic activity and protection of natural resources. **(COMPLETE)**
- Update fact sheet
- Brief Executive Committee of the Board
- Set up calls with Lt Gov and State Controller
- Set up follow up calls with Atkins and Gloria
- Set up call with Gonzalez and Hueso
- Set up call with Go-Biz on importance of request
- Meet with Teamsters, HPOA and ILWU to get their support **(COMPLETE)**
- Meet with Supervisors Cox and Fletcher to secure their support
- Generate letters of support from local elected officials, business groups and other key stakeholders

### **Short Term Ask:**

\$10-20 million from Title IV in Stimulus Package in partially or fully forgivable loan to offset costs or other investment for FY 21 from slow down

### **Implementation Plan:**

- Meet with New Orleans, Everglades, Florida to talk about how investment or partially forgivable loan might be structured **(COMPLETE)**
- Prepare Letter for Treasury
- Get AAPA to send support letter
- Talk to Delegation get them to support the request
- Prepare Package to go to Treasury according to identified FY 21 need

### **Medium Term:**

Work with coalition, CAPA and AAPA on Stimulus IV Port asks



## BPC Policy No. 117

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### SUBJECT: OPERATING RESERVE POLICY

**PURPOSE:** The purpose of this policy is to establish general guidelines for the establishment, maintenance, and use of an operating reserve.

### POLICY STATEMENT:

Operating reserves (i.e., cash reserves) are a measurement of sound fiscal management. Operating reserves generate investment income, provide a margin of safety and stability to protect the Port from exposure to catastrophic events and economic impacts, and provide flexibility to pursue emergent opportunities. To ensure long-term financial sustainability, the San Diego Unified Port District shall establish and endeavor to maintain an operating reserve balance that is available at the end of each fiscal year in an amount equal to six months of budgeted operating and maintenance expenditures.

### PROCEDURE:

1. Establishing the operating reserve balance
  - a. The operating reserve balance shall be established annually upon the adoption of the fiscal year budget.
  - b. The dollar amount of the operating reserve balance shall be one-half the sum of budgeted operating and maintenance expenses minus budgeted expenses for the SDCRAA Harbor Police Service Level Agreement and any other operating expense for which a separate reserve exists.
  - c. The operating reserve balance includes a \$20 million minimum required operating reserve balance, which is established for the purpose of self-insurance against possible losses that could occur as the result of a catastrophic event (i.e., a natural or man-made disaster).
2. Maintaining the operating reserve balance
  - a. At least annually, Financial Services staff will forecast cash inflows and outflows over a five-year period to evaluate the sufficiency of the target operating reserve balance over the forecast horizon.

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION TO REDUCE THE FY 2019-2023  
CAPITAL IMPROVEMENT PROGRAM (CIP) BY \$5.7M  
AND ALLOCATE THE FUNDS TO THE CUMULATIVE  
UNRESTRICTED RESOURCES**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, as a direct consequence of the unforeseen COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted; and

**WHEREAS**, staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of Fiscal Year (FY) 2020 and expects revenue losses to continue through the rest of calendar year 2020; and

**WHEREAS**, total revenues for FY 2021 are projected to be \$49.3 million (M) lower than prior year's budget; and

**WHEREAS**, to balance District spending with various revenue reduction scenarios, staff identified significant expense reductions and prepared some across-the-board percentage cuts in non-personnel expenses, major maintenance, equipment and other capital projects, technology management, and a variety of other programs for the FY 2021 budget; and

**WHEREAS**, staff also re-prioritized some expenses in order to find funding for those programs that the Board of Port Commissioners (BPC) wanted to continue to pursue such as Clean Air program, the Port Master Plan Update (PMPU), homeless outreach, and some of the Blue Tech projects that could be a source of future revenue stream; and

**WHEREAS**, staff also developed a range of strategies and measures to reduce expenses in the District's personnel budget and implemented some cost-saving measures that can be implemented quickly and do not require a meet and confer process with our collective bargaining units, with the underlying objective of keeping as many of our regular full-time employees working as possible, for as long as possible; and

**WHEREAS**, the Capital Improvement Program (CIP) includes approximately \$5.7M of funding for projects that could be delayed and instead transferred to Cumulative Unrestricted Resources, which will help balance the FY 2021 budget.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District hereby authorizes the reduction of the FY 2019-2023 CIP budget by \$5.7M and allocate the funds to Cumulative Unrestricted Resources.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19th day of May, 2020, by the following vote:

**DRAFT****RESOLUTION 20xx-xxx**

**RESOLUTION AUTHORIZING THE USE OF CUMULATIVE UNRESTRICTED RESOURCES OF APPROXIMATELY \$15.7M FOR THE FOLLOWING: OPERATING BUDGET DEFICIT \$9.9M, COAST GUARD BUILD-OUT \$2.2M, SEAPORT VILLAGE PRE-APPROVED FUNDING \$2.8M, AND MAJOR MAINTENANCE MULTI-YEAR PROGRAM CARRYOVER FUNDING OF \$0.8M**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, as a direct consequence of the unforeseen COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted; and

**WHEREAS**, staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of Fiscal Year (FY) 2020 and expects revenue losses to continue through the rest of calendar year 2020; and

**WHEREAS**, total revenues for FY 2021 are projected to be \$49.3 million (M) lower than prior year's budget; and

**WHEREAS**, to balance District spending with various revenue reduction scenarios, staff identified significant expense reductions and prepared some across-the-board percentage cuts in non-personnel expenses, major maintenance, equipment and other capital projects, technology management, and a variety of other programs; and

**WHEREAS**, staff also re-prioritized some expenses in order to find funding for those programs that the Board of Port Commissioners (BPC) wanted to continue to pursue such as Clean Air program, the Port Master Plan Update (PMPU), homeless outreach, and some of the Blue Tech projects that could be a source of future revenue stream; and

**WHEREAS**, staff also developed a range of strategies and measures to reduce expenses in the District's personnel budget and implemented some cost-saving

measures that can be implemented quickly and do not require a meet and confer process with our collective bargaining units, with the underlying objective of keeping as many of our regular full-time employees working as possible, for as long as possible; and

**WHEREAS**, at the April 8, 2020 special BPC meeting, the BPC directed staff to use Cumulative Unrestricted Resources in the Preliminary FY 2021 Budget to fund the District's deficit, including the following:

- \$9.9M to fund the Operating Budget Deficit;
- \$2.2M to fund the Coast Guard Build-out for improvements to the National Distribution Center (NDC) which would result in a new 10-year lease, with one, three-year option with the Coast Guard for their Maritime Security Response Team West Operations;
- \$2.8M for Seaport Village pre-approved funding, which is a roll-over from prior year investment spending toward tenant improvements;
- \$0.8M for Major Maintenance Multi-year program carryover funding; and,

**WHEREAS**, the Coast Guard Build-Out \$2.2M is an investment for improvements to secure a long-term 10-year lease, with one, three-year option at the National Distribution Center (NDC) with the Coast Guard where the District will be reimbursed \$1.5M and the lease would generate more than \$615,000 of incremental new revenue to the District annually with an internal rate of return of approximately 38% over the initial ten years; and

**WHEREAS**, Seaport Village pre-approved funding \$2.8M is a roll-over from prior year for investment spending towards tenant improvements and approximately \$1.2M has already been committed to existing tenants; and

**WHEREAS**, the Seaport Village pre-approved funding is needed in order to be competitive in the specialty retail center market, to attract and secure leases with high caliber tenants and positive returns on its investment, is standard of retail landlords and without it the District would be unable to secure new market rate deals with prospective tenants; and

**WHEREAS**, the Major Maintenance Multi-year program carryover funding of \$0.8M is for projects already approved in the prior year for the multi-year MM program; and

**WHEREAS**, BPC Policy No. 117 provides the Operating Reserve Policy, which establishes the operating reserve balance and defines the calculation of the amount required and states that uses of the operating reserve balance can be authorized by the BPC temporarily as a result of unfavorable financial performance due to the impact of an unfavorable economic environment.



**NOW, THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District finds that its action is consistent with BPC Policy No. 117 due to the budget shortfalls as a result of the COVID-19 pandemic and hereby authorizes the use of Cumulative Unrestricted Resources of approximately \$15.7M for the following: Operating Budget Deficit of \$9.9M, Coast Guard Build-Out of \$2.2M, Seaport Village Pre-approved funding of \$2.8M, and Major Maintenance Multi-Year Program Carryover funding of \$0.8M.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19th day of May, 2020, by the following vote:

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION NOT TO SOLICIT PROJECT  
APPLICATIONS OR HOLD A CIP WORKSHOP  
PURSUANT TO BOARD POLICY NO. 120**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, as a direct consequence of the unforeseen COVID-19 pandemic, the hospitality and tourism industries and maritime trade economic activity that generate the revenues necessary for the District's mission-critical work have been significantly and negatively impacted; and

**WHEREAS**, staff currently estimates potential lost revenue across almost every major revenue category for the District, as a result of the pandemic, through the remainder of Fiscal Year (FY) 2020 and expects revenue losses to continue through the rest of calendar year 2020; and

**WHEREAS**, total revenues for FY 2021 are projected to be \$49.3 million (M) lower than prior year's budget; and

**WHEREAS**, FY 2021 marks the third year of a five-year Capital Improvement Program (CIP) cycle that will extend to FY 2023; and

**WHEREAS**, at the beginning of FY 2021, the CIP budget is projected to be \$14.7M and this amount is proposed to be reduced by \$5.7M for transfer to Cumulative Unrestricted Reserves to help fund the FY 2021 operating budget; and

**WHEREAS**, the remaining \$9.0M will fund project expenditures during FY 2021; and

**WHEREAS**, pursuant to Board of Port Commissioners (BPC) Policy No. 120 - Capital Improvement Program, at the April BPC meeting each year, the BPC determines the amount of funding available for new CIP projects and decides whether to solicit project application forms for consideration at the following fall CIP workshop; and

**WHEREAS**, until the CIP is fully funded, staff recommends the BPC not solicit project application forms or hold a CIP workshop in FY 2021.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District that the District will not solicit project applications or hold a CIP workshop in FY 2021.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19th day of May, 2020, by the following vote:

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION ADOPTING THE FISCAL YEAR 2021  
PRELIMINARY BUDGET AND SETTING THE DATE  
FOR PUBLIC HEARING ON THE BUDGET AS  
JUNE 23, 2020**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I, (Port Act); and

**WHEREAS**, Section 46 of the Port Act requires that on or before the 15<sup>th</sup> day of June each year, the District shall estimate and determine the amount of money required by the District and shall adopt a preliminary budget; and

**WHEREAS**, Section 47 of the Port Act requires that on or before the 15<sup>th</sup> day of June of each year, the Board of Port Commissioners (BPC) of the San Diego Unified Port District shall publish a notice pursuant to Section 6061 of the Government Code in the District stating:

- (1) That the preliminary budget has been adopted and is available at a time and at a place within the District specified in the notice for inspection by interested taxpayers; and
- (2) That on a specified date not less than one month after the publication of the notice and at specified time and place, the Board of Port Commissioners of the San Diego Unified Port District will meet for the purposes of fixing the final budget, and that any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget, or for the inclusion of additional items; and

**WHEREAS**, due to the COVID-19 pandemic, the District's Administrative Building is closed to the public consistent with the County of San Diego and California health orders and therefore, the preliminary budget will be posted to the District's website for public review; and

**WHEREAS**, pursuant to Governor Newsom's Executive Order N-29-20 pertaining to the convening of public meetings in response to the COVID-19 pandemic, the BPC has been attending Board of Port Commissioners meetings and participating remotely to the same extent as if they were present, and the public has been viewing the BPC meetings virtually and making comments virtually (collectively, Virtual Board Meeting).

20xx-xxx

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District that the Fiscal Year 2021 Preliminary Budget of the San Diego Unified Port District is hereby adopted, a copy of which is posted on the District's website at \_\_\_\_\_.

**BE IT FURTHER RESOLVED** that June 23, 2020, at 3165 Pacific Hwy, San Diego, CA 92101 or by a Virtual Board Meeting, the Board of Port Commissioners shall meet at a specified time for the purposes of fixing the final budget, and that any taxpayer and any other interested party may appear and be heard regarding the increase, decrease or omission of any item in the budget or the inclusion of additional items.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

\_\_\_\_\_  
By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 19<sup>th</sup> day of May, 2020, by the following vote: