

**PORT of  
SAN DIEGO**  
Waterfront of Opportunity

# **Fiscal Year 2021 Annual Budget**

Final

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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

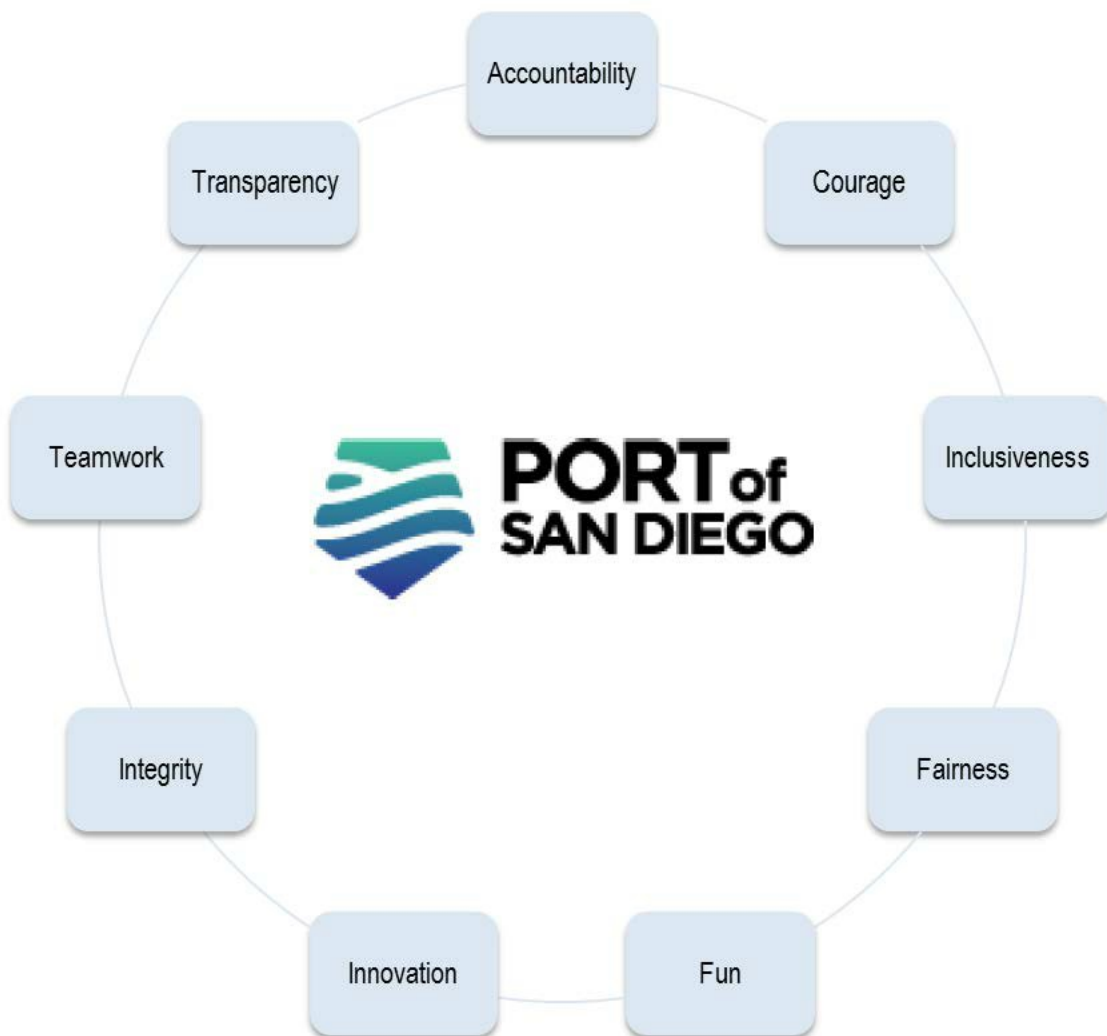
## VISION

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

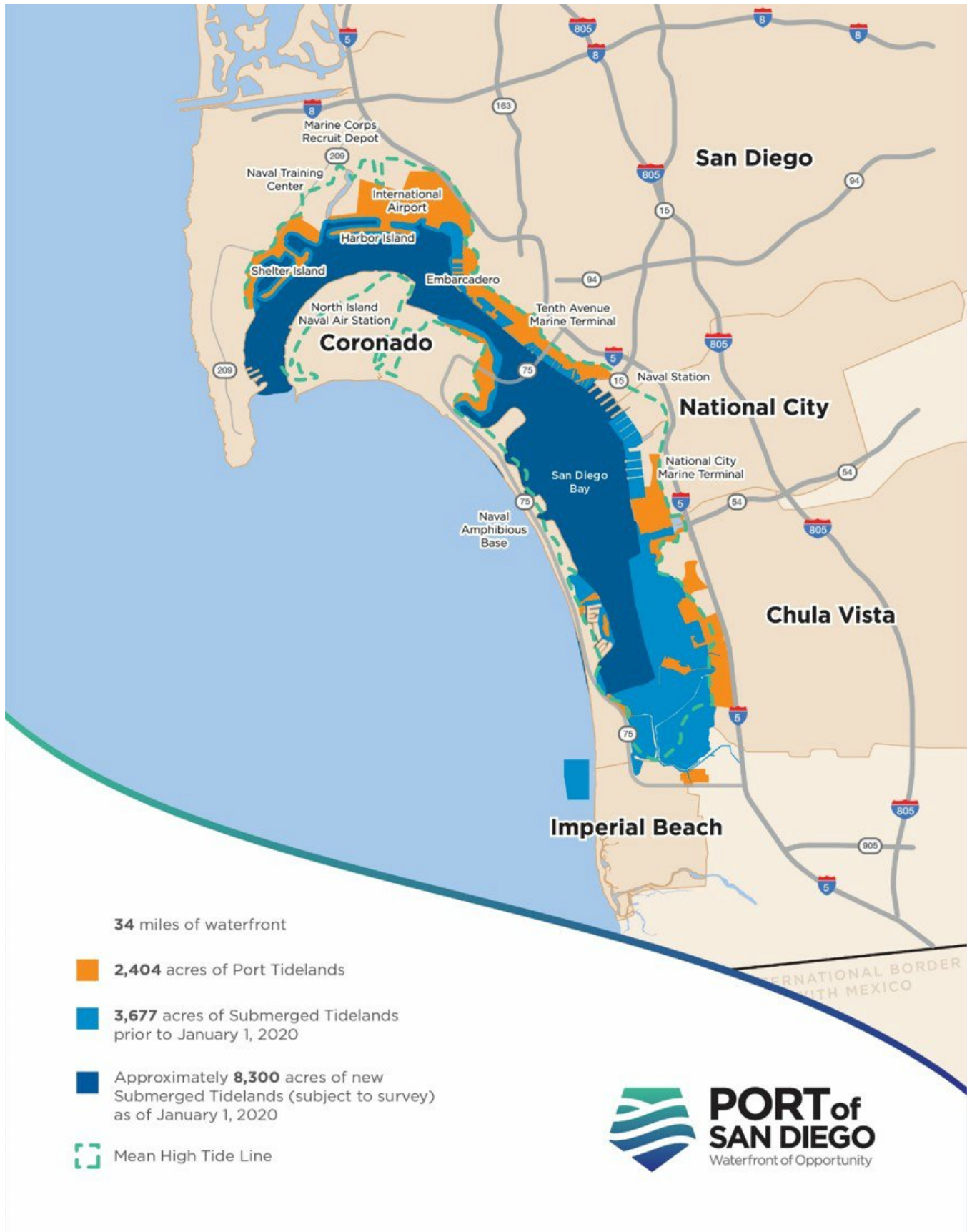
## MISSION

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 Surfrider 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 of the time of this 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 have 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
<b>Operating Revenue</b>					
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)%
<b>Total Operating Revenue</b>	<b>\$183,831,307</b>	<b>\$192,780,500</b>	<b>\$152,903,500</b>	<b>\$ (39,877,000)</b>	<b>(20.7)%</b>
<b>Non-Operating Revenue</b>					
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 %
<b>Total Non-Operating Revenue</b>	<b>\$ 21,364,882</b>	<b>\$ 22,197,495</b>	<b>\$ 12,760,500</b>	<b>\$ (9,436,995)</b>	<b>(42.5)%</b>
<b>Total Revenue</b>	<b>\$205,196,189</b>	<b>\$214,977,995</b>	<b>\$165,664,000</b>	<b>\$ (49,313,995)</b>	<b>(22.9)%</b>
<b>Expenses</b>					
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	45,652,200	(17,628,126)	(27.9)%
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)	(2,350,000)	1,639,500	(41.1)%
<b>Total Expenses</b>	<b>\$161,079,813</b>	<b>\$175,235,891</b>	<b>\$157,138,900</b>	<b>\$ (18,096,991)</b>	<b>(10.3)%</b>
<b>Earnings Before Depreciation and GASB 68, 73, and 75 Accounting Adjustments</b>	<b>\$ 44,116,376</b>	<b>\$ 39,742,104</b>	<b>\$ 8,525,100</b>	<b>\$ (31,217,004)</b>	<b>(78.5)%</b>
<b>Sources &amp; Uses of Funds and Reserves</b> (see detail on following page)	<b>\$ (31,717,791)</b>	<b>\$ (37,707,104)</b>	<b>\$ (8,525,100)</b>	<b>\$ 29,182,004</b>	<b>(77.4)%</b>
<b>Unrestricted Sources Over Uses of Funds</b>	<b>\$ 12,398,585</b>	<b>\$ 2,035,000</b>	<b>\$ —</b>	<b>\$ (2,035,000)</b>	<b>(100.0)%</b>

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>					
<b>Other Sources of Funds and Reserves</b>					
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	9,997,500	(6,077,500)	(37.8)%
Non-Cash Adjustment	(1,506,453)	—	—	—	N/A
Investment Fund	54,991	50,000	—	(50,000)	(100.0)%
Cumulative Unrestricted Resources	5,741,913	4,322,831	16,286,200	11,963,369	276.7 %
<b>Total Other Sources of Funds and Reserves</b>	<b>\$ 29,733,631</b>	<b>\$ 39,877,091</b>	<b>\$ 35,221,200</b>	<b>\$ (4,655,891)</b>	<b>(11.7)%</b>
<b>USES OF FUNDS</b>					
<b>Other Uses of Funds and Reserves</b>					
Capital Improvement Program	\$ 22,535,667	\$ 30,500,000	\$ 14,741,500	\$ (15,758,500)	(51.7)%
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	6,411,300	1,829,800	39.9 %
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 %
<b>Total Other Uses of Funds and Reserves</b>	<b>\$ 61,451,422</b>	<b>\$ 77,584,195</b>	<b>\$ 43,746,300</b>	<b>\$ (33,837,895)</b>	<b>(43.6)%</b>
<b>Total Other Sources &amp; Uses of Funds and Reserves</b>	<b>\$ (31,717,791)</b>	<b>\$ (37,707,104)</b>	<b>\$ (8,525,100)</b>	<b>\$ 29,182,004</b>	<b>(77.4)%</b>





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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

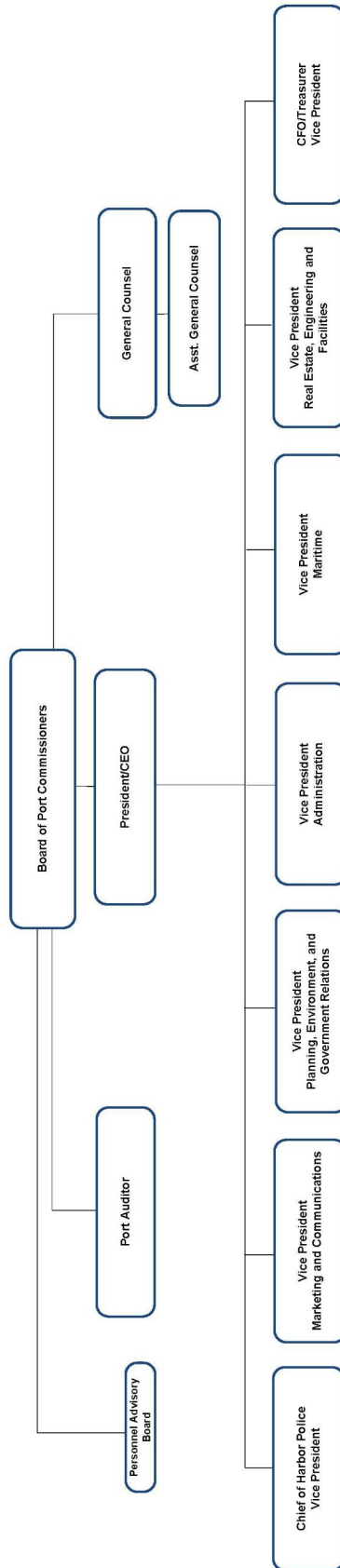
Led by the Vice President of Planning, Environment and Governmental Relations, this Division is responsible for the District's land use planning functions, including the creation of a Port Master Plan, issuance and application for permits for the 34 miles of waterfront around San Diego Bay; development 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
<b>REAL ESTATE</b>					
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>
<b>PORT AS A SERVICE - PARKING</b>					
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
<b>MARITIME</b>					
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>
<b>HARBOR POLICE</b>					
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

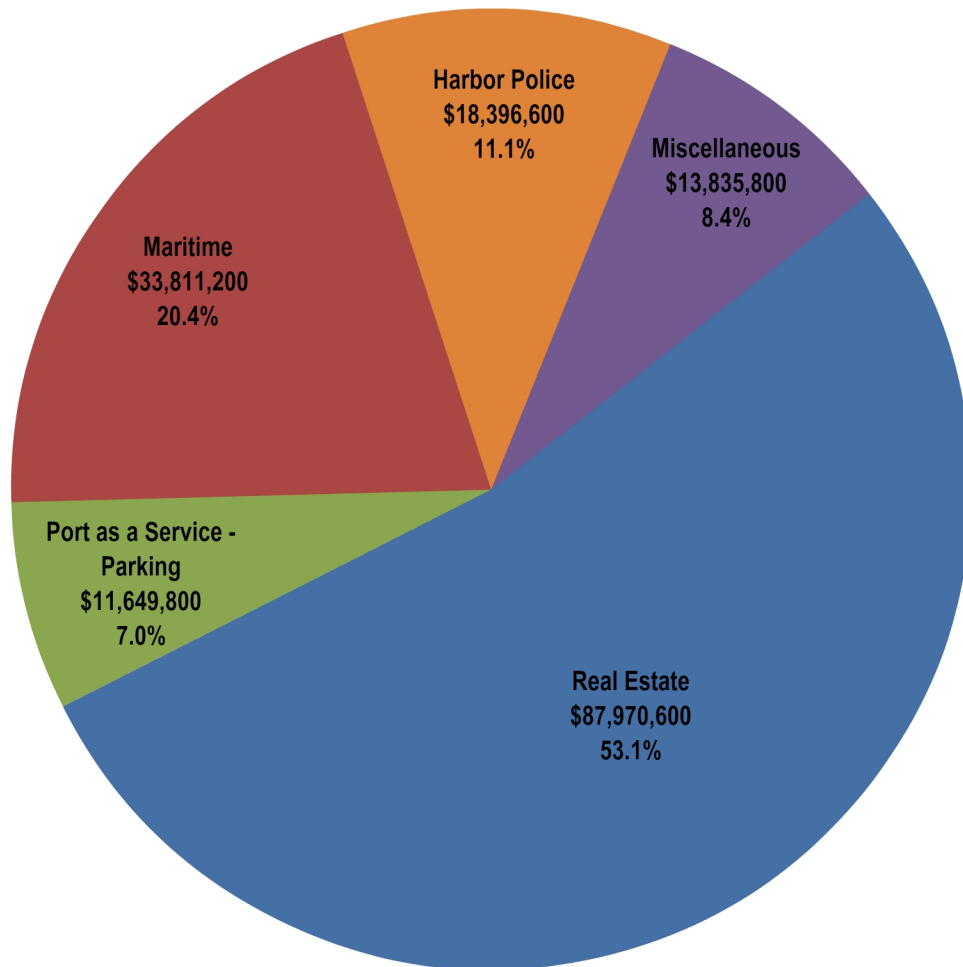
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Reimbursed Cost/Cost Recovery	146,386	15,000	30,000	15,000	100.0 %
Services	\$ 16,661,236	\$ 16,277,000	\$ 16,292,000	\$ 15,000	0.1 %
Damages Recovered	\$ 4,990	\$ —	\$ —	\$ —	N/A
Grant Revenue-Other	670,894	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 %
<b>TOTAL HARBOR POLICE</b>	<b>\$ 17,984,161</b>	<b>\$ 17,769,200</b>	<b>\$ 18,396,600</b>	<b>\$ 627,400</b>	<b>3.5 %</b>
<b><u>AQUACULTURE &amp; BLUE TECHNOLOGY</u></b>					
Concession Revenue	\$ 332	\$ —	\$ —	\$ —	N/A
Rents	\$ 332	\$ —	\$ —	\$ —	N/A
<b>TOTAL AQUACULTURE &amp; BLUE TECHNOLOGY</b>	<b>\$ 332</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>
<b><u>MISCELLANEOUS</u></b>					
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
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 24,226,485</b>	<b>\$ 24,468,695</b>	<b>\$ 13,835,800</b>	<b>\$ (10,632,895)</b>	<b>(43.5)%</b>
<b>TOTAL REVENUE</b>	<b>\$ 224,470,041</b>	<b>\$ 214,977,995</b>	<b>\$ 165,664,000</b>	<b>\$ (49,313,995)</b>	<b>(22.9)%</b>

## Revenue by Operating Center

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

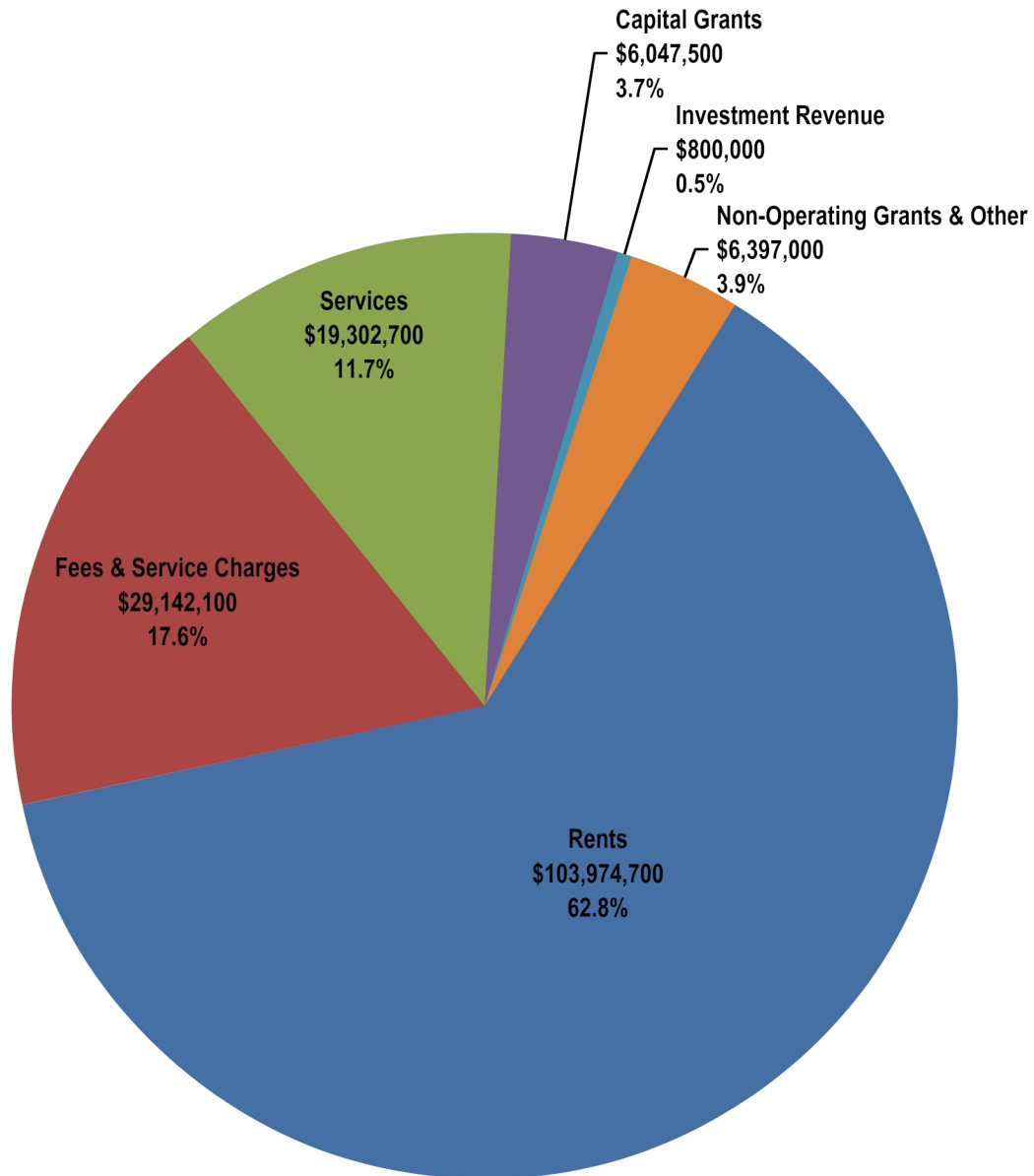
	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
Fixed Rent	\$ 36,377,010	\$ 36,677,800	\$ 36,544,600	\$ (133,200)	(0.4)%
Concession Revenue	85,230,671	92,434,700	65,746,400	(26,688,300)	(28.9)%
Storage Space Rental	2,796,489	2,442,500	1,453,800	(988,700)	(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
<b>NON-OPERATING REVENUE</b>	<b>\$ 40,641,649</b>	<b>\$ 22,197,495</b>	<b>\$ 12,760,500</b>	<b>\$ (9,436,995)</b>	<b>(42.5)%</b>
<b>TOTAL REVENUE</b>	<b>\$ 224,470,041</b>	<b>\$ 214,977,995</b>	<b>\$ 165,664,000</b>	<b>\$ (49,313,995)</b>	<b>(22.9)%</b>



## Revenue by Account



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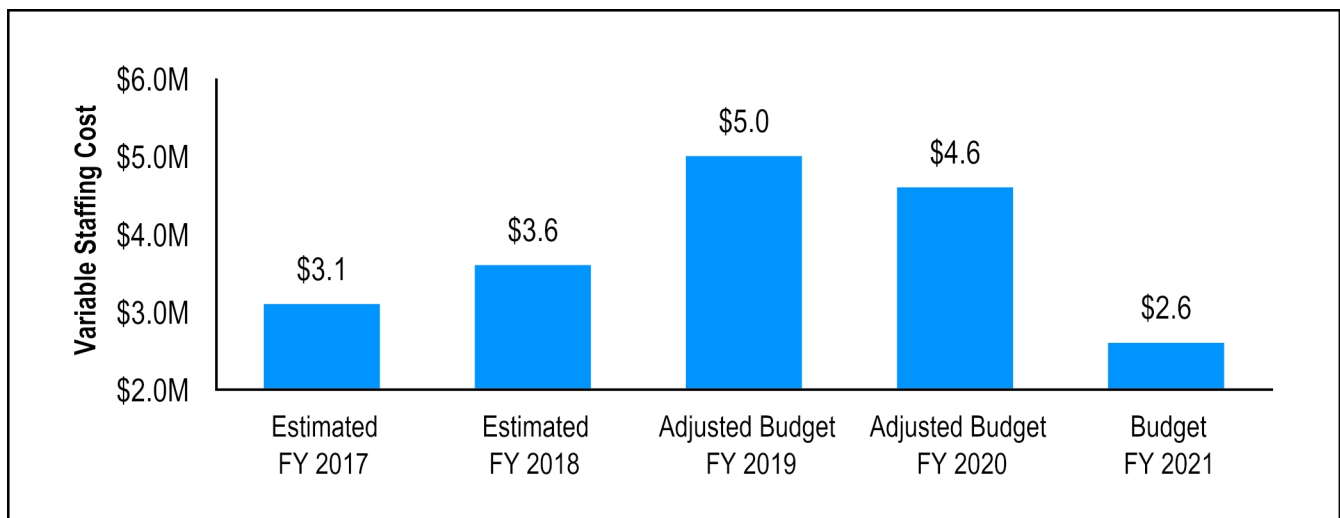
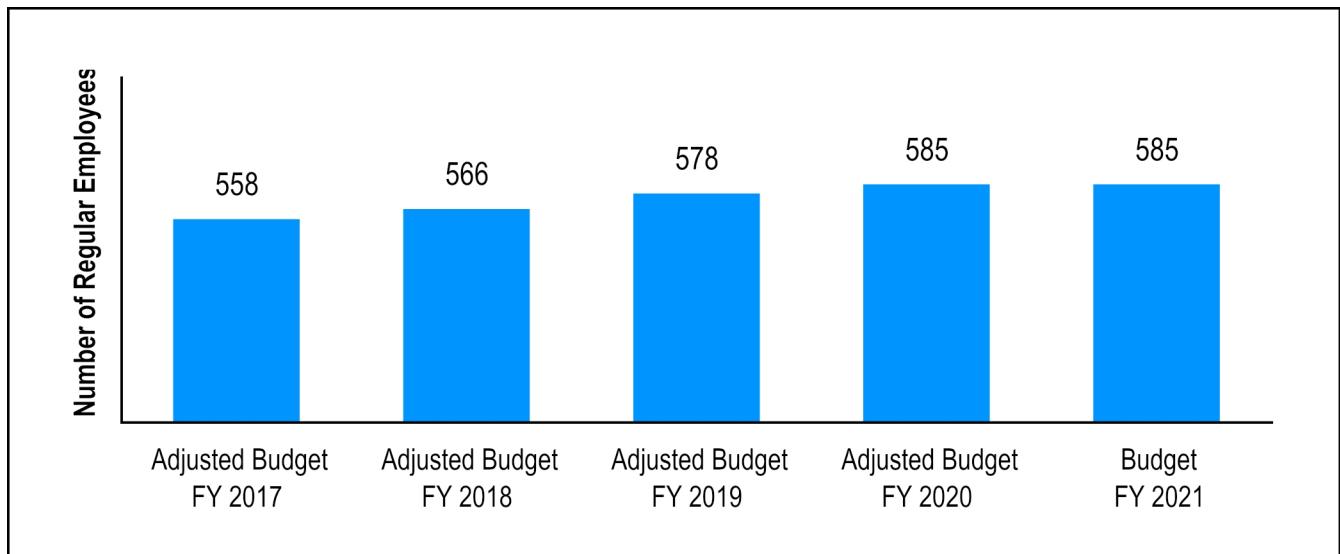
## Staffing Overview

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 \$157.1M, a decrease of \$18.1M, or 10.3%, 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 \$57.8M, a decrease of \$18.0M, or 23.8%, 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 budgeted at \$575k, a decrease of \$1.0M, or 62.6%.
- **Joint Programs/Studies Assistance** is budgeted at \$673k, a decrease of \$600k, or 47.1%.

### Capitalized Labor

Capitalized labor is budgeted at \$2.4M, a decrease of \$1.6M, or 41.1%, 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 RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 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)%

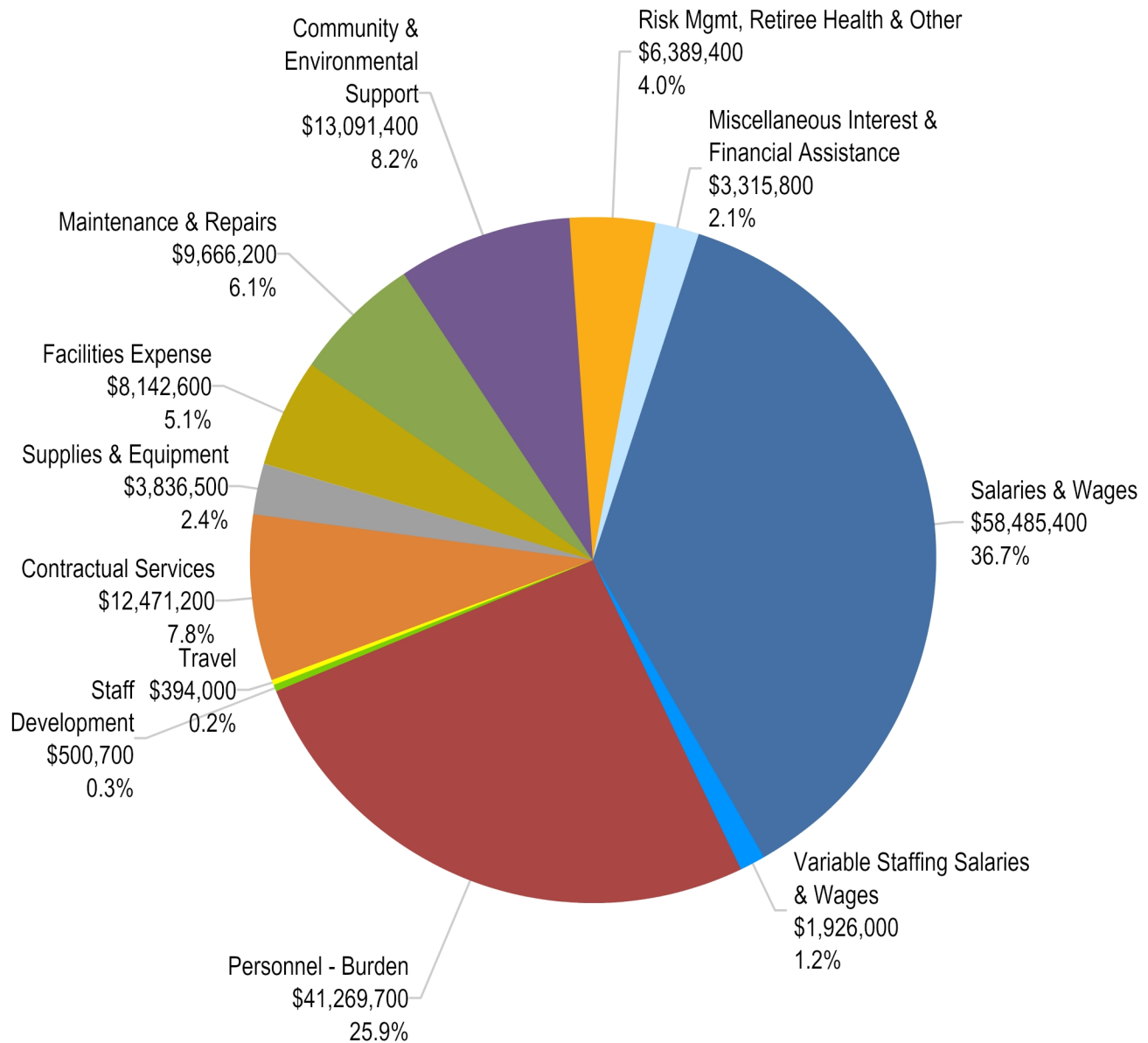
## Expense by Account

LINE ITEM	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021	CHANGE FY 2021-2020 BUDGET	% CHANGE
<b>SUPPLIES &amp; EQUIPMENT</b>	<b>\$ 4,794,187</b>	<b>\$ 4,468,800</b>	<b>\$ 3,836,500</b>	<b>\$ (632,300)</b>	<b>(14.1)%</b>
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)%
<b>FACILITIES EXPENSE</b>	<b>\$ 10,148,751</b>	<b>\$ 8,268,700</b>	<b>\$ 8,142,600</b>	<b>\$ (126,100)</b>	<b>(1.5)%</b>
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	575,000	(962,200)	(62.6)%
<b>MAINTENANCE &amp; REPAIRS</b>	<b>\$ 8,321,152</b>	<b>\$ 14,286,200</b>	<b>\$ 9,666,200</b>	<b>\$ (4,620,000)</b>	<b>(32.3)%</b>
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)%
<b>COMMUNITY &amp; ENVIRONMENTAL SUPPORT</b>	<b>\$ 14,788,222</b>	<b>\$ 16,505,145</b>	<b>\$ 13,091,400</b>	<b>\$ (3,413,745)</b>	<b>(20.7)%</b>
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)%
<b>RISK MGMT, RETIREE HEALTH &amp; OTHER</b>	<b>\$ 5,357,535</b>	<b>\$ 6,499,500</b>	<b>\$ 6,389,400</b>	<b>\$ (110,100)</b>	<b>(1.7)%</b>
<b>SUBTOTAL NON-PERSONNEL</b>	<b>\$ 67,558,647</b>	<b>\$ 72,073,726</b>	<b>\$ 54,492,000</b>	<b>\$ (17,581,726)</b>	<b>(24.4)%</b>
<b>Capitalized Labor</b>	<b>\$ (3,579,661)</b>	<b>\$ (3,989,500)</b>	<b>\$ (2,350,000)</b>	<b>\$ 1,639,500</b>	<b>(41.1)%</b>
<b>SUBTOTAL OPERATING</b>	<b>\$ 158,015,168</b>	<b>\$ 171,465,326</b>	<b>\$ 153,823,100</b>	<b>\$ (17,642,226)</b>	<b>(10.3)%</b>
Financial Assistance/Grants/Contributions	\$ 50,086	\$ 1,078,165	\$ 865,000	\$ (213,165)	(19.8)%
<b>FINANCIAL ASSISTANCE</b>	<b>\$ 50,086</b>	<b>\$ 1,078,165</b>	<b>\$ 865,000</b>	<b>\$ (213,165)</b>	<b>(19.8)%</b>
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)%
<b>MISCELLANEOUS INTEREST</b>	<b>\$ 2,911,285</b>	<b>\$ 2,692,400</b>	<b>\$ 2,450,800</b>	<b>\$ (241,600)</b>	<b>(9.0)%</b>
Seized Asset/Forfeitures-Harbor Police	\$ 88,272	\$ —	\$ —	\$ —	N/A
Other Misc Non-Operating Expense	6,357	—	—	—	N/A
<b>OTHER MISCELLANEOUS</b>	<b>\$ 94,629</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>
<b>SUBTOTAL NON-OPERATING</b>	<b>\$ 3,056,000</b>	<b>\$ 3,770,565</b>	<b>\$ 3,315,800</b>	<b>\$ (454,765)</b>	<b>(12.1)%</b>
<b>TOTAL</b>	<b>\$ 161,071,169</b>	<b>\$ 175,235,891</b>	<b>\$ 157,138,900</b>	<b>\$ (18,096,991)</b>	<b>(10.3)%</b>

## Expense by Account



<b>EXPENSE</b>	<b>\$ 159,488,900</b>
<b>CAPITALIZED LABOR</b>	<b>(2,350,000)</b>
<b>TOTAL EXPENSE</b>	<b>\$ 157,138,900</b>

## 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)</sup> <sup>(3)</sup>	1	\$ 100,000
Energy	EV CHARGING STATION IN PUBLIC PARK <sup>(2)</sup> <sup>(3)</sup>	1	25,000
		<b>2</b>	<b>\$ 125,000</b>
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
		<b>13</b>	<b>\$ 445,000</b>
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 <sup>(3)</sup>	1	55,000
Harbor Police	SUV (INVESTIGATIONS)	1	40,000
Harbor Police	UTILITY TERRAIN VEHICLES (CITY OF IB) <sup>(4)</sup>	2	37,800
		<b>20</b>	<b>\$ 548,300</b>
Information Technology	THERMAL CAMERAS-MARINE SECURITY OPS	3	\$ 75,000
		<b>3</b>	<b>\$ 75,000</b>
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
		<b>6</b>	<b>\$ 2,304,000</b>
Real Estate	SEAPORT VILLAGE TENANT IMPROVEMENTS <sup>(3)</sup>	1	\$ 2,764,000
		<b>1</b>	<b>\$ 2,764,000</b>
	CAPITAL LABOR		\$ 150,000
			<b>\$ 150,000</b>
<b>TOTAL</b>		<b>45</b>	<b>\$ 6,411,300</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 \$3.3M in investment spending for tenant improvements and activation and site enhancements. 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
<b>Revenue Sources:</b> <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
<b>Total Revenue Sources</b>		<b>\$ 7,299,700</b>
<b>Operating Expenses:</b> <sup>(2)</sup>		
Broker Services		\$ 200,000
Common Area Maintenance <sup>(3)</sup>		2,000,300
Marketing Fee		580,400
<b>Total Operating Expenses</b>		<b>\$ 2,780,700</b>
<b>Operating Income</b>		<b>\$ 4,519,000</b>
<b>Investment Spending:</b>		
Tenant Improvements <sup>(4)</sup>		\$ 2,764,000
Activation and Site Enhancements <sup>(2)</sup>		575,000
<b>Total Investment Spending</b>		<b>\$ 3,339,000</b>
<b>Total Income After Investment Spending</b>		<b>\$ 1,180,000</b>

**Notes:**

- (1) Revenue sources for Seaport Village are budgeted in the Real Estate profit center (see Section 3, Page 6)
- (2) Operating expenses and Activation and Site Enhancements 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
<b>Beginning Balance</b>	<b>\$ 1,073,715</b>	<b>\$ 920,800</b>	<b>\$ 837,300</b>
<b><u>Income Sources</u></b>			
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	—	—
<b>Total Income</b>	<b>\$ 161,844</b>	<b>\$ 846,500</b>	<b>\$ 406,300</b>
<b><u>Expenditures</u></b>			
Public Art <sup>(3)</sup>	\$ 300,091	\$ 820,000	\$ 400,000
Capital Projects <sup>(4)</sup>	14,655	110,000	—
<b>Total Expenditures</b>	<b>\$ 314,746</b>	<b>\$ 930,000</b>	<b>\$ 400,000</b>
<b>Ending Balance</b>	<b>\$ 920,813</b>	<b>\$ 837,300</b>	<b>\$ 843,600</b>

### 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
	<b>TOTAL NON-CAPITAL PROJECT COSTS</b>	<b>\$ 900,000</b>
SUSTAINABILITY	EV CHARGING STATION IN PUBLIC PARK	25,000
	<b>TOTAL CAPITAL PROJECT COSTS</b>	<b>\$ 25,000</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 925,000</b>

# Environmental Fund Highlights

## SUMMARY OF ENVIRONMENTAL FUND

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021
<b>Beginning Balance</b>	<b>\$ 3,514,452</b>	<b>\$ 1,237,000</b>	<b>\$ 961,900</b>
<b><u>Income Sources</u></b>			
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
<b>Total Income</b>	<b>\$ 893,435</b>	<b>\$ 853,700</b>	<b>\$ 8,400</b>
<b><u>Expenditures</u></b>			
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)	—
<b>Total Expenditures</b>	<b>\$ 3,170,890</b>	<b>\$ 1,128,800</b>	<b>\$ 925,000</b>
<b>Ending Balance</b>	<b>\$ 1,236,997</b>	<b>\$ 961,900</b>	<b>\$ 45,300</b>

### 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
<b>TOTAL EXPENDITURES</b>	<b>\$ 865,000</b>

# Maritime Industrial Impact Fund Highlights

	ACTUAL RESULTS FY 2019	ADJUSTED BUDGET FY 2020	BUDGET FY 2021
<b>Beginning Balance</b>	\$ 1,720,903	\$ 1,882,000	\$ 1,149,900
<b><u>Income Sources</u></b>			
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)	—	—
<b>Total Income</b>	<b>\$ 161,219</b>	<b>\$ 157,900</b>	<b>\$ —</b>
<b><u>Expenditures</u></b>			
Project Costs <sup>(4)</sup>	\$ —	\$ 890,000	\$ 865,000
<b>Total Expenditures</b>	<b>\$ —</b>	<b>\$ 890,000</b>	<b>\$ 865,000</b>
<b>Ending Balance</b>	<b>\$ 1,882,122</b>	<b>\$ 1,149,900</b>	<b>\$ 284,900</b>

## 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 \$9.1M will be spent in FY 2021 to execute these projects. For a complete list of FY 2019-2023 CIP projects underway and completed refer to the latest CIP Quarterly Report.

PROJECT NAME	PLANNED FY 2021 EXPENDITURES	REMAINING FY 2019-2023 CIP BUDGET
Microgrid Infrastructure at TAMT <sup>(1)</sup>	\$ 4,100,000	\$ 4,100,000
Chula Vista Bayfront - South Campus Pavement and Foundation Demolition	1,700,000	1,700,000
Site Preparation at Chula Vista Bayfront <sup>(2)</sup>	1,200,000	1,200,000
Security Gate Physical Enhancements at Tenth Avenue Marine Terminal <sup>(3)</sup>	464,000	464,000
Imperial Beach Pier Enhancements	350,000	1,800,000
Demolition and Site Improvements of Transit Sheds 1 and 2 of TAMT <sup>(4)</sup>	150,000	185,000
Security Gate Physical Enhancements at B Street Cruise Terminal <sup>(5)</sup>	128,000	128,000
National City Balance Plan	100,000	550,000
Setback Park/Plaza	—	1,057,000
B Street Mooring Dolphin	—	936,800
Cold Ironing Phase 2 at B Street and Broadway Piers	—	150,000
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>	<b>\$ 8,192,000</b>	<b>\$ 12,270,800</b>
Capitalized Labor <sup>(6)</sup>	\$ 950,000	\$ 950,000
CIP Contingency <sup>(6)</sup>	—	1,458,800
CIP Reserve	—	61,900
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>	<b>\$ 9,142,000</b>	<b>\$ 14,741,500</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
- <sup>(6)</sup> Includes \$125k transfer of funds from CIP Contingency to Capitalized Labor

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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
<b>Major Maintenance Capital Projects</b>				
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	300,000	300,000	—	—
Structural 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
HVAC Replacement at Harbor Police Headquarters	300,000	50,000	250,000	—
Roof Replacement at NCMT Warehouse 24-B	2,800,000	50,000	2,750,000	—
Structural Repairs at NCMT Berth 24-11	11,000,000	—	350,000	900,000
Timber Fender System Replacement at Broadway Pier	8,215,000	—	—	—
18 & 22 Inch Pile Repairs at B Street Pier	7,425,000	—	150,000	—
Structural Repairs at NCMT Berth 24-1, 24-2, and 24-4	6,400,000	—	—	250,000
Dock 2 Replacement & Dock 3 Repairs at Tuna Harbor <sup>(2)</sup>	1,400,000	—	—	—
Pavement Improvements at National City	1,200,000	—	—	—
Deferred Maintenance - Seaport Village <sup>(2)</sup>	1,125,000	—	100,000	—
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
Railroad Tie Repairs at TAMT	700,000	—	—	—
Utility Piping Repairs at Imperial Beach	365,000	—	35,000	—
Substation Electrical Improvements at TAMT	300,000	—	150,000	150,000
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
<b>Major Maintenance Capital Projects</b>				
Pedestrian Safety Improvements at Shelter Island Drive & Anchorage way <sup>(2)</sup>	115,000	—	—	—
Pedestrian Safety Improvements at Belt Street and Sampson Street	115,000	—	—	—
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
<b>SUB-TOTAL MAJOR MAINTENANCE CAPITAL</b>	<b>\$ 77,620,000</b>	<b>\$ 3,540,000</b>	<b>\$ 9,985,000</b>	<b>\$ 9,980,000</b>
<b>MAJOR MAINTENANCE CAPITAL CARRYOVER - FY 2020</b>	<b>—</b>	<b>430,000</b>	<b>—</b>	<b>—</b>
<b>TOTAL MAJOR MAINTENANCE CAPITAL</b>	<b>\$ 77,620,000</b>	<b>\$ 3,970,000</b>	<b>\$ 9,985,000</b>	<b>\$ 9,980,000</b>

PROJECT NAME	TOTAL PROJECT BUDGET <sup>(1)</sup>	BUDGET FY 2021	FORECAST FY 2022	FORECAST FY 2023
<b>Major Maintenance Expense Projects</b>				
Waterline Replacement 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 Administration Building	550,000	—	—	—
Pavement Maintenance at Chula Vista Boat Launch	450,000	—	—	—
Pavement Maintenance at National City	225,000	—	—	—
<b>SUB-TOTAL MAJOR MAINTENANCE EXPENSE</b>	<b>\$ 2,865,000</b>	<b>\$ 140,000</b>	<b>\$ 450,000</b>	<b>\$ 600,000</b>
<b>MAJOR MAINTENANCE EXPENSE CARRYOVER - FY 2020</b>	<b>—</b>	<b>370,000</b>	<b>—</b>	<b>—</b>
<b>TOTAL MAJOR MAINTENANCE EXPENSE</b>	<b>\$ 2,865,000</b>	<b>\$ 510,000</b>	<b>\$ 450,000</b>	<b>\$ 600,000</b>

<b>TOTAL MAJOR MAINTENANCE PROGRAM</b>	<b>\$ 80,485,000</b>	<b>\$ 4,480,000</b>	<b>\$ 10,435,000</b>	<b>\$ 10,580,000</b>
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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.

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

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