

PORT OF REDWOOD CITY

PORT OF REDWOOD CITY



ECONOMIC DEVELOPMENT
AGENCY

INTERNATIONAL TRADE

LAND-USE MANAGEMENT

MARITIME COMMERCE

PORT OPERATIONS

PUBLIC RECREATION &
WATERFRONT

PORT OF REDWOOD CITY

DEPARTMENT DESCRIPTION

The Port of Redwood City, founded by City Charter in 1937, is a department of the City of Redwood City. A five-member Board of Port Commissioners, appointed by the City Council, governs the Port and are assigned control and management of the Port, including the right to adopt and enforce ordinances, orders, regulations, and practices for proper administration, as necessary, for the management and government of the Port and its facilities. The City oversees the Port as a financially self-sufficient enterprise department without any General Fund support. The finances of the Port are maintained as a separate budget of the City and support City services through an annual subvention payment to the City based upon the Port's annual revenues. The Port is the only deep-water port in South San Francisco Bay and is strategically located in the growing economic region of Silicon Valley. The Port has been designated by the federal government as the only South San Francisco Bay federal staging area for the deployment of regional first responders and emergency resources. The Port values public safety and works diligently to safeguard the region and its emergency resilience.

MAJOR ACCOMPLISHMENTS

- Released record breaking revenue and cargo results for FY 2018-19 including generating \$9.3 million in revenue by moving 2.65 million metric tons of cargo across Port docks
- Adopted the Port's 2020 Vision Plan, to guide the growth of the Port for the next 25-years focused on new revenue generation and portfolio diversification
- Awarded \$1.85 million in federal funds as part of the Port Security Grant Program from the Department of Homeland Security for enhanced security infrastructure and waterside facilities for City fire and police
- Launched a new public art program along the marina promenade, welcoming the public to explore the waterfront
- Adopted a memorandum of understanding between the City and the Water Emergency Transportation Agency for future ferry service
- Hosted the 10th annual PortFest celebrating the working waterfront
- Collaborated with the U.S. Army Corps of Engineers to complete a \$9.3 million dredging project improving cargo operations and maritime commerce
- Partnered with the City of Redwood City to lead the Redwood City Ferry Service financial and economic feasibility study
- Funded \$735K for City services – \$560K in subvention (general fund revenue) used for citywide services and \$175K in City contract services to the Port



PORT OF REDWOOD CITY

GOALS FY 2020-21

In light of recent worldwide impacts associated with COVID-19, the Port has been active behind the scenes planning for a post pandemic future. While we have continued to see cargo operations fueling our region's essential construction activities, our local waterfront has lost many of its visitors. Children laughing, rowing coach's cadences, and people enjoying the water have all ceased for the time being, and the quiet sounds of the waterfront are broken only by the sounds of ships and industry, interlaced with the sounds of flocking geese along our shorelines. The Port, however, has been diligently working to welcome our residents back to the shores by preparing for when our community can return. We are moving forward with the installation of BBQs and shade structures, looking to launch a second phase of public art, landscaping, and permitting for events and parties.

Additionally, we are working with our recreational partners and tenants to facilitate opening for the public once the time arrives, so sailing, paddle boarding, kayaking, races and regattas can soon return to the Port.

The Port's overarching Goals for FY 2020-21 include:

- Finalize market valuation of Port assets
- Analyze and activate underutilized properties for new commercial recreation/destination type uses
- Launch new community event permitting, tours, gathering spaces, and programs on Port waterfront
- Continue to maintain existing cargo tonnage
- Host annual public safety emergency drill and exercise with the City of Redwood City and other regional first responder agencies
- Finalize the feasibility study for Ferry Service in Redwood City and advocate for funding to build the ferry terminal



Insert Letter Here



PORT OF REDWOOD CITY

Serving Silicon Valley

Port Commissioners
Richard S. Claire
Richard "Dick" Dodge
R. Simms Duncan
Ralph A. Garcia, Jr.
Lorianna Kastrop

May 27, 2020

The Honorable Diane Howard, Mayor
City of Redwood City and City Council Members
1017 Middlefield Road
Redwood City, CA 94061

Subject: FY2020-21 Port Budget and Relevant Data

Dear Mayor Howard and City Council Members:

The Port of Redwood City annually prepares its Operating and Capital Budget (Port Budget) for the upcoming fiscal year, which spans from July 1 – June 30. For the fiscal year (FY) July 1, 2020 to June 30, 2021, the Port Commission reviewed the FY2020-21 Port Budget at its meeting on May 27, 2020 and thereby introduced a Budget Ordinance. In order to finalize the introduction of Budget Ordinance there will be a second reading, which is scheduled to be considered on June 10, 2020. After the final approval of the Budget Ordinance, copies of the Executive Summary of the Port Budget will be distributed to the members of the City Council, City Manager, City Clerk and Assistant City Manager (ACM) of Administrative Services.

The FY2020-21 Port Budget reflects \$9.0 million in Operating Revenue, of which Maritime Operations will generate \$6.6 million, or 73%, of the total operating revenue. This \$6.6 million includes rentals/leases and almost 2.0 million metric tons of cargo that will be transported through the Port. The remaining \$2.4 million of the operating revenue will be from Recreational Boating (\$600,000) and Commercial Rentals/Leases, which is slightly over \$1.8 million.

The budget data also includes \$5.9 million in Total Operating Expenses; approximately 70% is attributable to operations and 30% to administration – leaving an Operating Income of \$3.1 million. The Non-operating Expenses will further reduce the Operating Income by interest payments on the Port's 2012 and 2015 Series Revenue Bonds and Subvention payment to the City of Redwood City, resulting in an anticipated Net Income of \$2.5 million.

The FY2020-21 Port Budget also includes Capital Improvement Program (CIP) of \$2.1 million. The major project for FY2020-21 will be to renovate Public Fishing Pier.

Respectfully,

Ralph Garcia,
Chairman of the Board of Port Commissioners

Encl: Executive Summary of FY2020-21 Port Budget

CC: City Manager, ACM of Administrative Services, City Clerk
Port Commissioners, Port Executive Director

PORT OF REDWOOD CITY

COMPARATIVE STATEMENTS OF ACTIVITIES

	FY2018 ACTUAL	FY2019 ACTUAL	FY2020 BUDGET	FY2020 FORECAST	FY2021 BUDGET	Favorable (Unfavorable) From FY2020 Forecast	%
OPERATING REVENUES							
Dockage:	\$ 669,531	\$ 856,569	\$ 855,235	\$ 775,032	\$ 759,399	\$ (15,633)	-2%
Line Handling:	651,096	742,049	787,122	636,642	599,095	(37,547)	-6%
Wharfage:	2,567,000	2,791,698	2,681,738	2,466,727	2,318,706	(148,021)	-6%
Facilities Usage:	392,491	431,216	413,092	366,170	370,288	4,118	1%
Services & Misc (Water usage):	22,051	35,399	29,700	22,997	24,000	1,003	4%
Rental - Maritime:	2,196,095	2,316,047	2,413,719	2,434,206	2,522,157	87,951	4%
Sub-Total Marine Terminal:	6,498,264	7,172,978	7,180,606	6,701,774	6,593,645	(108,129)	-2%
Marina - Berth Rental:	514,969	510,526	571,000	522,938	554,400	31,462	6%
Live-Aboard at Marina:	-	11,800	-	-	-	-	-
Launch Ramp:	6,126	3,981	4,000	5,205	4,800	(405)	-8%
Dry Boat Storage:	48,696	49,412	51,347	51,404	52,524	1,120	2%
Sub-Total Recreational Boating:	569,791	575,719	626,347	579,547	611,724	32,177	6%
Rental - Commercial:	975,455	966,990	1,011,246	1,012,054	1,029,289	17,235	2%
Rental - Temporary:	478,706	515,406	539,158	589,412	673,344	83,932	14%
Sub-Total Commercial:	1,454,161	1,482,396	1,550,404	1,601,466	1,702,633	101,167	6%
Sewer Capacity:	22,188	21,052	32,960	36,203	36,560	357	1%
Security Fees (Rovering-charges):	82,825	83,400	88,200	81,250	82,800	1,550	2%
Sub-Total Other Operating Rev:	105,013	104,452	121,160	117,453	119,360	1,907	2%
TOTAL OPERATING REVENUES:	8,627,229	9,335,545	9,478,517	9,000,240	9,027,362	27,122	0%
OPERATING EXPENSES							
Marine Terminal:	1,875,523	3,528,247	2,191,801	2,145,197	2,146,231	(1,034)	0%
Recreation Boating:	560,846	573,926	626,310	578,607	608,333	(29,726)	-5%
Commercial:	241,757	263,858	331,411	300,454	349,937	(49,483)	-16%
Infrastructure:	686,114	723,769	881,707	707,083	798,304	(91,221)	-13%
General Maintenance:	233,856	245,173	279,637	241,735	270,633	(28,898)	-12%
Sub-Total Operating Expenses:	3,598,096	5,334,973	4,310,866	3,973,076	4,173,437	(200,361)	-5%
ADMINISTRATIVE EXPENSES							
Salaries & Benefits:	1,574,103	962,762	1,015,956	1,039,908	970,253	69,655	7%
Office & Admin Expenses:	123,742	147,457	151,496	159,476	154,642	4,834	3%
Professional Services:	307,724	292,512	311,804	300,840	336,800	(35,960)	-12%
Promotion & Marketing:	206,459	224,208	296,650	239,641	245,800	(6,159)	-3%
Depreciation (Office Only):	2,454	4,430	7,249	16,010	26,019	(10,009)	-63%
Sub-Total Administrative Exp:	2,214,482	1,631,369	1,783,155	1,755,875	1,733,514	22,361	1%
TOTAL OPERATING EXPENSES:	5,812,578	6,966,342	6,094,021	5,728,951	5,906,951	(178,000)	-3%
OPERATING INCOME:	2,814,651	2,369,203	3,384,496	3,271,289	3,120,411	(150,878)	-5%
NON-OPERATING REVENUES (EXPENSES)							
Interest Income:	190,440	305,026	288,000	234,451	312,000	77,549	33%
Interest Expense:	(569,536)	(538,926)	(508,415)	(508,411)	(479,786)	28,625	6%
Other Income (Expense):	3,579	77,793	70,874	69,565	100,650	31,085	45%
Total Non-Operating Expenses:	(375,517)	(156,107)	(149,541)	(204,395)	(67,136)	137,259	67%
NET INCOME BEFORE SUBVENTION:	2,439,134	2,213,096	3,234,955	3,066,894	3,053,275	(13,619)	0%
Subvention to City of Redwood City:	(517,634)	(560,132)	(568,711)	(540,014)	(541,642)	(1,627)	0%
NET INCOME AFTER SUBVENTION:	\$ 1,921,500	\$ 1,652,964	\$ 2,666,244	\$ 2,526,879	\$ 2,511,633	\$ (15,246)	-1%

PORT OF REDWOOD CITY

STATEMENT OF ACTIVITIES

OPERATING REVENUES

Marine Terminal	\$	6,593,645
Recreational Boating		611,724
Commercial Rentals		1,702,633
Other Operating Revenue		119,360
Total Operating Revenues:	\$	9,027,362

OPERATING EXPENSES

Operations

Labor	1,243,475
Utilities	201,812
Security	403,200
Maintenance	163,200
Insurance	334,055
Management Fees	60,000
Misc. Operating Expenses	59,000
Depreciation	1,708,695

Administration

Salaries & Benefits	970,253
Misc. Office Expenses	71,700
Professional Fees	336,800
Insurance	18,142
Promotion & Marketing	245,800
Utilities	33,600
Maintenance	31,200
Depreciation	26,019

Total Operating Expenses: \$ 5,906,951

OPERATING INCOME:

\$ 3,120,411

NON-OPERATING REVENUES (EXPENSES)

Interest & Other Non-Operating Income	312,000
Interest Expense	(479,786)
Other Non-Operating Income (Grant)	100,650
Total Non-Operating Expenses (net):	\$ (67,136)

NET INCOME BEFORE SUBVENTION:

3,053,275

Subvention to City of Redwood City

(541,642)

NET INCOME AFTER SUBVENTION:

\$ 2,511,633

PORT OF REDWOOD CITY

STATEMENT OF CASH FLOW

CASH FLOW FROM OPERATING ACTIVITIES

Operating Income	\$ 3,120,411	
Depreciation	1,734,714	
Net Cash Provided by Operating Activities:		\$ 4,855,125

CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES

Subvention payment to City of Redwood City	(541,642)	
Non-Operating Revenues	100,650	
Net Cash Provided by Non-capital Financing Activities:		(440,992)

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt Service payment on 2012 Bonds	(742,294)	
New Loan	-	
Debt Service payment on 2015 Bonds	(609,587)	
Capital Improvement Program	(2,150,000)	
Net Cash Provided by Capital and Related Financing Activities:		(3,501,881)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	312,000	
Net Cash Provided by Investing Activities:		312,000

Net Decrease in Cash and Cash Equivalents:		<u>\$ 1,224,252</u>
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CAPITAL IMPROVEMENT PROGRAM (CIP)

DESCRIPTION	COST
Public Fishing Pier:	\$ 2,000,000
Marina Parking Lot:	50,000
Emergency Operations Center (EOC):	50,000
Utility Vehicle:	30,000
Accounting Software Upgrade:	20,000
	<u>\$ 2,150,000</u>

PORT OF REDWOOD CITY

COMPARATIVE TONNAGE

	<u>FY2018-19</u> <u>ACTUAL</u> Metric ton	<u>FY2019-20</u> <u>BUDGET</u> Metric ton	<u>FY2019-20</u> <u>FORECAST</u> Metric ton	<u>FY2020-21</u> <u>BUDGET</u> Metric ton
SCRAP METAL:	309,740	258,000	226,292	206,400
CEMENT:	40,736	80,000	52,637	64,000
DOMESTIC SAND (Dredged):	-	-	-	-
IMPORTED SAND:	1,976,445	1,800,000	1,612,573	1,440,000
GYPSUM:	240,047	256,000	204,308	204,800
BAUXITE:	92,579	92,000	80,397	73,600
OTHER - SLAG:	-	-	-	-
	<u>2,659,547</u>	<u>2,486,000</u>	<u>2,176,207</u>	<u>1,988,800</u>