



PORT OF REDWOOD CITY

Serving Silicon Valley

Port Commissioners
Richard S. Claire
Ralph A. Garcia, Jr.
Lorianna Kastrop
Stan Maupin
Nancy C. Radcliffe

May 24, 2023

The Honorable Jeff Gee, Mayor
City of Redwood City and City Council Members
1017 Middlefield Road
Redwood City, CA 94061

Subject: FY2023-24 Port Budget and Relevant Data

Dear Mayor Gee 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, 2023 to June 30, 2024, the Port Commission reviewed the FY2023-24 Port Budget at its meeting on May 24, 2023 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 7, 2023. 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 FY2023-24 Port Budget reflects \$10.1 million in Operating Revenue, of which Maritime Operations will generate \$7.2 million, or 71%, of the total operating revenue. This \$7.2 million includes rentals/leases and 1.9 million metric tons of cargo that will be transported through the Port. The remaining \$2.9 million of the operating revenue will be from Recreational Boating (\$600,000) and Commercial Rentals/Leases, which is slightly over \$2.3 million.

The budget data also includes \$6.9 million in Total Operating Expenses; approximately 72% is attributable to operations and 28% to administration – leaving an Operating Income of \$3.2 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 \$2.9 million.

The FY2023-24 Port Budget also includes Capital Improvement Program (CIP) of \$1.4 million.

Respectfully,

Kristine A. Zortman
Executive Director

Encl: Executive Summary of FY2023-24 Port Budget

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

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ECONOMIC DEVELOPMENT
AGENCY

INTERNATIONAL TRADE

LAND-USE MANAGEMENT

MARITIME COMMERCE

PORT OPERATIONS

PUBLIC RECREATION &
WATERFRONT

PUBLIC SAFETY
INFRASTRUCTURE



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 is 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 governance 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

- Generated \$9.4 million in revenue for FY 22 by moving 1.75 million metric tons of cargo across Port docks.
- Launched the CEQA process and concept engineering for the future ferry project.
- Constructed new Interagency Operations Center with total project cost of approximately \$1M.
- Launched new lighted drone show kicking off summer.
- Sponsored U.S. Army Corps of Engineers channel maintenance dredging project of \$9M appropriated in federal funding (PBUD).
- Received award of \$1 million for the fourth consecutive year 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. (Since 2018 the Port has received nearly \$6M in PSGP grant funding.)
- Advanced engineering/construction for new RWCPD/FD jet dock with total project cost of approximately \$2.5M.
- Continued efforts to advance the 101/84 interchange and identify funding opportunities through both state and federal sources (PDIP/BUILD).
- Received the 2022 American Association of Port Authorities (AAPA) Lighthouse Award waterfront activation (third consecutive year for an AAPA communications award).
- Funded nearly \$800K in City services – \$563K in subvention (an increase from \$541K in FY21) used for citywide services, \$122K in City contract services to the Port, and \$125K in matching funds for City projects funded through the PSGP grants.



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GOALS FY 2023-24

In light of the 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, the Port, has been diligently working to welcome our residents back to the shores by preparing for when our community can safely return to recreational uses.

The Port's overarching Goals for FY 2023-24 include:

- Identify new master developer to activate and redevelop our marina waterfront with more destination type uses and increase Port revenue.
- Implement new real estate leasing policy to guide future lease negotiations (capital investment for term).
- Procure PSGP equipment for jetdock, upgraded cyber security, fencing, and other federal MARSEC improvements (\$3M)
- Sponsor U.S. Army Corps of Engineers channel maintenance dredging project of \$8M appropriated in federal funding (PBUD).
- Improve Green Marine program; implement "pilot" projects which may include aqua culture, resiliency efforts, blue economy/technology.
- Continue efforts to advance the 101/84 interchange and identify funding opportunities through both state and federal sources.
- Maintain and grow existing cargo tonnage as part of post-pandemic economic recovery.
- Perform berth dredging for improved cargo operations \$2M.
- Continue public waterfront activation events in partnership with the City of Redwood City and launch new community event permitting, tours, gathering spaces, and programs on Port waterfront.
- Host annual public safety emergency drill and exercise with the City of Redwood City and other regional first responder agencies.

