



BOARD OF PORT COMMISSIONERS PORT OF REDWOOD CITY AGENDA

REGULAR MEETING
WEDNESDAY, 8:00 AM
JULY 12, 2023

CHAIR: RALPH A. GARCIA
VICE CHAIR: LORIANNA KASTROP
SECRETARY: STAN MAUPIN
COMMISSIONER: RICHARD S. CLAIRE
COMMISSIONER: NANCY C. RADCLIFFE

*****HYBRID MEETING — IN-PERSON AND BY VIDEOCONFERENCE*****

The BOARD OF PORT COMMISSIONERS (BOARD) hereby provides notice that it will hold a regular meeting of the BOARD. This meeting of the Board will be held in the Port Administrative Offices (located at 675 Seaport Boulevard, Redwood City, California 94063), and by teleconference pursuant to Government Code Section 54953(e). Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at the Port Administrative Offices. The public is welcome to attend in person or alternatively via Zoom. PURSUANT TO THE RALPH M. BROWN ACT, ALL VOTES SHALL BE BY ROLL CALL.

Members of the public may also access and observe the meeting by joining by video teleconference via Zoom at: <https://zoom.us/join> Meeting ID: 985 1201 8699 Password: 85917060
Or use this link: <https://us06web.zoom.us/j/98512018699?pwd=dTc3a09SMWN5bDFQMFZMSDM4WVNSZz09>

To join by audio teleconference: Phone: (669) 900-6833 or (346) 248-7799 Meeting ID: 985 1201 8699

The Port of Redwood City is not responsible for a member of the public's technical ability to participate in the meeting.

HOW TO PROVIDE PUBLIC COMMENTS BEFORE THE BOARD MEETING:

Members of the public may also submit public comments on items of public interest that are within the subject matter jurisdiction of the Board via email to publiccomments@redwoodcityport.com. All public comments received by 7:45 AM on the date of the Board meeting will be read into the record with a time limit of three minutes per commenter unless otherwise indicated.

HOW TO PROVIDE PUBLIC COMMENTS DURING THE BOARD MEETING:

By video conference, use the "Raise Hand" feature to request to speak.

By teleconference, press *9 to "Raise Hand" (request to speak) and *6 to unmute.

Members of the public in attendance at the meeting who wish to speak on a matter within the jurisdiction of the Board of Port Commissioners should complete a speaker's slip to be recognized by the Chair at the appropriate time. Public comment from video teleconference will be heard first.

AGENDA ITEM

- I. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE
- II. PUBLIC COMMENT — The Chair of the Board will recognize members of the public to make public comments on items of public interest that are within the subject matter jurisdiction of the Board. Comments on non-agendized items will be taken during the Public Comment period. Comments pertaining to agendized items will be taken at the time the agenda item is considered. Public comments received via email as provided above will be read into the record with a time limit of three minutes per commenter. No action will be taken on any public comment on a matter not appearing on the Agenda as a separate item unless otherwise authorized by law.
- III. APPROVAL OF MINUTES — NONE
- IV. APPROVAL OF CLAIMS — JUNE 29, 2023
ACTION: MOTION TO APPROVE; PUBLIC COMMENT; ROLL CALL VOTE

- V. ORDINANCES — NONE
- VI. RESOLUTIONS
 - A. RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY APPROVING STANDARD SUBLEASE AGREEMENT - (PORTSIDE INVESTORS - PHASE I LEASE AGREEMENT) - (WEST COAST CATHETER, INC.)
CEQA: THE ACTION BEFORE THE BOARD IS NOT SUBJECT TO CEQA REVIEW PROCESS PURSUANT TO RESOURCE CODE, SECTION 21065 AND GUIDELINES, SECTION 15378
ACTION: MOTION TO APPROVE; PUBLIC COMMENT; ROLL CALL VOTE
 - B. RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY AMENDING THE COST RECOVERY USER FEE POLICY AND USER FEE SCHEDULE
CEQA: THE ACTION BEFORE THE BOARD IS NOT SUBJECT TO CEQA REVIEW PROCESS PURSUANT TO RESOURCE CODE, SECTION 21065 AND GUIDELINES, SECTION 15378
ACTION: MOTION TO APPROVE; PUBLIC COMMENT; ROLL CALL VOTE
- VII. MOTIONS — NONE
- VIII. REPORTS/PRESENTATIONS — NONE
- IX. EXECUTIVE DIRECTOR'S REPORT
- X. MATTERS OF BOARD INTEREST
- XI. CLOSED SESSION — NONE
- XII. ADJOURNMENT — TO REGULAR MEETING OF JULY 26, 2023
ACTION: MOTION TO APPROVE; PUBLIC COMMENT; ROLL CALL VOTE

DOCUMENTS: Public records that relate to an agenda item for an open session of a regular meeting of the Board of the Port Commissioners, which are released less than 72 hours prior to the meeting, are available to the public at the Port offices at 675 Seaport Boulevard, Redwood City, CA, 94063.

ALTERNATIVE AGENDA FORMATS: The Board of the Port Commissioners will provide public records in appropriate alternative formats upon request by any person with a disability consistent with the federal Americans with Disabilities Act of 1990 and disability related accommodation to enable participating in the public meeting consistent with federal Americans with Disabilities Act of 1990. Please send a written request to the Clerk of the Board at the Port of Redwood City, 675 Seaport Boulevard, Redwood City, CA, 94063, or via email at info@redwoodcityport.com and include address, phone number and brief description of the requested materials and preferred alternative format or auxiliary ad or service at least seven calendar days before the meeting.



**BOARD OF PORT COMMISSIONERS
PORT OF REDWOOD CITY**

STAFF REPORT

DATE: JULY 12, 2023
ITEM NO: VI.A
SUBMITTED BY: Trish Wagner, Business Development Manager
TITLE: RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY APPROVING STANDARD SUBLEASE AGREEMENT - (PORTSIDE INVESTORS - PHASE I LEASE AGREEMENT) - (WEST COAST CATHETER, INC.)

RECOMMENDATION

Staff recommends that the Board of Port Commissioners (Board) approve the standard sublease agreement.

BACKGROUND

Tenant: West Coast Catheter, Inc., a California Corporation
Premises: 730 square feet
Lease Term: July 1, 2023 – December 31, 2024
Address: 499 Seaport Court, Suite 205, Redwood City, CA 94063

Rent:

Months	Rent per SF	Rent
7/1/2023 – 12/31/2024	\$4.00 x 730 SF	\$2,920.00

Use: General sales and office use

ANALYSIS

This is a standard sublease, for a Portside I tenant, which includes the following language:

Portside is located at the Port of Redwood City. The Port is a marine freight terminal and provides berths for dry bulk, liquid bulk, and project cargoes, along with certain recreational opportunities and public access to San Francisco Bay. As a result, tenants at Portside should be aware that the industrial activities (including construction activities from time to time) conducted at the Port will and do create noise, odor and dust. By executing this rental agreement, Tenant acknowledges that he/she has been made aware of the Port activities and consequences and voluntarily executes this rental agreement.

Cost Recovery	The Fivey Company paid cost recovery for this sublease approval.
Port 2020 Vision	Comports with the Port's 2020 Vision
Budget	Continued revenue stream

ALTERNATIVES

If the Board chooses not to approve the sublease agreement, there may be a potential impact on Port revenue.

DATE: JULY 12, 2023

ITEM NO: VI.A

TITLE: RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY APPROVING STANDARD SUBLEASE AGREEMENT - (PORTSIDE INVESTORS - PHASE I LEASE AGREEMENT) - (WEST COAST CATHETER, INC.)

ENVIRONMENTAL REVIEW

The action before the Board for consideration today is not subject to the CEQA review process pursuant to Resource Code, Section 21065 and Guidelines, Section 15378.



Staff



Executive Director

ATTACHMENTS

- A. Cover letter from The Fivey Company, dated June 22, 2023
- B. Resolution

ATTACHMENT A

June 22, 2023

Board of Port Commissioners
Port of Redwood City
675 Seaport Court
Redwood City, CA 94063

RE: Lease Transaction for approval by board of Port Commissioners

Please find enclosed a copy of the following document(s) for approval by the Board of Port Commissioners

◆ Standard Lease Agreement, West Coast Catheter, Inc., dated June 7, 2023 for space located at 499 Seaport Ct. Suite 205 in approximately 730 RSF. The lease term is 18 months at \$4.00 PSF.

Please let me know if you have any questions.

Sincerely,

Channin Graham
Property Manager

RECEIVED

JUN 29 2023

PORT OF REDWOOD CITY

ATTACHMENT B
RESOLUTION NO.

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE
CITY OF REDWOOD CITY APPROVING STANDARD SUBLEASE
AGREEMENT (PORTSIDE INVESTORS - PHASE I LEASE AGREEMENT)
(WEST COAST CATHETER, INC.)**

**BE IT RESOLVED BY THE BOARD OF PORT COMMISSIONERS OF THE
CITY OF REDWOOD CITY, AS FOLLOWS:**

Pursuant to the provisions of Paragraph 33 of that certain Lease Agreement dated May 31, 1984 (as amended) by and between the City of Redwood City acting by and through its Board of Port Commissioners and Portside Investors - Phase I, a California limited partnership ("Lessee"), that certain following-named document by and between Lessee and the following- named tenant, a copy of which agreement is on file in the office of the Port Manager, to which copy reference is hereby made for the full particulars thereof, is hereby approved:

**Standard Sublease Agreement
West Coast Catheter, Inc.
499 Seaport Court, Suite 205
Redwood City, CA 94063**

Regularly passed and adopted by the Board of Port Commissioners of Redwood City, this 12th day of July 2023.

AYES, COMMISSIONERS:

NOES, COMMISSIONERS:

ABSENT, COMMISSIONERS:

President, Board of Port Commissioners

Attest:

Secretary, Board of Port Commissioners



**BOARD OF PORT COMMISSIONERS
PORT OF REDWOOD CITY**

STAFF REPORT

DATE: July 12, 2023
ITEM NO: VI.B
SUBMITTED BY: Trish Wagner, Business Development Manager
TITLE: RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY AMENDING THE COST RECOVERY USER FEE POLICY AND USER FEE SCHEDULE

RECOMMENDATION

Staff recommends that the Board of Port Commissioners (Board) approve a resolution to amend the Cost Recovery User Fee (Policy) and associated User Fee Schedule (Schedule), for the Port of Redwood City (Port).

BACKGROUND

On October 14, 2020, the Board approved an ordinance establishing a Cost Recovery User Fee Policy. The purpose of the Policy is to ensure that the Port adequately recovers costs for services rendered that may benefit individuals, businesses, and/or entities who are currently or in the future may conduct business at the Port.

To date, the Port has received more than \$850,000 in cost recovery fees since Policy inception. These funds typically would not have been collected had the Policy not been adopted. Examples of the user fees collected thus far are for sublease approvals, land use permits, project approvals, environmental review, etc.

The Board approved ordinance establishing the Policy, allows for amendments, from time to time, via resolution. The resolution before the Board today outlines staff's proposed modifications.

ANALYSIS

Staff recently reevaluated the Policy in light of current economic factors to reflect changes in the marketplace since the original Policy was adopted. The Policy's new proposed fee Schedule is adjusted to account for increased general costs and wage increases. The proposed fee Schedule is also modified to include an administration fee to be used when communicating with a tenant or partner about safety and security violations, permit compliance issues, storm water violations, and other material administration of various agreements.

Cost Recovery	N/A.
Port 2020 Vision	Comports with the Port's 2020 Vision
Budget	Monies received offset the Port's operational overhead

ALTERNATIVES

The alternative would be to not modify the Policy and the Port would not receive adequate fees to cover work completed on behalf of a single tenant or partner.

DATE: July 12, 2023

ITEM NO: VI.B

TITLE: RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY AMENDING THE COST RECOVERY USER FEE POLICY AND USER FEE SCHEDULE

ENVIRONMENTAL REVIEW

Exempt from CEQA review pursuant to Guidelines sec. 15378 (a); Pub. Res. Code sec 21065.



Staff



Executive Director

ATTACHMENTS

- A. Original Ordinance (with Exhibits A and B, Cost Recovery User Fee Policy and User Fee Schedule), effective November 27, 2020
- B. Resolution (with Exhibits A and B, Cost Recovery User Fee Policy and User Fee Schedule)

ATTACHMENT A

ORDINANCE NO. P-281

**ORDINANCE ESTABLISHING A COST RECOVERY USER FEE POLICY
AND ADOPTING USER FEE SCHEDULE**

WHEREAS, Section 47f of the Charter of the City of Redwood City provides in part that the Board of Port Commissioners shall have the complete and exclusive power, and it shall be its duty for and on behalf of the City of Redwood City, to fix all rates for services rendered by the Port Department (the "Port"), and to provide for the collection thereof; and

WHEREAS, Port staff has conducted a study of the costs associated with services rendered by the Port; and

WHEREAS, Port staff has conducted a survey of cost recovery user fee policies adopted by California ports and California municipalities; and

WHEREAS, as a result of Port staff conducting an analysis of the costs associated with services rendered by the Port and its survey of cost recovery user fee policies adopted by California port and California municipalities, Port staff has prepared a Cost Recovery User Fee Policy and a User Fee Schedule; and

WHEREAS, this Board of Port Commissioners has reviewed the Cost Recovery User Fee Policy and User Fee Schedule; and

WHEREAS, said Board desires and intends to adopt the Cost Recovery User Fee Policy and the User Fee Schedule.

NOW THEREFORE;

**BE IT ORDAINED BY THE PORT OF REDWOOD CITY BOARD OF PORT
COMMISSIONERS OF THE CITY OF REDWOOD CITY, AS FOLLOWS:**

ATTACHMENT A

SECTION 1. The Cost Recovery User Fee Policy, a copy of which is attached hereto, marked Exhibit A, and incorporated by this reference, is hereby approved and adopted.

SECTION 2. The User Fee Schedule, a copy of which is attached hereto, marked Exhibit B, and incorporated by this reference, is hereby adopted.

SECTION 3. The Board of Port Commissioners may, from time to time, by Resolution, amend the Cost Recovery User Fee Policy and the User Fee Schedule.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption and shall be operative as of November 27, 2020.

Introduced on the 14th day of October, 2020.

Passed and adopted as an Ordinance by the Board of Port Commissioners of the City of Redwood City this 28th day of October, 2020 by the following vote:

AYES, Commissioners: Kastrop, Duncan, Dodge, Garcia

NOES, Commissioners: None

ABSTAIN, Commissioners: None

ABSENT, Commissioners: Claire



PRESIDENT,
BOARD OF PORT COMMISSIONERS



SECRETARY,
BOARD OF PORT COMMISSIONERS



Effective Date: November 27, 2020

Operative Date: As of November 27, 2020

PORT OF REDWOOD CITY -- COST RECOVERY USER FEE POLICY

PURPOSE: To provide general guidelines for establishing and maintaining a comprehensive user fee schedule to ensure that the Port adequately recovers costs for services including time and materials in an efficient, legal and accountable manner.

POLICY STATEMENT: The Port of Redwood City (Port) provides services that are of special benefit to individuals, businesses, and entities and shall ensure that reasonable costs associated with providing the services are recovered.

DEFINITIONS:

Cost Recovery is recouping all costs associated with a particular service provided by an agency. A fee may not exceed the estimated reasonable cost of providing the service for which the fee is charged. Fees must be reasonable, fair and equitable and proportionally representative of the costs incurred by the Port. Costs qualify for cost recovery if they are necessary to provide the service and cost would not occur if not for the need to provide the service. Cost recovery has three important rationales: 1) improving government efficiency; 2) maintaining equity consideration in regard to the provision of services; and 3) financial stability.

User Fees are fees imposed in return for a specific benefit conferred, privilege granted, or services provided directly to the payor of the fee that is not provided to those not charged. User fees are not imposed for the purpose of raising revenue. Examples of services which may be assessed user fees are leases, amendments, subleases, non-exclusive permits to use space, project and environmental review, etc.

Direct Costs are the costs incurred directly by providing a specified service. These costs include staff time spent providing the service, and any costs that can be traced directly to the production of a given service or product.

Third Party Direct Costs are external costs incurred directly for a specified service. These costs include but are not limited to, attorney fees and consultant fees that may be necessary to perform the specified service.

Indirect Costs are the incidental costs that are incurred by the Port as a result of providing the service not directly accountable or associated with the production of a service. Indirect costs include overhead such as operating expenses and internal administrative costs.

Project generally refers to entitlements, activities, events, or actions related to which individuals, businesses, or entities may request services from the Port and should be interpreted broadly in accordance with this cost recovery policy.

Routine services generally refers to short-term agreement renewals with substantially the same terms, basic project reviews, simple access agreements, and other routinely provided services with minimal staff processing.

PROCEDURE:

1. The Executive Director and Director of Finance determine the amount of the flat fee in providing the service based on direct and indirect costs. Indirect costs include overhead (i.e., Human Resources, Information and Technology Services, Financial Services, etc.)

ATTACHMENT A

EXHIBIT A

2. The following economic and policy considerations are considered when setting cost recovery levels:
 - The nature of the services are considered when setting fees.
 - Fee amounts are proportional and reasonably related to the costs associated with providing the service. The full cost consists of both direct and indirect costs and is included within the fee amount.
 - A flat fee is established for a bundle of routine services that collectively require minimal staff time to process (up to 3 hours total). This bundled fee is intended to aid small businesses and facilitate minor projects.
3. Third party direct costs are recovered in addition to the user fees outlined in the user fee schedule. Third party out of pocket costs include, but are not limited to, attorney fees, consultant fees, etc. required for the review and processing of projects. Types of 3rd party costs can include California Environmental Quality Act (CEQA), stormwater, peer review, and through permitting with Bay Conservation & Development Commission (BCDC). Third party direct costs also include the costs associated with defending and indemnifying the Port against potential third party challenges arising from the CEQA and/or BCDC review process.
4. User fees may be updated annually to include an escalation based on San Francisco Area Consumer Price Index (CPI) until the next comprehensive user fee study is undertaken. CPI will be based on the index change from the prior calendar year.
5. Discretionary waivers may be requested by project applicants and granted or denied, in whole or in part, in the sole discretion of the Port.
6. All discretionary waivers granted whether by the Executive Director or the Board of Port Commissioners must meet one or more of the following criteria:
 1. Project providing a service for the public good and not intended by project applicant to generate net revenue and for which applicant is a 501(c)(3) federally tax-exempt entity.
 2. Projects that directly support the Port's operations and FEMA FSA designation or port security needs, and for which the project applicant is a government entity. For example, this may include but is not limited to projects of the U.S. military, U.S. Customs and Border Protection, or law enforcement agencies.
 3. Scientific and academic research projects that directly support or promote the Port's environmental initiatives. For example, this may include but is not limited to marine biology research, water and air quality research.

ATTACHMENT A

EXHIBIT B



Effective Date: November 27, 2020

Operative Date: As of November 27, 2020

PORT OF REDWOOD CITY -- COST RECOVERY USER FEE SCHEDULE

Cost Recovery User Fee Schedule adopted pursuant to the Port of Redwood City User Fee Policy:

Non-exclusive Right to Use Space/Right of Entry Permit – simple	\$1,200	Flat Fee
Non-exclusive Right to Use Space/Right of Entry Permit – standard	\$2,500	Flat Fee
Easements for Utility Purposes	TBD	Flat Fee
Lease	TBD	Flat Fee
Lease Amendments – simple	\$1,200	Flat Fee
Lease Amendments – standard	\$2,500	Flat Fee
Letter Agreements – moderate	\$2,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwg) – simple	\$1,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwg) – moderate	\$4,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwg) – complex	\$9,000	Flat Fee
Consent to Sublease – simple	\$250	Flat Fee
Consent to Sublease – complex	\$1,500	Flat Fee
Consent to Assignment of Lease or other Modifications/Document for Lessee’s Benefit – simple	\$1,500	Flat Fee
Consent to Assignment of Lease or other Modifications/Document for Lessee’s Benefit – complex	\$4,500	Flat Fee
Event Permit – simple	\$500	Flat Fee
Event Permit – complex	\$1,500	Flat Fee

ATTACHMENT B

RESOLUTION NO. P-

RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY AMENDING COST RECOVERY USER FEE POLICY AND USER FEE SCHEDULE

WHEREAS, Section 47f of the Charter of the City of Redwood City provides in part that the Board of Port Commissioners shall have the complete and exclusive power, and it shall be its duty for and on behalf of the City of Redwood City, to fix all rates for services rendered by the Port Department (the "Port"), and to provide for the collection thereof; and

WHEREAS, pursuant to Ordinance P-281, adopted by the Board of Port Commissioners on October 28, 2020, the Port adopted a Cost Recovery User Fee Policy and a User Fee Schedule, which were attached to Ordinance P-281, and marked Exhibit A and B, respectively; and

WHEREAS, Ordinance P-281, Section 3, provides that the Board of Port Commissioners may, from time to time, by Resolution, amend the Cost Recovery User Fee Policy and the User Fee Schedule; and,

WHEREAS, Port staff has recently conducted a study of the costs associated with services rendered by the Port; and

WHEREAS, Port staff has recently conducted a survey of cost recovery user fee policies adopted by California ports and California municipalities; and

WHEREAS, as a result of Port staff conducting an analysis of the costs associated with services rendered by the Port and its survey of cost recovery user fee policies adopted by California ports and California municipalities, Port staff has prepared an amended Cost Recovery User Fee Policy and an amended User Fee Schedule; and

WHEREAS, the amended Cost Recovery User Fee Policy and the amended User Fee Schedule are attached hereto, marked Exhibits A and B, respectively;

WHEREAS, this Board of Port Commissioners has reviewed the amended Cost Recovery User Fee Policy and the Amended User Fee Schedule; and

WHEREAS, this Board desires and intends to adopt this Resolution and the Amended Cost Recovery User Fee Policy and the Amended User Fee Schedule.

ATTACHMENT B

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PORT COMMISSIONERS OF THE CITY OF REDWOOD CITY, AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are hereby incorporated herein by this reference as if fully set forth herein.

SECTION 2. The Cost Recovery User Fee policy adopted by Ordinance P - 281 is replaced in its entirety by the Amended Cost Recovery User Fee Policy (form dated July 12, 2023), a copy of which is attached hereto, marked Exhibit A, and incorporated by this reference, and is hereby approved and adopted.

SECTION 3. The User Fee Schedule adopted by Ordinance P - 281 is replaced in its entirety by the Amended User Fee Schedule (form dated July 12, 2023), a copy of which is attached hereto, marked Exhibit B, and incorporated by this reference, and is hereby approved and adopted.

SECTION 4. The Amended Cost Recovery User Policy and the Amended User Fee Schedule shall be operative as of July 12, 2023.

Regularly passed and adopted by the Board of Port Commissioners of Redwood City, this 12th day of July 2023.

AYES, COMMISSIONERS:

NOES, COMMISSIONERS:

ABSENT, COMMISSIONERS:

President, Board of Port Commissioners

Attest:

Secretary, Board of Port Commissioners

ATTACHMENT B

EXHIBIT A



Effective Date: July 12, 2023

Operative Date: As of July 12, 2023

PORT OF REDWOOD CITY – AMENDED COST RECOVERY USER FEE POLICY P - 281

PURPOSE: To provide general guidelines for establishing and maintaining a comprehensive user fee schedule to ensure that the Port adequately recovers costs for services including time and materials in an efficient, legal and accountable manner.

POLICY STATEMENT: The Port of Redwood City (Port) provides services that are of special benefit to individuals, businesses, and entities and shall ensure that reasonable costs associated with providing the services are recovered.

DEFINITIONS:

Cost Recovery is recouping all costs associated with a particular service provided by an agency. A fee may not exceed the estimated reasonable cost of providing the service for which the fee is charged. Fees must be reasonable, fair and equitable and proportionally representative of the costs incurred by the Port. Costs qualify for cost recovery if they are necessary to provide the service and cost would not occur if not for the need to provide the service. Cost recovery has three important rationales: 1) improving government efficiency; 2) maintaining equity consideration in regard to the provision of services; and 3) financial stability.

User Fees are fees imposed in return for a specific benefit conferred, privilege granted, or services provided directly to the payor of the fee that is not provided to those not charged. User fees are not imposed for the purpose of raising revenue. Examples of services which may be assessed user fees are leases, amendments, subleases, non-exclusive permits to use space, project and environmental review, etc.

Direct Costs are the costs incurred directly by providing a specified service. These costs include staff time spent providing the service, and any costs that can be traced directly to the production of a given service or product. These costs may also apply to address issues or concerns with Port tenant or partner, that requires Port staff time to resolve.

Third Party Direct Costs are external costs incurred directly for a specified service. These costs include but are not limited to, attorney fees and consultant fees that may be necessary to perform the specified service.

Indirect Costs are the incidental costs that are incurred by the Port as a result of providing the service not directly accountable or associated with the production of a service. Indirect costs include overhead such as operating expenses and internal administrative costs.

Project generally refers to entitlements, activities, events, or actions related to which individuals, businesses, or entities may request services from the Port and should be interpreted broadly in accordance with this cost recovery policy.

Routine services generally refers to short-term agreement renewals with substantially the same terms, basic project reviews, simple access agreements, and other routinely provided services with minimal staff processing.

ATTACHMENT B

EXHIBIT A

PROCEDURE:

1. The Executive Director and Director of Finance determine the amount of the flat fee in providing the service based on direct and indirect costs. Indirect costs include overhead (i.e., Human Resources, Information and Technology Services, Financial Services, etc.)
2. The following economic and policy considerations are considered when setting cost recovery levels:
 - The nature of the services are considered when setting fees.
 - Fee amounts are proportional and reasonably related to the costs associated with providing the service. The full cost consists of both direct and indirect costs and is included within the fee amount.
 - A flat fee is established for a bundle of routine services that collectively require minimal staff time to process (up to 3 hours total). This bundled fee is intended to aid small businesses and facilitate minor projects.
3. Third party direct costs are recovered in addition to the user fees outlined in the user fee schedule. Third party out of pocket costs include, but are not limited to, attorney fees, consultant fees, etc. required for the review and processing of projects. Types of 3rd party costs can include California Environmental Quality Act (CEQA), stormwater, peer review, and through permitting with Bay Conservation & Development Commission (BCDC). Third party direct costs also include the costs associated with defending and indemnifying the Port against potential third party challenges arising from the CEQA and/or BCDC review process.
4. User fees may be updated annually to include an escalation based on San Francisco Area Consumer Price Index (CPI) until the next comprehensive user fee study is undertaken. CPI will be based on the index change from the prior calendar year.
5. Discretionary waivers may be requested by project applicants and granted or denied, in whole or in part, in the sole discretion of the Port.
6. All discretionary waivers granted whether by the Executive Director or the Board of Port Commissioners must meet one or more of the following criteria:
 1. Project providing a service for the public good and not intended by project applicant to generate net revenue and for which applicant is a 501(c)(3) federally tax-exempt entity.
 2. Projects that directly support the Port's operations and FEMA FSA designation or port security needs, and for which the project applicant is a government entity. For example, this may include but is not limited to projects of the U.S. military, U.S. Customs and Border Protection, or law enforcement agencies.
 3. Scientific and academic research projects that directly support or promote the Port's environmental initiatives. For example, this may include but is not limited to marine biology research, water and air quality research.

ATTACHMENT B

EXHIBIT B



Effective Date: July 12, 2023

Operative Date: As of July 12, 2023

PORT OF REDWOOD CITY – AMENDED COST RECOVERY USER FEE SCHEDULE P-281

Cost Recovery User Fee Schedule adopted pursuant to the Port of Redwood City User Fee Policy P-281:

Non-exclusive Right to Use Space/Right of Entry Permit – simple	\$500	Flat Fee
Non-exclusive Right to Use Space/Right of Entry Permit – standard	\$2,500	Flat Fee
Easements for Utility Purposes	TBD	Flat Fee
Lease	TBD	Flat Fee
Lease Amendments – simple	\$1,750	Flat Fee
Lease Amendments – standard	\$3,000	Flat Fee
Letter Agreements – moderate	\$2,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwgs) – simple	\$1,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwgs) – moderate	\$4,500	Flat Fee
Project Review/Approval (Concept Design/Working Dwgs) – complex	\$9,000	Flat Fee
Consent to Sublease – simple	\$250	Flat Fee
Consent to Sublease – complex	\$1,500	Flat Fee
Consent to Assignment of Lease or other Modifications/Document for Lessee’s Benefit – simple	\$1,750	Flat Fee
Consent to Assignment of Lease or other Modifications/Document for Lessee’s Benefit – complex	\$4,500	Flat Fee
Event Permit – simple	\$500	Flat Fee
Event Permit – complex	\$1,500	Flat Fee
Administrative Fee (ie: permit compliance, storm water or safety/security violations, etc.)	\$50	Flat Fee