



**VENTURA
PORT DISTRICT**

Established 1952

American Rescue Plan Act: State Fiscal Recovery Funds for COVID-19

CMANC Winter Meeting

January 20, 2022

Governor Newsom's \$250M Allocation

In May of 2021, Governor Newsom announced a one-time \$250 million allocation from the Federal American Rescue Plan Act of 2021 (ARPA) to California's ports to mitigate the negative economic impacts resulting from the Covid-19 pandemic.

Ports were identified as agencies that could not receive federal assistance directly and had not directly received any state assistance previously.

Funding was appropriated from the State's FY21-22 budget.

Governor Newsom's \$250M Allocation

The Budget Act states that funds must be used to address negative economic impacts due to COVID-19 and support economic recovery.

Funds were to be made available to “California Ports”. Cities, counties, and non-port Special Districts are not eligible to receive these funds. Airport operations within a port were also excluded.

Funds may be used for:

- Avoiding layoffs/restoring jobs and services
- Supporting safe operations
- Funding projects delayed by pandemic-related fiscal impacts

State Lands Commission

The State Lands Commission (SLC) was tasked by the Legislature with developing the application process, distribute the funds, and monitor the use of funds.

SLC released the application package on October 8, 2021 and provided ports with 30 days to submit an application for the ARPA funding.

When considering funding requests, SLC staff considered the amount of a port's revenue impacts, direct costs related to COVID-19, and whether the Port applicant had received any other fiscal recovery funding.

State Lands Commission

Applicants had to provide financial breakdowns of the increased costs/revenue losses based on the 2020 calendar year, including supporting documentation.

Applicants had to identify specific uses of the funds in alignment with the allowable uses of the funding. This required including a narrative for each project.

Ventura Port District Approach

The Ventura Port District's staff took the following approach:

- Communicate with SLC regarding the parallel between smaller Port Independent Special Districts and the larger Ports within the state: i.e. working waterfront and tourism (hearty thanks to Jim Haussener for his support in this dialogue).
- Work with the California Special Districts Association to get their support for this position (hearty thanks to Charlotte Holifield from CSDA for her assistance)
- Answer the request exactly as asked – but also show how some one-time revenue sources (such as grant funding) and two categories of upward revenue changes should not be considered for the calculation of lost revenue.
- Although we had applied for funding with FEMA and Special District assistance, none of that funding has yet been received – so we asked for it again, but clearly stated the situation (no double dipping).
- Ensure we continue to have a solid track record for successfully completing grant requirements.

Ventura Port District Approach

(continued):

- Ensure that we had multiple smaller projects so that if we did not receive all requested funding, we could still complete several projects fully with the funding.
- Ensure that the projects we included directly aligned with our Capital Improvement Project budgets (i.e. no “out of thin air” projects).
- Ensure that the projects were clearly for public benefit (e.g. American Disabilities Act), public safety, or in support of Commercial Fishing and our Working Waterfront.
- Although the District itself had no layoffs, we included a “funding pot” for economic stimulus at the harbor (for example, potentially hosting a career fair at the harbor).

Sources of Increased Costs

- Emergency Family Medical Leave Act & COVID-19 Supplemental Paid Leave for staff
- Overtime costs accrued to cover essential shifts
- Contracts for additional outsourced services (mostly additional cleaning)
- Equipment, materials, and supplies purchased in response to pandemic
- Uncollectable debt for unpaid tenant rent

Sources of Revenue Losses

- We provided a detailed accounting of revenue losses exactly as required by SLC
 - (2019, 2020 “counterfactual”, 2020 actual)
- The biggest proportion of revenue loss was in percentage rent (most of the District’s rental revenue is a portion of the gross sales of our tenants – therefore, a reduction in their revenue is a reduction in our revenue)
- A major hurdle in the computation of revenue loss was one-time revenues that the District received during 2020 (and 2021) – such as grant money. We made the case in our narrative that one-time money does not constitute regular revenue.
- We also had construction projects that reduced revenue in two categories in 2019 (marina construction). We were able to make the case that the revenue in 2019 for those categories did not represent normal income and those categories should not be included.

Proposed Uses of Funds (Examples)

We primarily chose projects that are easy to complete and already in the CIP:

- Public Access/Benefit:
 - 3 Public restroom upgrades for ADA enhancement
 - 2 new ADA compliant trash enclosures
 - 22 EV charging ports (including adding 6 new ADA parking stalls)
 - Beach public shower area improvements (including improved ADA accessibility)
 - Harbor Patrol/Lifeguard vehicle replacement (electric or hybrid)
- Working Waterfront:
 - Commercial fishing hoist refurbishment
 - “Fish building” structural improvement
- Economic Recovery Stimulus (career fair, enhanced destination marketing/advertising, increase/expand visitor serving events, etc.)

SLC Recommendations

SLC staff disbursement recommendations:

- San Diego Unified Port District: \$61,390,747
- Port Commission of San Francisco: \$56,616,130
- Port Department of the City of Oakland: \$14,258,400
- Oxnard Harbor District (Port Hueneme): \$2,337,563
- Ventura Port District: \$1,060,484
- Humboldt Bay Harbor, Recreation and Conservation District: \$576,191

SLC Recommendations

Ventura Port District will receive \$1,060,484 – the entire amount requested.

In review of the SLC staff report, it can be seen that our approach was successful and endorsed by staff in their narrative.

During the SLC Board Meeting when the recommendations were approved, Lieutenant Governor Eleni Kounalakis (also the chair of the SLC) specifically listed the types projects proposed by Ventura (ADA, working waterfront, electric vehicle, etc.) as ideal uses for the funding.

What's Next?

The SLC ultimately decided to separate the funding program into two phases: calendar year 2020 and calendar year 2021.

Of the \$250M available, \$136,239,515 has been authorized for disbursement from round 1.

\$113,760,485 remains for disbursement for revenue reductions/cost overruns in calendar year 2021. However, SLC will hold back some money for internal costs associated with grant administration.

What's Next?

Round 2 applications will probably be made available in the next month or two.

Applicants for the first round should review the SLC's staff report for constructive feedback for round 2.

New applicants should review the report also for potential opportunities and pitfalls in completing the application.

https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2021/12/12-08-21_01.pdf

...And Now Ask For

Another Check....

VOUCHER ID INVOICE ID

00007249 ARPA-16-121621

AMOUNT PAID

\$1060484.00

PAYMENT MESSAGE

AMERICAN RESCUE PLAN ACT 2021

ADDITIONAL PAYMENT MESSAGE

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK

STATE OF CALIFORNIA

FUND NO. 8087
THE TREASURER OF THE STATE WILL PAY OUT OF THE IDENTIFICATION NO. 0000058772 0000 01/06/2022

TO 597394
VENTURA PORT DISTRICT
1603 ANCHORS WAY DR
VENTURA CA 93001-4229

BETTY
CALIFORNIA

60597394200

ISSUE DATE: 01/06/2022
STATE LANDS COMMISSION
100 HOWE AVENUE SUITE 100-S
SACRAMENTO CA 95825
FOR QUESTIONS CONTACT ACCOUNTING DEPARTMENT AT 916-227-1111

VENDOR NAME VENDOR ID
VENTURA PORT DISTRICT 0000058772

VOUCHER ID INVOICE ID
00007249 ARPA-16-121621

AMOUNT PAID
\$1060484.00

PAYMENT MESSAGE
AMERICAN RESCUE PLAN ACT 2021

ADDITIONAL PAYMENT MESSAGE



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