

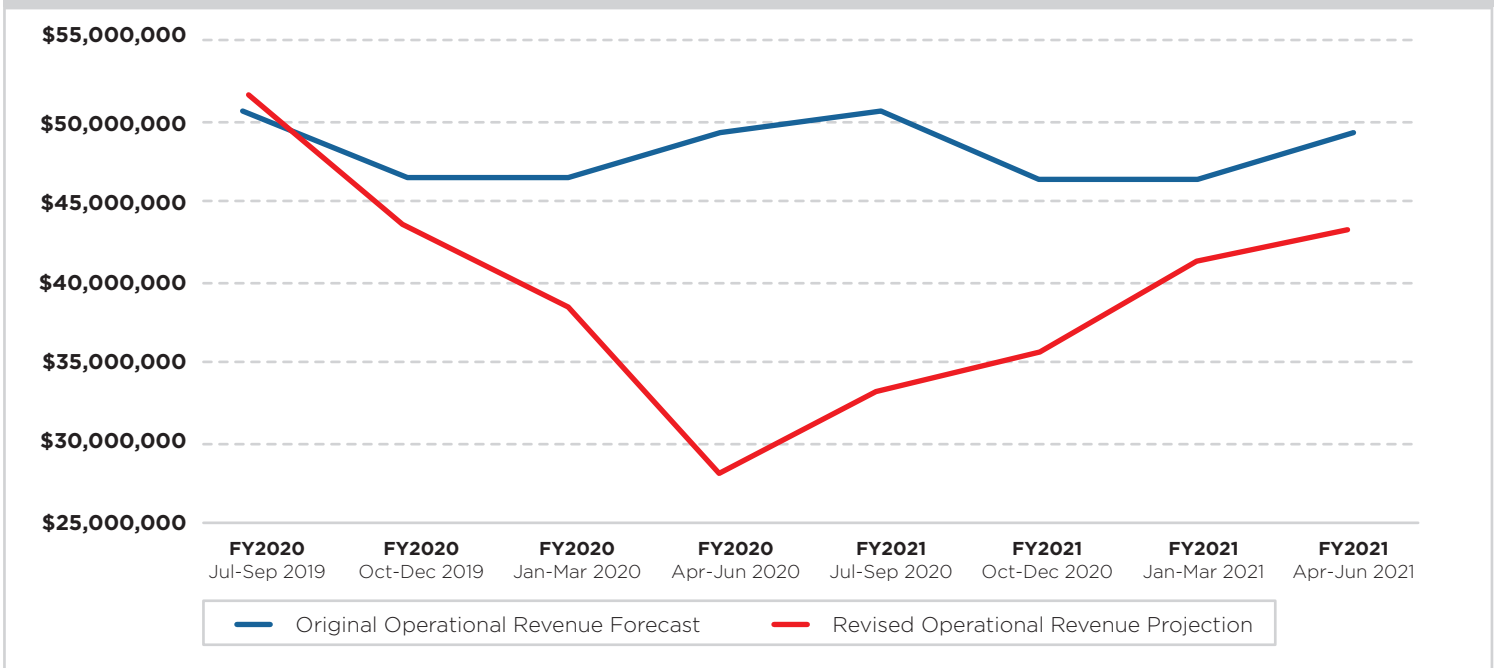
SAN DIEGO UNIFIED PORT DISTRICT'S ANTICIPATED REVENUE LOSSES AS A RESULT OF THE COVID-19 PANDEMIC

Summary: The Port District is requesting assistance to cover the lost revenue while maintaining employment and mission critical operations.

Facts:

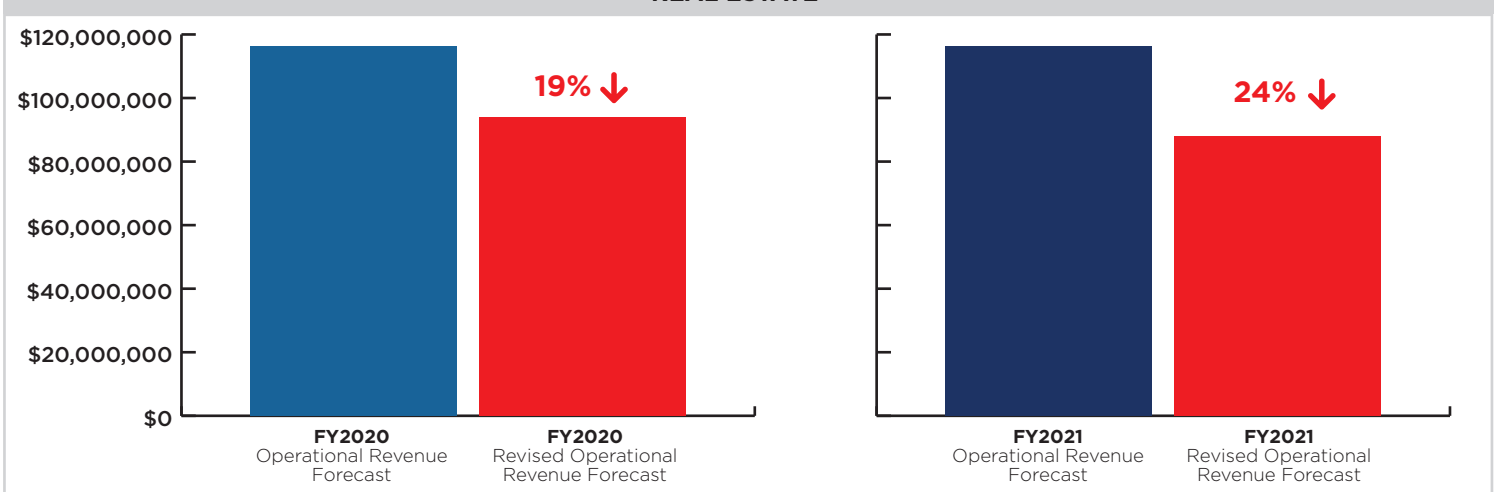
- Prior to the Covid-19 outbreak, the San Diego Unified Port District anticipated earning \$193 million of operating revenues in Fiscal Year 2020 (FY 2020), which goes from July 2019 to June 2020.

OPERATING REVENUES PER QUARTER REVISED PROJECTIONS VS ORIGINAL FORECAST

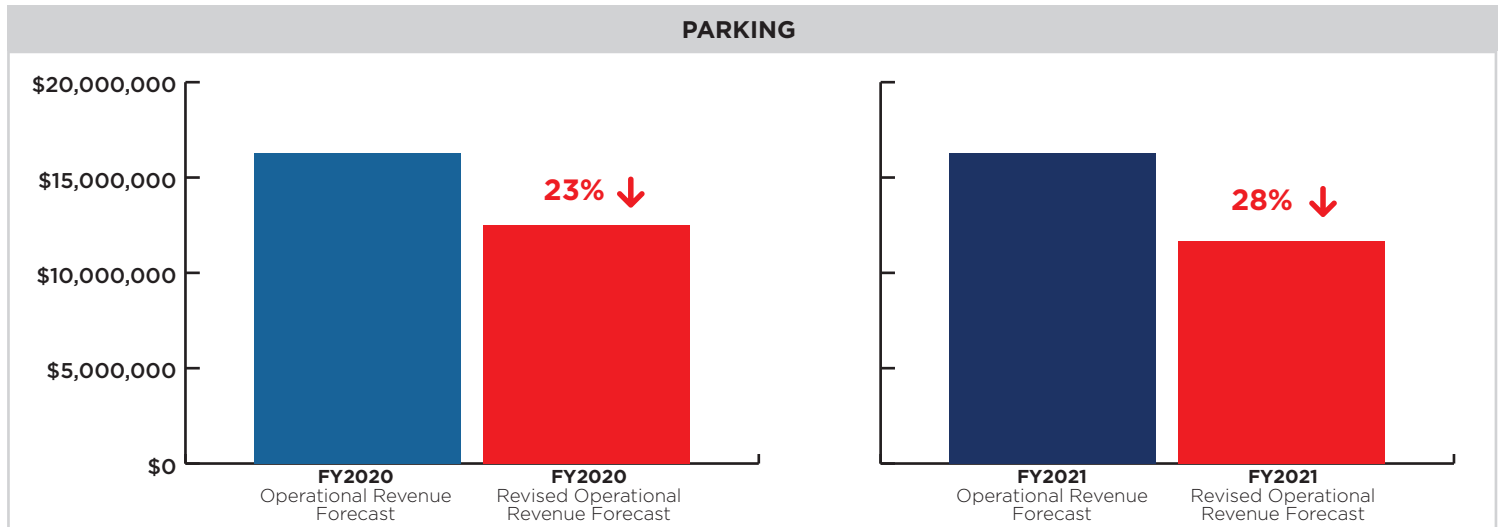


- Every major revenue category for the Port District is anticipated to fall as a result of the pandemic, resulting in an estimated loss of nearly \$31 million in operating revenues below the budget estimate for FY2020.
- The Port District's concessions revenues from hotels, restaurants, retail, and attractions is expected to fall by \$22.4 million for the fiscal year, which is 19% below FY2020 budget levels. This is a result of a predicted drop of nearly 50% for these revenues beginning in March and extending through June.

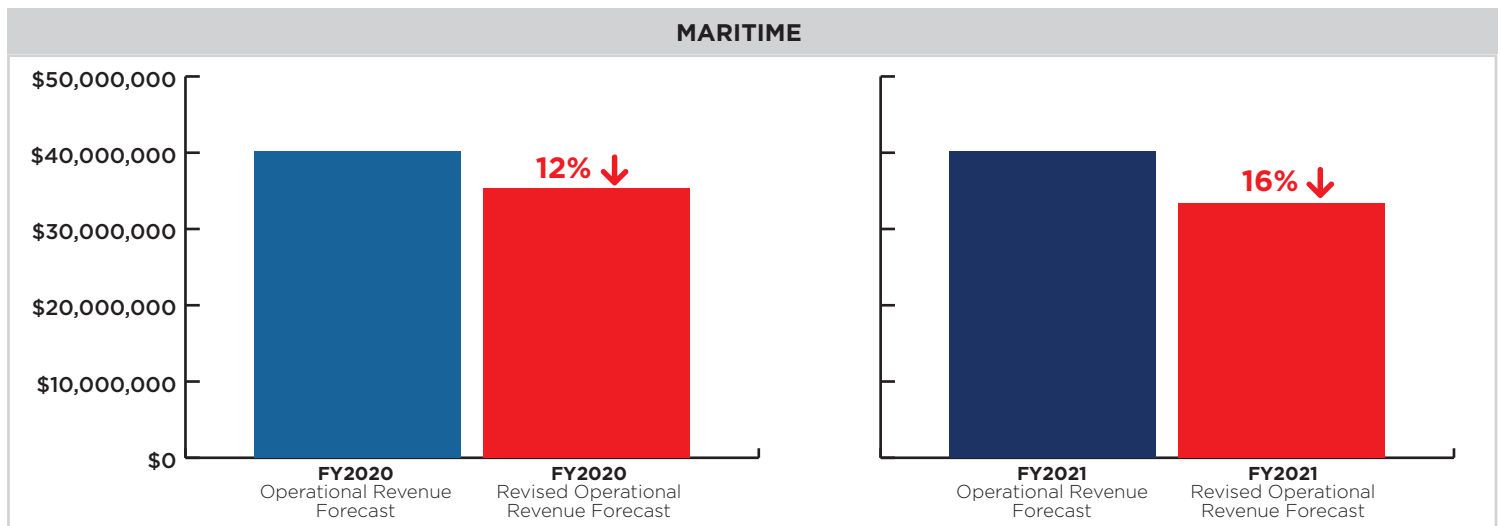
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- Parking revenues from people visiting the Port Tidelands are expected to fall by \$3.8 million for the fiscal year, which is 23% below FY2020 budget levels. This is a result of a predicted 80% drop in these revenues beginning in March and extending through June.



- Maritime cargo and cruise revenues are expected to fall by 12%, or \$4.8 million, below FY2020 budget levels. This is a result of a predicted 35% drop in these revenues beginning in March and extending through June.



- The Port District has \$1.2 million in debt service due through June 2020, with an additional \$3.0 million in payments scheduled for July and August 2020.
- The largest expense for the Port District is employee salaries and wages and associated expenses such as pensions, retirement savings, and workers compensation.
- There are a number of expense categories that the Port District cannot reduce. Port of San Diego Harbor Police dispatch and public safety services remain in operation 24 hours a day, seven days a week. Maritime operations and public services, such as maintenance and cleaning of parks, promenades, and other public spaces and facilities, continue.
- The San Diego Unified Port District is an independent special district that relies solely on funding generated by District operations and does not collect property taxes or assessments. With over 800 maritime and tourism sector tenants and sub-tenants, many are small businesses and are suffering a steep decline in business. As a first step in helping those tenants, the Port has designed a temporary rent deferral program to assist tenants in sustaining economic viability. This emergency relief includes a three-month deferral of minimum rent for concession tenants to be paid back over a six-month period beginning in January 2021 with no interest or late charges, at a potential cost to the Port of \$6 million.