

Port of Redwood City



Annual Report

for the

Fiscal Year ended June 30, 2015

Prepared March 24, 2016

Table 1

**PORT OF REDWOOD CITY
MAJOR AGREEMENTS**

TENNANTS/LESEE	PROPERTY DESCRIPTION	USE DESCRIPTION	LEASE TERM WITH OPTIONS	FY2015 ANNUAL INCOME
Simsmetal	699 Seaport Blvd (13.2 acres)	Processing scrap metal	(i) Lease 10/1/1995 - 9/30/2015 (ii) Lease expired on 9/30/2015 (iii) Mutual agreement to hold over on month-to-month basis	\$ 1,054,134
Cemex (formerly Harbor Sand & Gravel)	775 Seaport Blvd (7.4 acres)	Construction material terminal and recycling of concrete & asphalt	(i) Lease 12/1/1990 - 11/30/2000 (ii) One 10-year options (iii) Option expired 6/30/2011 (iv) Mutual agreement to hold over on month-to-month basis	\$ 1,939,094
Cemex (formerly Harbor Sand & Gravel)	999 Seaport Blvd (9.2 acres)	Handling sand, gravel and other construction aggregates	(i) Lease 7/1/2002 - 6/30/2012 (ii) Mutual agreement to hold over on month-to-month basis	\$ 556,010
Cemex (formerly RMC Pacific Materials)	Submerged Land (0.5 acre) Near Wharf #1	Handling shipment of cement and other construction material	(i) Lease 8/1/2000 - 7/31/2010 (ii) Three 5-year options (iii) 3rd option expired 7/31/2015 (iv) Mutual agreement to hold over on month-to-month basis	\$ 383,666
International Materials, Inc	599 Seaport Blvd 475 Seaport Blvd (4.24 acres)	Handling of bauxite (construction material)	(i) Lease 10/1/2010 - 9/30/2013 (ii) One 3-year option (iii) Option exercised; expires on 9/30/2016	\$ 321,475
Univer USA, Inc (formerly Basic Chemical)	525 Seaport Blvd (4 acres)	Distribution Facility for chemicals	(i) Lease 7/1/1994 - 6/30/2014 (ii) Five 5-years lease options (iii) First option was exercised and expires on 6/30/2019	\$ 265,751
Pabco Building Products, LLC	150 Herkner Road (1.92 acres)	Handling of gypsum rock (construction material)	(i) Lease 7/1/1993 - 6/30/2013 (ii) All options have expired (iii) Mutual agreement to hold over on month-to-month basis	\$ 231,447
Clean Harbors Environmental Services	130 Herkner Road (0.87 acre)	Truck/Rail Transfer Facility for industrial materials	(i) Lease 4/1/2011 - 3/31/2016 (ii) One 5-year option (iii) Option was exercised (iv) Option expires on 3/31/2021	\$ 221,810
iCracked, Inc	599 Seaport Blvd (27,500 sq.ft.)	Office/Warehouse	(i) Lease 12/1/2013 - 11/30/2014 (ii) Mutual agreement to hold over on month-to-month basis	\$ 169,650
Diversified Computer Consultants of California	451 Seaport Blvd (10,000 sq.ft. building)	Office Building Conference Center	(i) Lease 7/1/2014 - 6/30/2018 (ii) One 4-year lease option	\$ 145,800

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TENANTS/LESEE	PROPERTY DESCRIPTION	USE DESCRIPTION	LEASE TERM WITH OPTIONS	FY2015 ANNUAL INCOME
Seaport refining & Environmental (formerly Seaport Petroleum)	679 Seaport Blvd (2.26 acres)	Receive & distillation of pipeline transmix	(i) Lease 1/1/1993 - 12/31/2007 (ii) Two 5-year options (iii) Options were exercised (iv) New lease 1/1/2016-12/31/22	\$ 131,953
LeHigh Southwest Cement Co. (formerly Hanson Permanente In)	150 hinman Road (0.523 acre)	Silos - storage and distribution facility for cement products	(i) Lease 7/1/2010 - 6/30/2012 (ii) Mutual agreement to hold over on month-to-month basis	\$ 112,847
Portside I - Fivley Corporation	460-509 Seaport Ct. (4.5 acres)	Leasing of office complex & restaurant	(i) Lease 7/1/1984 - 6/30/2033	\$ 112,624
Redwood Garden & Building Materials, Inc	475 Seaport Blvd (1.7 acres)	Storage of building materials	(i) Lease 10/1/2013 - 9/30/2014 (ii) Mutual agreement to hold over on month-to-month basis	\$ 93,600
Central Concrete Supply Co.	110 Herkner Road (1.46 acres)	Storage of construction materials	(i) Lease 9/1/2013 - 8/31/2022	\$ 81,800
Portside II - Michael Clark	400 Seaport Court (1.3 acres)	Office Building Rent/Lease office space	(i) Lease 7/1/1984 - 6/30/2033	\$ 78,549
Boxer Industries, Inc	151 Hinman Road (0.67 acre)	Storage of construction materials	(i) Lease 3/1/2014 - 2/28/2017	\$ 44,820
U.S. Geological Survey	Wharf #5 (3,000 sq.ft.)	Office Building and open Space area	(i) Lease 10/1/2011 - 9/30/2021	\$ 43,864

Table 2

**PORT OF REDWOOD CITY
RATE INCREASES**

TENANTS/LESEE	PROPERTY DESCRIPTION	USE DESCRIPTION	LEASE TERM WITH OPTIONS	FY2015 ANNUAL INCOME	FY2016 ESTIMATED REVENUE
International Materials, Inc	599 Seaport Blvd 475 Seaport Blvd (4.24 acres)	Handling of bauxite (construction material)	(i) Lease 10/1/2010 - 9/30/2013 (ii) One 3-year option (iii) Option exercised; expires on 9/30/2016	\$ 321,475	\$ 350,000
Clean Harbors Environmental Services	130 Herkner Road (0.87 acre)	Truck/Rail Transfer Facility for industrial materials	(i) Lease 4/1/2011 - 3/31/2016 (ii) One 5-year option (iii) Option was exercised (iv) Option expires on 3/31/2021	\$ 221,810	\$ 226,180
iCracked, Inc	599 Seaport Blvd (27,500 sq.ft.)	Office/Warehouse	(i) Lease 12/1/2013 - 11/30/2014 (ii) Mutual agreement to hold over on month-to-month basis	\$ 169,650	\$ 174,690
Diversified Computer Consultants of California	451 Seaport Blvd (10,000 sq.ft. building)	Office Building Conference Center	(i) Lease 7/1/2014 - 6/30/2018 (ii) One 4-year lease option	\$ 145,800	\$ 150,000
Seaport refining & Environmental (formerly Seaport Petroleum)	679 Seaport Blvd (2.26 acres)	Receive & distillation of pipeline transmix	(i) Lease 1/1/1993 - 12/31/2007 (ii) Two 5-year options (iii) Options were exercised (iv) New lease 1/1/2016-12/31/22	\$ 131,953	\$ 142,000
Central Concrete Supply Co.	110 Herkner Road (1.46 acres)	Storage of construction materials	(i) Lease 9/1/2013 - 8/31/2022	\$ 81,800	\$ 89,000
Boxer Industries, Inc	151 Hinman Road (0.67 acre)	Storage of construction materials	(i) Lease 3/1/2014 - 2/28/2017	\$ 44,820	\$ 46,050
U.S. Geological Survey	Wharf #5 (3,000 sq.ft.)	Office Building and open Space area	(i) Lease 10/1/2011 - 9/30/2021	\$ 43,864	\$ 45,180

Table 3

**PORT OF REDWOOD CITY
CARGO SUMMARY BY TONNAGE**

Cargo	FY 2015		FY 2014		FY 2013	
	Short Tons	%	Short Tons	%	Short Tons	%
Scrap metal	270,722	14%	311,872	16%	336,157	20%
Cement/Clinker	9,923	1%	18,686	1%	0	0%
Sand	907,117	48%	886,361	45%	603,345	37%
Aggregates	586,259	31%	634,330	32%	584,785	36%
Gypsum	58,939	3%	58,940	3%	51,615	3%
Other	58,199	3%	57,060	3%	70,056	4%
Total	1,891,159	100%	1,967,249	100%	1,645,958	100%

Table 4

**PORT OF REDWOOD CITY
VESSELS UTILIZING PORT FACILITIES**

	FY 2015	FY 2014	FY 2013
Cargo Vessels:	58	64	51
Cargo Barges:	38	25	19
Passenger Vessels:	0	8	0
Total:	96	97	70

Table 5

PORT OF REDWOOD CITY
PROJECTION OF REVENUES, EXPENSES AND DEBT SERVICE COVERAGE

	Fiscal Years Ending				
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<u>GROSS REVENUES</u>					
Operating Income (Accrual basis)	\$ 6,800,000	\$ 6,868,000	\$ 6,937,000	\$ 7,006,000	\$ 7,100,000
Adjust for Cash Basis					
Non-Operating Income	48,000	42,000	42,000	42,000	42,000
TOTAL GROSS REVENUES	6,848,000	6,910,000	6,979,000	7,048,000	7,142,000
<u>OPERATING EXPENSES</u>					
Total Expenses	(3,912,000)	(3,990,000)	(4,070,000)	(4,151,000)	(4,200,000)
Back-out Depreciation Expense	1,289,000	1,322,000	1,332,000	1,366,000	1,366,000
TOTAL NET OPERATING EXPENSES	(2,623,000)	(2,668,000)	(2,738,000)	(2,785,000)	(2,834,000)
NET REVENUES AVAILABLE FOR DEBT SERVICE	4,225,000	4,242,000	4,241,000	4,263,000	4,308,000
<u>DEBT SERVICE</u>					
1999 Bonds	-	-	-	-	-
DBW Loan	-	-	-	-	-
2012 Bonds	742,294	742,294	742,294	742,294	742,294
2015 Bonds	606,382	607,588	606,038	604,188	602,038
TOTAL DEBT SERVICE	\$ 1,348,676	\$ 1,349,882	\$ 1,348,332	\$ 1,346,482	\$ 1,344,332
DEBT SERVICE COVERAGE:	3.13	3.14	3.15	3.17	3.20