

San Diego Unified Port District

CEQA and COASTAL DETERMINATIONS and NOTICE OF APPROVAL

Project: Amendment to the San Diego Unified Port District Tariff No. 1-G to Increase Rates and Charges and Update Language
Location(s): San Diego, CA 92101 and National City, CA 91950
Parcel No.(s): Various
Project No.: 2014-131
Applicant: Joel Valenzuela, Director, Maritime Operations, San Diego Unified Port District, 3165 Pacific Highway, San Diego, CA 92101
Date: September 16, 2014

Project Description

The proposed project involves an amendment to the San Diego Unified Port District, Port of San Diego Tariff No. 1-G, to increase rates and charges and update language. The Port of San Diego Tariff No. 1-G governs the rates and charges applicable for all maritime-related commercial activity under the District's jurisdiction. The Tariff is reviewed annually to ensure that the District's rates and charges are competitive and the rules are current. In addition, the rates and charges are reviewed to reflect the prevailing market rates and economic climate.

The proposed Tariff amendment involves a General Rate Increase (GRI) for general, dockage, wharfage, wharf demurrage, wharf storage, space occupancy, and miscellaneous rates and charges, with exceptions for rate increases for minimum charges above the GRI, effective November 1, 2014. In addition, the proposed Tariff amendment includes new items for Import Merchandise, Export Merchandise, Rail Demurrage, Indemnity and Hold Harmless, and Rail Demurrage or Detention. The following changes to the Port of San Diego Tariff No. 1-G, effective November 1, 2014, are proposed:

- A one and eight-tenths of a percent (1.8%) increase in General for Cargo Handling Permit Fee - Item No. 0515, Vessel Repair Permit Fee - Item No. 0520 and Hazardous and Dangerous Cargo Permit Fee - Item No. 0522.
- A one and eight-tenths of a percent (1.8%) increase in Dockage Charge for Transient Vessels - Item No. 0572(A) and Rates for Full Dockage - Item No. 0575(A).
- A one and eight-tenths of a percent (1.8%) increase in Wharfage for all other commodities, including Passenger Fees - Item No. 0647 and Hawaiian Trade - Item No. 0666(A).
- A one and eight-tenths of a percent (1.8%) increase in Wharf Demurrage Rates - Item No. 0705(A), Wharf Storage Rates - Item No. 0720(A) and Per Container Wharf Storage Rates - Item No. 0725, Space Occupancy Rates - Item No. 0735(A) and Temporary Office Occupancy - Item No. 0736, and Temporary Area Assignments - Item No. 0737(A).
- A one and eight-tenths of a percent (1.8%) increase in Miscellaneous for Mobile Harbor Crane - Item No. 0738 (I), Electrical Service for Refrigerated Containers - Item No. 0747(A), Redelivery of Merchandise - Item No. 0750(A) and Environmental Surcharge - Dry Bulk - Item No. 0758.
- An increase in minimum charges above the 1.8 % GRI for the following:
 - Minimum Charge - Item No. 0510 from \$32.55 to \$50.00
 - Petroleum Products - Item No. 0650 from \$31.93 to \$50.00
 - Fresh Water Service Rates - Item No. 0740(C) from \$33.53 to \$50.00
 - Electrical Service Rates - Item No. 0745 from \$33.53 to \$50.00
 - Electrical Service for Shore Power - Item No. 0748 from \$33.53 to \$50.00
- An amendment of the Tariff to include a new items and added language for the following:

- Item No. 0161 – Import Merchandise
- Item No. 0186 – Export Merchandise
- Item No. 0247 – Rail Demurrage
- Item No. 0540 – Indemnity and Hold Harmless
- Item No. 0707 – Rail Demurrage or Detention
- An amendment of the Tariff language and modifications for the following:
 - Item No. 0390(C) – Berthing Arrangements
 - Item No. 0450 – Berthing Assignments
 - Item No. 0535 – Credit Rule
- An amendment of Tariff language and other minor language modifications.

The District is implementing a multi-year, multi-phase revitalization effort to preserve and boost San Diego's commercial fishing industry. Although the Tariff rate increases are being proposed at this time, only cargo and cruise are addressed. A comprehensive approach with regards to Commercial Fishing, including rate increases if warranted, will be moved forward at a future time. In addition, pilotage rates and charges are subject to an annual rate increase based on the Producer Price Index for Port and Harbor Operations and will not be subject to the proposed rate increase. The proposed rate increases would aid in balancing the rising costs of maintenance and infrastructure associated with maritime operations and, at the same time maintains a rate structure that is competitive with competitor ports. The District's last GRI was in 2005, with a five percent (5%) rate increase. In 2006, 2007, 2008, 2011, 2012 and 2013, the District made modest and selective rate increases for certain commodities. Additionally, in recognition of market conditions faced by cargo customers during the great recession, no increases were implemented in 2009 and 2010.

The following categorical determinations are based on the draft agenda sheet and all project information known to the District as of the date of this determination.

CEQA DETERMINATION

Based upon the above description, the project is determined to be Statutorily Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273 (Rates, Tolls, Fares, and Charges) and/or Categorically Exempt pursuant to CEQA Guidelines Section 15301 (Existing Facilities) and Sections 2.h. and/or 3.a. of the District's *Guidelines for Compliance with CEQA* because it is an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language that would involve no expansion of use beyond that previously existing. Sections 2.h. and 3.a. of District's CEQA Guidelines are as follows:

- 2.h. Rates and Charges (SG § 15273): CEQA does not apply to rates or other charges established by the Port District for the purpose of meeting operational expenses, purchasing or leasing supplies, equipment, or materials; meeting financial reserve needs; obtaining funds for capital projects necessary to maintain service; or obtaining funds necessary to maintain intra-city transfers as are authorized by city charter. The public agency shall incorporate written findings in the record of any proceeding in which an exemption under this section is claimed, setting forth with specificity the basis for the claim of exemption. The public agency shall incorporate written findings in the record of any proceeding in which an exemption under this section is claimed, setting forth with specificity the basis for the claim of exemption.

AND/OR

- 3.a. Existing Facilities (SG § 15301) (Class 1): Includes operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that previously existing.

The Statutory Exemption listed above is appropriate for the proposed project because it is an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language for the following purposes:

1. The amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language will be based relevant economic indicators such as the Consumer Price Index for West Region, All Urban Consumers and the Producer Price Index for Port and Harbor Operations and is to meet operational expenses of the District, including rising costs of maintenance and infrastructure associated with maritime operations.
2. The amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language may increase revenues to the District by approximately \$237,000 in Fiscal Year 2014/2015 (\$334,300 annually) and is to meet financial reserve needs and requirements of the District.
3. The amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language will maintain a rate structure that is competitive with other competitor ports and is not to obtain funds for capital projects for expansion of systems.

The existing facilities Categorical Exemption listed above is appropriate for the proposed project because the activity in question would only involve an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language and would involve no expansion of use beyond that previously existing.

Pursuant to CEQA Guidelines Section 15062, a 35-day statute of limitations for this CEQA exemption shall apply from the date a Notice of Exemption is posted with the San Diego County Clerk, or a 180-day statute of limitations for this CEQA exemption shall apply if no Notice of Exemption is filed.

CALIFORNIA COASTAL ACT

PORT MASTER PLAN

The proposed project is located in two of the District's ten planning districts, as follows: Planning District 3, Centre City Embarcadero, which is delineated on Precise Plan Map Figure 11 of the certified Port Master Plan and Planning District 4, Tenth Avenue Marine Terminal, which is delineated on Precise Plan Map Figure 13 of the certified Port Master Plan. The Port Master Plan land use designations within the limits of the proposed project are as follows: Planning District 3: Marine Terminal, Commercial Recreation, Park/Plaza, and Promenade and Planning District 4: Marine Terminal and Marine Related Industrial. The proposed project conforms to the certified Port Master Plan because it is an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language consistent with the existing certified land use designations. The project will not change the uses of the sites nor will it interrupt or expand the existing conforming uses of the sites.

CATEGORICAL DETERMINATION

The above project proposes an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update language that will involve no expansion of use beyond that previously existing. This project is consistent with the existing certified land use designations and is Categorically Excluded under Section 8.a. of the District's *Coastal Development Permit Regulations*, as follows:

- 8.a. Existing Facilities: The operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that previously existing.

Pursuant to California Coastal Act Section 30717, there is a 10-working-day period to appeal this "Coastal Act Categorical Determination of Exclusion" to the California Coastal Commission.

JOHN A. BOLDUC
Acting President/CEO

Determination by:
Mayra Medel
Associate Redevelopment Planner
Environmental and Land Use Management

Signature: Mayra Medel
Date: 9/10/14

Deputy General Counsel

Signature: Rebecca S. Hoffman
Date: 9/10/2014