

**SAN DIEGO UNIFIED PORT DISTRICT**

**ORDINANCE 2709**

**ORDINANCE GRANTING AMENDED, RESTATED,  
AND COMBINED LEASE WITH PACIFIC TUGBOAT  
SERVICE EXTENDING LEASE TERM FOR 14-  
YEARS, 8-MONTHS, TERMINATING ON  
DECEMBER 31, 2027, FOR LEASEHOLD  
IMPROVMENTS AND SHORE POWER, LOCATED  
AT THE FOOT OF CESAR E. CHAVEZ PARKWAY  
IN SAN DIEGO**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, Section 87(b) of the Port Act grants authority to the District to lease the tidelands or submerged lands, or parts thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which those lands are held, by the State of California; and

**WHEREAS**, Pacific Maritime Freight, Inc. dba Pacific Tugboat Service (PTS) has operated tugboat, barge and marine services at the foot of Cesar E. Chavez pier under its current Lease with the District since 2005, on file with the Office of the District Clerk as Document No 48297; and

**WHEREAS**, the District granted an amendment to the Lease in 2009, to allow PTS to make a \$2,000,000 capital investment, including leasehold improvements to its office, pier, parking and landscaping on file with the Office of the District Clerk as Document No. 54511; and

**WHEREAS**, in 2011, PTS approached the District with modifications to the project; and

**WHEREAS**, the revised project and improvements completed to date entitle PTS to a 14-year, 8-month lease term extension; and

**WHEREAS**, the proposed Amended, Restated, and Combined (ARC) Lease has updated terms and the most recent lease language; and

**WHEREAS**, the proposed ARC Lease with PTS extends the existing initial lease term, expiring January 1 2015, for 14-years, 8-months, expiring December 31, 2027, for the capital investment of \$1,400,000 for the improvements to their leasehold including construction of a new parking lot, new fencing, new

landscaping and water quality improvements, and upgrade of electrical service to shore power vessels; and

**WHEREAS**, the ARC Lease proposes a construction flat rent of \$48,000 per year through June 30, 2013, while PTS finishes any remaining work on the land side improvements; and

**WHEREAS**, the flat rent would increase to \$75,000 on July 1, 2013 through January 31, 2014 with annual Consumer Price Index (CPI) adjustments commencing on February 1, 2014.

**NOW, THEREFORE**, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. That the Amended, Restated and Combined Lease between the San Diego Unified Port District and Pacific Maritime Freight, Inc. dba Pacific Tugboat Service, for 14-years, 8-months until December 31, 2027; updating the lease provisions and combining all amendments into one lease for property located at 1444 Cesar E. Chavez Parkway, in the City of San Diego, is hereby approved and granted.

Section 2. The Executive Director or his designated representative is hereby directed to execute the said Amended, Restated and Combined Lease with Pacific Maritime Freight, Inc. dba Pacific Tugboat Service on behalf of the San Diego Unified Port District.

Section 3. This ordinance shall take effect on the 31<sup>st</sup> day from its passage by the Board of Port Commissioners.

2709

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9th day of April, 2013, by the following vote:

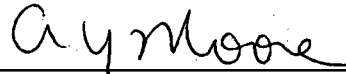
AYES: Malcolm, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

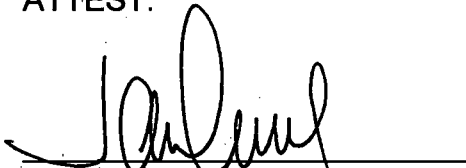
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair  
Board of Port Commissioners

ATTEST:



Timothy A. Deuel  
District Clerk

(Seal)