

RESOLUTION 2013-107

RESOLUTION AUTHORIZING DISTRICT EXECUTIVE DIRECTOR/CEO TO WAIVE THE PURCHASE OF EARTHQUAKE INSURANCE FOR THE CONVENTION CENTER

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, the 1998 Management Agreement between the District and the City of San Diego requires the purchase of earthquake ("EQ") insurance for the Convention Center with the District paying 20% of the premium;

WHEREAS, the EQ insurance coverage is \$50,000,000 and only covers damages after the \$52,541,700 deductible is reached; and

WHEREAS, an updated earthquake study revealed that the worst-case scenario loss projection of \$53,259,098 has a .05% probability of occurring in a 2,000 year period of time, and that even if such a loss did occur, the total damage estimated would just barely exceed the deductible of \$52, 541,700 resulting in an insured loss of only \$717,298; and

WHEREAS, in the absence of EQ insurance the City and District can rely on FEMA which is a cost-share program that typically covers 75% of eligible damages and a portion of the remaining 25% may be covered by the State of California;

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director/CEO or his designated representative is hereby authorized to waive the purchase of earthquake insurance for the Convention Center on an annual basis for the remaining term of the Management Agreement until or unless the Board resolves to reinstate the requirement in its sole discretion.

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11th day of June, 2013, by the following vote:

AYES: Castellanos, Malcolm, Merrifield, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: None.

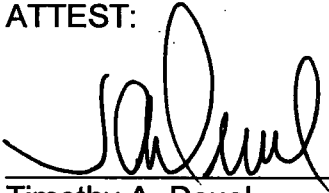
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)