

RESOLUTION 2013-129

RESOLUTION GRANTING CONCEPT APPROVAL TO CP KELCO, U.S., INC. FOR ITS PROPOSED COOLING TOWER REPLACEMENT PROJECT

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, pursuant to BPC (Board of Port Commissioners) Policy 357 preliminary plans for proposed new tenant development or alterations to existing facilities shall be presented to the BPC for approval if the project is estimated to cost more than \$500,000; and

WHEREAS, CP Kelco U.S., Inc. (CPK) has operated at its current leasehold since 1946, initially processing kelp, and currently manufacturing marine products, by-products, hydrocolloids and other related products, for use in health, beauty and food products; and

WHEREAS, on January 10, 2006, the BPC approved an ordinance granting a 15-year lease to CPK with one 5-year option to renew and a resolution consenting to a 15-year sublease from CPK to R.E. Staite, Inc. with one 5-year option to renew; and

WHEREAS, CPK is proposing to replace its existing five cooling towers adjacent to the facility property line bordering Belt Street with one new cooling tower, increasing equipment efficiency, reducing energy consumption, and improving the visual silhouette of the leasehold along Belt Street; and

WHEREAS, CPK is also proposing to remove two chillers, level and pave an unused basin area, and make pipeline improvements associated with the new cooling tower; and

WHEREAS, the projected costs of the entire project are \$2,380,000 and is part of CPK's ongoing replacement of equipment, and as such, will be depreciated over 10-years which is less than the 13-years remaining under their current lease.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District does hereby grant concept approval to CP Kelco, U.S., Inc. for its proposed cooling tower replacement project.

APPROVED AS TO FORM AND LEGALITY:



PORT ATTORNEY

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 13th day of August, 2013, by the following vote:

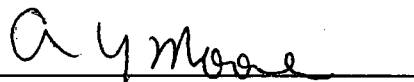
AYES: Castellanos, Merrifield, Moore, Nelson, Smith, Valderrama

NAYS: None.

EXCUSED: Malcolm.

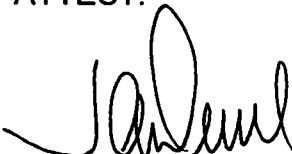
ABSENT: None.

ABSTAIN: None.



Ann Y. Moore, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)