

RESOLUTION 2018-094

RESOLUTION FINDING THE AMENDMENT TO THE SAN DIEGO UNIFIED PORT DISTRICT TARIFF NO. 1-G, RATES AND CHARGES, TO INCREASE RATES, ADD NEW RATES, AND UPDATE TARIFF FORMAT AND LANGUAGE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AS SPECIFIED UNDER SECTION 15273 OF THE CEQA GUIDELINES

WHEREAS, the San Diego Unified Port District (Port) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1; and

WHEREAS, the Port Tariff No. 1-G (Tariff) governs the rates and charges applicable for all maritime-related commercial activity under the Port's jurisdiction; and

WHEREAS, the Tariff is reviewed annually to ensure that the Port's rates and charges are competitive, the rules are current and the rates and charges reflect the prevailing market rates and economic climate; and

WHEREAS, there are several factors that are considered during staff's Tariff analysis, including relevant economic indicators such as the Consumer Price Index for the West Region, All Urban Consumers, rate recommendations made by California Association of Port Authorities' (CAPA) member ports, actual rate increases by other CAPA ports, and regional market conditions; and

WHEREAS, this year, several CAPA ports will be instituting a General Rate Increase, increases for Cruise Ship Passenger Fees and new rates for Ultra-Heavy Lift Project Cargo; and

WHEREAS, staff conducted customer outreach through a Tariff Update Stakeholder Meeting and Teleconference calls with customers during early April 2018; notification letters were distributed via electronic mail to affected customers on April 11, 2018; and staff conducted follow-up phone calls and met in-person with other customers who had questions in regards to the proposed changes; and

WHEREAS, in accordance with Government Code Section 54954.6(a) (1) (2), a notice of public hearing has been published and written notification of the proposed Tariff amendment was given to shipping lines, ships agents,

stevedores, terminal operators, facilities users, maritime tenants, and San Diego Port Tenants Association; and

WHEREAS, the Board of Port Commissions (Board) conducted a public hearing on the proposed changes on May 8, 2108; and

WHEREAS, having reviewed and considered all testimony and materials made available to the Board, including, but not limited to, the staff reports and all of the testimony and evidence in the record of the proceedings with respect to the item, the Board took the actions hereinafter set forth.

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

1. The proposed Project, generally consists of (1) an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and updated format and language is based on relevant economic indicators such as the Consumer Price Index for West Region for All Urban Consumers, the Producer Price Index for Port and Harbor Operations, and CAPA, and (2) amend the Tariff to include one (1) new tariff commodity Ultra-Heavy Lift Project Cargo and rate increases to items which consist of General items, Dockage items, Wharfage items which includes: Cruise Ship Passenger Fees, Demurrage, Storage, Space Occupancy items, and Miscellaneous items, with the exception of Commercial Fishing Vessels, and proposes other minor language modifications.
2. The proposed Project is projected to increase revenues to the Port by approximately \$480,000 annually.
3. The proposed Project 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.
4. The proposed Project is to meet operational expenses of the Port and financial reserve needs and requirements of the Port and while some of the fees may be used for maintenance activities those maintenance activities will not involve capital projects for expansion of systems.
5. The proposed Project is not to obtain funds for capital projects for expansion of systems and will involve no expansion of use beyond that previously existing.
6. The proposed Board action complies with Sections 36 of the Port Act specifically gives the Board of Port Commissioners (Board) the authority to "by ordinance fix the rate[s] . . . or other charges which are appropriate for the use of any of the facilities owned and constructed or services furnished or provided by the [D]istrict" and therefore, it is within the Port's authority to set tariff rates on tidelands.

7. Further, the proposed Board action is considered an "excluded development" pursuant to Section 8.a (Existing Facilities) of the Port's Coastal Development Permit Regulations; therefore, issuance of a Coastal Development Permit is not required.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL



By: Assistant/Senior/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 8th day of May 2018, by the following vote:

AYES: Bonelli, Castellanos, Valderrama, and Zucchet

NAYS: None.

EXCUSED: Malcolm, Merrifield, and Moore

ABSENT: None.

ABSTAIN: None.



Rafael Castellanos, Chairman
Board of Port Commissioners

ATTEST:



Donna Morales
District Clerk



(Seal)