

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 Updated Format and Language
Location(s): San Diego, CA 92101 and National City, CA 91950
Parcel No.(s): Various
Project No.: 2018-092
Applicant: Joel Valenzuela, Principal, Maritime Business Retention, San Diego Unified Port District, 3165 Pacific Highway, San Diego, CA 92101
Date Approved: May 8, 2018

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 updated the format and 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 dockage, wharfage, passenger fees, demurrage, storage, space occupancy, and miscellaneous rates and charges, with the exception of Commercial Fishing Vessels and Pilotage Rates, effective July 1, 2018. There are several factors that are considered during staff's Tariff analysis, including relevant economic indicators such as the CPI for the West Region, All Urban Consumers (CPI-U), rate recommendations made by California Association of Port Authorities' (CAPA) member ports, actual rate increases by other CAPA ports, and regional market conditions. This year, several CAPA ports will be instituting a GRI, including the Ports of Hueneme, Oakland, Stockton, Richmond, and Redwood City.

The amendment would be effective July 1, 2018 and includes the following changes:

- Implement a two and eight-tenths percent (2.8%) General Rate Increase for the following:
 - Rates for Minimum Charge- Item Nos. 0510, 0650, 0737, 0740, 0745, 0748
 - Rates for Permit Fees- Item Nos. 0515, 0520
 - Rates for Full Dockage- Item No. 0575 and Dockage Charge for Transient Vessels- Item No. 0572
 - For all Wharfage- Item Nos. 0600, 0605, 0610, 0614, 0615, 0617, 0618, 0619, 0620, 0625, 0627, 0629, 0630, 0631, 0635, 0637, 0640, 0641, 0645, 0650, 0660, 0662, 0663, 0664, 0665, 0670, 0671, 0673, 0674
 - Hawaiian Trade- Item No. 0666
 - Wharf Demurrage- Item No. 0705
 - Wharf Storage Rates- Item No. 0720 and Per Container Wharf Storage Rates- Item No. 0725
 - Space Occupancy Rates- Item No. 0735
 - Temporary Office Occupancy- Item No. 0736
 - Temporary Area Assignments- Item No. 0737
 - Mobile Harbor Crane- Item No. 0738
 - Electrical Service Rates for Refrigerated Containers- Item No. 0747

- Redelivery of Merchandise- Item No. 0750
 - Environmental Surcharge for Dry Bulk Cargo- Item No. 0758.
- Implement an Annual Rate Increase for the following:
 - Passenger Fees- Item No. 0647 effective July 1, 2019; July 1, 2020; and July 1, 2021
 - Pilotage Rates and Charges- Item No. 0800 based on the Producer Price Index
- An amendment of Tariff language and other minor language modifications for the following:
 - Weight on Wharves- Item No. 0360
 - Parking Charges- Item No. 0525
 - Free Dockage- Item No. 0555
 - Containers- Item No. 0614
 - Cargo, N.O.S- Item No. 615
 - Containers- Item No. 617
 - Project Cargo Rates- Item No. 0631
 - Hawaiian Trade- Item No. 0666
 - Wharf Demurrage Rates- Item No. 0705
 - Per Container Wharf Storage Rates- Item No. 0725
 - Definitions- Item No. 0780
 - Pilotage Rates and Charges- Item No. 0800
- Removal of the following item:
 - Hazardous and Dangerous Cargo Permit Fee- Item No.0522

The proposed rate increases would aid in balancing the rising operational and maintenance costs, and the financial reserve needs while maintaining a rate structure that is comparable to competitor ports. Additionally, while some of the Tariff will be used for maintenance; such maintenance shall not be for capital improvements to expand systems.

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 updated format and 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 updated language for the following purposes:

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 item commodity Ultra-Heavy Lift Project Cargo and rate increases to items which consist of a Cruise Ship Passenger Fees, General items, Dockage items, Wharfage items, 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 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.
3. The proposed Project is to meet operational expenses of the District and financial reserve needs and requirements of the District and while some of the fees may be used for maintenance activities those maintenance activities will not involve capital projects for expansion of systems.
4. 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.

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 updated format and language and will involve no expansion of use beyond that previously existing. Additionally, the increase in rates may be used for maintenance activities that do not constitute capital improvements that expand systems.

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.

In addition, the proposed project complies with Section 36 of the Port Act specifically gives the Board of Port Commissioners 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 District's authority to set tariff rates on tidelands.

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.

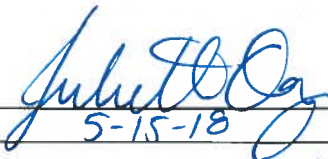
CATEGORICAL DETERMINATION

The above project proposes an amendment to Port of San Diego Tariff No. 1-G to increase rates and charges and update the format and 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:

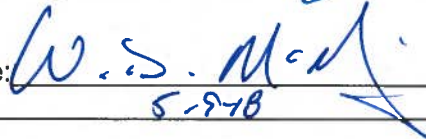
- 8.a. Existing Facilities: The operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that previously existing.

RANDA CONIGLIO
President/CEO

Determination by:
Juliette Orozco
Associate Planner
Development Services – Real Estate Development

Signature: 
Date: 5-15-18

Deputy General Counsel

Signature: 
Date: 5-18-18