Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

* ***Denotes comments received after review period ended***

portofsandiego.org

v. 8/28/2023

TLUP Discussion Draft Comments

Table of Contents

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Agencies

From: Kim, Brian Y CIV USARMY CESPL (USA) <Brian.Y.Kim@usace.army.mil>
Sent: Monday, July 24, 2023 8:48 AM
To: Lily Tsukayama
Cc: Lesley Nishihira; Dennis Larson; Fields, James A CIV USARMY CESPL (USA); Wesley, Matthew J CIV USARMY CESPL (USA); Ryan, Joseph A CIV CESPL CESPD (USA)
Subject: RE: Discussion Draft for the Trust Lands Use Plan
Attachments: SanDiegoChannelLimits&HarborLines.zip

Hi Lily,

As requested, I attached GIS files from our coastal team that includes both Port of San Diego's federal channel limits and harbor lines. In regards to developmental buffers, rather than focusing on an arbitrary distance, we would like to avoid development that extends beyond the harbor lines towards the channel and/or poses a navigational hazard. I believe your team requested these two pieces of information, but if there's more questions or any comments, please let us know. Thank you.

Respectfully,

Brian Kim, P.E.
Navigation Branch
Programs and Project Management Division
US Army Corps of Engineers – LA District
Cell: (213) 280-1426

https://usace1.webex.com/meet/brian.y.kim

From: Lily Tsukayama <ltsukayama@portofsandiego.org>
Sent: Thursday, July 20, 2023 4:58 PM
To: Kim, Brian Y CIV USARMY CESPL (USA) <Brian.Y.Kim@usace.army.mil>
Cc: Lesley Nishihira <lnishihi@portofsandiego.org>; Dennis Larson <dennis@nexplanning.com>
Subject: [URL Verdict: Neutral][Non-DoD Source] Discussion Draft for the Trust Lands Use Plan

Hi Brian,

Thank you to you and your team for meeting with us recently to discuss the Trust Lands Use Plan (TLUP) that the Port is preparing per Senate Bill 507. I am reaching out to let you know that a Discussion Draft of the TLUP is now available for a 30-day public review period which closes on August 21, 2023. You can access the Discussion Draft here: https://www.portofsandiego.org/trust-lands-use-plan

We would be happy to further discuss any questions or comments that you may have on the Discussion Draft. You can also submit comments to this email address: TLUP@portofsandiego.org

Thank you for your participation in this process and we look forward to our continued coordination on this effort!

Sincerely,

Lily

Lily Tsukayama (she/her/hers)
Senior Planner, Planning

3165 Pacific Highway, San Diego, CA 92101
(o) (619) 686.8199 • (c) (619) 823.0292

connect: 

Port administration offices are open Monday-Thursday and every other Friday from 8am-5pm.

City of Imperial Beach, California
COMMUNITY DEVELOPMENT DEPARTMENT
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 628-1356 Fax: (619) 424-4093

August 24, 2023

Port of San Diego
3165 Pacific Highway
San Diego, CA 92101

Subject: Port of San Diego Trust Lands Use Plan - Discussion Draft July 2023

Dear Ms. Tsukayama:

Th City of Imperial Beach appreciates the opportunity to review and provide comment on the Discussion Draft of the Port of San Diego Trust Lands Use Plan. This letter is to provide comment and support for the planning policies that the Port of San Diego has proposed for the South Bay Planning District (Planning District 14). The policies have been drafted in a manner that algins with the City of Imperial Beach's vision and goals to enhance recreational and coastal access opportunities along the San Diego Bayfront in a sustainable manner that will protect and enhance the coastal wetland area.

We look forward to continuing collaborating with the Port of San Diego on future project and planning efforts for the south end of San Diego Bay that will enhance recreational uses, transportation corridors for coastal access, and environmental habitat areas.

If you have any questions or comments, please contact me at (619) 628-2381 or mopenshaw@imperialbeachca.gov.

Sincerely,

Meagan Openshaw
Community Development Department Director

PORT of SAN DIEGO
Waterfront of Opportunity

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Organizations

Southwest Wetlands Interpretive Association
PO Box 575
Imperial Beach, CA 91933
8 August 2023

Port of San Diego, Attn: Planning Department
PO Box 120488
San Diego, CA 92112-0488

(submitted 8 August 2023 via email to tlup@portofsandiego.org)

Subject: Comments of Port of San Diego Trust Lands Use Plan (Discussion Draft July 2023)

Dear Port of San Diego Board of Commissioners and TLUP Planning Staff:

Introduction

Our organizations have reviewed the Port District's Trust Lands Use Plan Discussion Draft that is intended to "provide goals, policies, and information on allowable uses and activities within approximately 8,000 additional acres of tidelands and submerged land of San Diego Bay granted to the Port on January 1, 2020, by the California State Lands Commission (State Lands) pursuant to Senate Bill 507 (SB 507)." The draft document is also expected to complement the Port Master Plan Update (PMPU) and other documents such as its Sea Level Rise Adaptation document to ensure that trust tidelands are appropriately conserved, developed and managed.

The TLUP draft's framework and contents are similar to the PMPU in that it establishes primary Elements (erg., Water and Land Use, Ecology, Safety and Resiliency), Goals, and Objectives within the three portions of San Diego Bay that encompass the 8,000 acres. Many of the goals and policies are congruent with the PMPU, and a number of the policies are an improvement on the PMPU policies, as we describe later in this letter – and which we strongly recommend the Port incorporate into the final PMPU. However, we also identify parts of the document that should be clarified or revised to provide more clear and appropriate direction to Port staff and users of the tidelands. As we have stated to the Port in many letters, San Diego Bay has lost thousands of acres of important wetland habitats, particularly shallow sub tidal, intertidal, and salt marsh - and miles of natural shorelines. The TLUP, along with the PMPU, should provide the guidance and directives that will establish effective conservation, enhancement and restoration of the public trust tideland wetlands throughout the bay.

Comments and Recommendations

Page 16. Table 2.1. This Equity Topics table includes among many issues, "Natural habitat and ecological value." This issue should be revised to be comparable to how several other issues in the table that incorporate the term "opportunities" in the issue (erg., "Opportunities for Natural Habitat and Ecological Value Enhancement"). That would reflect the Ecology Element, which specifically states: "Establish policies to enhance, protect, conserve and restore natural resources and healthy environments in the TLUP Area." As we describe later in our comments, significant amounts of San Diego Bay "tidelands" have been lost to developments, especially critically valuable wetland habitat types (shallow sub tidal, intertidal and marshes). The TLUP should focus attention to how the Port can and will use these additional public trust lands, in conjunction with existing Port trust tidelands, to identify and restore a portion of those habitat losses throughout San Diego Bay.

Page 21. Table 3.1. The Ecology Element has a direct relationship with "Protecting and Celebrating Commercial Fishing and Recreational Fishing" in that healthy tidelands are essential to those activities in/near the bay. Also, it has a significant relationship to "Coordinating with Department of Defense and Leveraging the District's Strategic Port Designation" because the DOD and District have entered into and implement an Integrated Natural Resources Management Plan. Please add check marks in Table 3.1 to reflect those relationships.

Page 24. Section 3.1.2(A). This introductory section to the Water and Land Use Element must add that Public Trust Doctrine Uses have been expanded to include natural habitat protection. The subsequent policies do not provide sufficient clarity regarding natural habitat protection – which includes enhancement and restoration - as a co-equal use with the active uses that are the focus of the element. WLU Policy 1.1.6.b (Environmental Stewardship) is only one aspect of natural habitat protection. This element needs to better cross-reference and integrate with the Ecology Element and its policies (see comments on WLU Policy 5.1.2 below). Coastal natural habitats are coastal dependent "uses" - they are the essence of tidelands and waters that comprise the public trust resources!

Page 29. WLU Policy 2.4.1. This policy only requires "no net loss" of wetlands, but as noted previously, the Ecology Element states that its policies will enhance and restore natural resources and healthy environments (which is consistent with the Public Trust Uses described previously). This policy must be revised to be consistent with the Ecology Element, particularly ECO Policies 1.1.14-16 and 1.1.18-24. Our recommendation is for the policy to state – "There shall be no net loss of acreage and functions/values of any natural habitat types and enhancement and restoration of wetlands shall be implemented, where appropriate, throughout the Tidelands." That statement is consistent with the text in Policy ECO 1.1.15.

Page 33. WLU Policy 5.1.2. This policy is similar to our recommended changes to WLU Policy 2.4.1. The definition of Conservation/Intertidal (e.g., "protected") must consider how sea level rise (SLR) will alter currently designated protected areas and how those delineated areas will be revised in light of SLR. The definition of Conservation/Intertidal should acknowledge that the boundaries of those

resource types will be revised in light of projected SLR. In addition, and as we have recommended to the Port in its PMPU document, there are portions of tidelands outside of the proposed Conservation/Intertidal areas where enhancement and restoration of wetlands/natural habitats (i.e., "environmental stewardship") should be considered and encouraged as an allowable use within the Secondary Use designation. For example, living shorelines and comparable structures may be appropriate and feasible within Open Bay/Water designated water use areas to provide both habitat and protection of built assets. See our later recommendations for PD 12-14.

Page 36. Section 3.1.5.2.b. As described in the preceding comment recommendation, environmental stewardship (including natural resource enhancement/restoration) should be clearly identified as allowable/encouraged (to the extent feasible) in all designated Secondary Use areas.

Page 40. Table 3.1.2. Environmental Education Conservation/Intertidal should be identified as a "Secondary Use" within Conservation/Intertidal in this table.

Page 42. Section 3.1.7.2. Please clarify this text. What are the types of uses that are "... consistent with habitat management and wildlife conservation [that] may be allowable in additional water and land use designations as necessary."? How does this statement relate to our preceding recommendations regarding allowing natural resource improvements as a Secondary Use within water and land use designations?

Page 65. The TLUP Ecology Element addresses many of the concerns we have raised about the PMPU Ecology Element and includes policies that are in alignment with recommendations that we have previously requested be incorporated into the PMPU Ecology Element (particularly ECO Policies 1.1.14-16, and 1.1.18-24). The TLUP presents a clearer and more robust set of ecology-focused policies than the PMPU and we strongly recommend that the final PMPU reflect the policy improvements as proposed in this document.

Page 69. Figure 3.3.1. The delineations for all of the use types are difficult to identify given the scale of the map. Three Ecological Opportunity Areas (EOA) are identified (located along Silver Strand and Coronado in South Central Bay), but there is not enough information in the text to explain how those areas were selected and why other portions of the TLUP are not appropriate. For example, EJ Policy 1.3.3 states that (project) permittees shall provide opportunities to enhance and restore ecological values in/around disadvantaged communities. This suggests that the EOA approach should be modified to not only identify specific sites, but also to outline guidance regarding the kinds of site conditions that would be suitable for prioritizing enhancement and restoration (the future expansion of EOAs is alluded to in the information footnote on Page 72). That guidance should be included in the text and summarized in the Glossary for Ecological Opportunity Areas.

Also, how do those areas relate to activities that are proposed in the PMPU? We have previously identified in a letter provided to the Port (3OCT2017) many potential areas throughout the tidelands that could be considered as opportunity areas. Has the PMPU been revised to add Ecological Opportunity Areas in conjunction with the TLUP's designations?

Page 70. ECO Policy 1.1.8. The proposed 15-foot buffer for in-water aquaculture operations doesn't provide any explanation/justification for such a minimal buffer distance. For example, if a facility requires anchoring to the seabed or mooring near eelgrass beds, a 15 foot buffer may be inadequate to prevent impacts to eelgrass. Another concern is that aquaculture operations could introduce or facilitate invasive species that could attract waterbirds, which is a problem (being artificial, if not harmful, sources of food). So, the policy should add that the presence of potentially harmful non-native species will be monitored and removed, if determined to be negatively affecting native species. In addition, if those operations attract significant numbers of native waterbirds, the policy should require that any efforts to disperse these birds will not result in harm to those birds.

Page 94. SR Policy 3.2.3.d. Please revise this policy to state: "Establishes a nature-based SLR adaptation program that prioritizes natural resource protection, enhancement and restoration solutions while providing appropriate SLR resilience for natural and artificial trust resources."

Page 113. To align with a preceding recommendation regarding Figure 3.3.1 (EOAs) and to provide better clarity about why/what currently unidentified areas may be appropriate for projects to include enhancement of natural resource/ecological values, we recommend that EJ Policy 1.3.3 include a reference to that guidance language.

Page 117. Section 3.6.2. Meeting the Port's three economic goals should not come at the expense of tideland natural resources and ecological values. And the Ecology Element establishes policies that are intended to ensure that natural resources and ecological values are maintained and increased. However, as described in the recent San Diego County Grand Jury report (https://www.sandiegocounty.gov/content/dam/sdc/grandjury/reports/2022-2023/Governance%20of%20San%20Diego%20Bay%20and%20its%20Tidal%20Lands%20and%20Regions.pdf) there is concern about how financial revenue is balanced against natural resource and other tideland values "[Page 6: In a recent informal briefing by the Port District, a sizable, expected return on investment from a proposed project was praised as a justification for the large public investment of tax dollars needed to fund the project, with less emphasis placed on the project's other characteristics."].

To address this concern, the Economic Element should reiterate or give a specific reference to the fundamental commitment that is embedded in the Ecology Element, which states that its policies will enhance and restore natural resources and healthy environments.

Pages 125-126. ECON Policies 2.3.11-2.3.17. Many of the Ecology policies complement and/or support fisheries-focused policies; the TLUP – and PMPU – should commit to and ensure that they incorporate consistent implementation efforts for complementary ecology and fishery resource management with fishery-oriented activities in tidelands and the adjacent ocean [that same perspective applies to all Port activities in tidelands and waters].

Page 126. ECON Policy 2.3.2.18. Aquaculture can have negative impacts to ocean resources and this policy should add: "...support the development of shellfish and seaweed aquaculture, while ensuring that it does not negatively impact natural resources of the tidelands and ocean."

133. Section 4.2.2.2.3.c. Tree planting in any areas near by/adjacent to natural habitats including but not limited to transitional uplands, marsh, and intertidal communities (ire., habitats other than open water) should be evaluated for potential impacts that could arise from predatory birds using those for hunting perches. The Hula Vista Bay front has policies in its Resource Management Plan and similar policies should be replicated in the TLUP (and PMPU).

Page 146. Add a new policy PD12.4 that states: "No development other than living shoreline and comparable natural resource-enhancing structures shall occur on Conservation /Intertidal water use areas; which may also be placed, where appropriate and feasible, within Open Bay/Water designated use areas. These natural resource enhancing structures may be appropriate to mitigate the effects of sea level rise while providing needed habitat and protection of other tideland assets."

Page 152. Section 5.13.1.3E. Add a new policy PD13.3 that states: "No development other than living shoreline and comparable natural resource-enhancing structures shall occur on Conservation /Intertidal water use areas; which may also be placed, where appropriate and feasible, within Open Bay/Water designated use areas. These natural resource enhancing structures may be appropriate to mitigate the effects of sea level rise while providing needed habitat and protection of other tideland assets."

Page 166. Section 5.14.1(F). Add a new policy PD14.7 that states: "No development other than living shoreline and comparable natural resource-enhancing structures shall occur on Conservation /Intertidal water use areas. These natural resource enhancing structures may be appropriate to mitigate the effects of sea level rise while providing needed habitat and protection of other tideland assets."

Page 169. Section 6.2. This section must include a statement (or comparable language) that in addition to an activity's conformance with the TLUP, it may be required by the District to prepare and process a California Environmental Quality Act (CECA) document, which is separate and independent of TLUP compliance.

Page 189. The term "Environmental Stewardship" does not appear in the Glossary. It must be included (and defined) in the Glossary. Whether the term is used as a stand alone one or in association with more specific uses/activities such as natural resource protection, conservation, enhancement and restoration, it must be clear about the range of activities that it encompasses.

Thank you for providing the public the opportunity to comment and suggest revisions to the draft TLUP. We strongly urge the Port to revise the document to incorporate our comments and recommendations. Please contact Bill Tippets (billtippets@gmail.com) if you wish to follow up on our comments.

Sincerely,

Mike McCoy/Bill Tippets
SWIA

James Peugh
SDAS

Pam Heatherington
ECOSD

From: Lesley Nishihira
Sent: Tuesday, August 8, 2023 10:13 AM
To: Lily Tsukayama
Subject: FW: Tidelands Land Use Plan Discussion Draft Comments and Recommendations

FYI…Bill's footnote to his submitted comment letter

Lesley Nishihira, AICP
Director, Planning

3165 Pacific Highway, San Diego, CA 92101
(o) 619.686.6469 • (c) 619.961.6322

PORT of SAN DIEGO

connect:

From: Bill Tippets <billtippets@gmail.com>
Sent: Tuesday, August 8, 2023 10:11 AM
To: Lesley Nishihira <lnishihi@portofsandiego.org>
Subject: Re: Tidelands Land Use Plan Discussion Draft Comments and Recommendations

Hi Lesley,

I included you in the TLUP email because our letter makes several references to the PMPU (no surprise, eh?) and because several of the TLUP ECO policies seem to be much more clear about the Port's willingness and intent (I hope) to commit to wetlands/habitats/natural resources enhancement and even restoration/creation throughout the bay than was suggested in the last draft version of the PMPU. Because I don't know who at the Port is advising/directing the TLUPauthors, I assumed that you must have had some input, as those new policies are very aligned with the numerous recommendations and discussions we've had during the PMPU drafting.

As we note, those improved policies should be in the final PMPU - they would really be a big boost to how I (and others) view the Port's commitments to managing its trust tidelands as well as ensuring consistency between the PMPU and TLUP.

Thanks for your work on all of this stuff,

Bill

On Tue, Aug 8, 2023 at 8:15 AM Bill Tippets <billtippets@gmail.com> wrote:

> Port of San Diego/TLUP Staff:

Attached is a letter from the Southwest Wetlands Interpretive Association, San Diego Audubon Society and Environment Center of San Diego that provides comments and recommendations to improve the document. Our organizations have long histories working with the Port and other entities involved with coastal habitats, particularly wetlands.

Please incorporate our recommendations into the next iteration of the TLUP.

Bill Tippets (billtippets@gmail.com) is the contact if you wish to discuss our comments.

Bill Tippets

August 21, 2023

Ms. Lesley Nishihira
Director, Planning
Port of San Diego
3165 Pacific Highway
San Diego, CA 92101

Dear Director Nishihira,

Thank you for the opportunity to review the draft Trust Land Use Policy (TLUP) prepared pursuant to Senate Bill 507. Below are the Embarcadero Coalition (EC) comments, questions and concerns regarding this draft policy:

- It is unclear how the TLUP will be incorporated into the Port Master Plan Update (PMPU). Will its language be incorporated into the PMPU or will the TLUP remain its own document?
- Does the TLUP trump the PMP or is it the other way around?
- There is considerable policy language regarding development throughout the TLUP. However, the Port's website with the TLUP link and map of the relevant area states:

"Image: the blue hatched area represents the area that will be covered by the Trust Lands Use Plan. It is mostly water area within the bay. No landside development will be contemplated in the Trust Lands Use Plan. It is important that any expanded or new uses do not conflict with priority uses that already exist on and around the bay like water recreation, cargo and other large vessel movement via the federal navigation channel, commercial fishing, public safety, national security, environmental conservation, and more."

As an amendment to the PMP how will these standards be incorporated into the PMPU? There are significant standards for landside development despite what the website says. These standards are not developed sufficiently to apply to the whole of the Tidelands. Will these standards be kept separate in the future for District 14 or become the standards for all of the Tidelands?

For instance, with much discussion about development that isn't supposed to occur on these lands, there isn't much mentioned about Recreation Open Space (ROS) in the form of parks adjacent to the water or other green areas. The Port's own consultant recommended the Embarcadero region alone should be comprised of at least 20% parks. Currently we have 8% dedicated to parks. What we are currently slated to get is less green open space adjacent to the water but massive amounts of concrete walkways. These are not the same, so that tradeoff is unacceptable.

Please address these inconsistencies in the TLUP.

In addition, we want to support the environmental comments and concerns about the the TLUP submitted by the Southwest Wetlands Interpretive Association.

Best regards,

Susan Simon and Janet Rogers, Embarcadero Coalition

August 21, 2023

Port of San Diego,
Attn: Planning Department
P.O. Box 120488
San Diego, CA 92112-0488

Sent via Email: tlup@portofsandiego.org

RE: Trust Lands Use Plan

Dear Port of San Diego Board of Commissioners and TRIP Planning Staff:

On behalf of Outdoor Outreach, we thank you for the opportunity to submit comments on the Port of San Diego Trust Lands Use Plan (TLUP). Outdoor Outreach is a San Diego-based nonprofit with a mission to connect youth to the transformative power of the outdoors. For the past 24 years, we have operated free and reduced-cost recreational programming for underserved communities within the Port of San Diego tidelands, including overnight beach camping, hiking, nature watching, biking, fishing, stand-up paddleboarding, and kayaking. These areas include but are not limited to Coronado Tidelands Park, Silver Strand (Crown Cove), Bayshore Bikeway, Imperial Beach, Pepper Park, J Street Marina, Chula Vista Bayside Park, and San Diego Bay National Wildlife Refuge.

Most youth we serve come from historically redlined communities with little to no access to green spaces and coastal resources. A simple visit to enjoy the coastline, although not far from home for some living in Central San Diego, Chula Vista, Imperial Beach, or National City, can be entirely out of reach due to excessive pollution, transportation costs, locals not wanting outside visitors, lack of culturally relevant spaces, and the overall feeling of not belonging. While the Port of San Diego has made progress in addressing equity and coastal access issues in compliance with the California Coastal Act and Port Act, many improvements can be made to reconnect our communities to the coast.

Our comments address multiple elements of this proposal, particularly the Environmental Justice, Mobility, and Water and Land Use Elements:

Address ongoing historical pollutants and current water quality conditions in San Diego Bay as it relates to public access.

We support the TLUP's expanded definition of "disadvantaged community" which is aligned with the California Coastal Conservancy and Coastal Commission's environmental justice policies. We support the Port's stated commitment to the identified Portside Communities and Tidelands Border Communities that have been disproportionately impacted by legacy pollutants and lack adequate access to recreational opportunities and connectivity to the coast. More can be improved, however, to address ongoing water quality related to public coastal access. One of the few locations we are able to run our programs is Coronado Tidelands Park. It has been the closest location to the communities and schools we serve with good water quality and ideal conditions for beginners. Unfortunately, the pollution problem has expanded to other areas of the bay, including Coronado Tidelands Park. Since June, the County of San Diego has had a water quality advisory in place causing us to completely pivot and/or cancel our stand-up paddle-boarding programs to other areas and offer limited kayaking opportunities. Pivoting these programs to other areas outside of the Port District presents an ongoing challenge because we often face restrictive permit barriers to run our programs in places like Mission Bay, Silver Strand, and other City of San Diego beaches. Unfortunately, the most accessible areas for us to run our aquatic programs tend to be the ones most prone to water quality issues.

Designate more land for multiple beneficial uses to increase recreational opportunities and public coastal access.

We are disappointed that only five acres in the TLUP are designated for recreational open space. The City of San Diego has committed to its Climate Action Plan calling for the restoration of 700 acres of coastal wetland as a climate mitigation strategy. We encourage the Port to align the TLUP with these goals to maximize new coastal wetland habitat potential, providing optimal recreational opportunities and increased public access. Pepper Park is a shining example of how underutilized or decommissioned industrial spaces can be converted into recreational spaces that can coexist with these land uses. For example, we take our youth kayaking to enjoy the adjacent San Diego Bay Wildlife Refuge, a great outdoor classroom providing unique nature-watching opportunities and environmental education. We need more acreage of parks and open spaces like these in our bay.

Cesar Chavez Park is a severely underutilized and neglected space within the port district. It's wedged between busy shipping docks, barely visible from the main street, and has a significant outfall that contributes to poor water quality making it not an ideal place to swim or launch a kayak. The viewing dock is barely noticeable by any passerby and is often prone to loitering at

night because of poor lighting in the area. This space has great potential only if given the financial investment and attention it deserves. Other potential public access points along the coast can be investigated to be acquired for conversion into new park spaces or designated for multiple uses. We encourage the Port to explicitly identify areas such as Cesar Chavez Park, Sweetwater River bike path and open space, Chollas Creek Linear Park connections, and others, for potential recreational uses to maximize public coastal access and connectivity. The Port should collaborate with other land managers to meaningfully include communities in designing these coastal access amenities.

Improve overall transit connectivity and traffic calming to the Bayshore Bikeway (M Policy 1.1.8., 1.1.9, 1.2.1)

The Bayshore Bikeway is truly a unique gem of San Diego and our "community artery" connecting all of our bay cities and inland communities to the coast. We introduce our youth to their first biking experiences on this path. To make this artery function properly and keep people connected and flowing, it has to be safe and accessible by public transportation that is reliable and efficient. For example, our annual "BLVD to Beach" bike ride from our office on the 5200 block of Market Street took about two hours one-way to connect to the downtown ferry landing, which then connected us to the Bayshore Bikeway at Silver Strand. There were limited bike lanes and dangerous intersections to cross to get to the main bike path going through east San Diego, Barrio Logan, and the Downtown area. Safe connections and traffic calming can be improved at major traffic crossings to limit traffic accidents between joggers, bikes, and pedestrians using the path. There is an urgent need for more transit stops and rapid transit options within walking distance to the Bayshore Bikeway, especially connecting more inland communities from Southeast San Diego, east Chula Vista, Otay, and San Ysidro.

Need for more culturally relevant information and intentional inclusion of indigenous communities and their reconnection to the coast (WLU Policies 2.3.1 and 2.3.2)

We support the intention of inclusiveness as a priority, however, we think it would be strengthened further to go beyond signage, land acknowledgment, and commemorative "artifacts" to actually include present-day Kumeyaay communities in creating spaces for traditional fishing and navigation practices that reconnect these communities back to the coast. For example, Outdoor Outreach has had the opportunity to witness and participate in the annual launches of tule-reed boats off the bay in partnership with Kumeyaay Community College. We believe such opportunities should continue without barriers and could be an activity that the Port of San Diego should recognize and support.

The Public Trust and coastal access

We strongly support WLU policy 4.1.8: "No new private or quasi-private piers, gangways, or docks associated or connected to residential uses shall be permitted on Tidelands." The creation of such quasi-private spaces is in direct violation of the Coastal Act. We encourage focusing not only on new, but all existing piers, docks, pathways, public boat launching areas, and gangways to ensure that public access is not intentionally blocked or perceived as private.

Include increased opportunities for low-cost visitor accommodations at the coast

We support WLU Policy 6.1.2 which states clearly: "Recreation Open Space areas shall support programming and a variety of recreational activities, with a wide range of affordability and price points to ensure all visitors are able and encouraged to experience the waterfront." Outdoor Outreach is currently participating in the public input process for developing low-cost visitor accommodations at Silver Strand State Beach in partnership with California State Parks. The TLUP should align with the Silver Strand State Beach project, particularly on the bay side, to upgrade existing group camp facilities and amenities and support the expansion of additional affordable units in the new project area on the beach side. When taking out a new permit or renewing their permits, all Port District tenants should be required to demonstrate that they make low-cost visitor accommodations available and define them as not being solely designated for recreational vehicles. We encourage the Port to adopt a provision for permits that encourages local area resorts and hotels to provide low-cost accommodations and recreational opportunities for nonprofit organizations reaching underserved communities.

Thank you for providing the opportunity to comment on the draft TLUP. We urge the Port to revise the document to incorporate these comments and recommendations.

Sincerely,

Sonia V. Díaz

Sonia Diaz
Public Policy Manager

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Businesses and Tenants

Law Offices of Andrea Contreras
LAND USE | REAL ESTATE | ENVIRONMENTAL

August 17, 2023

By email only: TLUP@portofsandiego.org

Planning Department
Port of San Diego
P.O. Box 120488
San Diego, CA 92112-0488

Re: Tidelands Land Use Plan Discussion Draft

Dear Sir or Madam:

I represent Safe Harbor Marinas ("Safe Harbor") and I am submitting this correspondence on their behalf as comment to the Port's Tidelands Land Use Plan Discussion Draft (TLUP).

Safe Harbor is the owner of the lease for Coasterra Restaurant at 880 Harbor Drive (the "Lease"), as approved by the Port of San Diego ("Port") on October 12, 2021. Coasterra comprises a landside restaurant and a floating barge ("Barge") offshore from the restaurant. The Barge is approximately 6,250 square feet and is situated such that a portion of the Barge and bollards surrounding the barge are located on State submerged lands ("Submerged Lands").

In 2010, the State Lands Commission leased the Submerged Lands to the Port, which then subleased them to Sunroad Harbor Island, Inc., Safe Harbor's predecessor in interest to the Lease. A copy of the Submerged Lands sublease ("Sublease") is included with this correspondence. The Sublease is in full force and effect until June 27, 2050.

As can be seen in the graphic attached to the Lease, the Sublease is of submerged lands that appear to be included in Planning District 11 of the TLUP. Neither the Water Use Designations nor the Special Allowances address the Coasterra use.

In order to avoid any future planning conflict, Safe Harbor seeks confirmation of whether or not the area of the Sublease overlaps with Planning District 11. If so, Safe Harbor requests the Water Use Designation table be revised to include its commercial use or that the commercial use be included in the Special Allowances section 5.11.1(C).

9921 Carmel Mountain Road, No. 375 | San Diego, CA 92129-2813
andrea@sddirtlaw.com | www.sddirtlaw.com
858.733.0002

Thank you for the opportunity to comment and we look forward to engaging with you further regarding this issue.

Sincerely,

Andrea Contreras

Enclosures: Submerged Lands Sublease

9921 Carmel Mountain Road, No. 375 | San Diego, CA 92129-2813
andrea@sddirtlaw.com | www.sddirtlaw.com
858.733.0002

ATTACHMENT 1:

STATE LANDS LEASE

(30)

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
California State Lands Commission
Attn: Title Unit
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

County: San Diego

W 26298

LEASE PRC 8876.1

This Lease consists of this summary and the following attached and incorporated parts:

Section 1	Basic Provisions
Section 2	Special Provisions Amending or Supplementing Section 1 or 4
Section 3	Description of Lease Premises
Section 4	General Provisions
Exhibit A	Sublease
Exhibit B	Annual Report Form

San Diego Unified Port District
Document No. 56849
Filed JUL 06 2011
Office of the District Clerk

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **CALIFORNIA STATE LANDS COMMISSION** (100 Howe Avenue, Suite 100-South, Sacramento, California 95825-8202), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Code of Regulations, and for consideration specified in this Lease, does hereby lease, demise and let to the **San Diego Unified Port District**, hereinafter referred to as Lessee, those certain lands described in Section 3 subject to the reservations, terms, covenants and conditions of this Lease.

MAILING ADDRESS: P.O. Box 488
San Diego, CA 92112-0488

LEASE TYPE: General Lease- Commercial Use

LAND TYPE: 0.30 acres, more or less, of sovereign land

LOCATION: Adjacent to 880 Harbor Island Drive, San Diego Bay

LAND USE OR PURPOSE: Renovation, use, and maintenance of an existing barge to be used as a floating restaurant, and appurtenant facilities.

TERM: 40 years, beginning June 28, 2010, ending June 27, 2050, unless sooner terminated as provided under this Lease.

CONSIDERATION: **Year One:** $3,000 per year; **Years Two and Three:** A minimum of $6,000 per year against 3.8 percent of Lessee's gross income from gross sales revenues generated by the sublease on the Lease Premises in excess of the minimum annual rental; **Year Four and forward**: a minimum of $12,009 per year against 3.8 percent of Lessee's gross income from revenues generated by the sublease on the Lease Premises in excess of the minimum annual rental. Subject to modification by Lessor as specified in Paragraph 1 of Section 2 – Special Provisions, and Paragraph 2(b) of Section 4 – General Provisions.

AUTHORIZED IMPROVEMENTS:

EXISTING: Floating barge outfitted as a restaurant to be renovated, gangways, moorings, and protective pilings

TO BE CONSTRUCTED: Demolition of the existing multi-story superstructure and the construction of a new open-air dining venue with galley facility

CONSTRUCTION MUST BEGIN BY: Within 60 days of receipt of all permits and execution of a sublease

AND BE COMPLETED BY: Within 18 months of the start of construction

LIABILITY INSURANCE: Liability insurance with combined single-limit coverage of not less than $1,000,000, or equivalent staff-approved self-insurance program; and as specified in Paragraph 9(c) of Section 2 – Special Provisions.

SECTION 2
SPECIAL PROVISIONS

BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED OR SUPPLEMENTED AS FOLLOWS:

1. Beginning in year five and every fifth year thereafter, Lessor reserves the right to modify the minimum rental amount owed by applying the percentage change of the Consumer Price Index,

Los Angeles – Riverside – Orange Co. CA, All Items, 1982-84=100 for All Urban Consumers (CPI-U), over the prior five year lease period to the current minimum annual rent owed for such period; but in no event will the new minimum rental be reduced below the previous minimum rental owed.

2. Lessee shall pay to Lessor the minimum annual rental for Year One as specified in Section 1 Consideration, within 30 days of the beginning date of this Lease. Thereafter, beginning on or before the lease anniversary date of June 28, 2011, and annually thereafter on or before the next lease anniversary date during the term of this Lease, Lessee shall pay the established minimum annual rent due for that lease year as specified in Section 1 - Consideration, and as modified from time to time as specified in Paragraph 6 of Section 2. The minimum annual rental due shall be paid without deduction, delay or offset regardless of whether any activities are conducted on or over the Lease Premises, or whether additional rental accrues resulting from revenues generated by the Sublease on the Lease Premises.

3. Beginning in Year Two and thereafter, within 30 days of the anniversary date of this Lease, Lessee shall submit to Lessor an Annual Report documenting Lessee's receipt of rent received from all sublessees and/or assignees conducting revenue generating activities under the Sublease on the Lease Premises during the reporting period. Lessee shall submit its first Annual Report to Lessor on or before July 28, 2012, and annually thereafter on or before July 28 during the term of this Lease, which shall cover operations and activities from the prior reporting period. Lessor may elect to provide Lessee with forms for the Annual Report similar to that shown as Exhibit B attached, for reference purposes only. However, Lessor's failure to provide such forms shall not relieve Lessee of its obligation to submit the Annual Report under the terms and conditions as specified herein.

4. Any additional rental due in excess of the minimum annual rental paid for the corresponding period shall be due and payable on the same day that the Annual Report is due, and payment shall accompany such report.

5. Lessee shall maintain books and records of all financial transactions relating to the Lease Premises in accordance with generally accepted accounting principles. These records shall be supported by source documents such as agreements with sublessees/assignees, copies of invoices, receipts, and other pertinent documents. If requested by the State, the Lessee shall allow representatives of the State Lands Commission to examine copies of Federal and State Income Tax Returns in order to corroborate information regarding minimum annual rental and additional rental payments.

6. All Annual Reports submitted to Lessor shall be subject to audit and revision by representatives of the State Lands Commission, and such representatives may inspect all of Lessee's books, records, and documents relating to the operation of the Lease Premises at all reasonable times. Any statutory or other rights that Lessee may have to object to such inspections are hereby waived.

7. Within 60 days of the expiration or sooner termination of this Lease, Lessee shall submit to Lessor its final Annual Report along with any additional rental due in excess of the minimum annual rental paid in advance for that period.

8. Lessee agrees that in the event of the termination of this Lease from any cause whatsoever prior to its expiration date, no portion of the minimum annual rental paid in advance for that period shall be refundable.

9. Lessee is authorized to self-insure for General Liability coverage of no less than $1,000,000 and may satisfy all or part of the insurance coverage requirement of Section 1 through maintenance of self-insurance programs, provided that:

    a. Commission staff is satisfied that the self-insurance program adopted and maintained provides coverage equivalent to that required under Section 1 and Section 4;
    b. For any line of self-insurance that is regulated by the State, Lessee shall provide documentation demonstrating qualification and compliance with all applicable rules and regulations, including self-insurance certificates;
    c. Each year of this Lease, no later than the anniversary date of this Lease, Lessee shall provide Lessor's staff with any and all evidence that each self-insurance program is maintained; and
    d. Should Lessee elect to terminate all or any line or lines of its self-insurance, Lessee shall, at least 60 days prior to such termination, provide Lessor with written notice of such termination, accompanied by written evidence of new insurance coverage required by Section 1 and Section 4.

10. Lessor acknowledges that Lessee has entered into an option agreement to sublease the Lease Premises to Sunroad Asset Management Inc. (Sublessee) for purposes of renovating the existing barge. Lessor further acknowledges that upon completion of such renovation, Sublessee will assign the Sublease, attached hereto as Exhibit A for reference purposes only, to Sunroad Harbor Island Inc. (Assignee) for purposes of management and/or operation of the renovated barge. The following conditions apply with respect to the option agreement, sublease, and assignment:

    a. Prior to execution, Lessee will provide a copy of the option agreement, sublease, and assignment to Lessor for review and consideration for approval.
    b. Should the sublease and/or assignment be amended, assigned, and/or terminated and/or any new subleases and/or assignments be subsequently issued, prior to execution Lessee will provide copies of all such documents to Lessor for review and consideration for approval as specified in Paragraph 10 of Section 4 – General Provisions.
    c. In addition to Lessee's own liability insurance coverage requirements above, Lessee will provide Lessor with current copies of all insurance certificates required in Lessee's lease and/or sublease with Sublessee, including but not limited to combined single-limit Commercial General Liability insurance coverage of no less than $2,000,000 with a general aggregate coverage of $4,000,000, and Liquor Liability insurance coverage of no less than $2,000,000. All such insurance certificate copies will provide evidence that the State of California is named as an additional insured, that the insurer will not cancel the insured's coverage without 30 days prior written notice to Lessor, and that the State will not be responsible for any premiums or other assessments on the policy.

11. Lessor acknowledges that an 'Agreement and Consent to Encumbrancing of Lease' may be required on the Lease Premises as part of a financing package for the overall restaurant development project. Lessee shall submit such Agreement in accordance with Paragraph 10 of Section 4 – General Provisions to Lessor for review and consideration for approval.

12. Notwithstanding the provisions of Paragraph 12(a) of Section 4 – General Provisions, the barge as described in Section 1 – Authorized Improvements shall not be subject to any claims of title by the Lessor during the lease term or upon the expiration or sooner termination of this Lease. All other provisions of Paragraph 12 of Section 4 – General Provisions shall remain in full force and effect with respect to the barge, and all provisions of Paragraph 12 of Section 4 – General Provisions shall remain in full force and effect without modification with respect to all other improvements located on the Lease Premises.

13. Prior to the start of all removal, renovation, maintenance and construction activities on the Lease Premises, Lessee will provide to Lessor copies of all permits and authorizations from all federal, state, and local agencies having jurisdiction over such project, which shall comply with all safety regulations, terms and conditions of such permits and authorizations.

14. Lessor acknowledges that the barge is planned to be removed to an off-site facility for renovation purposes. Lessor further acknowledges that the barge may be removed to an off-site facility for other maintenance or renovation activities throughout the term of the lease. Prior to the commencement of any removal activities, Lessee will submit to Lessor's staff copies of any additional permits, authorizations, and/or environmental analysis documents pertaining to such removal and off-site renovation and other maintenance activities.

15. Lessee will provide Lessor with prior written notice of the removal date(s) for the barge, and shall further provide written notice of the completed off-site renovation and other maintenance activities and subsequent replacement of the barge on the Lease Premises.

16. Lessee agrees that upon the removal of the barge from the Lease Premises, the barge shall be prohibited from being returned to the Lease Premises until such time as the planned off-site renovation and other maintenance activities have been completed, or a revised plan for on-site completion of such renovation and other maintenance activities has been submitted to Lessor for review and consideration for approval.

17. Thirty days prior to commencement of any construction activities occurring on the Lease Premises, including but not limited to the removal, on-site renovation, or replacement of the renovated barge, Lessee will provide to Lessor a construction schedule time line chart showing all significant work activities that will take place during the course of such project. Additionally, Lessee will submit, for Lessor's staff review and comment, a copy of the construction contractor's work execution plan that provides the details of the manpower, equipment, construction methods, and procedures to be employed for each significant activity, safety procedures, etc.

18. Prior to commencement of any construction activities occurring on the Lease Premises as described herein, Lessee will provide to Lessor a project-specific hazardous spill contingency plan, with specific designation, including direct contact information, of the onsite person who will have responsibility for implementing the plan. The plan shall also provide for the call out of additional spill containment and clean up resources in the event of an incident that exceeds the rapid clean up capability of the onsite work force. In addition, in the event of an oil spill during construction that impacts State waters, notification is to be made as soon as possible to the State Office of Emergency Services at (800) 852-7550 and also to the Commission's 24-hour emergency response number (562) 590-5201 and other applicable agencies.

19. Lessee will require the contractor(s) to maintain a logbook during any removal and/or construction operations conducted under the Lease within the Lease Premises and lands subject to Lessor's jurisdiction to keep track of all debris created by objects of any kind that fall into the water. The logbook should include the type of debris, date, time, and location to facilitate identification and location of debris for recovery and site clearance verification. All waste material and debris created by Lessee shall be promptly and entirely removed from the Lease Premises and lands subject to Lessor's jurisdiction.

20. Any vessels, equipment, or machinery to be used on the Lease Premises are limited to those which are directly required to perform the authorized use and shall not include any vessels, equipment, or machinery that may cause damage to the Lease Premises or lands subject to Lessor's jurisdiction.

21. No vessel or equipment refueling, maintenance, or repairs shall be permitted within the Lease Premises or lands subject to Lessor's jurisdiction, with the exception of maintenance to the barge as authorized in Section 1.

22. All vessels, equipment, machinery, tools or other property taken onto or placed within the Lease Premises or lands subject to Lessor's jurisdiction shall remain the property of the Lessee and/or its authorized contractors. Such property shall be promptly and properly removed by Lessee, at its sole risk and expense.

23. Lessor accepts no responsibility for any damages to any property, including any vessels, equipment, machinery, or tools within the Lease Premises or lands subject to Lessor's jurisdiction.

24. Lessee acknowledges and agrees:

    a. The site may be subject to hazards from natural geophysical phenomena including, but not limited to, waves, storm waves, tsunamis, earthquakes, flooding and erosion.

    b. To assume the risks of injury and damage to Lessee, its agents, employees, contractors, permittees, invitees and guests and the Leased Lands from such hazards in connection with the development and use of the Leased Lands subject to any Coastal Development Permit.

    c. To unconditionally waive any claim or damage or liability against the State of California, its agencies, officers, agents, and employees for injury and/or damage from such hazards to Lessee, its agents, employees, contractors, permittees, invitees and guests.

    d. To indemnify, hold harmless and, at the option of Lessor, defend the State of California, its agencies, officers, agents, and employees, against and for any and all liability, claims, demands, damages, injuries, or costs of any kind and from any cause (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any alleged or actual injury, damage or claim due to site hazards or connected in any way with respect to the approval of any Coastal Development Permit involving the Leased Lands, except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.

In the event of any conflict between the provisions of Section 2 and Section 4 of this Lease, the provisions of Section 2 shall prevail.

//

SECTION 3

W26298

LAND DESCRIPTION

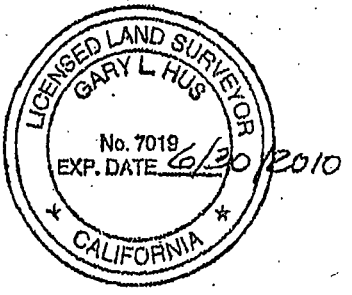
A parcel of submerged land in the bed of San Diego Bay, lying waterward of the U.S. Combined Pierhead and Bulkhead Line within the City of San Diego, State of California, and more particularly described as follows:

Commencing at U.S. Combined Pierhead and Bulkhead Line Station 457-E-1, as said U.S. Combined Pierhead and Bulkhead Line is shown and delineated on map entitled "Harbor Lines, San Diego Bay, California, File No. (D.O. Series) 426", Approved by the Secretary of the Army, April 1969, and filed with the Office of the District Engineer, Los Angeles California; thence leaving said Station 457-E-1 and along said U.S. Combined Pierhead and Bulkhead Line North 07°57'30" East a distance of 97.57 feet to the TRUE POINT OF BEGINNING; thence continuing along said U.S. Combined Pierhead and Bulkhead Line North 07°57'30" East a distance of 213.39 feet; thence leaving said U.S. Combined Pierhead and Bulkhead Line North 85°46'00" East a distance of 37.00 feet; thence South 4°14'00" East a distance of 168.00 feet to the beginning of a 60.00 foot radius curve, concave to the northwest; thence southwesterly along the arc of said curve through a central angle of 78°00'00" an arc distance of 81.68 feet to a point of non-tangency; thence North 66°33'31" West a distance of 39.00 feet to the TRUE POINT OF BEGINNING, containing 12,886 square feet or 0.30 acre of water covered area.

All bearings and distances in the above land description are grid, and based upon the California Coordinate System, Zone 6, N.A.D. 83, Epoch 1991.35.

1-26-2010

Gary L. Hus — Date
L.S. 7019



END OF DESCRIPTION

SECTION 4

GENERAL PROVISIONS

1. **GENERAL**
These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. **CONSIDERATION**
(a) **Categories**
(1) **Rental**
Lessee shall pay the annual rental as stated in this Lease to Lessor without deduction, delay, or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) **Non-Monetary Consideration**
If the consideration to Lessor for this Lease is the public use, benefit, health, or safety, Lessor shall have the right to review such consideration at any time and set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State.

(b) **Modification**
Lessor may modify the method, amount, or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. No such modification shall become effective unless Lessee is given at least thirty (30) days notice prior to the effective date.

(c) **Penalty and Interest**
Any installments of rental accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and the Lessor's then existing administrative regulations governing penalty and interest.

3. **BOUNDARIES**
This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. **LAND USE**
(a) **General**
Lessee shall use the Lease Premises only for the purpose or purposes stated in this Lease and only for the operation and maintenance of the improvements expressly authorized in this Lease. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this Lease or within ninety (90) days of the date set for construction to commence as set forth in this Lease, whichever is later. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements and within sixty (60) days after completing them. Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) **Continuous Use**
Lessee's use of the Lease Premises shall be continuous from commencement of the Lease until its expiration.

(c) **Repairs and Maintenance**
Lessee shall, at its own expense, keep and maintain the Lease Premises and all improvements in good order and repair and in safe condition. Lessor shall have no obligation for such repair and maintenance.

(d) **Additions, Alterations, and Removal**
(1) Additions - No improvements other than those expressly authorized in this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor.

(2) Alteration or Removal - Except as provided under this Lease, no alteration or removal of improvements on or natural features of the Lease Premises shall be undertaken without the prior written consent of Lessor.

(e) **Conservation**
Lessee shall practice conservation of water, energy, and other natural resources and shall prevent pollution and harm to the environment. Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Lease. Lessor, by its executive officer, shall notify Lessee, when in his or her opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(f) **Toxics**
Lessee shall not manufacture or generate hazardous wastes on the Lease Premises unless specifically authorized under other terms of this Lease. Lessee shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported on the Lease Premises during the Lease term and shall comply with and be bound by all applicable provisions of such federal, state or local law, regulation or ordinance dealing with such wastes, substances or materials. Lessee shall notify Lessor and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances, or materials.

(g) **Enjoyment**
Subject to the provisions of paragraph 5 (a) (2) below, nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitutes a material interference with Lessee's use

and enjoyment of the Lease Premises as provided under this Lease.

(h) **Discrimination**

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, religion, national origin, sex, age, or handicap.

(i) **Residential Use**

No portion of the Lease Premises shall be used as a location for a residence or for the purpose of mooring a structure which is used as a residence. For purposes of this Lease, a residence or floating residence includes but is not limited to boats, barges, houseboats, trailers, cabins, or combinations of such facilities or other such structures which provide overnight accommodations to the Lessee or others.

5. **RESERVATIONS, ENCUMBRANCES, AND RIGHTS-OF-WAY**

(a) **Reservations**

(1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(2) Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purpose associated with this Lease or for carrying out any function required by law, or the rules, regulations or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.

(3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease; however, such easement or right- of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the Lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessee under this Lease.

(b) **Encumbrances**

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by Lessor of title, condition, or fitness of the land for the stated or intended purpose.

6. **RULES, REGULATIONS, AND TAXES**

(a) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any other governmental agency or entity having lawful authority and jurisdiction.

(b) Lessee understands and agrees that a necessary condition for the granting and continued existence of this Lease is that Lessee obtains and maintains all permits or other entitlements.

(c) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Lease Premises, and such payment shall not reduce rental due Lessor under this Lease and Lessor shall have no liability for such payment.

7. **INDEMNITY**

(a) Lessor shall not be liable and Lessee shall indemnify, hold harmless and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, arising out of or connected in any way with the issuance, enjoyment or breach of this Lease or Lessee's use of the Lease Premises except for any such liability, claims, damage or injury solely caused by the negligence of Lessor, its officers, agents and employees.

(b) Lessee shall notify Lessor immediately in case of any accident, injury, or casualty on the Lease Premises.

8. **INSURANCE**

(a) Lessee shall obtain and maintain in full force and effect during the term of this Lease comprehensive general liability insurance and property damage insurance, with such coverage and limits as may be reasonably requested by Lessor from time to time, but in no event for less than the sum(s) specified, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition or maintenance of the Lease Premises and all improvements.

(b) The insurance policy or policies shall name the State of California, its officers, employees and volunteers as insureds as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current. The policy (or endorsement) must provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to Lessor. Lessor will not be responsible for any premiums or other assessments on the

policy. The coverage provided by the insured (Lessee) shall be primary and non-contributing.

(c) The insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

9. **SURETY BOND**

(a) Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants, and conditions of this Lease.

(b) Lessor may require an increase in the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved, by Lessor, or restored by Lessee as provided elsewhere in this Lease.

10. **ASSIGNMENT, ENCUMBRANCING OR SUBLETTING**

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(b) The following shall be deemed to be an assignment or transfer within the meaning of this Lease:

(1) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital stock of Lessee which results in a change of controlling persons, or the sale or other transfer of substantially all the assets of Lessee;

(2) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(c) If this Lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(d) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Lease Premises, Lessee shall do all of the following:

(1) Give prior written notice to Lessor;

(2) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party, or other transferee; and the nature of the use of and interest in the Lease Premises proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee, or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(3) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;

(4) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Lease Premises; and

(5) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee.

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(e) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(f) Lessee's mortgage or hypothecation of this Lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrancing of Lease) available from Lessor upon request.

(g) Upon the express written assumption of all obligations and duties under this Lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of

or activities on the Lease Premises; except as to any hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises.

(h) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the Lease Premises. No assumption or assignment of this Lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Lease will be cured; and (3) that all provisions of this Lease will be satisfactorily performed in the future.

11. **DEFAULT AND REMEDIES**

(a) **Default**

The occurrence of any one or more of the following events shall immediately and without further notice constitute a default or breach of the Lease by Lessee:

(1) Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease;

(2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease;

(3) Lessee's vacation or abandonment of the Lease Premises (including the covenant for continuous use as provided for in paragraph 4) during the Lease term;

(4) Lessee's failure to obtain and maintain all necessary governmental permits or other entitlements;

(5) Lessee's failure to comply with all applicable provisions of federal, state or local law, regulation or ordinance dealing with hazardous waste, substances or materials as defined under such law;

(6) Lessee's Failure to commence to construct and to complete construction of the improvements authorized by this Lease within the time limits specified in this Lease; and/or

(7) Lessee's failure to comply with applicable provisions of federal, state or local laws or ordinances relating to issues of Health and Safety, or whose purpose is to conserve resources or to protect the environment.

(b) Lessee's failure to observe or perform any other term, covenant or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of thirty (30) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach under this paragraph is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such thirty (30) day period and diligently proceeds with such cure to completion.

(c) **Remedies**

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

(1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises;

(2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice, Lessee shall immediately surrender possession of the Lease Premises to Lessor;

(3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises; and/or

(4) Exercise any other right or remedy which Lessor may have at law or equity.

12. **RESTORATION OF LEASE PREMISES**

(a) Upon expiration or sooner termination of this Lease, Lessor upon written notice may take title to any or all improvements, including fills, or Lessor may require Lessee to remove all or any such improvements at its sole expense and risk; or Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense. Lessee shall deliver to Lessor such documentation as may be necessary to convey title to such improvements to Lessor free and clear of any liens, mortgages, loans or any other encumbrances.

(b) In removing any such improvements Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction.

(c) All plans for and subsequent removal and restoration shall be to the satisfaction of Lessor and shall be completed within ninety (90) days after the expiration or sooner termination of this Lease or after compliance with paragraph 12(d), whichever is the lesser.

(d) In removing any or all the improvements Lessee shall be required to obtain any permits or other governmental approvals as may then be required by lawful authority.

(e) Lessor may at any time during the Lease term require Lessee to conduct at its own expense and by a contractor approved by Lessor an independent environmental site assessment or inspection for the presence or suspected presence of hazardous wastes, substances or materials as defined under federal, state or local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored or transported on the Lease Premises during the term of the Lease. Lessee shall provide the results of the assessment or inspection to Lessor and the appropriate governmental response agency(ies) and shall further be responsible for removing or taking other appropriate remedial action regarding such wastes, substances or materials in accordance with applicable federal, state or local law regulation or ordinance.

13. **QUITCLAIM**
Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation, be conclusive evidence against Lessee of the termination of this Lease and all other claimants.

14. **HOLDING-OVER**
Any holding-over by Lessee after the expiration of the Lease term, with or without the express or implied consent of Lessor, shall constitute a tenancy from month to month and not an extension of the Lease term and shall be on the terms, covenants, and conditions of this Lease, except that the annual rental then in effect shall be increased by twenty-five percent (25%).

15. **ADDITIONAL PROVISIONS**
(a) **Waiver**
(1) No term, covenant, or condition of this Lease and no default or breach of any such term, covenant or condition shall be deemed to have been waived, by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition of any other default or breach of any term, covenant or condition of this Lease.

(b) **Time**
Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) **Notice**
All notices required to be given under this Lease shall be given in writing, sent by U.S. Mail with postage prepaid, to Lessor at the offices of the State Lands Commission and the Lessee at the address specified in this Lease. Lessee shall give Lessor notice of any change in its name or address.

(d) **Consent**
Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) **Changes**
This Lease may be terminated and its term, covenants and conditions amended, revised or supplemented only by mutual written agreement of the parties.

(f) **Successors**
The terms, covenants and conditions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties.

(g) **Joint and Several Obligation**
If more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(h) **Captions**
The captions of this Lease are not controlling and shall have no effect upon its construction or interpretation.

(i) **Severability**
If any term, covenant or condition of this Lease is determined by a court of competent jurisdiction to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

/
/
/
/
/
/
/
/
/
/
/
/
/

W 26298

STATE OF CALIFORNIA - STATE LANDS COMMISSION

LEASE NO. PRC 8876.1

This Lease shall become effective only when approved by and executed on behalf of the State Lands Commission of the State of California and a duly executed copy has been delivered to Lessee. The submission of this Lease by Lessor, its agent or representative for examination by Lessee does not constitute an option or offer to lease the Lease Premises upon the terms and conditions contained herein, or a reservation of the Lease Premises in favor of Lessee. Lessee's submission of an executed copy of this Lease to Lessor shall constitute an offer to Lessor to lease the Lease Premises on the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date hereafter affixed.

LESSEE:

SAN DIEGO UNIFIED PORT DISTRICT

Karen Jane Weyman

DIRECTOR, REAL ESTATE

NOVEMBER 9, 2010

LESSOR:

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By: _____

Title: Chief, Division of Land Management

Date: JUL 01 2011

ACKNOWLEDGMENT(S)

This Lease was authorized by the California State Lands Commission on

JUNE 28, 2010
(Month Day Year)

(FOR USE BY SAN DIEGO UNIFIED PORT DISTRICT)

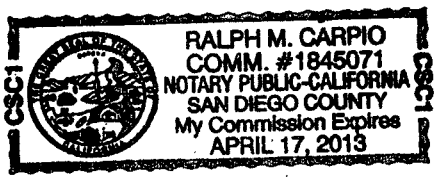
STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

On November 15, 2010 before me, Ralph M. Carpio, Notary Public, personally appeared Karen J. Weymann, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature _____ (Seal)

OPTIONAL

Though the information below is not required by law, it may prove valuable to person relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Lease PPC 8876.1

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name _____
- □ Individual
- □ Corporate Officer --Title(s):_____
- □ Partner -- □ Limited □ General
- □ Attorney in Fact
- □ Trustee
- □ Guardian or Conservator
- □ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer's Name _____
- □ Individual
- □ Corporate Officer --Title(s):_____
- □ Partner -- □ Limited □ General
- □ Attorney in Fact
- □ Trustee
- □ Guardian or Conservator
- □ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

56849 14

EXHIBIT A

(15)

San Diego Unified Port District
Document No. 56850
Filed SEP 15 2010
Office of the District Clerk

AGREEMENT FOR AMENDMENT OF LEASE
AMENDMENT NO. 4

THIS AGREEMENT, made and entered into this 6 day of July, 2010, by and between the SAN DIEGO UNIFIED PORT DISTRICT, a public corporation, hereinafter called "Lessor," and Sunroad Asset Management, Inc., a California corporation, hereinafter called "Lessee," *WITNESSETH:*

WHEREAS, Lessor and Ameritas Life Insurance Corporation (formerly Bankers Life Insurance Company of Nebraska), a Nebraska corporation ("Ameritas") on the 7th day of March, 1968, entered into a Lease of certain tidelands in the City of San Diego, California, which Lease is on file in the Office of the Clerk of Lessor bearing Document No. 3108 (hereinafter collectively the "Original Lease"); and

WHEREAS, Lessor and Ameritas, on the 23rd day of August, 1983 entered into an Agreement for Amendment of Lease, Amendment No. 1, which Amendment is on file in the Office of the Clerk of Lessor bearing Document No. 16279 ("First Amendment"); and

WHEREAS, Lessor and Ameritas, on the 26th day of August, 1985 entered into an Agreement for Amendment of Lease, Amendment No. 2, which Amendment is on file in the Office of the Clerk of Lessor bearing Document No. 18661 ("Second Amendment"); and

WHEREAS, Lessor and Ameritas, on the 29th day of April, 1997 entered into an Agreement for Amendment of Lease, Amendment No. 3, which Amendment on the 29th day of April, 1997, which Amendment is on file in the Office of the Clerk of Lessor bearing Document No. 35885 ("Third Amendment"); and

WHEREAS, Ameritas, on the 13th day of June, 2003 assigned said Original Lease (as amended) to Lessee, which Assignment is on file in the Office of the Clerk of Lessor bearing Document No. 46053 ("Assignment"); and

56849

ORIGINAL

15

(The Original Lease, as amended by the First, Second and Third Amendments and as assigned to Lessee by the Assignment may be collectively referred to herein as the "Lease." All capitalized terms used in this Amendment and not defined herein shall have the meanings set forth in the Lease.)

WHEREAS, Pursuant to a lease dated June 28, 2010, which lease is on file in the Office of the Clerk of Lessor bearing Document No. 56849, the State of California acting by and through its California State Lands Commission (the "State of California"), as lessor, leased to Lessor, as lessee, certain premises as more particularly described as follows (the "SLC Lease"):

Approximately 12,886 square feet of water area located northeast of 880 Harbor Island Drive in the City of San Diego, California, more particularly described and delineated on Drawing No. 007-043 dated December 14, 2009, attached hereto as Exhibits "A" and "B," and by this reference made a part hereof (the "Expansion Space"); and

WHEREAS, Lessor and Lessee are mutually desirous of further amending said Lease;

NOW THEREFORE, for valuable consideration, said Lease is hereby amended in the following respects and no others, and except as expressly amended, all terms, covenants and conditions of said Lease shall remain in full force and effect:

The following paragraph shall be added to the Lease:

27. SUBLEASE OF EXPANSION SPACE

(a) Expansion Space: For good and valuable consideration, receipt of which is hereby acknowledged, Lessor hereby subleases to Lessee, commencing as of June 28, 2010 ("Expansion Commencement Date") and ending on April 30, 2023, the Expansion Space. Lessee's lease of the Expansion Space shall be on the same terms and conditions applicable to the existing premises leased by Lessee pursuant to the Lease, as amended.

(b) Subordination: The parties agree that Lessee's lease of the Expansion Space (but specifically excluding the remainder of the premises leased by Lessee under the Lease) shall be subject and subordinate to all of the terms, covenants, conditions, and provisions of the SLC Lease. In the event of a conflict between the Expansion Space lease and the SLC Lease, the SLC Lease shall prevail. Lessee shall, in no case, have any rights in respect of the Expansion Space greater than Lessor's rights under the SLC Lease. Nothing contained in this Paragraph 27 shall be construed to create privity of estate or contract between Lessee and the State of California.

(c) Conditions: In order to carry out the intent of the parties as to the subordination as set forth in Subparagraph 27(b), the parties agree to observe and perform the following conditions:

56849

16

(d) Insurance

(1) Lessee shall be required to provide evidence to Lessor that the State of California is named as an additional insured on all insurance certificates required by this Expansion Space lease, and that the insurer will not cancel the insured's coverage without 30 days prior written notice to Lessor, and that the State of California will not be responsible for any premiums or other assessments on the policy.

(e) Project Information Requirements

(1) Prior to the start of all removal, renovation, maintenance and construction activities on the Expansion Space, Lessee will provide to Lessor copies of all permits and authorizations from all federal, state, and local agencies having jurisdiction over the project, which shall comply with all safety regulations, terms and conditions of such permits and authorizations.

(2) Lessor acknowledges that the barge is planned to be removed to an off-site facility for renovation purposes and that this renovation has been determined to be Categorically Exempt pursuant to California Environmental Quality Act Guidelines Sections 15301 Class I, 15302 Class II, 15304 Class IV, and Resolution 97-191 and an Excluded Development under Sections 8a (3) and (5), b (1) and (2), and d (1), (2), and (7) of the District's Coastal Development Permit Regulations. Lessor further acknowledges that the barge may be removed to an off-site facility for other maintenance or renovation activities throughout the term of the lease. Prior to the commencement of any removal activities, Lessee will submit to Lessor copies of any additional permits, authorizations, and/or environmental analysis documents pertaining to such removal and offsite renovation and other maintenance activities.

(3) Lessee will provide Lessor with prior written notice of the removal date for the barge, and shall further provide written notice of the completed off-site renovation and other maintenance activities and subsequent replacement of the barge on the Expansion Space.

(4) Lessee agrees that upon the removal of the barge from the Expansion Space, the barge shall be prohibited from being returned to the Expansion Space until such time as the planned off-site renovation and other maintenance activities have been completed, or a revised plan for on-site completion of such renovation and other maintenance activities has been submitted to Lessor for review and consideration for approval.

56849

(5) Thirty days prior to commencement of any construction activities occurring on the Expansion Space, including but not limited to the removal, on-site renovation, or replacement of the renovated barge, Lessee will provide to Lessor a construction schedule time line chart showing all significant work activities on the Expansion Space that will take place during the course of such project. Additionally, Lessee will submit, for Lessor's review and comment, a copy of the construction contractor's work execution plan that provides the details of the manpower, equipment, construction methods, and procedures to be employed for each significant activity, safety procedures, etc.

(6) Prior to commencement of any construction activities occurring on the Expansion Space as described herein, Lessee will provide to Lessor a project-specific hazardous spill contingency plan, with specific designation, including direct contact information, of the onsite person who will have responsibility for implementing the plan. The plan shall also provide for the call out of additional spill containment and clean up resources in the event of an incident that exceeds the rapid clean up capability of the onsite work force.

(7) Lessee will require the contractor(s) to maintain a logbook during any removal and/or construction operations conducted under the Expansion Space lease on the Expansion Space and lands subject to the State of California's jurisdiction to keep track of all debris created by objects of any kind that fall into the water. The logbook should include the type of debris, date, time, and location to facilitate identification and location of debris for recovery and site clearance verification. All waste material and debris created by Lessee shall be promptly and entirely removed from the Expansion Space and lands subject to the State of California's jurisdiction.

(8) Any vessels, equipment, or machinery to be used on the Expansion Space and lands subject to the State of California's jurisdiction are limited to those which are directly required to perform the authorized use and shall not include any vessels, equipment, or machinery that may cause damage to the Expansion Space and lands subject to the State of California's jurisdiction.

(9) No vessel or equipment refueling, maintenance, or repairs shall be permitted within the Expansion Space or lands subject to the State of California's jurisdiction with the exception of maintenance to the barge.

56849

18

(10) All vessels, equipment, machinery, tools or other property taken onto or placed within the Expansion Space or lands subject to the State of California's jurisdiction shall remain the property of the Lessee and/or its authorized contractors. Such property shall be promptly and properly removed by Lessee, at its sole risk and expense.

(11) Lessor accepts no responsibility for any damages to any property, including any vessels, equipment, machinery, or tools within the Expansion Space or lands subject to the State of California's jurisdiction.

(f) Acknowledgements

(1) Lessee acknowledges and agrees:

(i) The Expansion Space may be subject to hazards from natural geophysical phenomena including, but not limited to, waves, storm waves, tsunamis, earthquakes, flooding and erosion.

(ii) To assume the risks of injury and damage to Lessee, its agents, employees, contractors, permittees, invitees and guests and the Expansion Space from such hazards in connection with the development and use of the Expansion Space subject to any Coastal Development Permit.

(g) Conservation

(1) Lessee shall practice conservation of water, energy, and other natural resources and shall prevent pollution and harm to the environment. Lessee shall not violate any law or regulation whose purpose is to conserve resources or to protect the environment. Violation of this section shall constitute grounds for termination of the Expansion Space lease. Lessor, shall notify Lessee, when in Lessor's opinion, Lessee has violated the provisions of this section and Lessee shall respond and discontinue the conduct or remedy the condition within 30 days.

(h) Reservations, Encumbrances, and Rights of Way

(1) The parties understand and agree that the State of California expressly reserves all natural resources in or on the Expansion Space, including but not limited to timber and minerals as defined under Public Resources Code Sections 6401 and 6407, as well as the right to grant leases in and over the Expansion Space for the extraction of such natural resources; however, such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Expansion Space lease.

56849

(2) The parties understand and agree that the State of California expressly reserves a right to go on the Expansion Space and all improvements for any purpose associated with this Expansion Space lease or for carrying out any function required by law, or the rules, regulations or management policies of the State of California. The State of California shall have a right of reasonable access to the Expansion Space across Lessee owned or occupied lands adjacent to the Expansion Space for any purpose associated with this Expansion Space lease.

(3) The parties understand and agree that the State of California expressly reserves to the public an easement for convenient access across the Expansion Space to other State-owned lands located near or adjacent to the Expansion Space and a right of reasonable passage across and along any right-of-way granted by the SLC Lease; however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessor or Lessee under this Expansion Space lease.

(4) The parties understand and agree that the State of California expressly reserves the right to lease, convey, or encumber the Expansion Space, in whole or in part, during the Expansion Space lease term for any purpose not inconsistent or incompatible with the rights or privileges of Lessor or Lessee under this Expansion Space lease.

(5) The Expansion Space may be subject to pre-existing contracts, leases, licenses, easements, encumbrances, and claims and is made without warranty by the State of California of title, condition, or fitness of the land for the stated or intended purpose.

(i) Rules, Regulations, and Taxes

(1) Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State of California or any other governmental agency or entity having lawful authority and jurisdiction.

(2) Lessee accepts responsibility for and agrees to pay any and all possessory interest taxes, assessments, user fees or service charges imposed on or associated with the leasehold interest, improvements or the Expansion Space.

(j) Assignment, Encumbrancing or Subletting

(1) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Expansion Space lease and shall not sublet the Expansion Space, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Expansion Space without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

(2) The following shall be deemed to be an assignment or transfer within the meaning of this Expansion Space lease.

(i) If Lessee is a corporation, any dissolution, merger, consolidation or other reorganization of Lessee or sale or other transfer of a percentage of capital stock of Lessee which results in a change of controlling persons, or the sale or other transfer of substantially all the assets of Lessee;

(ii) If Lessee is a partnership, a transfer of any interest of a general partner, a withdrawal of any general partner from the partnership, or the dissolution of the partnership.

(3) If this Expansion Space lease is for sovereign lands, it shall be appurtenant to adjoining littoral or riparian land and Lessee shall not transfer or assign its ownership interest or use rights in such adjoining lands separately from the leasehold rights granted herein without the prior written consent of Lessor.

(4) If Lessee desires to assign, sublet, encumber or otherwise transfer all or any portion of the Expansion Space, Lessee shall do all of the following:

(i) Give prior written notice to Lessor;

(ii) Provide the name and complete business organization and operational structure of the proposed assignee, sublessee, secured third party, or other transferee, and the nature of the use of and interest in the Expansion Space proposed by the assignee, sublessee, secured third party or other transferee. If the proposed assignee, sublessee, or secured third party is a general or limited partnership, or a joint venture, provide a copy of the partnership agreement or joint venture agreement, as applicable;

(iii) Provide the terms and conditions of the proposed assignment, sublease, or encumbrance or other transfer;

(iv) Provide audited financial statements for the two most recently completed fiscal years of the proposed assignee, sublessee, secured party or other transferee; and provide pro forma financial statements showing the projected income, expense and financial condition resulting from use of the Expansion Space; and

(v) Provide such additional or supplemental information as Lessor may reasonably request concerning the proposed assignee, sublessee, secured party or other transferee:

Lessor will evaluate proposed assignees, sublessees, secured third parties and other transferees and grant approval or disapproval according to standards of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors.

(5) Lessor shall have a reasonable period of time from the receipt of all documents and other information required under this provision to grant or deny its approval of the proposed party.

(6) Lessee's mortgage or hypothecation of this Expansion Space lease, if approved by Lessor, shall be subject to terms and conditions found in a separately drafted standard form (Agreement and Consent to Encumbrance of Lease) available from Lessor upon request.

(7) Upon the express written assumption of all obligations and duties under this Expansion Space lease by an assignee approved by Lessor, the Lessee may be released from all liability under this Expansion Space lease arising after the effective date of assignment and not associated with Lessee's use, possession or occupation of or activities on the Expansion Space; except as to any hazardous wastes, substances or materials as defined under federal, state, a local law, regulation or ordinance manufactured, generated, used, placed, disposed, stored, or transported on the Expansion Space.

(8) If the Lessee files a petition or an order for relief is entered against Lessee, under Chapters 7,9,11 or 13 of the Bankruptcy Code (11 USC Sect. 101, et seq.) then the trustee or debtor-in-possession must elect to assume or reject this Expansion Space lease within sixty (60) days after filing of the petition or appointment of the trustee, or the Expansion Space lease shall be deemed to have been rejected, and Lessor shall be entitled to immediate possession of the

56849

Expansion Space. No assumption or assignment of this Expansion Space lease shall be effective unless it is in writing and unless the trustee or debtor-in-possession has cured all defaults under this Expansion Space lease (monetary and non-monetary) or has provided Lessor with adequate assurances (1) that within ten (10) days from the date of such assumption or assignment, all monetary defaults under this Expansion Space lease will be cured; and (2) that within thirty (30) days from the date of such assumption, all non-monetary defaults under this Expansion Space lease will be cured; and (3) that all provisions of this Expansion Space lease will be satisfactorily performed in the future.

(k) Defaults and Remedies: Lessor will provide a copy of any default notice received from the State of California regarding the Expansion Space to Lessee immediately upon receipt, and Lessee shall have the opportunity but not the obligation, to cure any of the following default or alleged default events set forth in such notice on behalf of Lessor:

(1) Lessor's failure to make any payment of rental, royalty, or other consideration as required under the Expansion Space lease;

Provided, however, Lessee shall be prohibited from taking any action to cure a default on behalf of Lessor that is not permitted in the Lease. Lessee will be permitted to offset against its next payments of rent due under the Lease any and all amounts reasonably expended by Lessee in connection with such default. The terms of this section will not relieve Lessor of any liability for any default under its lease with the State of California.

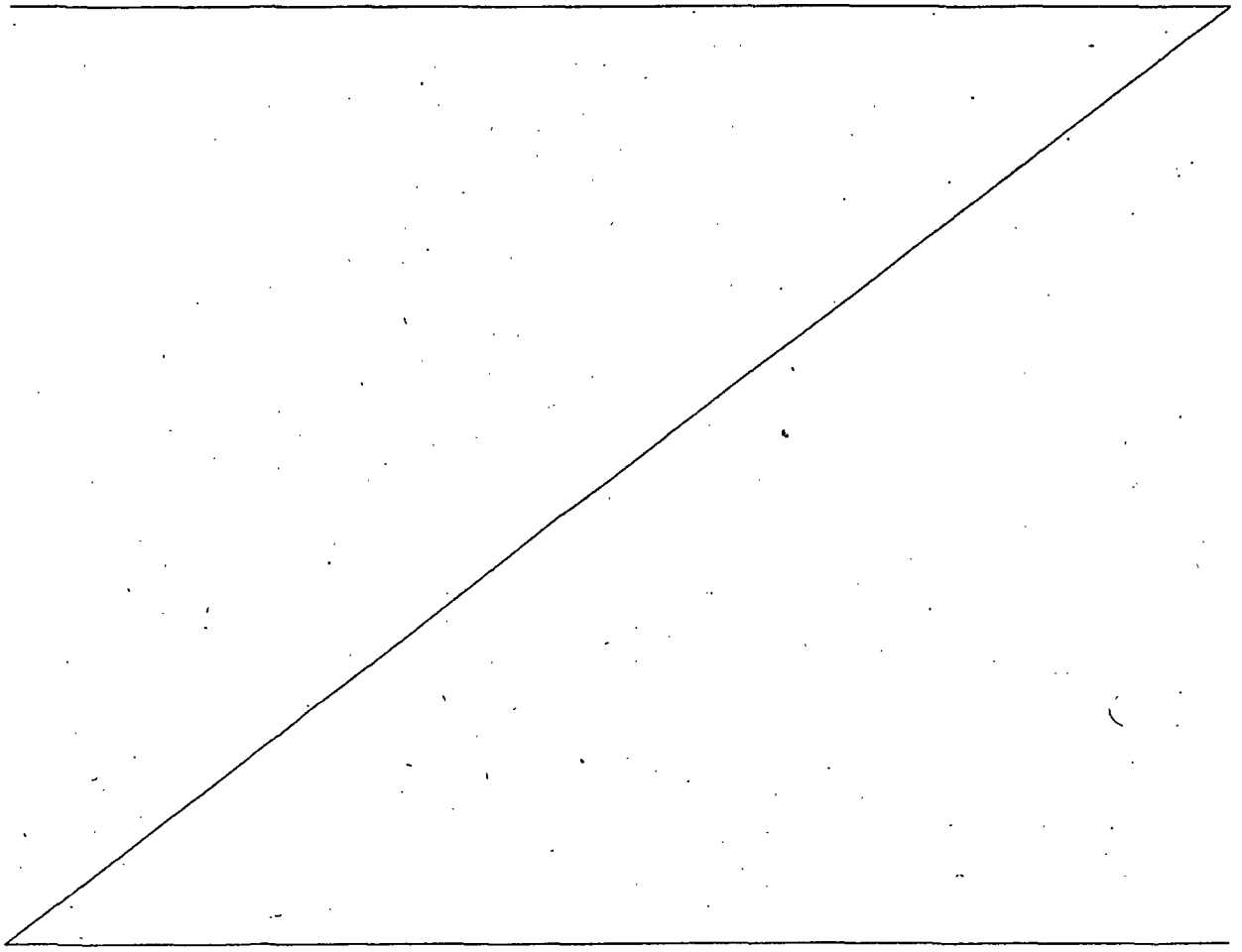
(l) Lessor Obligations: The performance by Lessor of any of the terms and conditions of this Paragraph 27 shall be subject to the performance by the State of California under the SLC Lease if such performance is required in order for Lessor to perform. Except as provided in Section d below, Lessor shall have no liability to Lessee in the event that the State of California shall fail to perform any act on the part of the State of California to be performed; provided that Lessor shall use good faith and reasonable efforts to obtain any consents and/or approvals required under the SLC Lease and shall enforce the SLC Lease for the benefit of Lessee. Lessor will provide Lessee with copies of any notices received from the State of California pursuant to the SLC Lease immediately after its receipt of such notice.

(m) Condemnation: The Expansion Space shall be deemed to be a material portion of the premises under the Lease for the purposes of Lessee's rights and remedies provided in Section 18 of the Original Lease and any termination or cancellation of the SLC Lease or any loss by Lessee of the Expansion Space shall be deemed to be a condemnation event under such Section 18.

(n) Notice of Improvements: Lessee shall notify Lessor in writing prior to commencing any material structural improvements on the Expansion Space.

(o) Assignment of Lease: Notwithstanding anything to the contrary in the Lease, Lessor's consent shall not be required for an assignment of the Lease, as amended by this Paragraph 27, to an affiliate of Lessee, including without limitation Sunroad Harbor Island Restaurants, Inc. upon the same terms and conditions set forth herein. Additionally, Lessor hereby acknowledges that Lessee currently subleases the Island Prime Restaurant located on the premises leased pursuant to the Lease to KirschCohn, Inc., and Lessor consents to the amendment of such sublease to conform to this Paragraph 27.

(p) Consent of State of California: In connection with the execution of this Amendment, and as a condition to Lessor's obligations under the Lease, as amended hereby, Lessor will obtain the consent of the State of California to this Amendment.



56849

MEMORANDUM OF LEASE AMENDMENT NO. 4

MEMORANDUM OF LEASE AMENDMENT NO. 4: This is the final Paragraph and Memorandum of Lease Amendment No. 4, dated July 6, 2010, between SAN DIEGO UNIFIED PORT DISTRICT, Lessor, and Sunroad Asset Management, Inc. a California corporation, Lessee, concerning the Leased Premises described in Exhibits "A" and "B," attached hereto and by this reference made a part hereof.

For good and adequate consideration, Lessor leases the Leased Premises to Lessee, and Lessee hires them from Lessor, for the term and on the provisions contained in Lease dated March 7, 1968 on file in the Office of the Distrcit Clerk as Clerk's Document No. 3103), as amended by Lease Amendment No. 1 dated August 23, 1983, Lease Amendment No. 2 dated August 26, 1985, Amendment No. 3 dated April 29, 1997 and this Lease Amendment No. 4, including without limitation provisions prohibiting assignment, subleasing, and encumbering said leasehold without the express written consent of Lessor in each instance, all as more specifically set forth in said Lease and said Lease Amendments Nos. 1, 2, 3 and 4, which are incorporated in this Memorandum by this reference.

The term is fifty-five (55) years, beginning May 1, 1968, and ending on April 30, 2023. This Lease Amendment No. 4 shall become effective as of July 6, 2010.

This Memorandum is not a complete summary of the Lease Amendment. Provisions in this Memorandum shall not be used in interpreting the Lease Amendment provisions. In the event of conflict between this Memorandum and other parts of the Lease Amendment, the other parts shall control. Execution hereof constitutes execution of the Lease Amendment itself.

Port Attorney

By _____
DEPUTY PORT ATTORNEY

SAN DIEGO UNIFIED PORT DISTRICT

By _____
Signature
Karen J. Weymann
Director, Real Estate

SUNROAD ASSET MANAGEMENT, INC.,
A CALIFORNIA CORPORATION

By _____
Signature

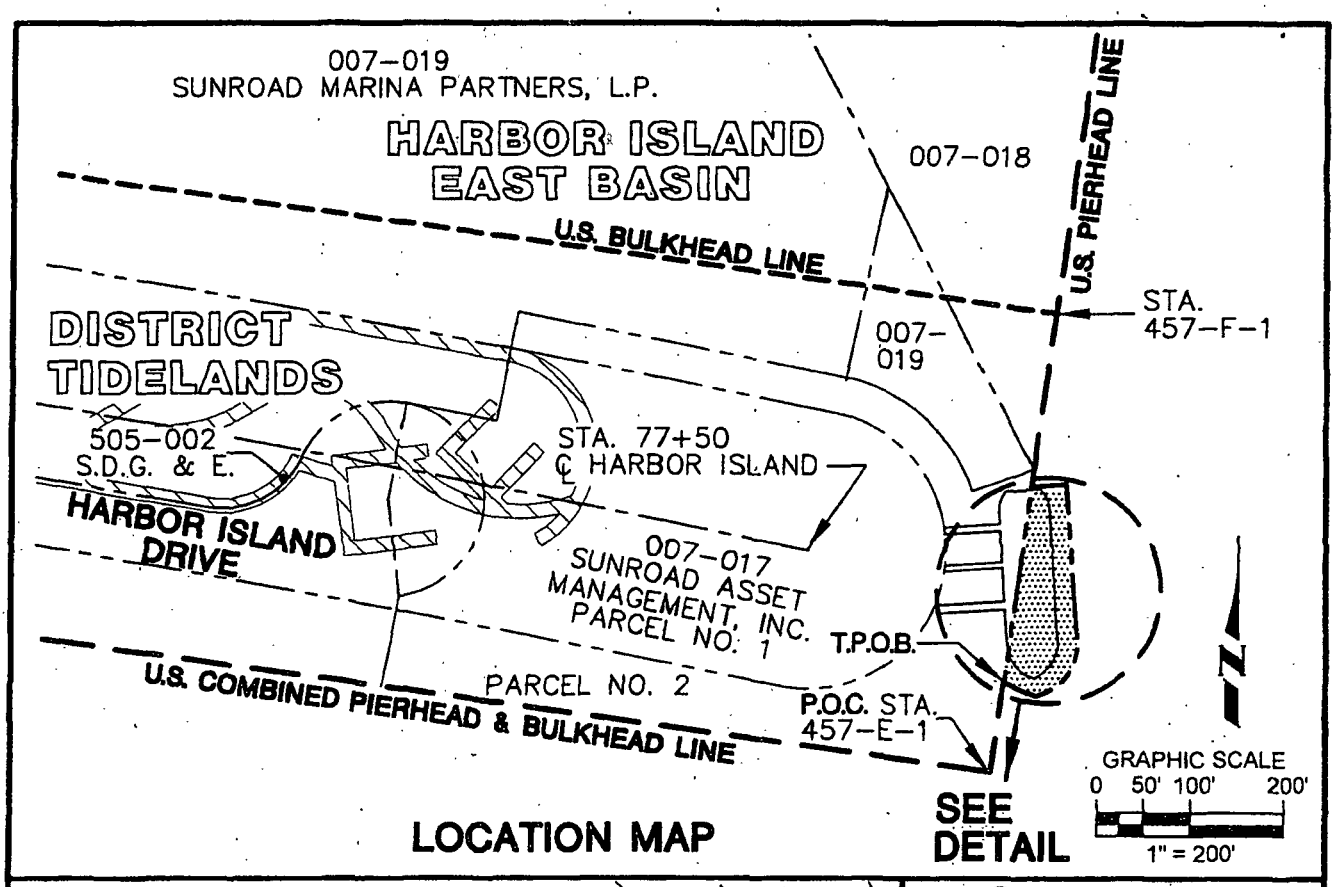
PRINT NAME: _____

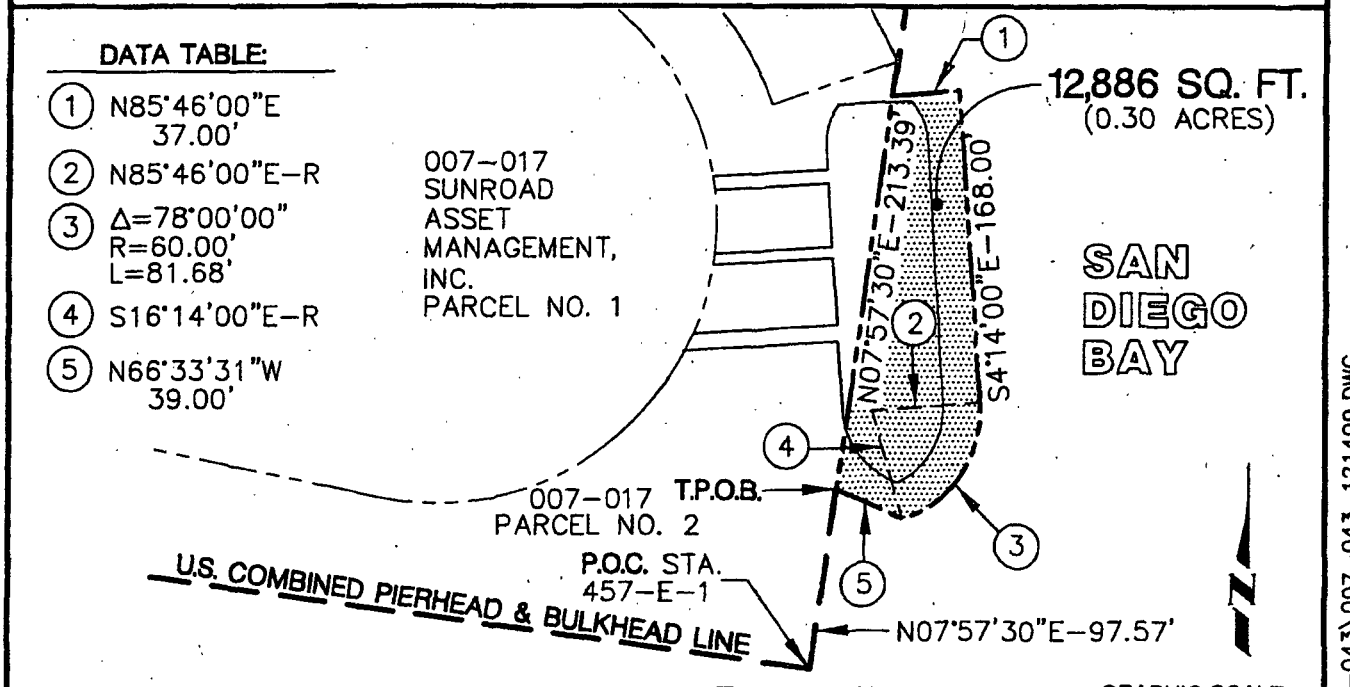
PRINT TITLE: VP

56849

SDUPD Docs No. 432183

25





NOTES:
1. SUBLEASE AREA SHOWN SHADED.
2. BEARINGS AND DISTANCES ARE GRID AND BASED UPON THE CALIFORNIA COORDINATE SYSTEM, ZONE 6, N.A.D. 83, EPOCH 1991.35.

DRAWN JFD CHECKED REVIEWED A. SANTONIL	**SAN DIEGO UNIFIED PORT DISTRICT** SUBLEASE WITHIN CORPORATE LIMITS OF SAN DIEGO **SUNROAD HARBOR ISLAND, INC.**	DATE DEC. 14, 2009 SCALE AS SHOWN REF.
APPROVED By T. MARSHALL DIRECTOR OF REAL ESTATE		DRAWING NO. SHEET 1 OF 1 007-043

DEVSERV\REMI\E007\007-043\007-043_121409.DWG

56849

EXHIBIT "A"

Lease Description for
SUNROAD HARBOR ISLAND, INC.
SUBLEASE
Parcel / Drawing No 007-043
Within Corporate Limits of San Diego

All that certain portion of submerged land in the bed of San Diego Bay, leased from the State of California and lying bayward of the Combined U.S. Pierhead and Bulkhead Line within the City of San Diego, State of California, and more particularly described as follows:

Commencing at the Combined U.S. Pierhead and Bulkhead Line Station 457-E-1, as said Combined U.S. Pierhead and Bulkhead Line is shown and delineated on map entitled "Harbor Lines, San Diego Bay, California, File No. (D.O. Series) 426", Approved by the Secretary of the Army , April 1969, and filed with the Office of the District Engineer, Los Angeles California; thence leaving said Station 457-E-1 and along said Combined U.S. Pierhead and Bulkhead Line North 07°57'30" East a distance of 97.57 feet to the TRUE POINT OF BEGINNING; thence continuing along said Combined U.S. Pierhead and Bulkhead Line North 07°57'30" East a distance of 213.39 feet; thence leaving said Combined U.S. Pierhead and Bulkhead Line North 85°46'00" East a distance of 37.00 feet; thence South 4°14'00" East a distance of 168.00 feet to the beginning of a 60.00 foot radius curve, concave to the northwest; thence southwesterly along the arc of said curve through a central angle of 78°00'00" an arc distance of 81.68 feet to a point of non-tangency; thence North 66°33'31" West a distance of 39.00 feet to the TRUE POINT OF BEGINNING, containing 12,886 square feet or 0.30 acre of water covered area.

The above described water area is delineated on the San Diego Unified Port District Drawing No. 007-043, dated 14 December 2009 and made a part of this agreement.

All bearings and distances in the above legal description are grid, and based upon the California Coordinate System, Zone 6, N.A.D. 83, Epoch 1991.35.

By T. MARSHALL 12/14/09
Director of Real Estate Date

56849

Sheet 1 of 1

EXHIBIT "B"

(FOR USE BY SAN DIEGO UNIFIED PORT DISTRICT)

STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

On September 15, 2010 before me, Ralph M. Carpio, Notary Public, personally appeared Karen J. Weymann, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

RALPH M. CARPIO
COMM. #1845071
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Commission Expires
APRIL 17, 2013

Signature _____ (Seal)

OPTIONAL

Though the information below is not required by law, it may prove valuable to person relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: **Amendment No. 4 to Lease (#3108) with Sun Road**

Document Date: **July 6, 2010** Number of Pages: **15**

Signer(s) Other Than Named Above: **Uri Feldman**

Capacity(ies) Claimed by Signer(s)

Signer's Name _____
- ☐ Individual
- ☐ Corporate Officer --Title(s):_____
- ☐ Partner – ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name _____
- ☐ Individual
- ☐ Corporate Officer --Title(s):_____
- ☐ Partner – ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

56849

(FOR USE BY SAN DIEGO UNIFIED PORT DISTRICT)

(STATE OF CALIFORNIA)

(COUNTY OF SAN DIEGO)

On Sept. 8, 2010 before me, Lisa A. Snyder, Notary Public, personally appeared Uri Feldman, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Lisa A. Snyder

LISA A. SNYDER
Commission # 1872290
Notary Public - California
San Diego County
My Comm. Expires Dec 25, 2013

OPTIONAL

Though the information below is not required by law, it may prove valuable to person relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Agreement to Amendment of Lease Amendment No. 4

Document Date: _____ Number of Pages: 11

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name Uri Feldman	Signer's Name _____
☐ Individual	☐ Individual
☒ Corporate Officer -Title(s): Vice President	☐ Corporate Officer -Title(s): _____
☐ Partner -- ☐ Limited ☐ General	☐ Partner -- ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer is Representing: _____	Signer is Representing: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

50849

EXHIBIT B

CALIFORNIA STATE LANDS COMMISSION

Annual Report of Rent for the Lease Period from 6/28/20___ - 6/27/20___

Please Note: If no percent of gross rental is due, report(s) is(are) still required.

ANNUAL REPORT DUE ON OR BEFORE JULY 28TH OF EACH YEAR FOR THE PRECEEDING LEASE PERIOD

LESSEE: **San Diego Unified Port District**

PRC: 8876.1

ANNIVERSARY DATE: **JUNE 28**

MAILING ADDRESS: **Real Estate**
Attn: Tony Gordon
PO Box 120488
San Diego, CA 92112-0488

[ ] New Address:

PERCENTAGE OF GROSS RENTAL CALCULATION				
Gross Income from:	$ Amount of Gross Income	X % Allocable to State	X % Payable to State	RENTAL DUE STATE
Gross Revenues generated by subleases on the Lease Premises	$	100%	3.8%	$
TOTAL RENTAL DUE BASED ON GROSS INCOME				$
Less minimum annual rental paid in advance, on or before the 'Anniversary Date'				$< >
TOTAL ADDITIONAL RENTAL DUE ON OR BEFORE JULY 28TH OF EACH YEAR				$

ALL RENTAL PAYMENTS SUBMITTED ARE SUBJECT TO AUDIT AND REVISION.

Mail to:

California State Lands Commission
Attn.: Accounting Unit
100 Howe Avenue, Suite 100 South
Sacramento, California 95825-8202

Please put the PRC # on your check.

Thank you!

CERTIFICATION

I certify (or declare) under penalty of perjury that the foregoing is true and correct, and that it is complete to the best of my knowledge and belief.

Signature of Lessee or Agent

Title _____

Dated _____

At _____
(City and State)

VERIFICATION

(DO NOT WRITE IN THIS SPACE)

AMOUNT	C/REF	DATE

CALCULATION BY STATE

DIFFERENCE

CALCULATIONS VERIFIED BY

56849

SLC Routing: **Accounting** **Negotiator** **File** **Other:**

7/9/96

(2)

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE 2614

AN ORDINANCE AUTHORIZING AND ACCEPTING
A LEASE FROM
THE STATE OF CALIFORNIA,
ACTING BY AND THROUGH
THE CALIFORNIA STATE LANDS COMMISSION

WHEREAS, San Diego Unified Port District (District) desires to enter into a lease with the California State Lands Commission for approximately 12,886 square feet of water area located northeast of 880 Harbor Island Drive in the City of San Diego; and

WHEREAS, the District further desires to sublease said approximately 12,886 square feet of water area to Sunroad Harbor Island, Inc. for the renovation and operation of the former Reuben E. Lee Restaurant, NOW, THEREFORE,

The Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. That lease agreement from the State of California, acting by and through the California State Lands Commission, to the San Diego Unified Port District, a public corporation, on file in the office of the District Clerk, leasing to the District approximately 0.30 acres, more or less, of sovereign land located adjacent to 880 Harbor Island Drive in the City of San Diego, to be used for the renovation, use and maintenance of an existing barge to be used as a floating restaurant and appurtenant facilities for a period of Forty (40) years, commencing June 28, 2010, and ending June 27, 2050, subject to earlier termination, is hereby authorized, approved and accepted as recommended by the Executive Director; said lease agreement shall be in substantially the form presented to and considered at the meeting of the Board of Port Commissioners held on July 6, 2010.

Section 2. The Executive Director or his authorized representative is hereby directed to execute the said lease agreement with the State of California, acting by and through the California State Lands Commission, on behalf of the District.

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

sw
7/6/10

(4)

AGENDA ITEM 15

SAN DIEGO UNIFIED PORT DISTRICT

DATE: July 6, 2010

SUBJECT: **SUNROAD ASSET MANAGEMENT, INC.**

A) ORDINANCE ACCEPTING 40 YEAR LEASE FROM CALIFORNIA STATE LANDS COMMISSION FOR USE OF 12,886 SQUARE FOOT WATER PARCEL ADJACENT TO SUNROAD ASSET MANAGEMENT, INC. LEASEHOLD ON HARBOR ISLAND

B) CONTINGENT ON APPROVAL OF (A), ORDINANCE GRANTING AMENDMENT NO. 4 TO LEASE WITH SUNROAD ASSET MANAGEMENT, INC. TO INCORPORATE 14 YEAR SUBLEASE OF CALIFORNIA STATE LANDS COMMISSION PARCEL INTO LEASE

EXECUTIVE SUMMARY:

Sunroad Asset Management, Inc. (Sunroad) has a lease on Harbor Island with two restaurants, Island Prime and the vacant Reuben E. Lee floating restaurant (REL). Sunroad was granted an option agreement to redevelop the REL in June 2008. Part of the REL is located in waters under the jurisdiction of the California State Lands Commission (CSLC). A condition of the option is that the District enter into a lease agreement with the CSLC for the water parcel in CSLC jurisdiction and then sublease the parcel to Sunroad.

Subject to CSLC approval, staff has negotiated a 40-year lease agreement between the District and CSLC for use of the 12,886 (.3 acres) water parcel in CSLC jurisdiction, along with a sublease to Sunroad for the same parcel. Under the terms of the proposed lease, the District would pay CSLC $3,000 per year for the first year, $6,000 per year versus 3.8% of gross District revenue from the REL for the next two years and $12,000 per year versus 3.8% of gross revenue beginning in year four for use of the water parcel. All lease obligations *excluding rental payments* will then be passed on to Sunroad via the proposed sublease agreement which will be incorporated into the existing Sunroad lease by Amendment No. 4. When Sunroad exercises its option to redevelop the REL, staff will request consent to a new sublease or the assignment of the sublease to the new Sunroad entity.

RECOMMENDATION:

Adopt Ordinance Accepting 40-Year Lease from California State Lands Commission for Use of 12,886 Square Foot Water Parcel Adjacent to the Sunroad Asset Management, Inc. Leasehold on Harbor Island.

Contingent on Approval of (A), Adopt Ordinance Granting Amendment No. 4 to Lease with Sunroad Asset Management, Inc. to Incorporate 14-Year Sublease of California State Lands Commission Parcel into Lease.

ACTION TAKEN: 07-06-2010 - Ordinances 2614 and 2615

FISCAL IMPACT:

The proposed Board action will result in annual rental payments from the District to the CSLC of $3,000 for the first year; $6,000 versus 3.8% of gross District revenue from the REL for years two and three; and $12,000 versus 3.8% beginning in year four, subject to 5-year CPI adjustments.

COMPASS STRATEGIC GOALS:

Approval of this proposed lease will position the leasehold for the redevelopment of an underutilized asset on the Bayfront thereby enhancing a dynamic waterfront and increasing District revenues.

This agenda item supports the following Strategic Goal(s).

- ☐ Promote the Port's maritime industries to stimulate regional economic vitality.
- ☒ Enhance and sustain a dynamic and diverse waterfront.
- ☐ Protect and improve the environmental conditions of San Diego Bay and the Tidelands.
- ☐ Ensure a safe and secure environment for people, property and cargo.
- ☐ Develop and maintain a high level of public understanding that builds confidence and trust in the Port.
- ☐ Develop a high-performing organization through alignment of people, process and systems.
- ☒ Strengthen the Port's financial performance.
- ☐ Not applicable.

DISCUSSION:

Background
Sunroad acquired the restaurant leasehold in May 2003 and closed the REL in December of that year. Sunroad subsequently invested approximately $2 million in the renovation of the former Reuben's Restaurant, which was reopened in 2005 as the Island Prime restaurant. Sunroad is currently under option to execute a $9 million renovation of the currently vacant REL restaurant.

CSLC Lease to District
During the negotiations for the REL option, staff discovered that a portion of the floating restaurant extends into water under the CSLC's jurisdiction. In order for the REL redevelopment to proceed, the District must lease the water parcel from the CSLC and sublease it to Sunroad. Staff has now negotiated a 40-year lease with the CSLC staff, subject to approval by their Commission. The annual rent for the CSLC parcel will be $3,000 for the first year, $6,000 versus 3.8% of gross annual District revenue from the REL for years two and three and $12,000 versus 3.8% of gross revenue from year four forward, subject to 5-year CPI adjustments. The rent represents a pro-rata share of the

revenue from the REL. Rent will be paid by the District; however, all other lease terms will be passed on to Sunroad via the sublease described below. The terms of the proposed lease are included on the attached CSLC LEASE INFORMATION SUMMARY.

District Sublease to Sunroad (via Lease Amendment No. 4)
Contingent upon the Board accepting the proposed CSLC lease to the District, Sunroad's existing lease will be amended to include a sublease of the same parcel for the remainder of the existing term (14 years). This action will enable Sunroad to begin construction on the floating restaurant without encroaching on CSLC property. When Sunroad exercises its option, staff will return to the Board to request consent to a new sublease or an assignment of the sublease for the duration of the CSLC lease. All lease obligations, excluding rent, will be passed on to Sunroad through the proposed sublease. Sunroad is not required to pay rent for the CSLC parcel because they are already paying rent to the District through their existing lease. The terms of the proposed lease amendment and sublease are included on the attached SUNROAD LEASE INFORMATION SUMMARY AND SUBLEASE INFORMATION SUMMARY.

Port Attorney's Comments:

The Port Attorney has reviewed and approved the requested documents for form and legality.

Environmental Review:

The proposed Board action is not subject to CEQA.

Equal Opportunity Program:

Not applicable.

PREPARED BY: Tony Gordon
Senior Asset Manager

CSLC LEASE INFORMATION SUMMARY

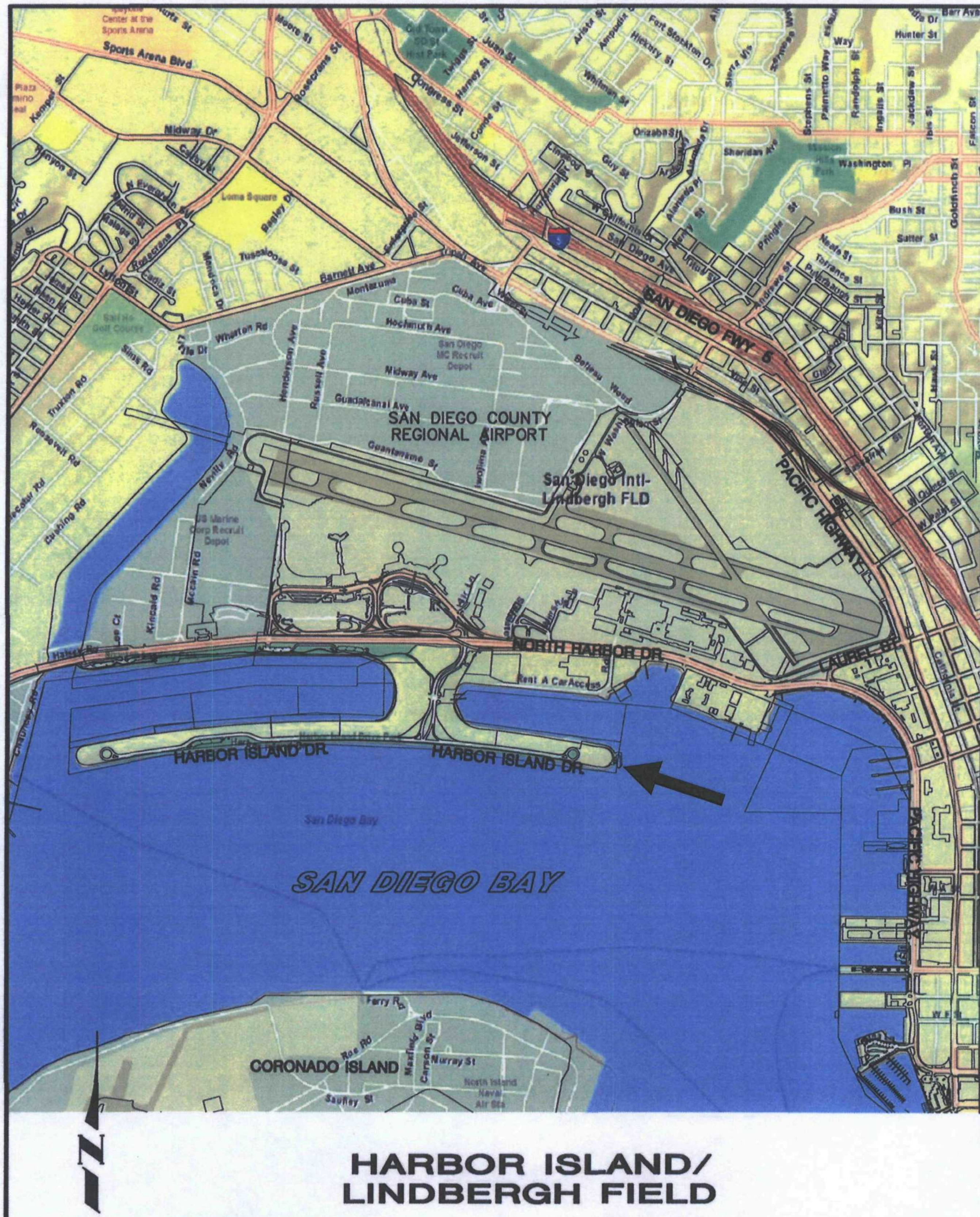
Lessee:	San Diego Unified Port District
Lessor:	State of California
Location:	Water parcel located northeast of 880 Harbor Island Drive
Area:	12,886 square feet– water
Use:	Restaurant, banquet, and bar facility
Term:	40 years, commencing on June 1, 2010 and ending on May 31, 2050
Rent:	• Year 1: $3,000 per year • Years 2-3: $6,000 per year vs. 3.8% of gross annual District revenue from REL restaurant • Years 4-40: $12,000 per year vs. 3.8% of gross annual District revenue from REL restaurant
CPI Rent Adjustments of Minimum Rent:	Every 5 years.
Rent Reviews:	N/A
Encumbrance, Assignment, Sublease	Subject to Lessor approval

SUBLEASE INFORMATION SUMMARY

Sublessee:	Sunroad Asset Management, Inc., a California Corporation
Location:	Water parcel located northeast of 880 Harbor Island Drive
Area:	12,886 square feet– water
Use:	Restaurant, banquet, and bar facility
Term:	Sublease will commence upon execution of the document with Sunroad and will be coterminous with the current Sunroad lease, ending on April 30, 2023
Rent:	No rent - Sunroad will pay rent under their current lease with the District.
Subordination:	Sublease will be subordinate to the lease between the District and California State Lands Commission (CSLC) for use of the water parcel.
Termination:	Sublease is subject to terminate if the current Sunroad lease is terminated or if the lease between the District and CSLC is terminated.
Bond:	$1 million
Encumbrance, Assignment, Sublease:	Subject to CSLC approval.

SUNROAD LEASE INFORMATION SUMMARY

Lessee:	San Diego Unified Port District
Lessor:	Sunroad Asset Management, Inc.
Location:	880 Harbor Island Drive
Area:	145,979 square feet - land; 91,650 square feet - water
Use:	Restaurant, cocktail lounge, gift shop, and related facilities
Term:	5/1/1968 – 4/30/2023 (55 years)
Rent:	$324,750 vs. standard District percentage rental rates
Proposed Amendment:	New Paragraph 27 – Sublease of Expansion Space. Incorporates 14-year sublease of CSLC parcel into lease under existing lease terms.
Next Rent Review:	1/1/2014
Improvements Summary:	16,705 square foot two story floating restaurant, 9,375 square foot one-story restaurant building, parking lot and landscaping



HARBOR ISLAND/ LINDBERGH FIELD

Attachment to Agenda Sheet No. 15

SAN DIEGO UNIFIED PORT DISTRICT
San Diego, Ca.

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
ORGANIZED BY PLANNING DISTRICT

PORT of SAN DIEGO
Waterfront of Opportunity

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
BAYWIDE or MULTIPLE PLANNING DISTRICTS

From: dwood8@cox.net
Sent: Thursday, July 20, 2023 6:42 PM
To: Lesley Nishihira
Cc: Lily Tsukayama; 'Janet Rogers'; 'Susan Simon'
Subject: RE: TLUP Discussion Draft

Lesley:

Under this update, who takes over responsibility for the maintenance and upgrading of the existing the federal navigation channel?

Who manages periodic dredging of the shipping channels now?

Does that responsibility get transferred to the port now that you have jurisdiction over the bay bottom?

What plans do you have to maintain or upgrade the channel(s) to ensure continued use by large merchant ships and Naval vessels? Where is the money to do that dredging going to come from?

Will I find this information addressed in the new discussion draft plan?

Let me know if you set up a meeting to discuss the new draft plan and I'll try to attend.

Thanks.

DW

From: Lesley Nishihira <lnishihi@portofsandiego.org>
Sent: Thursday, July 20, 2023 5:10 PM
To: Janet Rogers <jsrogers624@gmail.com>; Susan Simon <rbfsandiego@gmail.com>; Don Wood <dwood8@cox.net>
Cc: Lily Tsukayama <ltsukayama@portofsandiego.org>
Subject: TLUP Discussion Draft

Hi Janet, Susan and Don,
Hope you are all enjoying summer! Just sending an update on the Trust Lands Use Plan (TLUP) the Port is preparing pursuant to Senate Bill 507. The Discussion Draft of the TLUP is now available for a 30-day public review period which closes on August 21, 2023. You can access the Discussion Draft here: https://www.portofsandiego.org/trust-lands-use-plan.

If you'd like to schedule time to discuss, just let me know. You may also submit formal comments to this email address: TLUP@portofsandiego.org.

Thanks!
Lesley

Lesley Nishihira, AICP
Director, Planning

3165 Pacific Highway, San Diego, CA 92101
(o) 619.686.6469 • (c) 619.961.6322

connect:

Port administration offices are open Monday-Thursday and every other Friday from 8am-5pm.

From: Lisa Clements <lkclements97@gmail.com>
Sent: Friday, July 21, 2023 11:19 AM
To: TLUP
Subject: TLUP Diagram

Categories: Green Category

Hello,

Thank you for the opportunity to comment on the TLUP. On my devices it is difficult for me to be sure I am properly identifying the subject blue areas.

The “hatched” blue areas appear to be the waterway of the entire bay excepting those areas marked with a lighter color blue and a still lighter color blue. That being said, I will presume the darker blue area is the subject area.

My questions are:
• Currently the USCG is the authority from whom permission is sought for boating events (regattas). Will that change to the Port?
• Is the lighter, solid, blue area in the South Bay included in the 6,000 acres identified in the current SB507? If not, what entity controls that area and would it impact any plans the Port may have/make for the surrounding area?

Thank you.

Lisa Clements

--
Have a wonderful day. From Gmail Mobile.

From: Loefflers <loefflers@san.rr.com>
Sent: Sunday, July 23, 2023 11:59 AM
To: TLUP
Subject: feedback - Navy Base security areas & national security priorities

Categories: Green Category

On your website you wrote: "It's important that any expanded or new uses do not conflict with priority uses that already exist on and around the bay like water recreation, cargo and other large vessel movement via the federal navigation channel, commercial fishing, public safety, national security, environmental conservation, and more." (emphasis added)

It appears your document is paying only lip service to national security interests. For example:

(1) Section 3.1.4(A) states "this TLUP establishes 6 water and land use designations, and is then followed by the blue shaded map on page 37, but that map doesn't match Figure 2.1 (NOAA chart 18773) on page 14, which clearly shows the security zones (in purple) around the Navy's bases, specifically:

(a) the Naval Amphibious Base (only a small portion of the base isn't under the new expansion),
(b) the turning basin and portion of the northern coastline of Naval Air Station North Island (only a small portion of the basin isn't under the new expansion),
(c) the straight edged areas along Point Loma supporting the SubBase, (curved portions of the base aren't under the new expansion),
(d) the water to the east of Naval Base Point Loma Harbor Drive Annex, and
(e) the full extent of the 32nd Street Naval Base (straight line portions of the base aren't under the new expansion)

Your document would be better served if you showed on one map the combined layers of national security areas around our bases with your new trust land use plan. As it appears now, there IS a conflict between national security interests and your expanded/new use areas.

==========

(2) WLO Policy 5.1.3 reads: "All development shall be located, designed and constructed to:

a. Give highest priority to the use of existing land space in harbors for coastal-dependent port purposes, including, but not limited to, …

Your document would be better served if you added national security to the list of commercial and public activities, rather than inferring it is also in there, just not listed.

==========

(3) Why is there no WLO GOAL related to supporting maritime military infrastructure and deepwater access?

==========

I will continue to review your document (have only read through page 60).

Sincerely,

Steve Loeffler

From: Mark Stephens <msdesmtnsea@hotmail.com>
Sent: Monday, August 21, 2023 11:40 PM
To: TLUP
Subject: Port Trust Lands Use Plan Discussion Draft

To Whom It May Concern:

Hello, and thank you for providing notice of availability of this draft document. I would greatly appreciate continuing to receive any future notices regarding this topic, including any future materials made available for review and any public meetings held where it is considered. Thanks again!

Best wishes,

Mark G. Stephens, AICP
500 W. Harbor Dr. Unit 514
San Diego, CA 92101
(619) 884-6799 (cell)
msdesmtnsea@hotmail.com

From: Mary Berube <mjberube1@gmail.com>
Sent: Sunday, August 27, 2023 2:27 PM
To: Lesley Nishihira; TLUP
Cc: Kim Tolles
Subject: TLUP Comments on Discussion Draft

Director of Planning Lesley Nishihira and Port Planners,

I realize that I am a week late on commenting on the Discussion Draft but in the spirit of your statement that the Port welcomes and encourages all feedback throughout the TLUP approval process, I am submitting them. I understand that they won't be official public comments but I'm hoping they are a help!

Best Regards,

Mary Berube
Resident of Coronado Cays

Comments on TLUP Discussion Draft:

Chapter 3.1

3.1.1 Purpose – page 23.

As noted, in the TLUP the water and Land Use Element has been developed in conformance with the Coastal Act, the Public Trust Doctrine, and the Port Act.

Please include Public Trust Doctrine in the bullet point reading "Balancing the requirements of the Port Act and Coastal Act and Public Trust Doctrine; and"

Page 24. "Informational Box" What is the limit of the ED's discretion regarding use of district funds?

WLU Objective 2.4 – p.29.
After "There shall be no net loss," please add "The Port shall implement improvements in conservation intertidal acreage." This will certainly be a practical implementation of WLU Objective 2.4.

WLU Objective 5.1.3- page 33.

Why isn't there more priority given to "other benefits?" Give Recreation Open Space and conservation its due! Passive Space is as valuable as so-called activated uses.

Expand WLU Goal 6 -page 34.
More passive recreation – how about no cost as and option. Lower cost and no cost access.

3.1.5 Allowable Use Regulations - page 36.

If there are three types of uses - primary secondary and non permitted. what is paragraph 5 then? Please clarify or reword for us non-planner types.

Page 40. Where are footnotes 1 and 2? Have to be more easily found

Table 3.1.5 - page 45.

Environmental education and remediation. - wrong texts in there perhaps.

Figures 3.2.1 and 3.2.2 - pages 52 and 53.

Please address the distinction between Navigation Channel found on Figure 3.2.1 and Navigation Corridor and Federal Navigation Channel found on Figure 3.2.2. Is this a legal distinction or a planning distinction? Navigation along the west side of the south bay, in channels, corridors or accessways, doesn't seem to be addressed- especially in light of environmental concerns such as eel grass, endangered sea turtles, and use by humans of powered boats, hovercraft, and jet skis on very shallow water. The Chula Vista Conference Center will generate increased use within the south part of the bay in the wildlife refuge. How about language such as Mobility Element goals, objectives and policies should not interfere with the purpose, goals, objectives and policies of chapter 3.3 Ecology Element.

Page 59 Mobility Policy – page 59.

M Policy 1.11. Eliminate "independently". At minimum please explain why it is necessary to have an independent ability to identify access opportunities without review by adjacent jurisdictions and permittees.

Figure 3.3.1. – page 69.
Why are the ecological opportunity areas identified only on federal (Navy) land?
What about other ecological opportunity areas such as Grand Caribe Isle's west side?

ECO Policy 1.1.3 c. – page 70.
Please clarify this clause for Subject-Verb agreement. Now it reads shall: when affecting…., must
.
Eco Policy 1.1.10 – page 71.

"Development that contains landscapes areas with existing invasive species shall not not continue to maintain these invasive species." This needs to be changed to "shall remove from landscaping" instead of failure to maintain. The reason that they are invasive is that they spread even faster without maintenance because they like the climate and there are less predators and competitors for them to be contained.

Eco Policy 1.1.14 a. – page 72

Recommend change to language to read: “Shall explore and determine opportunities for specific…”

Policy 1.1.16. – page 72.

I think you mean’ Figure 3.3.1. Not 3.3.2.

Page 73
Please clarify the difference between ECO Policy 1.2.19 and ECO Policy 1.2.20. Because an Ecology adaptation strategy’s goal is improving the resiliency of the Bay’s ecological system.

Eco Policy 1.123 - page 74.

Recommend that the word strive be changed to “shall. “ .In view of the need to protect the public trust which includes natural resources such as fish, in view of the decline of insects, in view of the upcoming designation of the bay as critical habitat for endangered sea turtles, and in view of Port’s own Sea Level Rise Vulnerability and adaptation reports, striving is not enough.

SR Policy 3.2.3 a. – page 95.

Substitute considers with adopts. This is necessary, especially in light of OPC guidance on SLR expected to be adopted in December 2023.

SR 3.46 and 3.47 – page 104.

Important to coordinate among jurisdictions on SLR plans especially in the South Bay where we are subject to multiple plans from, for example, Coronado, Navy, CalTrans, Port and upcoming State Park SLR report.

ECON policy 2.4.4 – page 127.

Encouraging the expansion of the hotel industry is a model which has left half the hotel spaces on the waterfront vacant and overpriced. Please consider rewording to include balancing his interests: The Port should balance the expansion of such industry with the public’s need for a healthy South Bay which is the fish nursery for recreational fishing, eco tourism, carbon sequestration, clean water, and a resilient shoreline. The TLUP should recognize and incorporate the hotel industry (conference center) which is already part of the Chula Vista Master Plan.

Glossary. Commonly used acronyms should be put with definitions. For example, Coastal Development Permit (CDP) is used in text and is not in Glossary. Please add California Coastal Commission (CCC). CCC is listed within Port Master Plan Update definition and not itself explained. Please include a definition for the word “strive: if used in TLUP.

PORT of SAN DIEGO
Waterfront of Opportunity

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
PD11 – NORTH BAY

(no comments from individuals received on this planning district)

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
PD12 – NORTH CENTRAL BAY

(no comments from individuals received on this planning district)

PORT of SAN DIEGO
Waterfront of Opportunity

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
PD13 – SOUTH CENTRAL BAY

(no comments from individuals received on this planning district)

Trust Lands Use Plan
Discussion Draft Comments

Comments received during the public review period:

July 20, 2023 – August 21, 2023

Comments from Individuals
PD14 – SOUTH BAY

From: Farmer Leon <ibfarmerleon@gmail.com>
Sent: Monday, August 21, 2023 12:10 PM
To: TLUP
Subject: Opposition to the Trust Use plan SB 507

I am in opposition to State funds SB507 funding which limits public use and access of our tidelands.

I support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay and tidelands.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego would grant port control of lands and allow them to trade off more of our public lands for an new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same as 2012 when the port district took away 850 acres of public open space promised by the San Diego Port district known as Pond 20. This land trade disenfranchised local use of public lands and gave the value to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tidelands.

I support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay and tidelands.

The recent Grand Jury investigation shows this is how the San Diego Port District disenfranchise the local public from it tidelands. .

My opinion is that the entire Port District 50 Year Master Plan plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Leon Benham,
Citizens for Coastal Conservancy - Imperial Beach
"Our Community....Our Choice"
Phone 619-964-9153


San Diego Bay
Nat'l Wildlife
Refuge
Aviary
Roosting Tree
Sanctuary
5
Lagoon Dr
Ferry
Landing
Snorkel
Bay
Sports Cove
Harbor Park
Expansion
Catch
Cafe
Farmers
Harbor
Yellowtail
Waterfalls
Bike
Rentals
Fountain
~1500ft
~4000ft
5

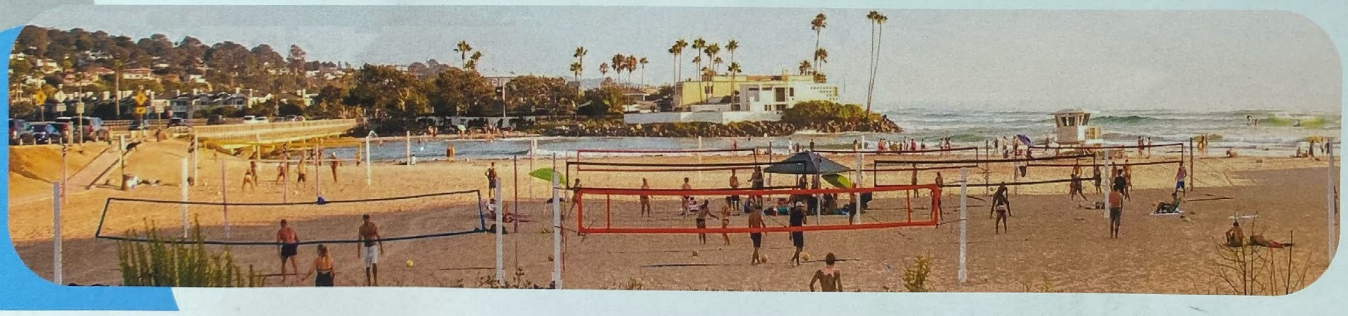
Siesta Island

- Recreation (8+ Miles)
- Aviary Tours
- Events
- Boating/ Rentals
- Sports
- Bike/ Walking Trails
- Dining
- Art Installations
- Wildlife Habitat
- Outdoor Movie Theater

Siesta Island

This project is to provide 8 miles of shoreline and over 80 acres of aviary roosting trees. Siesta Island transforms the South San Diego Bay to restore public coastal access to southern cities. This visionary project takes inspiration from around the world to improve the environment and improve the quality of life for local citizens

Forward thinking/wise public development can bring an unprecedented economic boom to surrounding communities and improves public access and recreation to the South San Diego Bay coastline.



Sunset Cliffs
Fleetridge
Azure Vista
Point Loma
Little Italy
San Diego
Logan Heights
Encanto
North Island Naval Air Station
Sea N Air Golf Course
Naval Base Point Loma
Cabrillo National Monument
Coronado
US Naval Amphibious Base
Naval Base San Diego
National City
Paradise Hills
Lincoln Acres
Sunny Vista
Chula Vista
San Diego Bay Nat'l Wildlife Refuge
Silver Strand State Beach
San Diego Country Club
Harbor Side
Castle Park
Otay
Main St
Bay Blvd
Broadway
Imperial Ave
Market St
National Ave
Harbor Island Dr
N Harbor Dr
E Harbor Dr

From: Margaret Williamson <elkie44@gmail.com>
Sent: Monday, August 21, 2023 12:30 PM
To: TLUP
Subject: Development of the South Bay project

Finally, after many years of back and forth, development of the South Bay from E and H streets south is starting to take place, I see the huge hotel rising from the freeway as I drive by.

Now, to my question. Now is the time to ensure public access to our bay. There is growth all around, but how much attention is being given to public access to our tidelands? I feel the idea of a "Siesta Island" put forth by citizens of the South Bay is a great one. We have been disadvantaged for years and years. Don't you think it's about time for a change in that regard? You did not hesitate to give that concept to Mission Bay in it's development. The 1966 Border Areas Plan was scrapped and now you turn a blind eye to the development of an island that would afford so many opportunities of outdoor enjoyment. Please let it happen. Include it in the plans that you oversee. Don't turn your back on us again.

I hope to hear your feedback on this important matter.

Regards,
Margaret Williamson
Imperial Beach

From: Leon cfc <leon@citizensforcoastalconservancy.org>
Sent: Monday, August 21, 2023 12:46 PM
To: TLUP
Subject: Opposition to the Transfer from State Lands Commision SB 507
Attachments: image0.jpeg; image3.jpeg; image2.jpeg; image1.jpeg

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Leon Benham,
Citizens for Coastal Conservancy - Imperial Beach "Our Community....Our Choice"
Phone 619-964-9153

Attachment 1

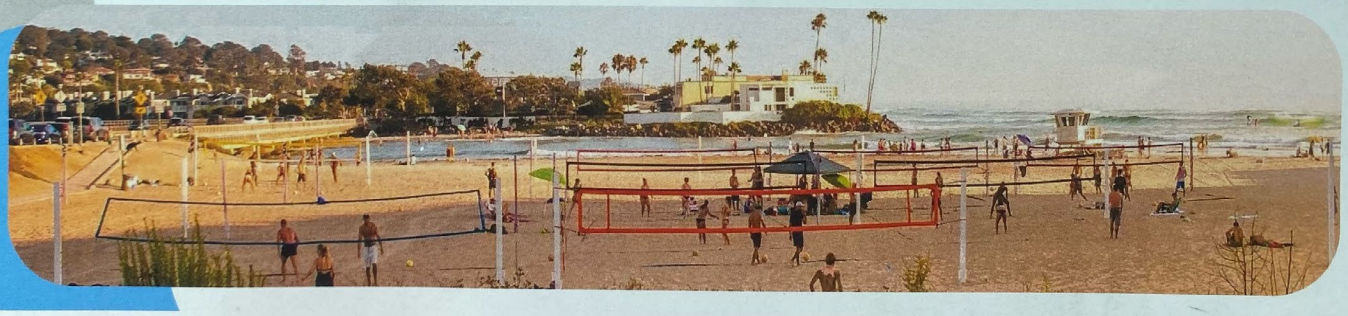
Attachment 2

Attachment 3

Siesta Island

This project is to provide 8 miles of shoreline and over 80 acres of aviary roosting trees. Siesta Island transforms the South San Diego Bay to restore public coastal access to southern cities. This visionary project takes inspiration from around the world to improve the environment and improve the quality of life for local citizens

Forward thinking/wise public development can bring an unprecedented economic boom to surrounding communities and improves public access and recreation to the South San Diego Bay coastline.



Attachment 4

From: Leon cfc <leon@citizensforcoastalconservancy.org>
Sent: Monday, August 21, 2023 12:46 PM
To: TLUP
Subject: Opposition to the Transfer from State Lands Commision SB 507
Attachments: image0.jpeg; image3.jpeg; image2.jpeg; image1.jpeg

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Leon Benham,
Citizens for Coastal Conservancy - Imperial Beach "Our Community....Our Choice"
Phone 619-964-9153

From: Tim Keeton <assetshelter@yahoo.com>
Sent: Monday, August 21, 2023 1:31 PM
To: TLUP
Subject: Trust Use Plan SB 507 funds

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Timothy F. Keeton
IB Homeowner and Taxpayer
Citizens For Coastal Conservancy (C4CC)

From: Mariko Nakawatase <marikonakawatase@gmail.com>
Sent: Monday, August 21, 2023 3:22 PM
To: TLUP
Subject: Trust Use Plan SB 507 funds
Attachments: image2.jpeg; image1.jpeg; image0.jpeg

Dear San Diego Port District,

I hope this email finds you in good health. I am writing to express my strong reservations about the proposed Trust Lands Use Plan for waterfront development, as outlined on the Port of San Diego's website. While I understand the desire to enhance the waterfront area, I firmly believe that the current plan raises several significant concerns that should be carefully reconsidered.

Upon reviewing the plan, several aspects stand out as potential issues. First and foremost, the heavy emphasis on commercial and luxury development raises concerns about the potential loss of public spaces and the character of the waterfront. It's important that any development plan maintains the balance between public accessibility, environmental preservation, and economic growth.

Furthermore, the plan appears to lack a comprehensive strategy for environmental sustainability. Given the sensitive nature of waterfront ecosystems, it's imperative that any development plan places a high priority on minimizing ecological impacts and promoting responsible stewardship. The absence of clear measures to ensure minimal disruption to local ecosystems raises doubts about the plan's commitment to preserving our natural environment.

Additionally, community engagement and input appear to be limited in the plan's current iteration. The success of any development project heavily depends on incorporating the insights and needs of the local community. Without robust community involvement, there's a risk that the plan could disregard the unique character and aspirations of the people who call this area home.

I urge you to reconsider the current Trust Lands Use Plan and to take into account these concerns. A more balanced approach that prioritizes public access, environmental sustainability, and meaningful community engagement would be a more responsible way to guide waterfront development.I support the Siesta Island Park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay and tidelands.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat.

Thank you for taking the time to read my concerns. I hope that you will give due consideration to the potential impacts of the proposed plan and work towards a solution that benefits both the community and the environment.

--
Mariko Nakawatase
619.787.1610 - marikonakawatase@gmail.com

Attachment 1

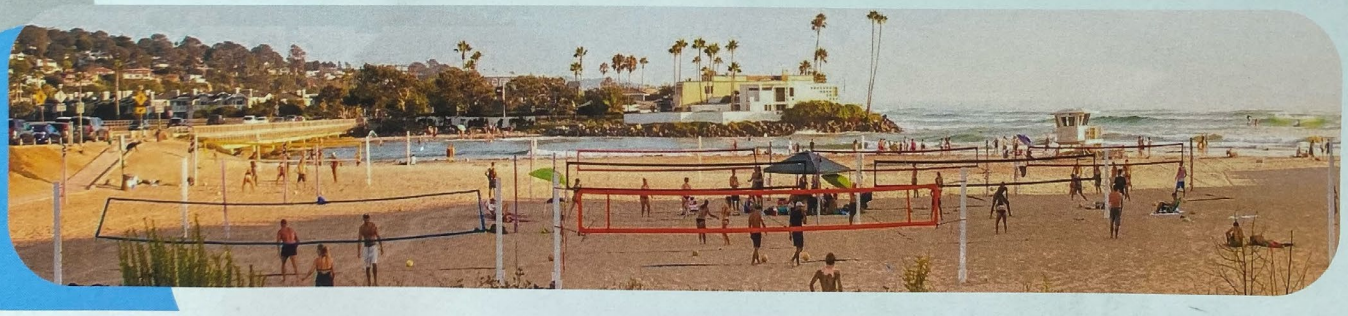
Attachment 2

Attachment 3

Siesta Island

This project is to provide 8 miles of shoreline and over 80 acres of aviary roosting trees. Siesta Island transforms the South San Diego Bay to restore public coastal access to southern cities. This visionary project takes inspiration from around the world to improve the environment and improve the quality of life for local citizens

Forward thinking/wise public development can bring an unprecedented economic boom to surrounding communities and improves public access and recreation to the South San Diego Bay coastline.



From: Daniel Espinosa <despinosa13@att.net>
Sent: Monday, August 21, 2023 4:38 PM
To: TLUP
Subject: Siesta Island

Please send a email to save our public lands from corporate control.

Email Port district at

Tlup@portofsandiego.org

Or

Customerservicecenter@portodsandiego.org

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Leon Benham,
Citizens for Coastal Conservancy - Imperial Beach "Our Community....Our Choice"

Sent from AT&T Yahoo Mail on Android

From: Dane Crosby <dane4ib@gmail.com>
Sent: Monday, August 21, 2023 5:10 PM
To: TLUP
Subject: Sb507 Tidelands

How is it that the SouthBay gets less and less access while the north bay continues to get developed and jobs. I do not support this trade off of public lands leaving the SouthBay and Imperial beach with less access to the bay and ocean. We lost pond 20 to land mitigation and now we are watching the port district repeating this tactic that does not better the lives of the citizens of the SouthBay,National city , Chula Vista, San Ysidro and Imperial beach.
Sincerely
Dane Crosby
619-595-1757

Sent from my iPhone

From: Leon cfc <leon@citizensforcoastalconservancy.org>
Sent: Monday, August 21, 2023 5:44 PM
To: TLUP
Cc: Lesley Nishihira; Lily Tsukayama; Nora Vargas; Vincent Sheppard; Vivian Moreno
Subject: Re: Opposition to the Transfer from State Lands Commision SB 507

Dear Port District staff

With all due respect to the Port of San Diego staff, this is not personal, but this process of State Lands transfer without open public discussion is the same disenfranchisement type of public governance that the Grand Jury investigation recently found the Port was guilty of. ?

There a number of questions that should be addressed and discussed in a public forum prior to the use of the land is determined.

1) Has the San Diego port district already discussed using this land in a trade for mitigation rights. If so what are the projects and who has these negotiations been with?
Has the deal already been done?

2) State Bill 507 provides funding for recreational and environmental enhancement. What projects has the port have in mind for the use of this money and what are the alternatives.

Please open this process up for further discussion and public comment.

Leon Benham
619-964-9153

On Aug 21, 2023, at 1:54 PM, TLUP <TLUP@portofsandiego.org> wrote:

<image002.gif>
Thank you for your comments on the Trust Lands Use Plan Discussion Draft. This email is to confirm that your comments have been received. Thank you for your participation in this process!

From: Leon cfc <leon@citizensforcoastalconservancy.org>
Sent: Monday, August 21, 2023 12:46 PM

To: TLUP <TLUP@portofsandiego.org>
Subject: Opposition to the Transfer from State Lands Commision SB 507

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

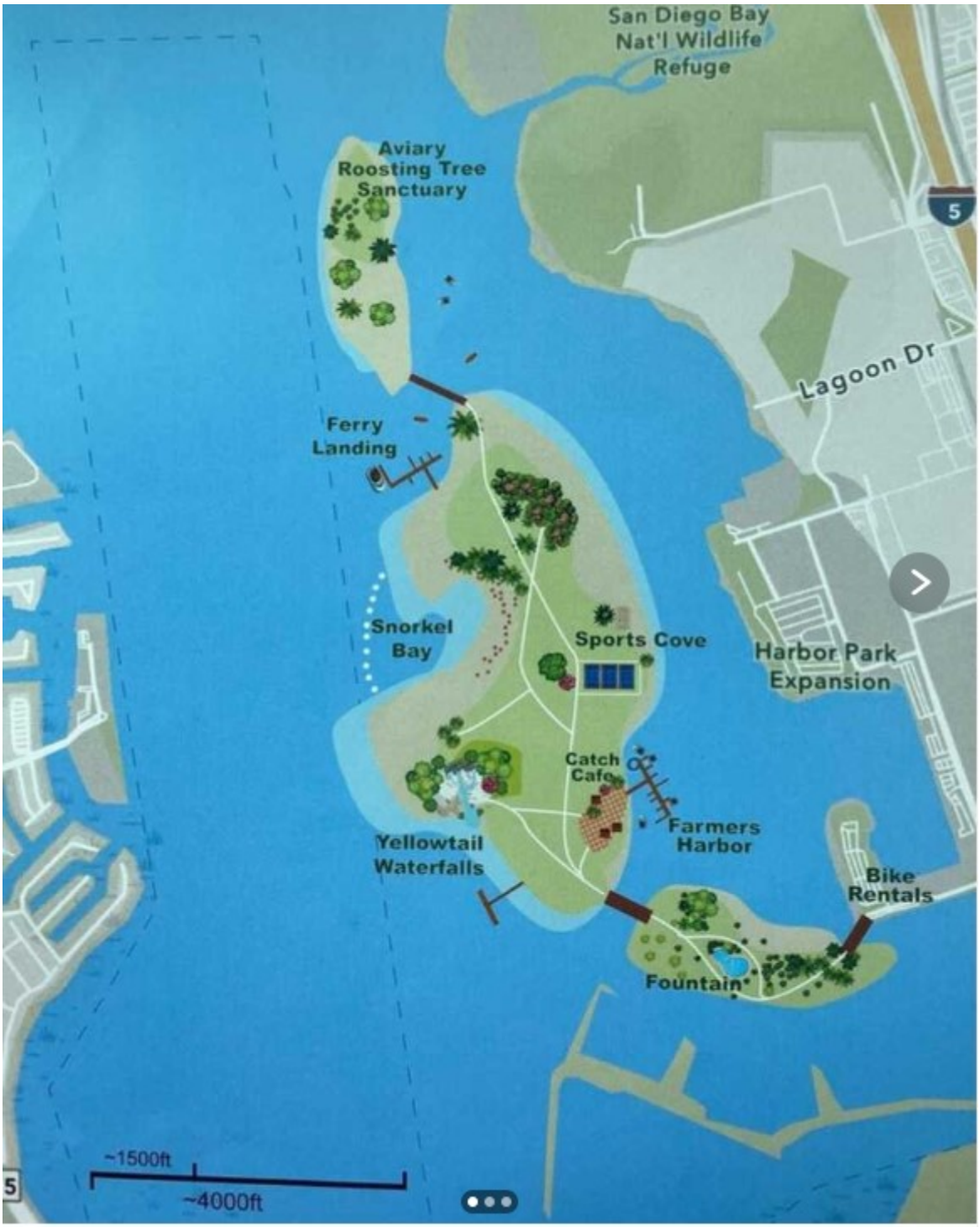
My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Leon Benham,
Citizens for Coastal Conservancy - Imperial Beach "Our Community....Our Choice"
Phone 619-964-9153

From: Margaret Williamson <elkie1@yahoo.com>
Sent: Tuesday, August 22, 2023 9:31 AM
To: TLUP
Subject: Trust Use Plan SB 507 funds

We who live in the south bay area are tired of being treated as second class citizens. Why are you considering reducing our access to the bay shore? How did our rights to access and recreation use of 2311 acres of our coastal tidelands get reduced to 5.14 acres? How did a 850 acres of public open space promised by the San Diego Port district become off limits to the public?

This is a brilliant concept and it needs to happen! We deserve an upgrade such as this!


San Diego Bay
Nat'l Wildlife
Refuge
Aviary
Roosting Tree
Sanctuary
5
Lagoon Dr
Ferry
Landing
Snorkel
Bay
Sports Cove
Harbor Park
Expansion
Catch
Cafe
Farmers
Harbor
Yellowtail
Waterfalls
Bike
Rentals
Fountain
~1500ft
~4000ft
5

From: daan96@aol.com
Sent: Tuesday, August 22, 2023 10:25 AM
To: TLUP
Subject: Public Comment

Alot of us in the South Bay feel like we are being ignored and aren't provided access to the San Diego Bay. Our city takes the brunt of environmental disasters like sea level rise on our coast, sewage from the Tijuana river, private industry salt ponds that kept the bay as a resource from the public.

We are asking for more recreational opportunities in the South Bay area. We have provided plenty of our local land to be preserved as estuary and tidelands and carbon bank projects that benefit the rest of the Bay of San Diego yet we get no recreational or public access to this same waterway.

Please change the direction of the Port of San Diego and make it inclusive of all residents. Do not support State funds SB507 funding if it will limit the South Bay's public use and access of our tidelands. Please support the Siesta Island Recreation Park project created by local South Bay citizens. This plan is a more sustainable project for our bay and tidelands. This plan provides 8 miles of walking beach in the bay, bike and walking trails, water sports/kayak/ boat rental opportunities and Better Water Quality and habitat.

We encourage you to partner with the Gaylord Convention Center and proposed Chula Vista bayfront Soccer Stadium to help bring more opportunities for our residents to enjoy the great outdoors that are right in our backyard yet closed to the public of which you serve.

Thank you for your time and for championing our rights as local participants in Life in South San Diego!

From: milton meyers <jamulman@gmail.com>
Sent: Tuesday, August 22, 2023 10:52 AM
To: TLUP
Subject: Please Consider

San Diego Port District:

I am in opposition to State funds SB507 funding which limits public use and access of our San Diego Bay tidelands.

I would rather the Port District Spend it public moneys to support the Siesta Island park project created by local South Bay citizens. This plan is the most environmentally sustainable project for our bay, tidelands and communities.

This plan provides
1) 8 miles of walking beach in the bay.
2) Bike and walking trails.
3) Sports/kayak/ boat rentals
4) Better Water Quality and habitat

The transfer of lands from State Lands commission to the Port of San Diego without a direct public use commitment of these lands would grant Port District to control of lands and allow them to trade them for new soccer stadium and further limit our rights to access and recreation use public lands.

This is the same type of plan as in 2012 when the port, after promising the public of public use, traded away 850 acres of public open space known as Western Salt/Pond 20. This land trade disenfranchised local use of public lands and gave the value of these land to corporate interests.

Again I am in opposition to State funds SB507 funding which limits public use and access of our tideland instead of investing in them.

The recent Grand Jury investigation shows this is how the San Diego Port District has repeatedly disenfranchise the local public from it tidelands while granting corporate interest long term use.

My opinion is that the entire Port District 50 Year Master Plan should be revised to include authentic public comment and the incorporation of public recreation and access to our Bayfront.

Sincerely,
Milt Meyers