

#8a

**Simonds,Keene**

**From:** Marcus Bush <mbush@nationalcityca.gov>  
**Sent:** Monday, March 4, 2024 3:23 AM  
**To:** Simonds,Keene  
**Subject:** [External] Item 8a - Additional Info on Port, National City, Municipal Services  
**Attachments:** NC Letter To Port (2).pdf; NC Comment Letter Port of SD MSA-Final (2) (1).pdf

Good morning Keene, I'm looking forward to attending the LAFCO meeting.

I have some materials I wanted to provide LAFCO staff and commissioners for their review and consideration on Item 8a. Attached is the letter National City sent to the Port back in 2021 re: concerns with our Municipal Service Agreement and another letter we sent requesting increased ARPA allocation for the Maritime Clean Air Strategy. In that second letter is a timeline of significant events/milestones between the City & Port the past 20 years.

In addition, below is a table provided by the Port Vice President of Real Estate, Engineering and Facilities, Shaun D. Sumner in 2021 that shows the breakdown of allocations that the Port provides each member City for public safety:

<b>MUNICIPAL SERVICES AGREEMENTS</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
IMPERIAL BEACH MAINTENANCE MSA	\$ 972,716	\$ 1,004,030	\$ 1,015,266	\$ 1,053,406
IMPERIAL BEACH MSA	3,802,078	3,908,536	3,968,727	4,071,914
CORONADO MSA	1,075,260	1,105,367	1,122,390	1,151,572
CHULA VISTA MSA	1,030,510	1,059,364	1,075,678	1,103,646
SAN DIEGO MSA	796,754	819,063	831,676	853,300
NATIONAL CITY MSA	1,187,857	1,221,117	1,239,921	1,272,159
	<b>\$ 8,865,175</b>	<b>\$ 9,117,477</b>	<b>\$ 9,253,659</b>	<b>\$ 9,505,997</b>

Would your staff be able to print this^^^ out as well?

Thank you and please let me know if you have any questions or need any more info.

-Marcus Bush

**The following page(s) contain the backup material for Agenda Item: Report on the Balanced Plan, the Maritime Clean Air Strategy (MCAS), and other Port District matters related to National City. Staff recommends sending the attached letter to the San Diego Board of Port Commissioners (BPC) to make a formal request for American Rescue Plan Act (ARPA) funds to support the Balanced Plan and MCAS. (City Manager)**  
**Please scroll down to view the backup material.**



August 18, 2021

San Diego Port District  
Board of Port Commissioners  
3165 Pacific Highway  
San Diego, CA 92101

Board of Port Commissioners:

The City Council of National City respectfully requests the San Diego Unified Port District (Port District) prioritize American Rescue Plan Act (ARPA) funding for National City's Balanced Plan and offset environmental impacts to communities adjacent to industrial, maritime operations. National City understands that the Port District will receive \$100 million of ARPA funding and host a workshop on August 23 to discuss allocating those funds. This letter serves as National City's formal request for its fair share of those funds. It is finally time to invest in National City's community and counterbalance the inequities of the past.

For decades, industrial operations on Tidelands have contributed to economic, environmental, and health equity challenges for the people of National City. Health and environmental justice issues require funding, and it is time to do the right thing with available ARPA funds. National City has recently suffered from the highest COVID-19 case rates in the region. This disproportionate effect is partly due to air quality and other environmental impacts from the Port District that negatively affect an individual's health and immune response. These impacts include much higher risks of cancer and asthma from air toxins, such as diesel particulate matter.

The Port District must prioritize completing the Balanced Plan to utilize ARPA funds for required mitigation and enhancements. The Balance Plan's completion is equally essential to provide funding to implement the Maritime Clean Air Strategy (MCAS) and prioritize ARPA funding for MCAS projects and the ongoing Maritime Industrial Impact Fund (MIIF) efforts.

National City requests explicitly that the Port District allocate \$25 million in public improvements for the Balanced Plan. In solidarity with our Barrio Logan neighbors, National City also requests that the Port District allocate an additional \$20 million to MCAS projects and \$5 million to MIIF for off Tidelands impacts. It is impossible to put a price tag on health equity, but this funding will be a step in the right direction for Portside Communities.

The Balanced Plan is so critical to National City because it addresses environmental impacts and social equity, and at the same time, provides economic balance so the city has the resources to provide essential services and address impacts directly. On Tidelands, National City generates approximately \$17 million in annual Port District revenue. However, National City receives only roughly \$1 million in local taxes to support essential services and off-Tideland impacts. We have no funds in the city budget to address environmental and social equity efforts, and the MIIF is inadequate. This economic disparity is glaring and needs to be addressed now.

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Robert "Dukie" Valderrama appointed to the Board of the Port Commission <b>(December 2004)</b>	National City City Council (NCCC) appoints Robert "Dukie" Valderrama to the Board of the Port Commission (BPC) replacing Jess Van Deventer who served for 12 years.
NCCC Sent Letter to the BPC <b>(May 5, 2005)</b>	NCCC sent a letter to the BPC requesting consideration of six items, including funding a land use study of higher and complimentary use of Port property adjacent to the Marina, Aquatic Center and Pepper Park to include public facilities, recreation and retail, as well as jobs.
Board of Port Commissioners agreed to explore the feasibility of issuing a RFP/RFQ for Marina District <b>(December 6, 2005)</b>	The following guiding principles were agreed upon by the City and Port: <ul style="list-style-type: none"> <li>▪ Protection of maritime uses;</li> <li>▪ Enhancement of the Working Waterfront group effort;</li> <li>▪ Environmental compliance;</li> <li>▪ Building of public amenities/visitor serving development compatible with the Marina, Marina Gateway and Aquatic Center projects;</li> <li>▪ Demonstration of financial benefit to the Port and City; and</li> <li>▪ Public participation with the City.</li> </ul>
Joint Planning Area Discussion <b>(January 2006)</b>	A series of stakeholder meetings between the Working Waterfront, Environmental Health Coalition, Labor, the Port and the City were held to discuss a process for considering land uses and potential redevelopment within the "Joint Planning Area".
Capital Development Budget <b>(March 7, 2006)</b>	BPC adopted the 2008-2012 Capital Development Budget including a high priority project to study feasibility of an inventory facility which could improve efficiency of the Pasha import operation and allow more efficient use of the waterfront.
Bayshore Bikeway Plan <b>(March 2006)</b>	SANDAG publishes the Bayshore Bikeway Plan that includes a proposed bike path along Tidelands Avenue from Bay Marina Drive and east along 32 <sup>nd</sup> Street connecting to an existing segment of the bikeway.
Presentation of the Final draft Maritime Business Plan <b>(July 10, 2007)</b>	A presentation of the final draft Maritime Business Plan was made to the BPC. The Plan did not recognize the desires of National City for redevelopment of areas above the mean high tideline.
Economic Impact Report <b>(September 11, 2007)</b>	National City Mayor Ron Morrison presented findings on the Economic Impact Report to the Port Commission. Key findings included: <ul style="list-style-type: none"> <li>▪ National City's vested interest in Port tidelands is 12-percent of the total San Diego tidelands area;</li> <li>▪ National City received only 2.6-percent of the total municipal revenues generated on Port tidelands;</li> <li>▪ National City ranked fourth out of the five Port member cities in property tax revenues generated from Port tidelands;</li> <li>▪ The Port received \$12.2 million in lease revenues from National City tidelands while the City only received \$1.1 million in municipal revenues;</li> </ul>

	increase of railcar storage, would allow PASHA to expand its business at the terminal.
<b>NCCC Approves SQIO (April 9, 2013)</b>	NCCC unanimously supports GB Capital Holdings SOIQ proposal
<b>Summer-Fall 2013</b>	GB and Port District negotiate unsuccessfully and never seek approval for development plan from BPC. Main areas of disagreement are cost recovery policy of the Port District and the rezoning of 7 acres of Marine Industrial land.
<b>Lot K land use change request (December 19, 2013)</b>	Port response to City requests regarding expedited land December 19, 2013 use changes (Lot K) as part of Pasha proposed expansion and previous street closures to be incorporated into land replacement plan for maritime land. Port concludes land use change is more appropriate for a comprehensive planning process for the area and that previous street closures should not be incorporated into replacement plan.
<b>FY 2014-2018 Capital Improvement Project (October 27, 2014)</b>	Board amends FY 2014-2018 Capital Improvement Project list to increase National City Adventure Center project budget by \$500,000.
<b>Bayshore Bikeway update (December 9, 2014)</b>	Board directed staff to proceed with processing a Port Master Plan Amendment application for an interim Class I Bikeway (Bike Path) on Tidelands Avenue.
<b>Notice of Preparation (December 12, 2014)</b>	Notice of Preparation (NOP) for Tank Farm Paving and Street Closures Project & Port Master Plan Amendment Draft EIR released by Office of Planning and Research (State Clearinghouse).
<b>Public Scoping Meetings (December 18, 2014)</b>	Port staff held a public scoping meeting to solicit comments on the scope and content of the EIR for the Proposed Project.
<b>SANDAG Forward/Regional transportation Plan (October 2015)</b>	This plan does not propose any transportation improvements within the Marina District study area.
<b>City/Port Meeting (February 24, 2015)</b>	City/Port staff meeting included discussion of Bayshore Bikeway, Pasha proposed expansion, road closures, Mercator study, Integrated Planning, and Adventure Center.
<b>Integrated Planning and Port Master Plan Update (March 10, 2015)</b>	Board provides direction to staff on Integrated Planning and Port Master Plan Update, including a framework for planning, an evaluation process, and an early action plan.
<b>Notice of Completion (May 11, 2015)</b>	Notice of Completion (NOC) for Addendum to Final Mitigated Negative Declaration/Initial Study for Bayshore Bikeway PMP Amendment
<b>Bayshore Bikeway amendments (May/June 2015)</b>	Notice of proposed amendment of Coastal Development Permit for Bayshore Bikeway Segment 5 to allow an additional two years to commence construction; Interim Alignment of Bayshore Bikeway approval. Adoption of resolutions for Final Mitigated Negative Declaration/Initial Study and Port Master Plan Amendment.
<b>Vickerman &amp; Associates NCMT Optimization Study (September 4, 2015)</b>	The study concludes that BNSF railroad needs to be improved significantly in order to increase the efficiency of the area regarding cargo movement and domestic transportation.
<b>City Council votes to support the Balanced Plan</b>	Examples of mitigations and enhancements are as follows: <ul style="list-style-type: none"> <li>• Bayshore Bikeway interim and permanent improvements</li> <li>• Tidelands/Civic Center/Harbor Drive intersection mitigation</li> </ul>

	solicited comments from the public, agencies, organizations, and other stakeholders with regard to the scope and content of the environmental information that should be included in the EIR. The public comment period for the NOP ended on January 31, 2019.
Second Amendment to agreement for Balanced Plan EIR <b>(April 10, 2019)</b>	Parties agree to extend the term of the agreement for the balanced Plan to June 30, 2020.
Maritime Clean Air Act <b>(June 2019)</b>	Board of Port Commissioners initiates development of the MCAS.
Harbor Drive Multimodal Corridor Study <b>(February 25, 2020)</b>	The <i>Harbor Drive Multimodal Corridor Study</i> is a planning study that examined how people use Harbor Drive, address existing issues and challenges, and identify opportunities for improvement. The study focused on the stretch of Harbor Drive between the Port of San Diego's two cargo terminals, the Tenth Avenue Marine Terminal in San Diego and the National City Marine Terminal, known as San Diego's Working Waterfront.
Port Master Plan Update Draft PEIR released <b>(March 2020)</b>	The PMPU would describe the regulatory process and implementation for projects and the plan's relation to and compliance with the Coastal Act. National City Marina District is within the study area.
Third Amendment to agreement for the Balanced Plan EIR <b>(May 5, 2020)</b>	Parties agree to add \$70,232 in funds for additional scope of work and extend the term of the agreement to December 31, 2020. The amended scope of work addresses additional needed analysis as well as comprehensive CEQA updates. The Port District agreed to cover the City's share of the costs associated with the EIR review.
USS Bonhomme Richard Fire <b>(July 2020)</b>	\$200,000 Port commitment for housing NC residents due to Navy fire.
Sandy Naranjo appointed to the Board of Port Commissioners <b>(January 3, 2021)</b>	National City City Council (NCCC) appoints Sandy Naranjo to the Board of the Port Commission (BPC) replacing Robert "Dukie" Valderrama.
Pepper Park Expansion Workshop <b>(May 6, 2021)</b>	Port held a virtual workshop to get community and stakeholder feedback on potential components/features for future Pepper Park expansion.
Draft Revised MCAS <b>(August 2021)</b>	Port releases Draft Revised Marine Clean Air Strategy (MCAS) for public review and feedback
EIR and public feedback <b>(Fall 2021)</b>	Port staff will publish the Balanced Plan EIR and request and respond to public comments. The Board will consider whether to certify the EIR and other project components within the Port's jurisdiction and decide whether to approve a PMPA.



November 2, 2021

Shaun D. Sumner  
Vice President of Real Estate, Engineering and Facilities  
San Diego Unified Port District  
3165 Pacific Highway  
San Diego, CA 92101

Re: National City Municipal Service Agreements

Dear Mr. Sumner,

The City appreciates your patience as we have worked to respond to your service data requests. To date, the Municipal Service Agreement (MSA) has failed to meet the cost demands generated by long neglected impacts associated with Port operations. As written, the MSA is devoid of any consideration to environmental justice or equity between member cities. The current reimbursement cost found in the MSA is flawed because it does not account for the added cost to respond to high hazard risk areas within the 24<sup>th</sup> Street Marine Terminal and it ignores the health impact to our Portside Communities.

The Port's methodology of using a simple accounting based on "calls for service" for non-ad valorem producing parcels only serves to perpetrate the environmental inequities our community endures on a daily basis. As an example, we have limited parks and public spaces which predominantly create these reimbursable service calls. Additionally, other member cities generate significant municipal revenues from Port Tidelands beyond property tax that support general fund supported services like police and fire. I've attached a table included in a Port District 2019 economic impact report that estimates 2017 municipal/local revenue for all five member cities. This includes all local revenues including sales, hotel, and property taxes that are necessary for all California cities to provide core services. Reimbursing costs for municipal services should factor in all revenues generated on Port Tidelands to each of the five member cities.

For all of these reasons, we request that the Port reconsider its methodology to account for these disparities. The following are some general comments related to public safety municipal services that should be considered in your current methodology and additional considerations related to public health, environmental justice, and member city equity.

1. As a result of the industrialization of National City's Bayfront our eighty-eight (88) person police force and its need to respond without regard to jurisdiction has higher training and equipment costs than non-Port membership cities. The reason is National City tidelands are "high hazard targets" which demand more expensive fire and police equipment resulting in greater expenses when training our first responders. Therefore, the MSA should account for these added training and equipment costs.
2. Because our police officers and firefighters do not delineate between jurisdictions and often engage in proactive policing and firefighting the MSA "service call" methodology does not account

care to our portside community. There are more service calls for respiratory related illnesses than other non-Port membership cities; yet the MSA fails to account for these added costs. Therefore, the Port and the City should work cooperatively in developing a cost methodology that recognizes the additional medical costs and the MSA should reimburse the City accordingly.

6. There are fewer recreational and wellness centers in National City compared to other Port membership cities. If our portside community is to stay healthy it is imperative that recreational and wellness centers be both expanded and established. Having more of each will avoid the many medical/respiratory services calls throughout our impacted community. The MSA under its flawed service call methodology, intentionally constrains the ability to recognize the added costs and viable mitigation measures. Instead the Port should eliminate the distinction made by ad-valorem parcels. The MSA should recognize land mass relative to service area with added costs included for high targets or other circumstances that require a force multiplier. And, there should be an equity adjustment that considers municipal revenue generated from all parcels.

In summary, the National City Police and Fire Department responds to and effectively mitigates all risks and hazards occurring on the Port Tidelands. The fire protection and emergency response services provided by the National City Police and Fire Departments are essential to support the financial interests of the Port and their tenants.

Due to our efforts, the Port has not experienced a high revenue loss and has been able to not only maintain but grow their operations. Lastly, although the Port Tidelands may not generate the majority of service calls received by the National City Police and Fire Department, we must be prepared to effectively mitigate the high hazard responses typically found on industrial land like the Port District. Ongoing health and safety impacts can be addressed through equity initiatives of the Port, and must be funded through programs like ARPA, and MSA funding. Rather than taking a holistic approach to address the funding needs, the Port uses the MSA to address a small fraction of costs the City has absorbed to date.

We ask that the Port strongly consider our comments and become a leader in solving significant health, environmental, and equity issues in National City.

Sincerely,



Brad Raulston  
City Manager

cc: National City Mayor and Councilmembers  
Board of Port Commissioners  
Joe Stuyvesant, President/CEO, Port of San Diego