



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Business | Discussion

December 4, 2023

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Chris Cate, LAFCO Consultant

SUBJECT: **Preliminary Assessment |
 Commission Oversight Duties and Port of San Diego**

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a preliminary assessment on LAFCO’s oversight duties as they relate to the Port of San Diego – formally the San Diego Unified Port District – for discussion and feedback. The assessment ties to a recent request by Commissioner MacKenzie with concurrence from the Commission. Based on available information, the assessment concludes the Port is a special district subject to LAFCO oversight. It similarly concludes the Port qualifies as an “independent” special district, and accordingly eligible to seat members on the Commission and responsible for proportionally paying part of the special districts’ share of the LAFCO budget. The assessment is qualified given the potential for additional information to be provided. This includes an anticipated response from the Port to substantiate their position they are not subject to LAFCO oversight. Staff will draw on the discussion and related public comments in finalizing the assessment for future Commission consideration.

BACKGROUND

LAFCOs’ Oversight Responsibilities

The State Legislature delegates LAFCOs’ responsibilities to regulate and plan the location of cities and most special districts and their municipal service areas in all 58 counties. This

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includes establishing, expanding, and reorganizing cities and districts in meeting LAFCOs' underlying directive to facilitate orderly and accountable growth and development relative to community needs – current and future – as determined by individual LAFCOs. Specific regulatory actions under LAFCO statute include the following: city incorporations and disincorporations; district formations, consolidations, and dissolutions; city and district mergers; and city and district annexations and detachments.

Special Districts Defined in LAFCO Statute

The Legislature defines “special district” under LAFCO statute as follows: ¹

“An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.”

Special Districts Excluded in LAFCO Statute

The Legislature excludes the following special districts from LAFCO oversight that otherwise would qualify under the preceding definition: ²

- School Districts
- Community College Districts
- Assessment Districts
- Special Assessment Districts
- Improvement Districts
- Community Facilities Districts (Mello Roos)
- Permanent Road Districts
- Air Pollution Control Districts
- Air Quality Maintenance Districts

DISCUSSION

This item is for San Diego LAFCO to review a preliminary assessment addressing LAFCO's oversight duties in statute as it relates to the Port of San Diego. The assessment has been prepared in response to an October 2023 request from the dais by Commissioner MacKenzie with concurrence from the Commission. The request ties to a recent Civil Grand Jury report, which – among other items – identifies the lack of local oversight of the Port. A front-page article in the Union-Tribune proceeded to cover the Grand Jury report and presented its own queries into the Port and related accountability issues. Copies are attached.

Additional discussion regarding LAFCO practice as well as related inquiries follows.

¹ Reference to Government Code 56036(a).

² Reference to Government Code 56036(b).

Historical Practice to Date

San Diego LAFCO has not asserted any direct oversight of the Port to date. (The Port’s establishment predates LAFCO.) The origins of the practice, however, are uncertain to current staff, most of whom joined LAFCO after 2017. There are no records showing the topic – and specifically why the Port is not included in the group of special districts overseen by LAFCO – being addressed by previous Executive Officers and/or Commissions.

Revisiting the Port’s Status in 2019

In 2019, San Diego LAFCO received a reorganization filing seeking annexation of certain unincorporated territory to the City of National City.³ The administrative review led staff to revisit the Port’s status relative to the Commission and whether a concurrent annexation to the Port through LAFCO was needed. The latter prompt ties to the Port’s enabling act setting the original boundary to match the Cities of Chula Vista, Coronado, Imperial Beach, and San Diego, and if subsequent annexations to these agencies requires concurrent action by LAFCO to formally add to the Port. However, the combination of uncertainty in the origins of past practice to not require and/or process concurrent annexations to the Port, paired with the applicant’s timing interests, led staff to table the topic. The Commission proceeded to approve the reorganization without further inquiry into the Port in December 2019.

Returning to the Port’s Status in 2021

The pandemic delayed LAFCO staff returning to the Port topic until late 2020. After performing initial analysis, staff reached out to the Port in e-mail in December 2020 to communicate – and historical practice aside – it may be subject to the Commission. A meeting was subsequently held in June 2021 between senior staff with both sides agreeing to explore the topic in greater detail. LAFCO staff proceeded to perform additional analysis in step with consulting with outside counsel and proceeded to summarize their tentative conclusions in an August 6, 2021, letter to the Port with advance notice to then-Chair Andy Vanderlaan. The letter tentatively concluded – and in the absence of other information – the Port was subject to LAFCO oversight and responsible for contributing towards the special districts’ annual share of the LAFCO budget. The Port responded on September 16, 2021, they would review the matter in more detail. No further communications were received.

ANALYSIS

The preliminary assessment before San Diego LAFCO revisits and expands on staff’s earlier analysis as described in the preceding sections regarding the LAFCO-Port relationship. This includes revisiting the earlier record in its entirety and seeking direct input from the Port. Based on the information available, the assessment determines the Commission’s oversight applies to the Port. It similarly determines the Port is eligible to serve on the Commission and responsible for paying a portion of the special districts’ share of the LAFCO budget.

³ Reference to the “Sweetwater Reorganization,” LAFCO File No. RO19-16.

These central determinations draw and/or supported by the following factors.

1. The Legislature does not include port districts among the list of special districts excluded from Commission oversight under the Cortese-Knox-Hertzberg Act.
2. The San Diego Unified Port District Act is part of California Harbor and Navigation Code. There are two other known port districts – Stockton and Ventura – formed under the Harbor and Navigation Code; both agencies are overseen by their LAFCOs.
3. The San Diego Unified Port District Act specifies the Port may annex additional territory and/or be dissolved by “operation of law.” It appears LAFCO statute serves as operation of law given no other direction is provided in the enabling act.
4. In the absence of LAFCO involvement, there are no clear mechanisms for boundary changes for the Port to be filed with the State via the Board of Equalization – Tax Division. Boundary change filings are done by the conducting authority. LAFCO assumed the conducting authority role from the affected cities and districts in 2000. The Tax Division reports no boundary change filings for the Port have been received thereafter despite – materially – three of the five Port cities (Chula Vista, National City, and San Diego) having annexed unincorporated lands. This disconnect suggests LAFCO should be reorganizing annexations involving the five cities to include concurrent annexation to the Port and filing accordingly with the Tax Division.⁴
5. The Port’s Board of Commissioners are appointed by the five cities’ councils to fixed four-year terms. This appointment method qualifies the Port as an “independent special district” within the definition of the Cortese-Knox-Hertzberg Act. This means the Port may participate in serving and selecting Commission members representing special districts. It also means the Port is responsible for contributing towards the special districts’ annual share of the LAFCO budget.

Notwithstanding the above analysis, a material qualifier exists and may change the determinations as this assessment transitions from preliminary to final form. The qualifier involves the Port – or others, like the State Lands Commission – submitting information to LAFCO to substantiate autonomy from Commission oversight. However, as of date, no information has been provided by the Port despite a standing request from LAFCO dating back to August 2021. Recent conversations with the Port during the preparation of this assessment suggests a response is coming ahead and/or during the December 4th meeting.

⁴ The Port’s enabling act states lands annexed to the five cities shall be automatically added to the Port boundary. (Annexation of other lands would be subject to “operation of law.”) The referenced LAFCO role would parallel a similar feature that was, until recently, part of the County Service Area (CSA) Act to require automatic detachments when annexing lands to cities. LAFCOs would take action to approve the automatic detachment and file the boundary change involving the CSA with the Board of Equalization – Tax Division. (The CSA Act was amended in the late 2000s as part of a comprehensive rewrite and removed the automatic detachment provision and allows LAFCOs to retain newly annexed city lands with CSAs under certain conditions.)

RECOMMENDATION

It is recommended San Diego LAFCO discuss the item and provide general direction to staff with respect to finalizing the assessment.

ALTERNATIVES FOR ACTION

No action proposed, discussion and feedback only.

PROCEDURES

This item has been placed on the agenda for discussion as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are advised.

- 1) Receive verbal report from staff unless waived.
- 2) Initial discussion from the Commission.
- 3) Invite comments from the Port – if any – and the general public.
- 4) Additional discussion and feedback from the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachments:

- 1) LAFCO Letter to the Port, dated August 6, 2021
- 2) Port Response Letter to LAFCO, dated September 16, 2021 (received on October 5, 2021)
- 3) San Diego Unified Port District Act
- 4) Civil Grand Jury Report: Governance of San Diego Bay, 2022-2023
- 5) Union-Tribune: Does the SD Port Have Too Much Power, September 5, 2023
- 6) Government Code 56036
 - Subsection (a) – definition of special district in LAFCO statute
 - Subsection (b) – exclusion of certain special districts from LAFCO oversight
- 7) Government Code 56044 – definition of independent special districts in LAFCO statute



San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

August 6, 2021

Delivered Electronically

Mr. Joe Stuyvesant, Executive Officer
San Diego Unified Port District
3165 Pacific Highway
San Diego, California 92101

SUBJECT: Tentative Conclusions Regarding San Diego LAFCO's Jurisdictional Oversight of the San Diego Unified Port District

Dear Mr. Stuyvesant:

This communication serves as a continuation of our videoconference meeting on June 9, 2021 regarding San Diego County Local Agency Formation Commission's (LAFCO) oversight of special districts and relationship therein with the San Diego Unified Port District. This earlier meeting was scheduled at my request to discuss a possible omission identified on our end in the administrative practice to exclude the San Diego Unified Port District from LAFCO oversight. Our continued review on the topic post June 9th – ranging from additional analysis of the San Diego Unified Port District's enabling legislation to communicating with the California State Lands Commission – leads to the following tentative conclusions:

1. San Diego Unified Port District is a special district regulated by San Diego LAFCO through the Cortese-Knox-Hertzberg Local Government Reorganization Act.
2. San Diego Unified Port District was established under special legislation and prescribed its initial formation procedures; however, it is otherwise subject to LAFCO jurisdiction. This distinction is highlighted in the special legislation by noting the San Diego Unified Port District may annex additional territory and/or be dissolved by "operation of law" and presumably – given no other provisions are provided – refers to LAFCO statute.

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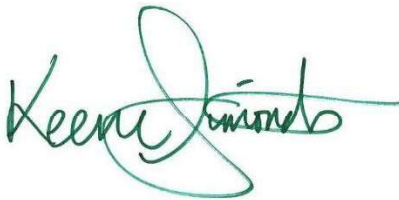
Harry Mathis, Alt.
General Public

3. San Diego Unified Port District is independent district under the Cortese-Knox-Hertzberg Local Government Reorganization Act and may participate in serving and selecting Commission members. The status as an independent district also means San Diego Unified Port District is responsible for proportionally funding LAFCO with other independent districts in San Diego County.
4. San Diego LAFCO and the State Lands Commission have legally separate oversight responsibilities with regard to the San Diego Unified Port District. LAFCO regulates the Port's jurisdictional boundary and municipal service functions and classes. State Lands Commission regulates the Port's access and use of publicly owned lands.

Should the above conclusions be finalized, San Diego LAFCO would proceed to establish a formal jurisdictional boundary for the San Diego Unified Port District along with establishing a sphere of influence. These actions would be done concurrently with preparing a municipal service review and relatedly inform LAFCO's task to designate service functions and classes for the San Diego Unified Port District as required for all special districts. The County Auditor's Office would also include the San Diego Unified Port District in its annual calculation of special district apportionments of the LAFCO operating budget.¹

As referenced, the preceding conclusions are in tentative form and done so to continue our discussion on the appropriate relationship between San Diego LAFCO and the San Diego Unified Port District going forward. I readily recognize – nonetheless – I may not be in full possession of all the relevant facts and/or prior agreements on this topic and accordingly welcome the San Diego Unified Port District's review and input.

With appreciation,



Keene Simonds
Executive Officer

cc: DeeAnne Gillick, Outside Counsel, San Diego LAFCO
Job Nelson, Vice President of Strategy and Policy, San Diego Unified Port District

¹ As provided under statute, the independent special districts are responsible for covering 28% of San Diego LAFCO's annual budget. Individual apportionments are based on each special district's portion of total special district revenue collected in a recent fiscal year. In 2021-2022, San Diego Unified Port District's calculated apportionment would have been \$88,356.43.



September 16, 2021

Mr. Keene Simonds
Executive Director
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SAN DIEGO LAFCO

Dear Mr. Simonds,

Thank you for your letter of August 6, 2021. I appreciate the opportunity to continue our discussions regarding San Diego LAFCO and the San Diego Unified Port District.

We are analyzing your tentative conclusions in consultation with State Lands Commission, as well as other potentially relevant facts and history, and I will respond upon conclusion of our analysis.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Stuyvesant".

J. Stuyvesant
President/CEO

SAN DIEGO UNIFIED PORT DISTRICT ACT

California Harbors and Navigation Code, Appendix 1
(Cal. Harb. & Nav., Appx. 1)



An act to provide for the establishment of the San Diego Unified Port District; to provide for the calling of municipal elections therefor; describing the powers, duties, and functions thereof, authorizing the district to borrow money and issue bonds for district purposes; to provide means of raising revenues for the operation, maintenance and bond redemption of the district; and to provide for the transfer to such district of tidelands and lands lying under inland navigable waters.

Section headings in this document are for reference only
and are not official section headings of the legislation.

(Stats. 1962, 1st Ex. Sess., c. 67, as amended by Stats. 1963, c. 673,
Stats. 1965, c. 349, Stats. 1965, c. 577, Stats. 1965, c. 1953, Stats. 1965, c. 2043,
Stats. 1974, c. 208, Stats. 1975, c. 587, Stats. 1977, c. 1227,
Stats. 1982, c. 171, Stats. 1990, c. 168, Stats. 1991, c. 978,
Stats. 1996, c. 399, Stats. 1996, c. 480, Stats. 1997, c. 118,
Stats. 1998, c. 889, Stats. 2000, c. 302, Stats. 2001, c. 946,
Stats. 2005, c. 382, Stats. 2006, c. 538, Stats. 2014, c. 931, Stats 2018, c.192, Stats. 2019, c. 372.)

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§ 1. **SHORT TITLE.**
This act shall be known and may be cited as the San Diego Unified Port District Act.

§ 2. **STATE POLICY.**
It is hereby declared to be the policy of the State of California to develop the harbors and ports of this State for multiple purpose use for the benefit of the people. A necessity exists within San Diego County for such development. Because of the several separate cities and unincorporated populated areas in the area hereinafter described, only a specially created district can operate effectively in developing the harbors and port facilities. Because of the unique problems presented by this area, and the facts and circumstances relative to the development of harbor and port facilities, the adoption of a special act and the creation of a special district is required.

§ 3. **DEFINITIONS.**
For the purposes of this act the following words shall have the following meanings:

- (a) "District" or "port district" shall mean the San Diego Unified Port District.
- (b) "Board" or "board of commissioners" shall mean the Board of Commissioners of the San Diego Unified Port District.
- (c) "County" shall mean the County of San Diego.

§ 4. **ESTABLISHMENT OF PORT DISTRICT; PURPOSES; USE OF POWERS.**

- (a) A port district for the acquisition, construction, maintenance, operation, development and regulation of harbor works and improvements, including rail and water, for the development, operation, maintenance, control, regulation, and management of the harbor of San Diego upon the tidelands and lands lying under the inland navigable waters of San Diego Bay, and for the promotion of commerce, navigation, fisheries, and recreation thereon, may be established or organized and governed as provided in this act and it may exercise the powers expressly granted herein.
- (b) Subject to Section 87 and any other provision of applicable law, the district may use the powers and authority granted pursuant to this section to protect, preserve, and enhance all of the following:
 - (1) The physical access to the bay.
 - (2) The natural resources of the bay, including plant and animal life.
 - (3) The quality of water in the bay.
- (c) Notwithstanding any other provision of law, the powers and authority specified in this section are to be used only as necessary or incident to the development and operation of a port and shall not apply to public utilities operated under the jurisdiction of the Public Utilities Commission of the State of California.

(d) This section shall become operative on December 2, 2002. (Amended Stats. 1996, c. 399; Stats. 2001, c. 946)

§ 5. TERRITORY; JURISDICTION.

- (a) The area within the district shall include all of the corporate area of each of the cities of San Diego, Chula Vista, Coronado, National City, and Imperial Beach which establish the district as provided in this act, and any unincorporated territory in the County of San Diego contiguous thereto, which is economically linked to the development and operation of San Diego Bay, included in the district by the board of supervisors of the county as provided in this act. The regulatory, taxing, and police power jurisdiction of the district, as otherwise provided for in this act, shall apply to the above-described area.
- (b) In addition to the powers and authority described in subdivision (a), the district shall exercise its land management authority and powers over the following areas:
- (1) The tidelands and submerged lands granted to the district pursuant to this act or any other act of the Legislature.
 - (2) Any other lands conveyed to the district by any city or the County of San Diego or acquired by the district in furtherance of the district's powers and purposes as provided in Section 87.
- (c) This section shall become operative on December 2, 2002. (Amended by Stats. 1990 c. 168; Stats. 1996 c. 399; Stats. 2001, c. 946)

§ 5.5 TRANSFER OF INTEREST IN REAL PROPERTY; SAN DIEGO UNIFIED PORT DISTRICT.

- (a) There is hereby granted and conveyed in trust to the San Diego Unified Port District in the County of San Diego all the right, title, and interest of the State of California, except as hereafter reserved and upon conditions specified in subdivision (c), acquired and held by the state pursuant to an agreement and deeds identified as Documents Number 1999 0845732, 1999 0845736, and 1999 0845737, recorded December 30, 1999, Official Records, San Diego County, and which are further described as follows:
- (1) Parcel No. 1, which consists of that portion of the southwest quarter of the southwest quarter of quarter Section 163 and that portion of the northwest quarter of the northwest quarter of quarter Section 164 of Rancho De La Nacion in the City of Chula Vista, County of San Diego, State of California, according to map thereof no. 166 filed in the Office of the County Recorder of San Diego County May 11, 1869, and all of lots 7, 8, 9, 10, and 11 and those portions of lots 1, 2, 3, 4, 5, 6, 12, 13, 14, and 15 in block "B" of resubdivision of Bay Villa Tract, according to map thereof no. 1198, filed in the Office of the County Recorder of San Diego County August 6, 1909. Together with those portions of Walnut Street adjoining said block "B" on the west and the alley lying within said block "B" and that portion of "I" Street lying within said

quarter Sections 163 and 164 as vacated and closed to public use by resolution of the City Council of the City of Chula Vista recorded August 12, 1971, as file no. 179188 of official records described as a whole as follows:

Beginning at a point on the southerly line of said quarter Section 163, distance thereon 20.00 feet easterly from the southwest corner thereof; thence north $17^{\circ}46'58''$ west on a line 20.00 feet easterly from and parallel with the westerly line of said quarter Section 163, a distance of 1282.11 feet to a point on the southerly line of "H" Street as shown on said map no. 1198; thence along said southerly line north $72^{\circ}12'15''$ east 19.89 feet to a point on the westerly line of that land conveyed to the State of California (Caltrans) by deed recorded August 1, 1968, as file no. 130106 of official records; thence along the westerly boundary of said Caltrans land the following seven courses: (1) south $17^{\circ}48'37''$ east 5.95 feet; (2) north $74^{\circ}58'17''$ east 188.10 feet to the beginning of a tangent 45.00 foot radius curve concave southwesterly; (3) southeasterly along the arc of said curve through a central angle of $73^{\circ}18'01''$ a distance of 57.57 feet; (4) tangent to said curve south $31^{\circ}43'55''$ east 181.34 feet; (5) south $26^{\circ}51'03''$ east 342.59 feet to the beginning of a tangent 1669.99 foot radius curve concave westerly; (6) southerly along the arc of said curve through a central angle of $14^{\circ}20'28''$ a distance of 418.00 feet; and (7) south $12^{\circ}30'35''$ east 303.54 feet to the centerline of "I" Street as closed and vacated; thence along said centerline south $72^{\circ}15'16''$ west 332.90 feet to the point of beginning.

- (2) Parcel No. 2, which consists of those portions of fractional quarter Section 170 and 171 of the Rancho De La Nacion in the City of Chula Vista, in the County of San Diego, State of California, according to map thereof by Morrill, filed as map no. 166 in the Office of the County Recorder of San Diego County, bounded and described as follows:

Commencing at the Northeast corner of said fractional quarter Section 171; thence south $17^{\circ}54'28''$ east along the easterly line of said fractional quarter section, 1270.95 feet to a point on a line nine feet parallel to and northerly of the westerly prolongation of the northerly line of "H" Street as said street is shown on the map of Bay Villa Tract, according to map thereof no. 1198, on file in the Office of the County Recorder of San Diego County; thence south $72^{\circ}12'00''$ west along said parallel line, a distance of 170.00 feet to the true point of beginning of this description; thence parallel with and distant 170.00 feet westerly from the easterly line of said fractional quarter sections, the following three courses and distances: (1) south $17^{\circ}54'28''$ east 49.14 feet; (2) south $17^{\circ}47'12''$ east 1321.96 feet; and (3) south $17^{\circ}50'01''$ east 1283.10 feet to a point in the westerly prolongation of the northerly line of "J" Street, as shown on record of survey no. 917 on file in the Office of the County Recorder of San Diego County; thence along said westerly prolongation south $72^{\circ}04'39''$ west 593.24 feet to a point on the ordinary high water mark of San Diego Bay, as said ordinary high water mark was fixed and established by that agreement recorded June 22, 1953, in book 4897, page 408, of official records, San Diego County and as shown on miscellaneous map no. 217 on file in the Office of the County Recorder of San Diego County; thence along said ordinary

high water mark the following eight courses and distances: (1) north 07°04'12" west 491.51 feet to station 117; (2) north 04°01'57" west 568.80 feet to station 116; (3) north 14°12'27" west 489.77 feet to station 115; (4) north 22°26'52" west 184.97 feet to station 114; (5) north 57°45'31" west 230.80 feet to station 113; (6) north 20°56'53" west 453.58 feet to station 112; (7) north 24°18'00" west 233.28 feet to station 111; and (8) north 30°20'10" west 87.43 feet to a point on a line nine feet parallel to and northerly of the westerly prolongation of the northerly line of "H" Street as described; thence a long said parallel line north 72°12'00" east 568.65 feet to the true point of beginning.

- (b) The lease of the lands described in subdivision (a), designated No. PRC 8121, from the State Lands Commission to the district shall terminate on January 1, 2001.
- (c) The district shall own, operate and manage the public trust lands described in subdivision (a) in accordance with the same terms, trusts, and conditions as the tide and submerged lands granted to it and held pursuant to Chapter 67 of the Statutes of 1962 of the First Extraordinary Session, as amended. (Added by Stats. 2000, c. 302)

§ 5.7 TRANSFER OF INTEREST IN REAL PROPERTY; SAN DIEGO UNIFIED PORT DISTRICT; TIDELANDS AND SUBMERGED LANDS WITHIN SAN DIEGO BAY.

- (a) There is hereby granted in trust to the district all the right, title, and interest of the State of California, held by the state by virtue of its sovereignty, in and to all those remaining tidelands and submerged lands not previously granted, whether filled or unfilled, within the San Diego Bay lying northerly of the following described line:

Beginning at NGS monument Road 2 (PID DC1690), thence S 68°07'54" W 8,621.00 feet to NGS monument North Island NAS Shoran Tower (PID DC1727). The basis of bearings of this description is the California Coordinate System of 1983, Zone 6. All distances are grid distances.

- (b) The district shall own, operate, and manage the public trust lands granted pursuant to subdivision (a) in accordance with the same terms, trusts, and conditions as the tide and submerged lands otherwise granted under this act.
- (c) (1) (A) (i) By June 30, 2020, the district shall transfer to the State Lands Commission the initial sum of four hundred twelve thousand nine hundred three dollars (\$412,903) from the revenues generated on the lands granted pursuant to subdivision (a). This initial amount is based on the estimated gross annual revenues generated, as of June 30, 2020, from the lands granted pursuant to subdivision (a).
 - (ii) By June 30, 2021, and at the end of each fiscal year thereafter, the initial sum required to be transferred pursuant to clause (i) shall be adjusted according to the change in the Consumer Price Index, and

that adjusted amount shall be transferred to the State Lands Commission.

- (B) If the gross annual revenues generated by the lands granted pursuant to subdivision (a) exceed the amount required to be transferred to the commission pursuant to subparagraph (A), the district shall, in addition, transfer to the State Lands Commission 20 percent of the total amount of the excess annual gross revenues.
- (C) Notwithstanding subparagraph (B), the State Lands Commission may, at its discretion and at a properly noticed public meeting, enter into different revenue sharing agreements, upon proposal by the district, if it finds that the agreement will provide a significant benefit to the public trust and is in the best interests of the state. If the State Lands Commission approves a revenue sharing agreement different from subparagraph (B), the State Lands Commission shall provide notification, in writing or email, to the Assembly Committee on Natural Resources and the Senate Committee on Natural Resources and Water.

(2) Upon receipt of the moneys pursuant to paragraph (1), the State Lands Commission shall allocate 80 percent to the Treasurer for deposit in the General Fund and 20 percent to the Treasurer for deposit in the Land Bank Fund for expenditure pursuant to Division 7 (commencing with Section 8600) of the Public Resources Code for management of the commission's granted lands program.

- (d) On or before January 1, 2024, the district shall submit to the State Lands Commission a trust lands use plan for trust lands granted pursuant to this section, describing any proposed development, preservation, or other use of the trust lands. The district shall then submit to the State Lands Commission for its approval any proposed changes to, or amendment to, the trust lands use plan. The State Lands Commission, in its sole discretion, may consider whether the submission of the Port Master Plan, pursuant to Section 19, meets the requirements of, and therefore may be considered, a trust lands use plan for trust lands granted pursuant to this section.
- (e) The requirements of Section 6359 of the Public Resources Code do not apply to the trust lands granted pursuant to this section. (Added by Stats. 2019, c. 372 (S.B. 507), § 2, eff. Jan. 1, 2020.)

§ 5.8 TRANSFER OF REAL PROPERTY IN THE CITY OF CHULA VISTA TO THE SAN DIEGO UNIFIED PORT DISTRICT.

- (a) (1) Notwithstanding any other law, there is hereby granted and conveyed in trust to the San Diego Unified Port District in the County of San Diego all the right, title, and interest of the state, acting by and through the State Lands Commission, in real property acquired and held by the state subject to the common law public trust doctrine and pursuant to a Grant Deed identified as Document No. 2016-0073422, recorded on February 19, 2016, in the Official

Records of San Diego County, and pursuant to the agreement that was approved as Calendar Item 48 of the December 10, 2010, State Lands Commission meeting, which is further described as follows:

Real property in the City of Chula Vista, County of San Diego, State of California, described as follows:

That portion of quarter sections 172 and 173 of Rancho De La Nacion, in the City of Chula Vista, County of San Diego, State of California, according to map thereof No. 166, filed in the Office of the County Recorder of said San Diego County, being more particularly described as follows:

Beginning at the intersection of the northerly line of F Street with a line lying 170.00 feet westerly of and parallel with the easterly line of said quarter Section 172 as shown on Record of Survey 9039 on file in the Office of the Recorder of said County; thence along the northerly line of F Street south 72°03'09" west (south 72°03'22" west per Record of Survey 9039) 1576.25 feet; thence leaving said northerly line along the boundary of that certain parcel of land granted to the Chula Vista Yacht Club by deed recorded March 20, 1914 in Book 648, Page 5 of deeds, north 17°56'51" west (north 19°30'00" west record) 125.00 feet; thence south 72°03'09" west 360.27 feet (south 70°30'00" west 357.32 feet record) to a point on the ordinary high water mark as shown on said record of Survey 9039; thence along said ordinary high water mark north 25°58'19" west (north 25°58'27" west record) 21.21 feet; thence north 34°45'18" west 351.42 feet (north 34°45'26" west 351.42 feet record); thence north 31°15'18" west 369.02 feet (north 31°15'26" west 369.00 feet record); thence north 39°43'12" west (north 39°39'35" west record) 65.98 feet; thence leaving said ordinary high water mark along the line shown as proposed buffer line on Record of Survey 10601 on file in the Office of the Recorder of said County north 54°19'29" east 242.85 feet (north 54°21'35" east 242.81 feet record); thence north 25°59'02" east 168.30 feet (north 25°56'57" east 168.40 feet record); thence north 10°11'18" east 105.09 feet (north 10°12'03" east 105.09 feet) to a point on the arc of a nontangent 200.00 foot radius curve concave southeasterly, a radial line to said point bears north 34°13'58" west (north 34°13'23" west record); thence northeasterly along said curve through a central angle of 28°27'27" an arc distance of 99.33 feet to a point of reverse curvature with a 100.00 foot radius curve concave northwesterly; thence northeasterly along said curve through a central angle of 82°22'52" an arc distance of 143.78 feet; thence along a nontangent line north 01°34'50" east 78.45 feet (north 01°35'25" east 78.45 feet record); thence north 14°41'41" east 153.05 feet (north 14°42'16" east 153.05 feet record); thence north 09°57'42" west 362.16 feet (north 09°57'07" west 362.16 feet record); thence north 09°51'27" west 201.35 feet (north 09°53'08" west 201.40 feet record); thence north 32°52'31" east 220.47 feet (north 32°51'10" east 220.47 feet record); thence north 16°04'50" east 244.79 feet (north 16°03'29" east 244.79 feet record) to a point on the arc of a nontangent 200.00 foot radius curve concave easterly, a radial line to said point bears south 75°49'10" west (south

75°47'49" west record); thence northerly along said curve through a central angle of 32°42'11" an arc distance of 114.15 feet; thence along a nontangent line north 06°46'56" west 202.96 feet (north 06°48'17" west 202.96 feet record); thence north 19°06'19" east 80.68 feet (north 19°04'58" east 80.68 feet record); thence north 31°10'16" west 90.80 feet (north 31°00'20" west 90.57 feet record); thence north 86°38'04" east 160.03 feet (north 86°36'43" east 160.00 feet record) to a point on the arc of a nontangent 600.00 foot radius curve concave northerly, a radial line to said point bears south 24°19'51" west (south 24°20'15" west record); thence easterly along said curve through a central angle of 33°40'00" an arc distance of 352.56 feet; thence along a nontangent line north 85°42'51" east 491.73 feet (north 85°43'14" east 491.67 feet record) to a point on a line which lies 170.00 feet westerly and parallel with the easterly line of said quarter Section 173; thence along said line south 17°42'40" east 1225.66 feet to a point on the southerly line of said quarter Section 173; thence continuing along a line which lies 170.00 feet westerly and parallel with the easterly line of said quarter Section 172 south 17°48'19" east 1287.27 feet to the point of beginning.

(2) Said parcel being described in paragraph (1) is described in a Conditional Certificate of Compliance recorded November 1, 1990, as Instrument no. 90-592926 of official records of the County of San Diego.

(3) Said land is also described in that certain Grant Deed Recorded December 10, 2010, as Instrument No. 2010-0684029 of official records of the County of San Diego.

APN: 567-011-05-00 and 565-010-30-00

- (b) The lease of the real property described in Subdivision (a), designated as No. PRC 8912.9, from the state, acting by and through the State Lands Commission, to the district, shall terminate on the effective date of the Act that added this section.
- (c) The district shall own, operate, and manage in trust for the benefit of the public statewide the public trust lands conveyed to the district by the state pursuant to subdivision (a) in accordance with the same terms, trusts, and conditions as the tidelands and submerged lands granted and held pursuant to this act.
- (d) The requirements of Section 6359 of the Public Resources Code do not apply to the trust lands granted pursuant to this Section. (Added by Stats. 2018, c. 192 (A.B. 2646), § 1, eff. Aug. 24, 2018)

§ 6. ELECTION ON FORMATION OF DISTRICT.

The Board of Supervisors of San Diego County shall call an election in the area to be included within the district not later than the 1964 State Primary Election on the question of the formation of the district if either of the two conditions specified below is met:

- (a) A petition calling for the formation of the district is filed with the board of supervisors from each of the five cities specified in Section 5. Each of the petitions from the five respective cities shall be signed by at least five percent (5%) of the voters registered for the last municipal election in each particular city.
- (b) A resolution of consent calling for the formation of the district is filed with the board of supervisors from each of the city councils of the five cities specified in Section 5; provided, that the requirements of this section shall be deemed to have been met if a combination of petitions and resolutions of consent have been filed with the board of supervisors, so long as each of the five cities specified in Section 5, either through a petition or by a vote of the city council, has authorized the calling of an election for the formation of the district.

§ 7. PETITION OR RESOLUTION OF CONSENT; CONTENTS.

The petition or the resolution of consent shall contain:

- (a) A declaration calling for the creation of the San Diego Unified Port District, for the purpose of improving and developing the harbor.
- (b) A declaration that the tide and submerged lands owned by the particular city should be granted to the district.

§ 8. QUALIFICATIONS OF SIGNERS.

Each signer of a petition within a particular city shall be a registered voter and resident of that city.

§ 9. PUBLICATION OF PETITION; HEARING; LAW GOVERNING.

The publication of the petition and the hearing on the petition shall be governed by the provisions of Section 6014 of the Harbors and Navigation Code.

§ 10. ELECTION PROCEEDINGS; LAW GOVERNING; DEFINITION OF TERMS; CONSOLIDATION OF ELECTIONS.

The election shall be called, noticed, held, and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted and returned, returns canvassed, results declared, oaths of office administered, and all other proceedings incidental to and connected with the election shall be regulated and done, as nearly as may be practicable, in accordance with the provisions of law regulating municipal elections in general law cities.

For the purposes of the election, the terms "board of trustees" and "city clerk," respectively, as used in the Elections Code provisions respecting the conduct of elections in general law cities, shall mean the county board of supervisors and the county clerk, respectively, for the purpose of the election held under this act.

An election called pursuant to the provisions of this act may be consolidated with any other election pursuant to the provisions of Chapter 4 (commencing with Section 23300) of Part 2 of Division 12 of the Elections Code.

- § 11. **VOTE COUNT; CONDUCT.**
The count of the vote in the election shall be conducted in two parts. One part shall consist of those votes cast in the City of San Diego, and the other part shall consist of all of those votes cast in the other four cities specified in Section 5 and outside territory.
- § 12. **APPROVAL BY ELECTORS.**
If the electors in the City of San Diego and the electors in the other four cities specified in Section 5 and outside territory approve of the formation of the district, at an election held pursuant to the provisions of this act, the district shall be established.
- § 13. **CANVASS OF VOTES; ENTRIES ON MINUTES.**
If from the canvass it appears and the board of supervisors finds that a majority of the votes cast in the City of San Diego and a majority of the votes cast in the other four cities and outside territory, the votes of such other four cities and outside territory being combined together, were cast in favor of the formation of the district, it shall enter that fact upon its minutes, together with a description of the boundaries of the district, its name, the official name or names by which the district is commonly known and enter its order declaring the district duly formed and existing in the county.
- § 14. **CONVEYANCE OF TIDELANDS, SUBMERGED LANDS AND FACILITIES THEREON IN TRUST TO DISTRICT; EXCEPTIONS.**
Upon the establishment of the district, every city specified in Section 5 shall convey to the district all its right, title and interest in and to the tidelands and submerged lands, together with any facilities thereon, which are owned by the city, including any such lands which have been granted in trust to the city by the State in the Bay of San Diego. The City of San Diego shall convey to the district all its right, title and interest in and to such pueblo lands as lie within the tidelands and submerged lands in the Bay of San Diego, together with any facilities thereon, which are owned by the City of San Diego. Thereafter the title to such lands shall reside in the district, and the district shall hold such lands in trust for the uses and purposes and upon the conditions which are declared in this act. Notwithstanding any other provision of this act, the City of San Diego shall not be required to convey to the district those lands described in Chapter 778 of the Statutes of 1929, and the City of Coronado shall not be required to convey to the district those lands described in Chapter 1839 of the Statutes of 1953.
- § 15. **INCLUSION OF UNINCORPORATED TERRITORY.**
The Board of Supervisors of the County of San Diego may, by ordinance, include within the district unincorporated territory which the board has determined would be benefited by the district.
- § 16. **GOVERNMENT OF DISTRICT; APPOINTMENT OF PORT COMMISSIONERS; QUALIFICATIONS; EXERCISE OF POWERS AND DUTIES.**
The district shall be governed by a board of commissioners who shall be known as "port commissioners." Each city council, respectively, of the cities which are

included in the district pursuant to the provisions of this act shall appoint the commissioner or commissioners to which it is entitled, pursuant to this section, to represent that particular city on the board. Three of the commissioners shall be residents of the City of San Diego, one shall be a resident of the City of National City, one shall be a resident of the City of Chula Vista, one shall be a resident of the City of Coronado, and one shall be a resident of the City of Imperial Beach. The commissioners shall be residents of the respective cities they represent at the time of their appointments, and during the term of their office. All of the powers and duties conferred upon the district shall be exercised through the board of commissioners.

§ 17. **TERM OF COMMISSIONERS; VACANCIES; OATH; CERTIFICATE; REMOVAL.**

The term of each commissioner shall be for four years, except as provided in this section.

Any vacancy shall be filled by appointment by the city council of the city from which the vacancy has occurred. Any appointment to fill a vacancy during the term of a commissioner shall be for the unexpired term.

Each commissioner, before entering upon the duties of his office, shall take and subscribe the oath as provided in Section 1360 of the Government Code of the State of California, and a certificate of the same shall be filed with the city clerk of the city from which the commissioner shall have been appointed, and a copy of which shall be filed with the district.

A commissioner may be removed from the board by a majority vote of the city council which appointed the commissioner. (Amended by Stats. 1965, c. 577; Stats. 1982, c. 171)

§ 18. **COMMISSIONERS; ORGANIZATION; QUORUM; MEETINGS; RULES AND REGULATIONS, COMPENSATION.**

Immediately after their appointment, the commissioners shall enter upon the performance of their duties. The board shall annually elect one of its members as chairperson and another as vice chairperson, and shall also elect annually a secretary, who may or may not be a member of the board. A majority shall constitute a quorum for the transaction of business. The board shall make rules and regulations for its own government and procedure, shall hold at least one regular meeting each month, and may hold any special meetings it deems necessary.

The commissioners shall be officers of the district and shall receive no salaries but shall be reimbursed for necessary traveling and other expenses incurred while engaged in the performance of their duties. (Amended by Stats. 1963 c. 673; Stats. 1996, c. 480)

§ 19. **MASTER PLAN FOR HARBOR AND PORT IMPROVEMENT; MODIFICATION OF PLAN; CONFLICTING LOCAL ORDINANCES.**

The board shall draft a master plan for harbor and port improvement and for the use of all of the tidelands and submerged lands which shall be conveyed to the district pursuant to the provisions of this act. A two-thirds vote of the board shall be

required to adopt the plan. The board may from time to time modify the master plan by a two-thirds vote of the board.

The provisions in the master plan shall not override or supersede any local existing zoning ordinance which was in effect on April 30, 1962; provided, that if any local zoning ordinance is repealed, or expires, or becomes nonoperative for any reason, thereafter the provisions of the master plan adopted by the board shall control as to all lands and waters under the jurisdiction of the district.

§ 20. FISCAL YEAR; ESTABLISHMENT; ANNUAL FINANCE REPORT BUDGET.

The board shall establish a fiscal year for its operations and shall at the end of each fiscal year, or as soon as possible after the end of each fiscal year, make a complete report of the affairs and financial condition of the district for the preceding fiscal year, which shall show the sources of all receipts and the purposes of all disbursements during the year. The report shall be verified by the chairperson of the board and the secretary thereof. The board shall draw up a budget for each fiscal year. (Amended by Stats. 1996, c. 480)

§ 21. ORDINANCES AND RESOLUTIONS.

The board may pass all necessary ordinances and resolutions for the regulation of the district.

The enacting clause of all ordinances passed by the board shall be in substantially the following form:

"The Board of Port Commissioners of San Diego Unified Port District do ordain as follows:"

All ordinances and resolutions shall be signed by the chairperson of the board and attested by the clerk.

All ordinances and resolutions shall be entered in the minutes. All ordinances passed by the board shall be published, within 15 days from the passage thereof, with the names of the members voting for and against them at least once in a daily newspaper of general circulation printed and published in the district.

Ordinances passed by the board shall not go into effect until the expiration of 30 days from the date of their passage by the board, except ordinances ordering or otherwise relating to the following which shall take effect upon their publication:

- (a) An election.
- (b) The adoption of the annual budget.
- (c) The bringing or conducting of suits or actions.
- (d) The condemnation of private property for public use.

- (e) The immediate preservation of the public peace, health, or safety, which ordinance shall contain a specific statement showing its urgency and be passed by a two-thirds vote of the board.

A grant, franchise, lease, right, or privilege shall never be construed to be an urgency measure.

All grants, franchises, leases, permits, rights, or privileges for five years or less may be made by the executive director in accordance with any regulations the board prescribes by resolution, and all grants, franchises, leases, permits, or privileges for more than five years shall be made by ordinance, except leases or installment sales to or from a joint powers authority or nonprofit corporation in connection with the issuance of bonds or certificates of participation which may be authorized by resolution. Irrevocable permits shall not be granted or issued to any person. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ 22. EMPLOYMENT OF OFFICERS AND EMPLOYEES.

- (a) The board may employ engineers, attorneys, and any other officers and employees necessary in the work of the district.
- (b) The executive director shall appoint a treasurer whose duty it shall be to receive and safely keep all moneys of the district.
 - (1) The treasurer shall do all of the following:
 - (a) Comply with all provisions of law governing the deposit and securing of public funds.
 - (b) Pay out moneys only as authorized by the board, except that no authorization shall be necessary for the payment of principal and interest on bonds of the district, or payment of lease rentals or installment purchase payments used to pay the principal and interest on bonds or certificates of participation issued by, or on behalf of, or at the request of the district.
 - (c) At regular intervals, at least once each month, submit to the secretary of the district a written report and accounting of all receipts and disbursements and fund balances, a copy of which report he or she shall file with the board.
 - (2) The treasurer may appoint a deputy or deputies for whose acts the treasurer and the treasurer's bondsmen shall be responsible. The deputy or deputies shall hold office subject to the pleasure of the treasurer and shall receive compensation as may be provided by the board.
 - (3) The treasurer shall execute a bond covering the faithful performance by him or her of the duties of the treasurer's office and his or her duties with respect to all moneys coming into his or her hands as treasurer in an amount fixed by resolution of the board. The surety bond required by

this paragraph shall be executed only by a surety company authorized to do business in the State of California and the premium therefor shall be paid by the district. The bond shall be approved by the board and filed with the secretary of the district.

- (4) The treasurer, before entering upon the duties of his or her office, shall take and file with the secretary of the district the oath of office required by the California Constitution. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ **23. ACTIONS BY AND AGAINST DISTRICT.**

The district and the board may sue and be sued in all actions and proceedings in all courts and tribunals of competent jurisdiction.

The district also may bring an action to determine the validity of any of its taxes, revenues, rates, charges, bonds, warrants, contracts, obligations, or evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ **24. SEAL.**

The board may adopt a seal for the district and alter it at pleasure. (Amended 1963 by Stats. 1963, c. 673)

§ **25. ACQUISITION AND DISPOSAL OF PROPERTY.**

The district may take by grant, purchase, gift, devise, lease or otherwise acquire, hold and enjoy and lease and dispose of real and personal property of every kind, within the district, necessary to the full or convenient exercise of its powers. (Amended by Stats. 1963, c. 673)

§ **26. REPEALED 1996 – By Stats. 1996, c. 399**

§ **27. EMINENT DOMAIN.**

The district may exercise the right of eminent domain within the boundaries of the district to take any property necessary or convenient to the exercise of its powers consistent with Section 4 and pursuant to Section 30.5. (Amended by Stats. 1975, c. 587; Stats. 1996, c. 399)

§ **28. PUBLIC CORPORATION.**

The district created in accordance with the provisions of this act is a public corporation created for the purposes set forth herein. (Amended by Stats. 1963, c. 673)

§ **29. BONDS AND OTHER INDEBTEDNESS; REFUNDING; RETIREMENT.**

- (a) (1) The district may issue bonds, borrow money, and incur indebtedness as authorized by law or as provided in this act.

(2) The district also may refund any indebtedness as provided in this act or in any other applicable law, may refund by the issuance of the same type of

obligations as those refunded and following the same procedure as at that time may be applicable to the issuance of those obligations, and may retire any indebtedness or lien that may exist against the district or its property.

(3) For the exclusive purpose of securing financing or refinancing of any project or purpose permitted by this act, through the issuance of bonds or certificates of participation by a joint powers authority, and notwithstanding any other provision of law applicable to borrowing or the issuance of bonds, the district may borrow money or purchase or lease property from the authority. In this connection, the district may sell or lease property to the authority to the extent allowed by subdivision (b) of Section 87, in each case, in accordance with the interest rate or rates, maturity date or dates, installment payment or rental provisions, security, pledge of revenues and other assets, covenants to increase rates and charges, default, remedy, and any other terms or provisions as may be specified in the loan, loan purchase, installment sale, lease, or other agreement or agreements between the district and the authority.

(4) The district may enter into any liquidity or credit agreement it may deem necessary or appropriate in connection with any financing or refinancing authorized by this section. This section provides a complete, additional, and alternative method of performing the acts authorized by this section, and the borrowing of money, incurring indebtedness, sale, purchase, or lease of property from or to a joint powers authority.

- (b) The district may retire any indebtedness that is outstanding as of the effective date of the act amending this section enacted at the 1989-90 Regular Session of the Legislature, that has been incurred by the City of Imperial Beach for the construction or reconstruction of the Imperial Beach pier located upon tide and submerged lands granted to the district by the Legislature pursuant to that act. (Amended by Stats. 1963, c. 673, Stats. 1990, c. 168; Stats. 1996, c. 399)

§ 30. POWERS AND SERVICES.

- (a) (1) The board may regulate and control the anchoring, mooring, towing, and docking of all vessels.
- (2) The board may manage the business of the district and promote the maritime and commercial interests by proper advertisement of its advantages and by the solicitation of business within or outside the district, within other states or in foreign countries, through employees or agencies that are expedient.
- (b) (1) The district may perform the functions of warehousemen, stevedores, lighterers, reconditioners, shippers, and reshippers of properties of all kinds.
- (2) Within the boundaries of the district, consistent with the provisions of this act, the district may do all of the following:
- (a) Acquire, purchase, take over, construct, maintain, operate, develop, and regulate grain elevators, bunkering facilities, belt or

other railroads, floating plants, lighterage, towage facilities, and any and all other facilities, aids, equipment, or property necessary for or incident to the development and operation of a harbor or for the accommodation and promotion of commerce, navigation, fisheries, or recreation in the district.

- (b) Acquire, purchase, develop, construct, maintain, repair, operate, and regulate highways, streets, roadways, bridges, railroads, trolleys, buses, and similar transportation facilities, parking facilities, power, communication facilities, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient to the development and operation of air terminal and rail facilities, and the other purposes for which the district was established. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ 30.5 EXERCISE OF POWERS OFF TIDELANDS.

- (a) The district may undertake the activities authorized in Section 27 or listed in paragraph (2) of subdivision (b) of Section 30 outside of the lands listed in subdivision (b) of Section 5 if all of the following occur:
 - (1) The activities are adjacent to the lands listed in subdivision (b) of Section 5.
 - (2) The board finds that adequate areas for these activities do not presently exist within the lands listed in subdivision (b) of Section 5.
 - (3) The activities are necessary or incidental to carrying out the purposes described in Section 87.
- (b) At least 60 days before making a capital expenditure in excess of one hundred thousand dollars (\$100,000), but not more than one million dollars (\$1,000,000), in or on the lands specified in subdivision (a), the district shall give written notice of that proposed expenditure to the State Lands Commission. The notice shall set forth the trust purposes, as set forth in this act, for which the proposed expenditure will be made.
- (c) The district shall not make capital expenditures in excess of one million dollars (\$1,000,000) in or on lands listed in subdivision (a) unless the State Lands Commission approves the expenditure pursuant to Chapter 2 (commencing with Section 6701) of Part 2 of Division 6 of the Public Resources Code.
- (d) At least 60 days before making a capital expenditure of not more than two hundred fifty thousand dollars (\$250,000) in or on the lands that are not adjacent to lands specified in subdivision (b) of Section 5, the district shall give written notice of that proposed expenditure to the State Lands Commission. The notice shall set forth the trust purposes, as set forth in this act, for which the proposed expenditure will be made.

The district shall not make capital expenditures in excess of two hundred fifty thousand dollars (\$250,000) in or on lands that are not adjacent to lands specified in subdivision (b) of Section 5 unless the State Lands Commission approves the expenditure pursuant to Chapter 2 (commencing with Section 6701) of Part 2 of Division 6 of the Public Resources Code.

- (e) Any property acquired by the district shall become an asset of the public trust and be subject to Section 87. (Added by Stats. 1996, c. 399)

§ 31. CONTRACTS WITH CITY FOR SERVICES.

As to any service which the district is authorized to perform pursuant to the provisions of this act, the district may contract for the performance of such service by the city within which the particular tidelands are located. (Amended by Stats. 1963, c. 673)

§ 32. ELECTIONS; APPLICABILITY OF ELECTIONS CODE.

All district elections shall be held in accordance with the provisions of the Elections Code of the State of California, as the same now exist or may hereafter be amended, for the holding of elections in general law cities insofar as the same are not in conflict with this act. (Amended by Stats. 1963, c. 673)

§ 33. ELECTIONS; INITIATIVE REFERENDUM AND RECALL.

The provisions of the Elections Code of the State of California, as the same now exist or may hereafter be amended; governing the initiative and the referendum in districts shall apply insofar as such provisions of the Elections Code are not in conflict with this act. Officers of the district shall not be subject to recall. (Amended by Stats. 1963, c. 673)

§ 34. INVESTMENT OF EXCESS FUNDS.

The board may, by resolution, order that any of the moneys in the funds under its control which are not necessary for current operating expenses be invested in any obligations, bonds or securities in which a general law city could invest such funds; provided, however, that (1) any such investment shall be made in such a manner that the moneys in such funds will be available at the times and in the amounts necessary to accomplish the purpose for which said funds were established, and (2) no such investment shall be made in contravention of any provision or covenant in any proceedings for the authorization and issuance of bonds, notes, contracts or other evidences of indebtedness. (Amended by Stats. 1963, c. 673)

§ 35. NECESSARY AND CONVENIENT ACTS.

The board may do all other acts necessary and convenient for the exercise of its powers.

§ 36. FIXING OF RATES AND CHARGES.

The board shall by ordinance fix the rate of wharfage charges and other charges which are appropriate for the use of any of the facilities owned and constructed or services furnished or provided by the district.

§ 37. PUBLIC PROJECTS; APPLICABLE LAW.

- (a) Article 48 (commencing with Section 20750) of Part 3 of Division 2 of the Public Contract Code applies to public projects of the district.
- (b) The district shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the district. Purchases of supplies and equipment by the district shall be in accordance with those policies and procedures and with all provisions of law governing those purchases.
- (c) As used in this section, "public project" means any of the following:
 - (1) A project for the erection, improvement, painting, or repair of public buildings and works.
 - (2) Work in or about streams, bays waterfronts, embankments, or other work for protection against overflow.
 - (3) Street or sewer work except maintenance or repair.
 - (4) Furnishing supplies or materials for any project specified in paragraphs (1) to (3), inclusive, including maintenance or repair of streets or sewers. (Amended by Stats. 1977, c. 1227, Stats. 1997, c. 118)

§ 37.2 DESIGN-BUILD CONTRACTS FOR PROJECTS EXCEEDING ONE MILLION DOLLARS.

- (a) Notwithstanding subdivision (a) of Section 37 of this act or any other law, the district, with approval of the board of commissioners, may procure design-build contracts for the construction of a building or buildings and improvements directly related to the construction of a building or buildings that exceed one million dollars (\$1,000,000) using the design-build procurement process described in Chapter 4 (commencing with Section 22160) of Part 3 of Division 2 of the Public Contract Code.
- (b) For the purposes of this section, except where the context otherwise requires, all references in Chapter 4 (commencing with Section 22160) of Part 3 of Division 2 of the Public Contract Code to "local agency" shall mean the San Diego Unified Port District. (Added by Stats. 2014, c. 931)

§ 37.5 NEGOTIATIONS WITH FEDERAL GOVERNMENT; CONTRIBUTIONS FOR WORK DONE BY UNITED STATES.

The board may, without advertising for bids, negotiate with the government of the United States for the purpose of assisting the board in the performance of any of the work authorized by this act, and the board may contribute to the United States all or any portion of the estimated cost of any work authorized by this act which is to be done by or under contract with the United States.

§ 38. CREATION AND ACCUMULATION OF CAPITAL OUTLAY FUND.

By resolution, the board may provide for the creation and accumulation of a fund for capital outlays.

§ 39. **TRANSFERS TO FUND.**

At any time after the creation of the fund, the board may transfer to the Capital Outlay Fund any unencumbered surplus funds raised for any purpose whatever, remaining on hand at the end of any fiscal year or years.

§ 40. **USE OF FUND; PURPOSES; AUTHORIZATION.**

The Capital Outlay Fund shall remain inviolate for the making of any capital outlays and the money shall not be disbursed from the fund except for such a purpose unless the district board submits a proposition to the electors of the district to obtain their consent to use the money in the fund for some other specific purpose. The proposition may be submitted at any election. A two-thirds vote of all the voters voting at the election is necessary to authorize the expenditure of the money for such other purpose.

§ 41. **BORROWING MONEY; NOTES AND CONDITIONAL SALES CONTRACTS; RESTRICTIONS AND CONDITIONS; TAXES.**

Notwithstanding any other provision of this act, the board may borrow money by issuance of negotiable promissory notes, or execute conditional sales contracts to purchase personal property, in an amount or of a value not exceeding in the aggregate at any one time the sum of two hundred thousand dollars (\$200,000), for the purposes of the acquisition, construction, completion, or repair of any or all improvements, works, property, or facilities authorized by this act or necessary or convenient for the carrying out of the powers of the district.

Negotiable promissory notes issued pursuant to this section shall mature five years from their respective dates of issuance and shall bear interest at a rate or rates not exceeding 6 percent per annum payable annually or semiannually.

No conditional sales contract shall be for a term in excess of five years from the date of execution thereof.

The negotiable promissory notes and the conditional sales contracts shall contain any terms and provisions the board specifies in the ordinance providing for the issuance thereof. The negotiable promissory notes shall be signed in the same manner as general obligation bonds of the district and the conditional sales contracts shall be signed in the same manner as other contracts of the district.

As a condition precedent to the issuance of any negotiable promissory notes for the purposes of the acquisition, construction, completion, or repair of any or all improvements, works, property, or facilities authorized by this section or the execution of any conditional sales contract for those purposes, as provided in this section, in excess of twenty-five thousand dollars (\$25,000), the board shall first unanimously approve by resolution and have on file a report approved by the executive director on the engineering and economic feasibility relating to the project contemplated for the expenditure of that borrowed money or conditional sales contract. The feasibility report shall be prepared and signed by an engineer or engineers licensed and registered under the laws of the State of California.

Taxes for the payment of all negotiable promissory notes or conditional sales contracts issued under this section shall be levied, collected, paid to the district, and used in the same manner as is hereinafter provided for general obligation bonds of the district. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ 42. **GENERAL OBLIGATION BONDS.**

- (a) Whenever the board deems it necessary for the district to incur a general obligation bonded indebtedness for the acquisition or improvement of real property, authorized by this act or necessary or convenient for the carrying out of the powers of the district, it shall, by ordinance, adopted by two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of general obligation bonds of the district. The ordinance shall state all of the following:
- (1) The purpose for which the proposed debt is to be incurred, which may include expenses of all proceedings for the authorization, issuance, and sale of the bonds.
 - (2) The estimated cost of accomplishing the purpose.
 - (3) The amount of the principal of the indebtedness.
 - (4) The maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years from the date thereof or the date of each series thereof.
 - (5) The maximum rate of interest to be paid, which shall not exceed 12 percent per annum.
 - (6) The proposition to be submitted to the voters.
 - (7) The date of the election.
 - (8) The manner of holding the election and the procedure for voting for or against the measure.
- (b) Notice of the holding of the election shall be given by publishing, pursuant to Section 6066 of the Government Code, the ordinance calling the election in at least one newspaper published in the district. No other notice of the election need be given. Except as otherwise provided in the ordinance, the election shall be conducted as other district elections.
- (c) If any proposition is defeated by the electors, the board shall not call another election on a substantially similar proposition to be held within six months after the prior election. If a petition requesting submission of a proposition, signed by 15 percent of the district electors, as shown by the votes cast for all candidates for Governor at the last election, is filed with the board, it may call an election before the expiration of six months.

- (d) If two-thirds of the electors voting on the proposition vote for it, then the board may, by resolution, at a time or times as it deems proper, issue bonds of the district for the whole or any part of the amount of the indebtedness so authorized and may, from time to time, in that resolution or resolutions, provide for the issuance of those amounts as the necessity thereof may appear, until the full amount of the bonds authorized have been issued. The full amount of bonds may be divided into two or more series and different dates and different dates of payment fixed for the bonds of each series. A bond need not mature on an anniversary of its date. The maximum term the bonds of any series shall run before maturity shall not exceed 40 years from the date of each series respectively. In the resolution or resolutions the board shall prescribe the form of the bonds and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and fix the time when the whole or any part of the principal shall become due and payable.
- (e) The bonds shall bear interest at a rate or rates not exceeding 12 percent per annum, payable semiannually, except that the first interest payable on the bonds or any series thereof may be for any period not exceeding one year as determined by the board. In the resolution or resolutions providing for the issuance of the bonds, the board also may provide for call and redemption of the bonds prior to maturity at those times and prices and upon other terms as it may specify, provided that no bond shall be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon. The denomination or denominations of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than one thousand dollars (\$1,000). The principal of and interest on the bonds shall be payable in lawful money of the United States at the office of the treasurer of the district or at any other place or places as may be designated, or at either place or places at the option of the holders of the bonds. The bonds shall be dated, numbered consecutively and signed by the chair and treasurer, countersigned by the clerk, and the official seal of the district attached. The interest coupons of the bonds shall be signed by the treasurer. All signatures, countersignatures, and seal may be printed, lithographed, or mechanically reproduced, except that one of the signatures or countersignatures on the bonds shall be manually affixed. If any officer whose signature or countersignature appears on bonds or coupons ceases to be that officer before the delivery of the bonds, his or her signature is as effective as if he or she had remained in office.
- (f) The bonds may be sold, either above or below par, at a price the board determines by resolution. Before selling the bonds, or any part thereof, the board shall give notice inviting sealed bids in a manner that it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

- (g) Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.
- (h) All accrued interest received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and applied exclusively to the purpose for which the debt was incurred. However, when that purpose has been accomplished, any moneys remaining in the improvement fund (1) shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, or (2) shall be placed in a fund to be used for the purchase of outstanding bonds of the district. The bonds may be purchased only after publishing, pursuant to Section 6066 of the Government Code, in the district a notice inviting sealed proposals for the sale of bonds to the district. The notice shall state the time and place when proposals will be opened and the amount of money available for the purchase of the bonds and the maximum price to be paid for the bonds so purchased. The notice may be published elsewhere in the United States in the discretion of the board. The board may reject any or all proposals and if it rejects all proposals, the board, within a period of 30 days thereafter, may purchase for cash any outstanding bonds of the district but in that event the purchase price shall not be more than the lowest purchase price at which bonds were tendered to the district in the public bidding. Any bonds so purchased shall be canceled immediately.
- (i) After the expiration of three years after a general obligation bond election, the board may determine, by ordinance adopted by two-thirds of all the members of the board, that any or all of the bonds authorized at the election remaining unsold shall not be issued or sold. When the ordinance takes effect, the authorization to issue the bonds shall become void.
- (j) Whenever the board deems that the expenditure of money for the purpose for which the bonds were authorized by the voters is impractical or unwise, it may, by ordinance adopted by two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof, the proposition of incurring indebtedness by the issuance of the bonds for some other purpose. The procedure, so far as applicable, shall be the same as when a bond proposition is originally submitted.
- (k) The board, by resolution and without the necessity of an election, may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the district upon the terms, at the times, and in the manner which it determines. Refunding bonds may be issued in a principal amount sufficient to pay all or any part of the principal of any outstanding bonds, the interest thereon, and the premiums, if any, due upon call redemption thereof prior to maturity and all expenses of that refunding. The provisions for this section for authorization, issuance, and sale of bonds shall apply to the authorization, issuance, and sale of those refunding bonds, except that when

refunding bonds are to be exchanged for outstanding bonds, the method of exchange shall be as determined by the board.

- (l) The district shall not incur a general obligation bonded indebtedness which in the aggregate exceeds 15 percent of the assessed value of all real and personal property in the district. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ 43. BONDS; PROVISION FOR PAYMENT.

All bonds issued pursuant to Section 42 of this act are general obligations of the district and at the time of making the general tax levy after the incurring of any such bonded indebtedness, and annually thereafter until the bonds are paid or until there is a sum in the treasury of the district set apart for that purpose sufficient to meet all payments of principal and interest on the bonds as they become due, the board must cause a tax to be levied and collected annually, as hereinafter provided in Sections 44 and 45 of this act, sufficient to pay the interest on the bonds and such part of the principal as will become due before the proceeds of a tax levied at the next general tax levy will be available. (Amended by Stats. 1963, c. 673)

§ 44. BONDS; CERTIFICATE OF REQUIRED TAX REVENUES.

The board shall, on or before the first day of August, certify to the board of supervisors and to the auditor of the county in which the district is located, in writing the minimum amount of money required to be raised by taxation during the fiscal year for the payment of the principal of and interest on any general obligation bonded debt of the district that will become due before the proceeds of a tax levied at the next general tax levy will be available. To the extent that, pursuant to this act or otherwise, moneys are on hand and have been set aside in the proper special fund for the purpose of paying such principal and interest, the amount of money required to be raised by taxation during the fiscal year may be reduced and if all of the moneys required to be raised by such annual tax levy are actually on hand and have been set aside in said fund for said purpose from some such other source, the tax levy hereinbefore required for such year need not be made. (Amended by Stats. 1974, c. 208)

§ 45. LEVY AND COLLECTION OF TAXES; USE OF PROCEEDS.

The taxes required to be levied by Sections 43 and 44 of this act shall be levied upon all property within the district taxable for county purposes and shall be in addition to any and all other taxes levied by the board of supervisors and it shall be the duty of the officer, officers or body having authority to levy taxes within the county to levy the taxes so required. It shall be the duty of all county or other officers charged with the duty of collecting taxes to collect such taxes in the time, form and manner as county taxes are collected and when collected to pay the same to the district. All such taxes shall be of the same force and effect as taxes levied for county purposes and their collection may be enforced by the same means as provided for the collection of county taxes. Such taxes shall be used only for the payment of the bonds and interest thereon. (Amended by Stats. 1963, c. 673)

§ 46. **PRELIMINARY BUDGET.**

On or before the 15th day of June of each year, the district board shall estimate and determine the amount of money required by the district and shall adopt a preliminary budget which shall be divided into the following main classes:

- (1) Ordinary annual expenses.
- (2) Capital Outlay and Capital Outlay Fund.
- (3) Prior indebtedness. (Amended by Stats. 1963, c. 673)

§ 47. **NOTICE OF ADOPTION OF PRELIMINARY BUDGET; HEARING ON FINAL BUDGET.**

On or before the 15th day of June of each year, the board shall publish a notice pursuant to Section 6061 of the Government Code in the district stating:

- (1) That the preliminary budget has been adopted and is available at a time and at a place within the district specified in the notice for inspection by interested taxpayers.
- (2) That on a specified date not less than one month after the publication of the notice and at a specified time and place, the district board will meet for the purposes of fixing the final budget, and that any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget, or for the inclusion of additional items. (Amended by Stats. 1963, c. 673)

§ 48. **APPEARANCE OF TAXPAYERS; CONTINUATION OF HEARING.**

At the time and place designated in the published notice for the meeting, any taxpayer may appear and be heard regarding the increase, decrease or omission of any item in the budget or for the inclusion of additional items. The hearing on the budget may be continued from time to time.

§ 49. **REPORT OF FINAL BUDGET TO BOARD OF SUPERVISORS.**

The district board shall report the final budget to the board of supervisors after the budget hearing but not later than the first day of August each year after making any changes in the preliminary budget it deems advisable during or after the hearing, including deductions, increases or additions.

§ 49.5 **LEVY OF TAX BY BOARD OF SUPERVISORS; PAYMENT OF FUNDS TO DISTRICT TREASURER; LIMITATIONS ON LEVY FOR CAPITAL OUTLAY.**

The board of supervisors shall at the time of levying the county taxes levy the taxes required by other sections of this act and also a tax upon all the taxable property within the district sufficient to meet the amounts set forth in the final budget submitted by the district board. The money when collected by the tax collector of the county shall be paid to the treasurer of said district; provided further, that any levy for capital outlay or for Capital Outlay Fund shall not exceed three cents

(\$0.03) per hundred dollars (\$100) assessed valuation of all real and personal property in the district. (Amended by Stats. 1963, c. 673)

§ 50. BONDS AS LEGAL INVESTMENTS.

Bonds issued by the district pursuant to this act are legal investments for all trust funds, and for the funds of all insurers, banks, both commercial and savings, and trust companies, and for the state school funds, and whenever any money or funds may, by law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts or municipalities in this State, such money or funds may be invested in bonds of the district organized pursuant to this act.

§ 51. REVENUE BONDS.

(a) Whenever the board deems it necessary for the district to incur a revenue bonded indebtedness for the acquisition, construction, completion, or repair of any or all improvements, works, property, or facilities authorized by this act or necessary or convenient for the carrying out of the powers of the district, the board shall issue those revenue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code).

Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code and the limitations set forth in subdivision (b) of Section 54402 of the Government Code shall not apply to the issuance and sale of bonds pursuant to this section. Instead, by ordinance adopted by two-thirds of all the members of the board and subject to referendum, the board may provide for the issuance of those bonds and, unless the ordinance is subject to referendum, no election shall be required to authorize the issuance of the bonds. To initiate a referendum, a petition protesting against the adoption of the ordinance shall be signed by voters of the district equal in number to at least 5 percent of the entire vote cast within that district for all candidates for Governor at the last gubernatorial election.

The ordinance shall specify all of the following:

- (1) The purposes for which the bonds are to be issued, which may include any one or more purposes authorized by this section or this act.
 - (2) The maximum principal amount of the bonds.
 - (3) The maximum term for the bonds.
 - (4) The maximum rate of interest, fixed or variable, to be payable upon the bonds.
 - (5) The maximum discount or premium on the sale of bonds.
- (b) For the purposes of issuing and selling revenue bonds pursuant to this section, the following definitions are applicable to the Revenue Bond Law of 1941

(Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code):

- (1) "Enterprise" means any purpose, operation, facility, system, improvement, or undertaking of the district from which revenues are derived or otherwise allocable, which revenues are or may, by resolution or ordinance, be required to be separately accounted for from other revenues of the district.
 - (2) "Fiscal agent" means any fiscal agent, trustee, paying agent, depository, or other fiduciary provided for in the ordinance authorizing the issuance of the bonds. The fiscal agent may be located within or without the state.
 - (3) "Ordinance" means, unless the context otherwise requires, the instrument providing the terms and conditions for the issuance of the revenue bonds, and may be an indenture, resolution, ordinance, lease, installment sale, agreement, or other instrument in writing.
- (c) Each ordinance shall provide for the issuance of revenue bonds in the amounts as may be necessary, until the full amount of the bonds authorized has been issued. The full amount of bonds may be divided into two or more series with different dates of payment fixed for the bonds of each series. A bond need not mature on its anniversary date. Any provision of the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code) that is inconsistent with this section or this act shall not be applicable.
- (d) The district may issue refunding revenue bonds to redeem or retire any revenue bonds issued by the district upon the terms, at the times, and in the manner which the board, by ordinance, determines. Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premiums, if any, due upon call and redemption thereof prior to maturity, all expenses of the refunding, and either of the following:
- (1) The interest upon the refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded out of the proceeds of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.
 - (2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.
- (e) This section provides a complete, additional, and alternative method of performing the acts authorized by this section, and the issuance of revenue bonds, including refunding revenue bonds, need not comply with any other

law applicable to borrowing or the issuance of bonds. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ **52. AUDIT OF ACCOUNTS.**

The accounts of the district shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants and a copy of the audit report shall be filed with the clerk for inspection by any person or persons interested. (Amended by Stats. 1963, c. 673)

§ **53. ANNEXATION OF TERRITORY.**

Any territory annexed in accordance with law to a city specified in this act shall, upon the completion of such annexation proceedings, be deemed incorporated into and annexed to the district. In addition to the annexation of territory to the district as a result of it being annexed to such a city, there may be annexed to the district any of the following territory which is in the same county as the district:

- (a) Any territory contiguous to the district.
- (b) Any territory, any point of which touches the district.
- (c) Any territory separated from the district by a "separating barrier," which term includes a street, road, highway, railway line, railway crossing, railway right-of-way, watercourse, lagoon, or other natural barrier.

Any territory specified in this section may consist of one or more separate parcels of land, but it is not necessary that all parcels shall constitute in the aggregate one tract of land. (Amended by Stats. 1963, c. 673)

§ **54. REPEALED 1965 – Added by Stats. 1963, c. 673, Repealed by Stats. 1965, c. 2043**

§ **55. RULES AND REGULATIONS OF BOARD; REGULATION OF VESSELS; HARBOR POLICE AND FIRE PROTECTION.**

The board shall:

- (a) Make and enforce all necessary rules and regulations governing the use and control of all navigable waters and all tidelands and submerged lands, filled or unfilled, and other lands within the territorial limits of the district.
- (b) Regulate and control the anchoring, mooring, towing and docking of all vessels.
- (c) Establish and maintain a system of harbor police and may establish harbor fire protection within the territorial limits of the district for the enforcement of the ordinances, rules and regulations of the district, and employ the necessary officers, who shall as to such matters have all the power of peace officers and firemen within the district; or in the alternative, the district may contract with the municipalities whose territorial limits are adjacent to or contiguous to those of the district to provide such services.

§ 56. **ENACTMENT AND ENFORCEMENT OF POLICE AND SANITARY REGULATIONS.**

The board shall make and enforce such local police and sanitary regulations relative to the construction, maintenance, operation and use of all public services and public utilities in the district, operated in connection with or for the promotion or accommodation of commerce, navigation, fisheries, and recreation therein as are now vested in the district.

§ 57. **ACQUISITION AND OPERATION OF FACILITIES FOR PROMOTION OF COMMERCE, NAVIGATION, FISHERIES AND RECREATION.**

The board may acquire, construct, erect, maintain or operate within the district, all improvements, utilities, appliances or facilities which are necessary or convenient for the promotion and accommodation of commerce, navigation, fisheries and recreation, or their use in connection therewith upon the lands and waters under the control and management of the board, and it may acquire, maintain and operate facilities of all kinds within the district. (Amended by Stats. 1963, c. 673)

§ 57.5 **TRANSPORTATION VENDOR CONDUCTING BUSINESS ON DISTRICT TIDELANDS; PARKING STRUCTURE FINANCING FEE; CONDITIONS.**

- (a) If the district requires any transportation vendor conducting business on district tidelands; including San Diego International Airport, Lindbergh Field, or the airport, in writing, to collect a fee from its customers on behalf of the district for financing a parking structure that is located on district-owned property and adjacent to an intended principally to serve a convention center, all of the following shall apply:
- (1) The fees shall be calculated on a per transaction basis.
 - (2) All fees collected for this purpose constitute debts owed to the district by the collecting party. The debts are due and payable to the district quarterly or at any other interval the district may establish to facilitate collection and ensure payment.
 - (3) The fee is a transaction fee, not a tax.
 - (4) Revenues collected from the fee may not exceed the reasonable costs of financing the construction of the parking structure and may not be used for any other purpose.
 - (5) For purposes of this section, a rental car company shall be deemed to be conducting business on district tidelands if it has a business location on district tidelands or it picks up customers at a location on district tidelands.
- (b) If the vendor required to collect a fee pursuant to subdivision (a) is a rental car company, then, notwithstanding any other provision of law, including, but not limited to, Section 1936 of the Civil Code, the rental car company shall do all of the following:

- (1) Collect the fee only as permitted by this section.
 - (2) Clearly disclose the existence of the fee in any radio, television, or print advertisement that states a rental rate applicable to the location, at which the fee is to be imposed, and the amount of the fee at the location where it is imposed, or a range of fees if the fee is imposed at more than one location.
 - (3) Clearly disclose the existence of the fee in a telephonic, in-person, or computer-transmitted quotation that states a rental rate applicable to a location at which the fee is to be imposed and the amount of the fee at the location where it is imposed.
 - (4) Separately identify the fee on its rental agreement.
- (c) If a rental car company conducting business on district tidelands operates a facility not located on district tidelands, then, the rental car company shall be subject to all provisions of subdivisions (a) and (b), but shall collect the fee only from those customers of that facility who do either of the following:
- (1) Are picked up from a location on district tidelands, including the airport, and are transported to the rental car company's business facility via a courtesy ground transportation vehicle for the purpose of entering into a car rental agreement or securing a rental vehicle.
 - (2) Enter into a car rental agreement with the rental car company within 24 hours of arrival at the airport and rental car arrangements or reservations were made using a telephone located at an airport information board by such customers.
- (d) In the event that the Federal Aviation Administration makes a determination that the provisions of this section are in conflict with federal law requiring a nexus to airport operations, the provisions of this section shall be inoperative. (Added by Stats. 1998, c. 889)

§ 58. SUSPENSION OF RULES AND REGULATIONS IN EMERGENCIES; EMERGENCY REGULATIONS.

In case of emergency the board may suspend, modify or amend any rule or regulation of the board, or it may place in effect any emergency rule or regulations, for periods not exceeding thirty (30) days, and every such ordinance shall so provide.

§ 59. VIOLATIONS; MISDEMEANORS; CONDUCT OF PROSECUTION; JURISDICTION.

Any person who violates the provisions of any ordinance, or any local police or sanitary regulation, of the board shall be guilty of a misdemeanor. The prosecution shall be conducted by the City Attorney of San Diego if the infraction occurred within the corporate limits of the City of San Diego on lands or waters subject to the jurisdiction of the district. The prosecution shall be conducted by the District

Attorney of San Diego County if the infraction occurred without the corporate limits of the City of San Diego but otherwise on lands or waters subject to the jurisdiction of the district. The complaint shall be filed in the judicial district within which the infraction occurred.

§ **60. APPLICABILITY OF MUNICIPAL POLICE, FIRE AND SANITARY REGULATIONS.**

In the absence of the adoption of any police, fire and sanitary regulations by the district, the police, fire and sanitary regulations of any municipal corporation whose boundaries are adjacent to or contiguous to the territorial limits of the district shall be applicable.

§ **61. ASSESSMENTS, REASSESSMENTS, SPECIAL TAXES, AND BONDS; AUTHORIZED PROJECTS; APPLICATION OF OTHER STATUTORY PROVISIONS; ASSESSMENT DIAGRAMS; ASSESSMENT ROLL; COLLECTION; APPORTIONMENT.**

- (a) The district in any year, may levy assessments, reassessments, or special taxes and issue bonds to finance waterway construction projects and related operations and maintenance, or operations and maintenance projects independent of construction projects in accordance with, and pursuant to, the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 (commencing with Section 9500) of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), the Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54701) of the Government Code), the Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Part 1 of Division 2 of Title 5 of the Government Code), the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code), and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).
- (b) Sections 5116, 5117, 5118, 5119, 5190, 5191, 5192, 5193, 10104 and 10302 of the Streets and Highways Code shall not apply to assessment proceedings undertaken pursuant to this section.
- (c) Notwithstanding the related provisions of any assessment act which the district is authorized to use, any assessment diagram which any of those acts requires to be prepared prior to final approval of the assessment district may show only the exterior boundaries of the assessment district and the boundaries of any assessment zones or improvement areas within the district. The diagram may refer to the county assessor's maps and records for a detailed description of each lot or parcel.

- (d) Notwithstanding any other provision of law, the district may levy and collect assessments and reassessments in the same manner as provided in Article 3 (commencing with Section 51320) of Chapter 2 of Part 7 of Division 15 of the Water Code, to pay any or all of the following:
 - (1) For the operation and maintenance of projects, including maintenance of lands, easements, rights-of-way, dredge material disposal areas, and remediation.
 - (2) For the satisfaction of liabilities arising from projects.
 - (3) To accumulate a fund which may be used to advance the cost of district projects, if the advances are repaid, with interest as determined by the commissioners, from assessments, reassessments, special taxes, or fees charged by the district pursuant to this section.
 - (4) To acquire real property, easements, or rights-of-way for a navigation project or the maintenance of a navigation project.
 - (5) To acquire real property within the district for the disposal of dredged material.
- (e) For the purposes of this section, functions designated by Article 3 (commencing with Section 51320) of Chapter 2 of Part 7 of Division 15 of the Water Code to be performed by the board of supervisors, the board of trustees, or valuation commissioners shall be performed by the district's board.
- (f) For the purposes of this section, the board may order the creation of a separate assessment roll to pay the allowable expenses of any single project or any group or system of projects.
- (g) Notwithstanding any other provision of law, all assessments, reassessments, and taxes levied by the district may be collected together with, and not separately from, taxes for county purposes. Any county in which the district is located may collect, at the request of the district, all assessments, reassessments, and special taxes levied by the district and shall cause those revenues to be deposited into the county treasury to the credit of the district. Each county may deduct its reasonable collection and administrative costs.
- (h) Notwithstanding any other provision of law, any assessment or reassessment levied pursuant to this section may be apportioned on the basis of land use category, tonnage shipped on the waterway, size and type of vessel using the waterway, front footage, acreage, capital improvements, or other reasonable basis, separately or in combination, as determined by the district commissioners.
- (i) Notwithstanding any other provision of law, Division 4 (commencing with Section 2800) of the Streets and Highways Code shall not apply to any assessment levied by the district.

- (j) Notwithstanding any other provision of law, no bond issued pursuant to this section shall be used to fund the routine maintenance dredging of channels. (Added by Stats. 1991, c. 978; Amended by Stats. 1996, c. 399)

§ **62. CONTRIBUTIONS TO WORKS BY OTHER AGENCIES TO IMPROVE NAVIGATION AND COMMERCE.**

The district may contribute money to the federal or the state government or to the county in which it is located or to any city within the district, for the purpose of defraying the whole or a portion of the cost and expenses of work and improvement to be performed, either within or without the territorial limits of the district, by the federal, state, county or city government, in improving rivers, streams, or in doing other work, when such work will improve navigation and commerce, in or to the navigable waters in the district. (Amended by Stats. 1963, c. 673)

§ **63. REPEALED 1963 – Repealed by Stats. 1963, c. 673**

§ **64. REPEALED 1963 – Repealed by Stats. 1963, c. 673**

§ **65. REPEALED 1963 – Repealed by Stats. 1963, c. 673**

§ **66. CONTRACT WITH NOTE AND BOND HOLDERS; ENFORCEMENT.**

Notwithstanding any other provisions of this act or any other law, the provisions of all ordinances, resolutions, and other proceedings in the issuance by the district of any general obligation bonds, general obligation bonds with a pledge of revenues, revenue bonds, negotiable promissory notes, or any and all evidences of indebtedness or liability shall constitute a contract between the district and the holders of those bonds, notes, or evidences of indebtedness or liability and the provisions thereof, and the provisions of this act shall be enforceable against the district, any or all of its successors or assigns, by mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction. Nothing contained in this act or in any other law shall be held to relieve the district or the territory included within it from any bonded or other debt or liability contracted by the district. Upon dissolution of the district or upon withdrawal of territory therefrom, the property formerly included within the district or withdrawn therefrom shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of the dissolution or withdrawal the same as if the district had not been so dissolved or the territory withdrawn therefrom, and it shall be the duty of the successors or assigns to provide for the payment of that bonded and other indebtedness and liabilities. To the extent provided in the proceedings for the authorization, issuance, and sale of any revenue bonds or general obligation bonds secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities, or property owned, operated, or controlled by the district may be pledged, charged, assigned, and have a lien thereon for the payment of those bonds as long as the bonds are outstanding, regardless of any change in ownership, operation, or control of those revenue-producing improvements, works, facilities, or property, and it shall be the duty of the successors or assigns to continue to maintain and operate those revenue-producing improvements, works, facilities, or property as long as the bonds are outstanding. (Amended by Stats 1963, c. 673; Stats. 1996, c. 399)

§ 67. **ASSUMPTION OF MUNICIPAL DEBT FOR DISTRICT PURPOSES;
VALIDATION.**

The district shall take over and assume indebtedness incurred for development of tide and submerged lands of the county or any city specified in this act which shall have heretofore issued bonds or created any indebtedness for harbor development or improvement in the Bay of San Diego in the manner and with the effect set forth in the following entitled contracts:

- (1) Assumption Agreement, between San Diego Unified Port District and the City of San Diego, dated February 14, 1963, Port Clerk Document No. 72.
- (2) Assumption Agreement, between San Diego Unified Port District and the City of Chula Vista, dated February 26, 1963, Port Clerk Document No. 101.

and the district, the board and any other public agencies, boards, councils, and officers mentioned in such contracts shall take all acts and proceedings necessary to carry into effect the provisions of said contracts. Said contracts are hereby confirmed, validated and declared legally effective, including, without limitation, all acts and proceedings of the parties thereto done or taken with respect to said contracts prior to the date thereof. The provisions of this section shall operate to supply such legislative authorization as may be necessary to confirm, validate and make legally effective any such contracts and the proceedings taken in connection therewith prior to the date thereof which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken. (Amended by Stats. 1963, c. 673)

§ 68. **CONSENT OF STATE TO CONVEYANCES IN TRUST TO DISTRICT;
SURRENDER OF POWER TO MANAGE HARBOR.**

The State hereby consents to the county or any city which has elected to join the district established under the provisions of this act to grant its right, title and interest in and to the tidelands, submerged lands, whether filled or unfilled, swamp, overflowed, and salt marshlands in the Bay of San Diego, which are owned by the county or any city, including any such lands which have been granted in trust to the county or city by the State, to the district in trust for the uses and purposes and upon the conditions specified in this act. The county or such city may also transfer, relinquish and surrender to the district its power to manage, conduct and operate the harbor in or adjacent to which such portion of such lands are situated. The district shall, upon its establishment in accordance with the provisions of this act, become the successor of the county or such city whose tide and submerged lands shall have been included therein with respect to the management, conduct and operation of the harbor and with respect to the use, possession and title to such portions of such lands, and they shall continue to be held and used by the district pursuant to this act.

§ 69. **REVERSION OF LANDS AND POWER TO MANAGE HARBOR ON
DISSOLUTION OF DISTRICT.**

If the district is dissolved by operation of law, or otherwise, any such lands so granted thereto pursuant to this act, together with any and all improvements thereon,

and the management, conduct and operation of such harbor reverts to and is revested in the county or city so granting the same to the district. The lands reverting to the cities or the county pursuant to this section shall be held by the respective cities or the county in trust subject to the conditions, terms, and purposes of this act.

§ 70. **DISTRICT AS SUCCESSOR OF CERTAIN POWERS OF COUNTY AND CITIES; TRANSFER OF TITLE AND POSSESSION OF PROPERTY.**

Whenever the district is established under the provisions of this act it is the successor of the county and each of the cities included therein as to all powers theretofore vested in the county or each such city or exercisable by its officers, which are by the provisions of this act granted to the district or are exercisable by its officers. Such powers are relinquished by the county and the cities and surrendered to the district. The title to, and possession and control of, any works, structures, appliances, improvements and equipment of the kinds designated in this act, owned or held by or in trust for the county and each of the cities, or by any officer or board thereof, in trust or otherwise, for any purpose for which the district is authorized to acquire and use property pursuant to this act, are upon the establishment of the district, transferred to and vested in the district and are thereafter owned, operated and controlled by the district pursuant to this act.

§ 71. **CESSATION OF CERTAIN LOCAL OFFICES UPON ESTABLISHMENT OF DISTRICT; EXCEPTIONS; RETIREMENT AND DISABILITY BENEFITS.**

- (a) Upon the establishment of the district, all persons then occupying the several offices of or under the government, of the county and each of the cities included therein, except as otherwise provided, whose several powers and duties are within the powers of the district or within the powers or duties of the several officers thereof, shall immediately quit and surrender the occupancy or possession of those offices which shall thereupon cease and determine, except as to any persons who have powers and perform duties for the county and the cities other than those mentioned, whose offices shall not cease and determine as to those other powers and duties, but shall continue with respect thereto the same as if the district had not been established.
- (b) Notwithstanding subdivision (a), all employees of the county and any city performing duties in connection with the Port of San Diego or the respective harbor departments shall be blanketed in as employees of the district.
- (c) The district may do all of the following with respect to retirement and disability benefits for its employees:
 - (1) Contract with the State Employees' Retirement System and provide retirement and disability benefits for employees under the State Employees' Retirement System pursuant to its rules and regulations.
 - (2) Contract with any city included within the district that has a retirement system for retirement and disability benefits for district employees.
 - (3) Contract with any other employee retirement and disability system.

- (4) Establish an independent employee retirement and disability system pursuant to Article 1.5 (commencing with Section 53215) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.
- (5) By contract, continue those employees of the district so blanketed in, as members of the retirement system of which they were members while they were employees of the respective cities. (Amended by Stats. 1963 c. 673; Stats. 2005, c. 382)

§ 71.5 DISCHARGE OF TRANSFERRED EMPLOYEES; INDEPENDENT CONTRACTORS.

No employee of the district who was previously employed by another governmental agency and was transferred to the district when it was formed and took over functions previously performed by such other agency shall be discharged, except for cause, or transferred to any position of a lesser class.

Nothing in this section shall prevent the district from employing an independent contractor to provide services of a professional, scientific or technical nature where the district has determined that it is impractical to have such service furnished by a person employed or to be employed in the classified service and the employment of such independent contractor will not require the removal, suspension, layoff or transfer of any employee in the classified service or the elimination of any classification thereof.

This section shall not apply to any employee of the district who is or has been employed by another governmental agency in substantially the same class of position and rate of pay as the position held, and pay received, while employed by the district. (Added by Stats. 1965, c. 1953)

§ 72. DISTRICT OFFICERS.

The officers of the district shall be as follows:

- (a) An auditor.
- (b) An executive director.
- (c) An attorney.
- (d) A clerk.
- (e) A treasurer.
- (f) A chief engineer.

The auditor, executive director, and attorney shall be appointed by the board. The auditor and attorney shall appoint deputies or assistants as authorized by the board. All other officers and employees shall be appointed by the executive director. All officers appointed by the executive director shall be confirmed by the board. (Amended by Stats. 1965, c. 349; Stats. 1996, c. 399)

§ 72.5 UNCLASSIFIED AND CLASSIFIED SERVICES.

- (a) Employment in the district shall be divided into the unclassified and classified service.

- (b) The unclassified service shall include all of the following:
- (1) All officers of the district.
 - (2) All department and division heads.
 - (3) The principal assistant or deputy of all officers and department and division heads.
 - (4) All assistant and deputy attorneys
 - (5) Management employees having significant responsibilities for formulating or administering district policies and programs. Each of these positions shall be exempted from the classified service, by ordinance, upon recommendation of the executive director.
 - (6) Employees who are required to develop or present management positions with respect to employer-employee relations, who, in the regular course of their duties, have access to confidential information concerning employer-employee relations, or who contribute significantly to the development of management positions.
 - (7) Persons employed for temporary expert professional services for a specified period.
- (c) The board shall establish a classified civil service that shall include all positions not specifically included in the unclassified service; provided, however, any incumbents in the positions included in the unclassified service presently in the classified service shall remain in the classified service until the respective positions are vacated by the incumbents.
- (d) Officers and employees appointed by the board may be removed from office by the affirmative vote of the majority of the members of the board.
- (e) All persons in the classified service shall be appointed by and may be removed by the executive director subject to the civil service regulations of the district. (Added by Stats. 1965, c. 349; Amended by Stats. 1982, c. 171; Stats. 1996, c. 480)

§ 73. SALARIES; BONDS.

The salaries of the officers and employees shall be fixed by the board by ordinance. All officers and employees shall give such bond as is prescribed by the board; the premium on all bonds on officers and employees shall be paid by the district. (Amended by Stats. 1965, c. 349)

§ 74. **EXECUTION OF BONDS, NOTES AND CONTRACTS.**

Bonds, notes and other evidences of indebtedness issued or incurred by the district shall be signed as provided in the section of this act applicable thereto or as provided in any other law applicable thereto; provided, however, that if the particular section or law does not prescribe the method of such execution, the method provided for general obligation bonds of the district shall apply so far as applicable. All other contracts of the district shall be executed in such manner as the board may fix by resolution. (Added by Stats. 1963, c. 673)

§ 75. **ADOPTION OF CIVIL SERVICE REGULATIONS; PROVISIONS.**

The board may adopt civil service regulations in accordance with the following provisions:

- (a) The civil service regulations shall provide for all of the following:
- (1) The qualifications and examination of all applicants for employment and the employment of persons on probation.
 - (2) The registration of persons, other than unskilled laborers, in the classified civil service, in accordance with their general average standing upon examination.
 - (3) Promotions on the basis of ascertained merit and seniority in service and examination, and competitive examinations for promotions.
 - (4) Leaves of absence.
 - (5) The transfer from one position to a similar position of the same class.
 - (6) The reinstatement to the list of eligibles on recommendation of the executive director, of persons who have become separated from service or have been reduced in rank, other than persons who have been removed for cause.
 - (7) The reassignment of persons injured in the service of the district who were at the time of injury actually engaged in the discharge of the duties of their positions.
 - (8) The keeping of service records for all employees in the civil service, and for their use as one of the bases for the promotion, removal, suspension, layoff, or transfer of any employee.
 - (9) The procedure for the removal, discharge, or suspension of employees, the investigation by the board of the grounds thereof, and the reinstatement or restoration to duty of persons found to have been removed, discharged, or suspended for insufficient grounds, or for reasons that are not sustained by investigation.

(10) Generally for any other purpose that may be necessary or appropriate to carry out the objects and purposes of the civil service system and the regulations herein specifically authorized.

(b) The following persons may be exempted by the board, by ordinance, from the civil service:

(1) Persons employed to render professional, scientific, technical, or expert service of a temporary or exceptional character.

(2) Persons employed on the construction of district works, improvements, buildings, or structures.

(3) Persons receiving a salary not exceeding fifty dollars (\$50) per month.

Any exemption made pursuant to this subdivision may be terminated at any time by resolution of the board. (Amended by Stats. 1965, c. 349; Stats. 1996, c. 480)

§ 76. USE OF SERVICES OF CIVIL SERVICE COMMISSION OFFICE OF SAN DIEGO COUNTY.

Nothing herein contained shall prevent the board from contracting with the County of San Diego to utilize the services of its civil service commission office or department to effectuate the purposes hereof.

§ 77. TIME FOR PAYING WAGES OR SALARIES.

The salaries or wages of all officers and employees of the district shall be paid at such regular periods as the board by ordinance may determine. (Amended by Stats. 1963, c. 673)

§ 78. DELIVERY OF PROPERTY OF COUNTY AND CITIES TO DISTRICT OFFICERS.

Such persons shall severally forthwith deliver and turn over to the proper officers of the district, all property of the county and each city in their hands or under their control including any and all works, structures, appliances, improvements and equipment of the character, kinds or classes enumerated or designated in this act and pertaining to harbor improvements or affairs.

§ 79. PROVISIONS OF ACT TO CONTROL OVER INCONSISTENT PROVISIONS OF FREEHOLDERS' CHARTER.

The provisions of this act shall apply to any municipal corporation which is governed under a freeholders' charter even if such provisions are inconsistent with the charter or its amendments, it being hereby declared that such provisions are a matter of statewide concern and are to prevail over any inconsistent provisions in any such charter. If the district is dissolved by operation of law or otherwise, any such works, structures, appliances, improvements and equipment are vested in such municipal corporation, together with any other works, structures, appliances, improvements and equipment acquired or constructed by the district in that portion of the district within the limits of each such municipal corporation respectively.

- § **80. DEPOSIT OF MONEYS RECEIVED FROM HARBOR FACILITIES OR UTILITIES IN DISTRICT REVENUE FUND; APPROPRIATIONS.**
 All money received or collected from or arising out of the use or operation of any harbor or port improvement, work, appliance, facility or utility, or vessel, owned, controlled or operated by the district; all tolls, charges and rentals collected by the board, and all compensation, or fees required to be paid for franchises or licenses, or otherwise by law or ordinance or order, to the district for the operation of any public service utility upon lands or waters under the control and management of the board, shall be deposited in the treasury of the district to the credit of the San Diego Unified Port District Revenue Fund. The money in or belonging to the fund shall not be appropriated or used for any purpose except those enumerated in this act and any enumeration shall not be deemed to create any priority of one use or purpose over another. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)
- § **81. USE OF FUND FOR EXPENSES OF CONDUCTING DISTRICT.**
 The fund may be used for the necessary expenses of conducting the district, including the operation and maintenance of all harbor or port improvements, works, utilities, appliances, facilities and vessels owned, controlled or operated by the district for the promotion and accommodation of commerce, navigation, fisheries, and recreation, or used in connection therewith, and for the purposes set forth in any grants in trust.
- § **82. USE OF FUND FOR ADVERTISING COMMERCIAL ADVANTAGES AND FACILITIES.**
 The money in the fund also may be used for advertising the commercial and other advantages and facilities of any harbor in the district, for encouraging and promoting commerce, navigation, and transportation in and through that harbor, and for encouraging and promoting the region's commercial airport. (Amended by Stats. 1996, c. 480)
- § **83. USE OF FUND FOR ACQUISITION AND MAINTENANCE OF IMPROVEMENTS, WORKS AND FACILITIES, ETC.**
 The money in the fund may also be used for the acquisition, construction, completion and maintenance of harbor and port improvements, works, utilities, appliances, facilities, and vessels, for the promotion and accommodation of commerce, navigation and fisheries, and recreation, or uses in connection therewith; and for extraordinary improvements and betterments to lands and property under the control, supervision and management of the district, including the purchase or condemnation of necessary lands and other property and property rights.
- § **84. USE OF FUND FOR BOND AND INTEREST PAYMENTS AND FOR ESTABLISHMENT OF FUNDS TO SECURE SUCH PAYMENTS.**
 The money in the fund may also be used for the payment of the principal, or interest, or both, of district bonds authorized, issued and sold pursuant to this act and for the establishment and maintenance of bond service funds, sinking funds, reserve funds or other funds or accounts established to secure the payment of principal of, interest on, or redemption of or for the security of such bonds. (Amended by Stats. 1963, c. 673)

§ 85. **USE OF FUND FOR PAYMENT OF PRINCIPAL AND INTEREST OF OUTSTANDING MUNICIPAL BONDS FOR HARBOR IMPROVEMENTS.**

The money in the fund may also be used for the payment of the principal or interest, or both, of the bonds of the county or any city in the district, for harbor improvements, authorized or outstanding prior to the establishment of the district, or thereafter issued and sold by such county or city for harbor improvements pursuant to this act.

§ 86. **TRANSFER OF AMOUNTS BETWEEN BUDGET ITEMS AND BETWEEN BOND FUNDS.**

The executive director may make application in writing to the board for a transfer of amounts from one appropriated item to another in the budget allowance. On the approval of the board by a two-thirds vote, the auditor shall make the transfer, but a transfer shall not be made except as herein provided. Any transfer of bond or note proceeds or of bond or note service, reserve, or sinking funds shall be made only as provided in the proceedings authorizing the issuance of those bonds. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399)

§ 87. **PURPOSES FOR USE OF TIDE AND SUBMERGED LANDS HELD IN TRUST BY DISTRICT.**

- (a) The tide and submerged lands conveyed to the district by any city included in the district shall be held by the district and its successors in trust and may be used for purposes in which there is a general statewide purpose, as follows:
- (1) For the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation.
 - (2) For all commercial and industrial uses and purposes, and the construction, reconstruction, repair, and maintenance of commercial and industrial buildings, plants, and facilities.
 - (3) For the establishment, improvement, and conduct of airport and heliport or aviation facilities, including, but not limited to, approach, takeoff, and clear zones in connection with airport runways, and for the construction, reconstruction, repair, maintenance, and operation of terminal buildings, runways, roadways, aprons, taxiways, parking areas, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of air commerce and air navigation.
 - (4) For the construction, reconstruction, repair, and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or

betterments incidental, necessary, or convenient for the promotion and accommodation of any of the uses set forth in this section.

- (5) For the construction, reconstruction, repair, maintenance, and operation of public buildings, public assembly and meeting places, convention centers, parks, playgrounds, bathhouses and bathing facilities, recreation and fishing piers, public recreation facilities, including, but not limited to, public golf courses, and for all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses.
 - (6) For the establishment, improvement, and conduct of small boat harbors, marinas, aquatic playgrounds, and similar recreational facilities, and for the construction, reconstruction, repair, maintenance, and operation of all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses, including, but not limited to, snack bars, cafes, restaurants, motels, launching ramps, and hoists, storage sheds, boat repair facilities with cranes and marine ways, administration buildings, public restrooms, bait and tackle shops, chandleries, boat sales establishments, service stations and fuel docks, yacht club buildings, parking areas, roadways, pedestrian ways, and landscaped areas.
 - (7) For the establishment and maintenance of those lands for open space, ecological preservation, and habitat restoration.
- (b) The district or its successors shall not, at any time, grant, convey, give, or alienate those lands, or any part thereof, to any individual, firm, or corporation for any purposes whatever. However, the district, or its successors, may grant franchises thereon for limited periods, not exceeding 66 years, for wharves and other public uses and purposes, and may lease those lands, or any part thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which those lands are held by the State of California, and with the requirements of commerce and navigation, and collect and retain rents and other revenues from those leases, franchises, and privileges. Those lease or leases, franchises, and privileges may be for any and all purposes that do not interfere with commerce and navigation.
 - (c) Those lands shall be improved without expense to the state. However, nothing in this section shall preclude expenditures for the development of those lands for any public purpose not inconsistent with commerce, navigation, and fishery, by the state or any board, agency, or commission thereof, when authorized or approved by the district, or preclude expenditures by the district of any funds received for that purpose from the state or any board, agency, or commission thereof.
 - (d) In the management, conduct, operation, and control of those lands or any improvements, betterments, or structures thereon, the district or its successors

shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith.

- (e) The State of California shall have the right to use without charge any transportation, landing or storage improvements, betterments, or structures constructed upon those lands for any vessel or other watercraft, aircraft, or railroad owned or operated by the State of California.
- (f) There is hereby reserved to the people of the State of California the right to fish in the waters on those lands with the right of convenient access to that water over those lands for that purpose.
- (g) There is hereby excepted and reserved in the State of California all deposits of minerals, including oil and gas, in those lands, and to the State of California, or persons authorized by the State of California, the right to prospect for, mine, and remove deposits from those lands.
- (h) Those lands shall be held subject to the express reservation and condition that the state may at any time in the future use those lands or any portion for highway purposes without compensation to the district, its successors or assigns, or any person, firm, or public or private corporation claiming under it, except that in the event improvements, betterments, or structures have been placed upon the property taken by the state for those purposes, compensation shall be made to the district, its successors, or assigns, or any person, firm, or public or private corporation entitled thereto for the value of his or her or its interest in the improvements, betterments, or structures taken or the damages to that interest.
- (i) The State Lands Commission, at the cost of the district, shall survey and monument those lands and record a description and plat thereof in the office of the County Recorder of San Diego County.
- (j) As to any tide and submerged lands conveyed to the district by a city that are subject to a condition contained in a grant of those lands to the city by the state that those lands shall be substantially improved within a designated period or else they shall revert to the state, that condition shall remain in effect as to those lands and shall be applicable to the district.

As to any tide and submerged lands conveyed to the district by a city that are not subject to this condition contained in a grant by the state and that have not heretofore been substantially improved, those lands, within 10 years from July 12, 1962, shall be substantially improved by the district without expense to the state. If the State Lands Commission determines that the district has failed to improve the lands as herein required, all right, title, and interest of the district in and to those lands shall cease and the lands shall revert and rest in the state. (Amended by Stats. 1963, c. 673; Stats. 1996, c. 399; Stats. 2006, c. 538)

§ 88. PARTIAL INVALIDITY.

If any section, subdivision, sentence, clause, or phrase of this act, or the application thereof to any person or circumstances, is for any reason held invalid, the validity of the remainder of the act, or the application of such provision to other persons or circumstances, shall not be affected thereby. The Legislature hereby declares that it would have passed this act, and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that one or more sections, subdivisions, sentences, clauses or phrases, or the application thereof to any person or circumstance, be held invalid. (Added by Stats. 1963, c. 673)

Does the S.D. Port have too much power?

Waterfront agency dismisses grand jury's call for county oversight

BY JENNIFER VAN GROVE

Last year, a group of 19 residents, in their post as government watchdogs on the San Diego County Grand Jury, focused their microscope on one of the most powerful — and most misunderstood — agencies in town.

That agency, the Port of San Diego, has relatively unchecked [authority over San Diego's bayfront](#) and would benefit from additional supervision, according to the grand jury's report, released in June.

The report, which includes 15 findings and 15 recommendations, doesn't obligate the port to change the way it governs, but it does nudge others to elevate the matter to state lawmakers. And it serves as a philosophical indictment on the structure of the local government entity, which essentially gets to play by its own rules, operating outside the jurisdictional authority of the county and neighboring cities.

“There were two themes (in the report), transparency and accountability,” said Ed Lopatin, who was the grand jury foreperson during the group's audit of the port. “We have some proposals, some recommendations that there might be some changes to how the port is governed in the future.”

Ultimately, [the grand jury](#), which Lopatin described as acting as the eyes and ears of the public, recommended that the county assume, by way of new state legislation, oversight of the activities of the special district or decisions by the port's board, sharing the duty as guardian of San Diego Bay.

The recommendation was rejected outright by the port as contrary to its purpose. Elevating local concerns over statewide concerns would be illegal, the agency said in its 27-page response submitted to San Diego County Superior Court last week.

“(The grand jury) expressed desire for more control from San Diego County and the member cities of San Diego Unified Port by granting San Diego County oversight of the Port through state Legislation, or an alternative form of governance,” the port response

states. “However, this desire is at odds with the Public Trust Doctrine, the intent of the Legislature and the legal purpose of the port.”

That’s because, the port points out, it acts as a trustee of state-granted land, administering the district on behalf of all Californians — not just local citizens — according to the Public Trust Doctrine, which is rooted in Roman law. The doctrine holds that states must manage public resources such as tidelands for the common benefit of the people.

Formed by the state Legislature in 1962 and ratified by a countywide vote, the San Diego Unified Port District spans 34 miles of coastline from Shelter Island to the border.

The special district was created to unify the management of tidelands in five cities: San Diego, National City, Chula Vista, Imperial Beach and Coronado. A board of seven commissioners — one per member city except for San Diego, which has three seats — has the authority to set policy for 2,400 acres of land and 3,500 acres of water. Soon, they’ll also have permitting power over an additional 8,000 acres of submerged lands in San Diego Bay.

The agency’s territory spans popular waterfront parks and marinas, bayfront resorts, the USS Midway Museum, Seaport Village, Portside Pier, the Rady Shell, the Coronado Ferry Landing, the Silver Strand, Imperial Beach’s oceanfront and other high-trafficked coastal destinations.

[Construction is also](#) under way on the Gaylord Pacific Resort and Convention Center, a \$1.2 billion project on a 36.5-acre site on the Chula Vista Bayfront that even the grand jury cited as an example of good governance because of the cooperation between the city of Chula Vista and the port.

Practically speaking, the port acts as landowner and regulator. And it is tasked with generating enough revenue — primarily by collecting rent and fees from hotels, restaurants, retail shops, marinas, landings, yacht clubs, shipyards, cargo operators, aerospace firms and cruise ships — to support operations. The port does not collect taxes.

It is this tension that creates room for potential conflicts of interest as commissioners attempt to balance what’s best for the public and what keeps the lights on.

“While these tidelands-associated revenue streams allow the Port District to operate free of budget constraints typical of other state or local government agencies, the need to generate such revenue can lead to a significant source of bias in the deliberations of Port Commissioners and obscure motives and objectives of staff at all levels of the organization,” the grand jury report states.

The port, which by design lacks direct oversight from local city or county governments, does fall under the watchful eye of California’s State Lands Commission, which is the ultimate authority on whether proposed land uses are consistent with the Public Trust Doctrine. In addition, the California Coastal Commission is required to certify the port’s master plan, as well as any amendments, and can overrule the port on discretionary coastal permit decisions.

Because of its structure, the port can look and feel foreign to all but the agency's closest observers. Even insiders acknowledge a disconnect between the agency and the broader public.

"I think (the grand jury report is) a really important lesson, and that is that we need to do a better job explaining about the port, about the Port Act, about what it is we're set up to do," said Randa Coniglio, who is the port's acting CEO.

Coniglio, who has a long history with the agency, recently [came back from retirement](#) to serve as the top executive after previous CEO Joe Stuyvesant was placed on paid administrative leave.

"It was ingrained in me, from the time I started here, that we administer the tidelands for the benefit of the people of the state of California," she said. "And I don't think we do a good enough job educating the general public about that, nor have we done a good enough job educating the grand jury about that."

Even though the port is complex in nature, the idea of county control is preposterous, said Sharon Cloward, who runs San Diego Working Waterfront and represents the business interests of port tenants. In her position, Cloward is a regular speaker at monthly board meetings, where she is often openly critical of policies that would harm tenants.

"The grand jury really didn't understand the port at all, which is surprising," she said. "The county to oversee the port district? Oh my God, no. ... They would never get anything done. It would be just adding another layer. It wouldn't benefit (anyone). The county still is going to have to work under the Public Trust Doctrine."

Member cities — San Diego, National City, Chula Vista, Imperial Beach and Coronado — were all required to submit responses to the grand jury's findings and recommendations.

While many have objected to individual port decisions over the years, the cities expressed no appetite for a new form of governance, nor were they eager to themselves take on additional oversight duties in the form of ratifying port master plans.

"Conferring authority to another agency, the County Board of Supervisors, does not present an enhancement in port cities' authority and control," states the city of Coronado's response, signed by Mayor Richard Bailey.

The sentiment comes even in light of the port commissioners' controversial decision earlier this year to start the environmental review of a [plan to develop a bayfront RV resort in Coronado Cays](#). The project, which has not yet been approved, is opposed by the city of Coronado.

County control of the port was also rejected by the city of Chula Vista, which warned in its response to the grand jury that additional oversight would dilute its own authority.

Even the county seems to want to remain hands-off, although the agency's formal response to the court notes that it will need to further analyze the grand jury's recommendations.

Cities were also not enthusiastic about implementing some of the grand jury's other recommendations, such as mandated term limits for commissioners. Port commissioners are appointed for four-year terms with member cities currently responsible for setting term limits. Coronado is the only city to restrict its port commissioner to a two-term limit.

"Small cities often benefit from continuity, and the pool of qualified and/or interested candidates may at times be limited," the city of Imperial Beach said in its response.

Taken together, the responses suggest that little will come of the grand jury's report, beyond some cities increasing how often their representatives report back to their respective city councils.

San Diego, for instance, will consider asking its three commissioners for more frequent council updates, the city said in a response drafted by the Independent Budget Analyst and still subject to City Council approval. Chula Vista said it will consider adopting a policy requiring semiannual updates from its port commissioner.

"The only requirement that (the port, the cities and the county) have is to respond," Lopatin, the former grand jury foreperson, said.

Maybe that's enough for now.

"I think all agencies can use improvement. I don't think any agency runs really well ... but I think the port is doing the best it can," Cloward, who runs the tenant association, said.

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"District" or "special district"

56036. (a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.

(b) "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) An assessment district or special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A zone of any special district.

**"Independent district" or
"independent special district"**

56044. "Independent district" or "independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.