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SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE XXXX

ORDINANCE GRANTING THE TERMINATION AND SURRENDER OF LEASE WITH THE CITY OF NATIONAL CITY FOR THE OPERATION OF AN AQUATIC AND RECREATIONAL CENTER AND THE ACCEPTANCE OF A QUITCLAIM DEED FROM THE CITY OF NATIONAL CITY FOR 8,412 SQUARE FEET OF PROPERTY LOCATED AT PEPPER PARK, IN NATIONAL CITY

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

WHEREAS, Section 87(b) of the Port Act grants authority to the District to lease the tidelands or submerged lands, or parts 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

WHEREAS, the City of National City (City) has a 30-year lease with the District for the operation of an aquatic and recreational center (Aquatic Center) at Pepper Park with a term through December 31, 2040 (Lease); and

WHEREAS, the District contributed approximately \$4.6 million from the Capital Improvement Program (CIP) to fund the construction of the Aquatic Center, which was completed in March 2016; and

WHEREAS, the main purpose of the Aquatic Center is to provide recreational, aquatic, safety and environmental programs to the community; and

WHEREAS, the City is facing substantial structural deficits in their budgets over the next few years; and

WHEREAS, in order to reduce the deficits, the City has been exploring measures to cut costs and has identified the transfer of the Aquatic Center as an important cost cutting measure; and

WHEREAS, in May 2018, the City Council of National City (City Council) directed City staff to work with the District to pursue the transfer of the Aquatic Center to the District; and

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WHEREAS, District staff has been working with the City to develop a transition plan to provide a smooth transfer; and

WHEREAS, in the short term, the District will continue the activation of the Aquatic Center by working with local groups, including but not limited to the YMCA, Community Rowing of San Diego and Sailing Events Association San Diego to provide programming; and

WHEREAS, consistent with the District issued Coastal Development Permit, the District will also offer facility rentals of the Aquatic Center for events such as birthdays, corporate/public meetings, school programs, and team building events; and

WHEREAS, the District is also developing a long-term plan to ensure the lasting success of the facility which may include educational aquaculture, environmental conservation uses, and/or a facility operator to manage the day-to-day operations; and

WHEREAS, the proposed transfer of the Aquatic Center would assist a member city, provide waterfront amenities to the community and aligns with the District's core mission by providing public access, recreation and environmental education; and

WHEREAS, the District agrees that the proposed actions will not prohibit the City from requesting a new lease in the future, however, the District is in no way obligated to agree to such a future request; and

WHEREAS, Staff recommends the Board adopt an ordinance granting the termination and surrender of the lease with the City and accepting the quitclaim deed.

NOW THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The Executive Director or her designee is authorized to execute on behalf of the San Diego Unified Port District the Termination and Surrender of Lease with the City of National City for the Operation of an Aquatic and Recreational Center, at Pepper Park, in National City.

Section 2. The Executive Director or her designee is authorized to accept on behalf of the San Diego Unified Port District a Quitclaim Deed from the City of National City for 8,412 Square Feet of Property Located at Pepper Park, in National City.

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

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APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of March 2019, by the following vote: