

DRAFT**SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx****ORDINANCE AMENDING THE FY 2024 DISTRICT BUDGET INCREASING THE FY 2024 EQUIPMENT OUTLAY AND OTHER CAPITAL PROJECT APPROPRIATION BY \$3,800,000 TO BE FUNDED FROM UNRESTRICTED RESOURCES AND FY 2023 CARRYOVER – CUMULATIVE UNRESTRICTED RESOURCES FOR THE STORAGE TANKS DEMOLITION AND STORM WATER IMPROVEMENTS AT TENTH AVENUE MARINE TERMINAL PROJECT**

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, the Storage Tank Demolition and Storm Water Improvements at Tenth Avenue Marine Terminal (TAMT) project will demolish and remove three welded steel storage tanks and associated tank piping and foundations; and

WHEREAS, originally scoped to only address the demolition of storage tanks at TAMT, this project has evolved during the design phase to now include heavy-duty pavement for cargo operations, relocation of electrical systems, and stormwater improvements; and

WHEREAS, these additions aim to enhance TAMT's commercial and operational capabilities in several ways such as (1) providing short-term storage and staging for cargo, generating an estimated \$120,000/year; (2) allowing for front gate realignment, improving operational efficiency; (3) enhancing the value proposition for the Consolidated Bulk Facility, boosting revenue potential for bauxite, soda ash, and sugar movement; (4) developing outdoor Foreign Trade Zone space; (5) improving rail alignment, benefitting military deployments and general rail access; and (6) aligning the project with water quality improvement goals and compliance with Municipal Stormwater Permit to remove potential sources of pollutants and enable stormwater treatment on a 0.6-acre area; and

WHEREAS, the work will also include the demolition of the perimeter containment wall; site piping and utilities, and electrical system; salvaging of steel material, and lead-containing materials abatement; and

WHEREAS, Additive Bid Schedules A through D allow for the development of the site suitable for lease to a new tenant; and

XXXX

WHEREAS, the additive bid schedules include the relocation of an electrical transformer, conduit and electrical improvements, storm water and storm drain improvements, stormwater quality improvements, grading, and the installation of reinforced Portland Cement Concrete (PCC) pavement, curb, and bollards; and

WHEREAS, the Storage Tanks Demolition and Storm Water Improvements at Tenth Avenue Marine Terminal is an Economic Recovery Program (ERP) project, ERP CAP Appropriated item Res. 2021-133 & Ord. 3026, with \$1,500,000.00 in funding, with \$500,000 allocated to soft costs; and

WHEREAS, to fully fund the expanded scope, an additional \$3,800,000 from the District's Unrestricted Resources and FY 2023 Carryover – Cumulative Unrestricted Resources has been identified as a recommended funding source to close the gap; and

WHEREAS, of the \$3,800,000, \$2,500,000 is from the FY 2023 Carryover in Cumulative Unrestricted Resources and \$1,300,000 is from the District's Unrestricted Resources; and

WHEREAS, in addition to the \$3,800,000, a \$200,000 savings in the TAMT Electrical and Substation Project budgeted in the ERP Capital Outlay appropriation is recommended for a total increase in project costs of \$4,000,000; and

WHEREAS, the \$200,000 savings with the ERP Capital Outlay appropriation will be recommended for reallocation to the ERP Storage Tanks Demolition and Storm Water Improvements at TAMT project and will be included in Agenda Item No. 2023-0249 of the November 2023 Board packet, where staff will be providing an update and recommendation to related various projects within the Economic Recovery Program; and

WHEREAS, staff recommends amending the District FY 2024 Budget increasing FY 2024 Equipment Outlay and Other Capital Project Appropriation by \$3,800,000 to be funded from unrestricted resources and FY 2023 Carryover – Cumulative Unrestricted Resources for the Storage Tanks Demolition and Storm Water Improvements at Tenth Avenue Marine Terminal Project.

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

Section 1. The Fiscal Year 2024 Budget is hereby amended to increase the FY 2024 Equipment Outlay and Other Capital Project Appropriation by \$3,800,000 to be funded from Unrestricted Resources and FY 2023 Carryover – Cumulative Unrestricted Resources for the Storage Tanks Demolition and Storm Water Improvements at Tenth Avenue Marine Terminal Project.

XXXX

Section 2. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

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 14th day of November 2023, by the following vote: