

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING STAFF TO  
COMMENCE ENVIRONMENTAL REVIEW IN  
ACCORDANCE WITH THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT FOR THE  
REDEVELOPMENT OF MARITIME MUSEUM OF  
SAN DIEGO AT EMBARCADERO BY MARITIME  
MUSEUM ASSOCIATION OF SAN DIEGO**

**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 District entered into a 40-year lease with the Maritime Museum Association of San Diego (Maritime Museum) on July 1, 2004 to operate a maritime museum located at 1492 North Harbor Drive in the City of San Diego; and

**WHEREAS**, the District entered into three subsequent short-term Tideland Use and Occupancy Permits (TUOPs) with Maritime Museum for land and water parcels as additional museum vessels were acquired and needs arose for dedicated volunteer parking spaces; and

**WHEREAS**, the proposed Maritime Museum Project would include the development of approximately 14,000 square feet of entirely new facilities that would include galleries, educational theaters, a café, museum store, public access terraces, administrative offices, and back of house functions, all built on a pile supported pier; and

**WHEREAS**, the two-story building would provide the Maritime Museum with expanded space for the educational programs offered to local schools; terraces accessible to the public; a café for use by ticketholders and the public; and a dock and dine dock for use by recreational boaters; and

**WHEREAS**, in addition, the Maritime Museum proposes to reconfigure their dock area and mooring locations of their vessels for the purposes of enhancing the aesthetics of the operation from the vantage of the Embarcadero; safeguarding the Vessels from tide and weather events; and to create a more enticing venue to attract increased admissions to the museum (collectively, the “Project”); and

**WHEREAS**, a 2017 report conducted by Lord Cultural Resources concluded that shifting the Star of India further from the Embarcadero could result in increased admission sales based upon analysis of other, similarly positioned institutions and moving Vessels away from the Embarcadero would also serve to make them more visible to the public, and less prone to damage and subsequent

20xx-xxx

maintenance due to extreme weather events; and

**WHEREAS**, the proposed reconfiguration of the docks would require an expansion of the existing leasehold water parcel; and

**WHEREAS**, the Maritime Museum has provided staff with a phasing plan for construction that intends to allow for continuous operations through completion of the Project; and

**WHEREAS**, the Project has been modified several times in response to feedback from District and California Coastal Commission (Coastal) staff to incorporate additional public access; and

**WHEREAS**, the proposed Project would require further analysis with regards to the District's Port Master Plan (PMP) and Port Master Plan Update (PMPU); and

**WHEREAS**, staff is in negotiations with the Maritime Museum on a term sheet for an Amended and Restated Lease to include updated Lease terms, and to incorporate the various parcels covered under their three existing TUOPs into one single document, and an expansion of the leasehold water parcel; and

**WHEREAS**, as part of the due diligence process, staff recommends obtaining from the Maritime Museum an historical audit of the existing lease and an evaluation of future operations to develop recommendations that would help to ensure the future success of the museum; and

**WHEREAS**, the findings and recommendations would then be reported back to staff for review and reported to the Board of Port Commissioners (BPC) as part of the continued negotiations for an option to Lease; and

**WHEREAS**, staff would continue to analyze the economic feasibility of the Project relative to the tourism and attractions market in San Diego; and

**WHEREAS**, staff will continue to conduct due diligence and work with the Maritime Museum to further refine the funding Plan for the Project and present that information to the BPC at a future meeting along with proposed business terms; and

**WHEREAS**, the proposed Project would increase useable space for existing uses such as the retail gift shop, educational programs, and event spaces, and would add new uses such as a café which would add a new revenue-generating use to the operation; and

**WHEREAS**, to operate the larger facility, the Maritime Museum plans to partner with experienced local operators in those fields;

20xx-xxx

**WHEREAS**, the Plan provided by the Maritime Museum indicates the expanded facilities would result in increased revenue to the District upon completion and stabilization of the new facilities; and

**WHEREAS**, the Plan also projects significant increases to the food and beverage revenues generated by the Maritime Museum largely due to a contemplated sublease with a well-known local restaurateur to operate the Project's café and event catering; and

**WHEREAS**, all of the expanded uses would be analyzed during the CEQA review; and

**WHEREAS**, the proposed Maritime Museum Project would greatly enhance an iconic cultural attraction on San Diego Bay and increase attendance and public visitorship, as well as attract more visitors to the waterfront; and

**WHEREAS**, staff recommends the BPC authorize staff to commence environmental review for the redevelopment of the Maritime Museum of San Diego; and

**WHEREAS**, during the environmental review process staff will work with Maritime Museum to continue refining business terms, draft necessary documents and other items that will be required in connection with the redevelopment; and

**WHEREAS**, at the duly noticed meeting of the BPC on April 11, 2023, staff and Maritime Museum representatives presented the preliminary project review presentation, including without limitation, the proposed project description for the Maritime Museum Project in the city of San Diego, California to the BPC for preliminary project review and, in conformance with State CEQA Guidelines section 15060, requested authorization from the BPC to commence environmental review of the Project pursuant to the California Environmental Quality Act (CEQA).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners (BPC) of the San Diego Unified Port District, as follows:

1. The BPC finds the facts recited above are true and further finds that this BPC has jurisdiction to consider, approve and adopt the subject of this Resolution.

2. The BPC has received and considered the presentation of District staff for Preliminary Project Review of the Project, as well as all public comment and other information submitted with respect to the Draft Project Description. Based on its consideration of the information before it and in conformance with the provisions of State CEQA Guidelines section 15004 (Time for Preparation) and section 15060 (Preliminary Review), therefore, the BPC finds as follows:

20xx-xxx

- a. The Project is an activity which will require the discretionary approval of the BPC and is a “project” within the meaning of State CEQA Guidelines section 15378; and
  - b. The Draft Project Description is sufficiently complete so as to allow for the commencement of meaningful environmental review of the Project pursuant to CEQA.
3. The BPC further finds that District staff did not request and the BPC has not considered approving the Project, the design, the Draft Project Description, a lease or any other permit or other approvals necessary to carry out the Project, or any financing for the Project.
4. The BPC further finds that any feedback provided by the BPC on the Project is and shall not be binding on the District, and the BPC, in authorizing commencement of environmental review and providing feedback, reserves its sole and absolute discretion to approve, disapprove or condition any project or any component or portion thereof including the Project, and to adopt all feasible mitigation measures or project alternatives, including the No Project Alternative, or a Statement of Overriding Considerations, if applicable, and any other approvals necessary to carry out the Project. Further, the BPC’s authorization to commence environmental review is not and shall not be construed as a commitment to fund all or any portion of the Project.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11<sup>th</sup> day of April 2023, by the following vote: