

DRAFT

RESOLUTION 20xx-xxx

**RESOLUTION AUTHORIZING AMENDMENT NO. 1
TO THE BLUE ECONOMY INCUBATOR
AGREEMENT WITH SUNKEN SEAWEED LLC TO
EXTEND THE PILOT PROJECT TO
DEMONSTRATE THE FEASIBILITY OF SEAWEED
AND SHELLFISH AQUACULTURE IN SAN DIEGO
BAY FOR ECOSYSTEM SERVICES RESEARCH
FOR AN ADDITIONAL FOUR YEARS UNTIL
NOVEMBER 2023 AND INCREASING THE
DISTRICT'S ROYALTY PERIOD FOR AN
ADDITIONAL FIVE YEARS FOR A NEW ROYALTY
PERIOD OF 25 YEARS UNTIL 2043 REQUIRING
NO ADDITIONAL DISTRICT FUNDING**

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 1, (Port Act); and

WHEREAS, in 2016, the District established a Blue Economy Incubator (BEI) Program to assist in the creation, development and scaling of new Blue Economy business ventures in and around San Diego Bay, focusing on aquaculture and blue technology; and

WHEREAS, the program acts as a launching pad for sustainable aquaculture and blue tech ventures by removing barriers to entrepreneurs and providing key assets and support services focused on pilot project facilitation; and

WHEREAS, on July 17, 2018, by Resolution No. 2018-0304, the Board of Port Commissioners (BPC) authorized a pilot project with Sunken Seaweed LLC as part of the District's Blue Economy Incubator to demonstrate the feasibility of seaweed aquaculture in San Diego Bay for one year; and

WHEREAS, the work conducted during the pilot project assisted the company to determine the best seaweed species for commercialization based on growth rate, environmental conditions, and best management practices to optimize operations including pilot farm structure, growth methods, and harvesting techniques; and

WHEREAS, the pilot project contributed valuable baseline information to inform future potential of seaweed aquaculture in California and will inform guidelines for future San Diego based seaweed aquaculture; and

20xx-xxx

WHEREAS, Sunken Seaweed LLC has leveraged the assets and results from the pilot project to obtain additional grant funding to continue operations and measure the ecosystem benefits and services provided by seaweed aquaculture; and

WHEREAS, the proposed amendment to the agreement with Sunken Seaweed LLC, will allow the company to continue its current seaweed farming operations, and add shellfish to the existing pilot seaweed farming system, utilizing a 3D ocean farming method of aquaculture; and

WHEREAS, 3D ocean farming is a vertical underwater agriculture technique that uses the water column to grow restorative species, such as seaweeds and shellfish, together in the same ocean space; and

WHEREAS, shellfish and seaweed are ecologically beneficial and sustainable species that absorb all their nutrient requirements from sunlight and the surrounding water; and

WHEREAS, the addition of shellfish to the existing pilot seaweed farming system will demonstrate the feasibility and water quality benefits of shellfish and seaweed aquaculture in San Diego Bay by incorporating the water-purifying capacity of mussels and oysters with the carbon-sequestering potential of seaweeds to create a restorative, climate-beneficial farming system; and

WHEREAS, staff recommends authorization of Amendment No. 1 to the agreement with Sunken Seaweed LLC (Attachment A) to extend the pilot project to demonstrate the feasibility of seaweed and shellfish aquaculture in San Diego Bay for ecosystem services research for four years until November 2023 and increasing the District's royalty period by five years for a new royalty period of 25 years until 2043; and

WHEREAS, no additional funds are required for this amendment.

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

That the Executive Director or her designee is hereby authorized to execute Amendment No. 1 to the Blue Economy Incubator Agreement with Sunken Seaweed LLC to extend the pilot project to demonstrate the feasibility of seaweed and shellfish aquaculture in San Diego Bay for ecosystem services research for an additional four years until November 2023 and increasing the District's royalty period for an additional five years for a new royalty period of 25 years until 2043 requiring no additional District funding.

20xx-xxx

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 10th day of March 2020, by the following vote: