

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION ESTABLISHING A CRUISE FACILITY  
IMPROVEMENT FUND RESOURCED THROUGH  
THE CRUISE FACILITY IMPROVEMENT FEE**

**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 Tariff No. 1-G (Tariff) governs the rates, charges, rules and regulations applicable for all maritime-related commercial activity within the District's jurisdiction; and

**WHEREAS**, the District operates two cruise ship terminals, B Street Cruise Ship Terminal, and Port Pavilion on Broadway Pier; and

**WHEREAS**, the B Street Cruise Ship Terminal serves as the District's primary cruise ship facility; and

**WHEREAS**, the B Street Cruise Ship Terminal has served this function since 1985, when it was converted from a cargo warehouse; and

**WHEREAS**, the cruise industry has evolved, and customer service standards have changed since then, offering passengers/guests better vessels that can deliver more amenities; however, as the market has changed, B Street Cruise Ship Terminal has remained much the same as it did when first remodeled; and

**WHEREAS**, the B Street Cruise Ship Terminal Interior Improvements Project (Project) will enhance the passenger experience and embarkation process by demolishing and opening currently unusable space, providing better technological check-in efficiencies, allowing for additional social distancing between passengers, and significantly improving the aesthetics of the facility; and

**WHEREAS**, the Project will allow the District to implement the first major interior upgrade to the facility in over 37 years; and

**WHEREAS**, the total Project cost is estimated at \$5 million (see Attachment A to the corresponding Agenda on file with the Office of the District Clerk for a diagram of the proposed area for improvement); and

**WHEREAS**, staff recommends the establishment of a Cruise Facility Improvement Fee (CFI FEE) that is intended to pay for the Project; and

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**WHEREAS**, the Cruise Facility Improvement Fund (CFI FUND) is intended to house accumulated CFI FEE and provide a funding source for the proposed Project and potential future approved cruise ship terminal improvement projects outside the District's scheduled Major Maintenance Program; and

**WHEREAS**, to establish the CFI FEE and CFI FUND, staff is proposing an amendment to San Diego Unified Port District Tariff 1-G, Rate and Charges by adding a \$5.50 (five dollars and fifty cents) per passenger CFI FEE to be effective November 1, 2022 (Attachment B to the corresponding Agenda on file with the Office of the District Clerk); and

**WHEREAS**, the CFI FEE would be a fee in addition to and independent of the current \$10 (ten dollars) passenger fee; and

**WHEREAS**, like the current passenger fee, the CFI FEE will be charged to cruise lines for the use of the District's cruise facilities and, together with all current tariff rates and charges, remains a reasonable fee in exchange for the benefits cruise lines receive for the use of the District's facilities; and

**WHEREAS**, the CFI FEE would bring the cruise lines' total per passenger movement charge to \$15.50 (fifteen dollars and fifty cents); and

**WHEREAS**, from a competitive standpoint, this fee is still within range of the Port of Los Angeles, the District's closest competitor, which charges \$15.65 per passenger movement; and

**WHEREAS**, Staff projects that the collection of the CFI FEE will result in the accumulation of \$4.35 million by October 2024, the estimate project construction cost.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District, does hereby establish a Cruise Facility Improvement Fund, resourced through a Cruise Facility Improvement Fee, to provide a funding source for the B Street Cruise Ship Terminal Interior Improvements Project and potential future approved cruise ship terminal improvement projects.

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 9<sup>th</sup> day of August 2022, by the following vote: