

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AMENDING BOARD OF PORT COMMISSIONERS POLICY NO. 360 – REQUEST FOR PROPOSALS TO ADD LANGUAGE TO REDUCE RISKS OF DELAYS TO NEW HOTEL CONSTRUCTION AND OPERATIONS AND RELATED DIRECTION TO STAFF**

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, Section 21 of the Port Act authorizes the Board of Port Commissioners (BPC) to pass all necessary ordinances and resolutions for the regulation of the District; and

WHEREAS, at the December 11, 2018, BPC meeting, staff presented an economic analysis that analyzed and attempted to quantify the risks to District development projects into three primary risk categories: schedule delays, cost increases, and performance failures; and

WHEREAS, following that presentation, the BPC instructed staff to identify potential policy changes based on that analysis and return to the BPC; and

WHEREAS, in response to the BPC's direction, staff reviewed existing BPC policies and identified BPC Policy No. 360 "Request for Proposals" as one potential alternative that could meet the BPC's direction; and

WHEREAS, in response to the BPC's direction, staff also reviewed Exhibit #4 to the Chula Vista Bayfront Master Plan Settlement Agreement; and

WHEREAS, the proposed amendments to BPC Policy No. 360 provide that where the District has a proprietary interest that the District give considerable preference to respondents that commit to engage in efforts to reduce the risk of labor strife and give considerable preference to proposals that commit to providing employment opportunities within the "Local Area" (San Diego and Imperial Counties) and "Priority Zip Codes" (established by average household income, unemployment rate, and college graduation rates); and

WHEREAS, the proposed amendments are also designed to advance environmental justice in the region by providing significant employment opportunities to residents in the Local Area and Priority Zip Codes as the Priority Zip Codes encompass many low-income and minority populations that can be disproportionately burdened by or less able to prevent, respond to, and recover

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from adverse environmental impacts related to operations on District Tidelands; the proposed local hiring preferences provide those populations with a more equitable share of the benefits being generated on District Tidelands; and

WHEREAS, staff's amendments to BPC Policy No. 360 incorporates some of the policy considerations previously discussed by the BPC on December 11, as well as additional clarifications as follows:

- Existing tenants redeveloping their leaseholds pursuant to BPC Policy No. 355 - Real Estate Leasing Policy - are not subject to BPC Policy No. 360.
- Development proposals that result in a real estate agreement with a term of five years or less are not subject to BPC Policy No. 360 since staff already has the authority to enter into real estate agreements of five years or less without obtaining Board approval.
- The negotiation process begins as soon as a development proposal is submitted by a prospective developer, thereby increasing the District's negotiating leverage.
- Staff may use third-party consultants during the competitive process as needed to evaluate development proposals.

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

That BPC (Board of Port Commissioners) Policy No. 360 – Request for Proposals, as amended, a copy of which is on file in the Office of the District Clerk, is hereby adopted.

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 16th day of January 2019, by the following vote: