

**DRAFT**

**RESOLUTION 20xx-xxx**

**RESOLUTION AUTHORIZING A 9-YEAR  
MUNICIPAL SERVICES AGREEMENT THROUGH  
JUNE 30, 2030 WITH THE CITY OF NATIONAL  
CITY FOR POLICE, FIRE, AND EMERGENCY  
SERVICES ON NON-AD VALOREM DISTRICT  
PROPERTY LOCATED IN THE CITY OF NATIONAL  
CITY, WITH BASELINE RESETS IN 2022 AND 2025**

**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 (Board) to pass all necessary ordinances and resolutions for the regulation of the District; and

**WHEREAS**, the District reimburses its five Member Cities for certain services provided on non-taxpaying Tidelands within the geographical boundaries of each city; and

**WHEREAS**, these agreements are referred to as Municipal Services Agreements (MSAs); and

**WHEREAS**, at the December 28, 2020 Board meeting, the Board authorized two new MSAs - one with the City of Imperial Beach for the provision of police, fire, emergency medical, lifeguard, animal control services, and tidelands maintenance services and the other with the City of Chula Vista for the provision of police, fire, and emergency medical services; and

**WHEREAS**, presently, there are three other MSAs with the member cities of San Diego, National City, and Coronado for the provision of law enforcement, fire, and emergency services on tidelands and all of which expire on June 30, 2021; and

**WHEREAS**, following the December 28, 2020 Board meeting, staff began negotiations to renew these remaining existing MSAs generally based on the framework established by the Imperial Beach and Chula Vista MSAs; and

**WHEREAS**, staff reached out to the cities of San Diego, National City, and Coronado to negotiate new MSAs; and

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**WHEREAS**, during these discussions, staff offered either to negotiate a new baseline rate for services now, as was done with Imperial Beach, or continue with the current adjusted baseline rate and services for another year with a three percent (3%) escalation and renegotiate in 2022 as was the case with Chula Vista; and

**WHEREAS**, in all three situations, the District presented each city with an updated MSA template derived from the Imperial Beach and Chula Vista MSAs; and

**WHEREAS**, National City requested the three percent (3%) increase with a baseline rate and service proposal negotiations to begin on July 1, 2021 and to be complete by December 2022, with any resulting agreed upon new baseline rate to take effect on July 1, 2023; and

**WHEREAS**, as recommended by staff, the proposed rate for National City for FY 21/22 is \$1,310,324 and negotiations are to begin July 1, 2021 regarding an updated baseline rate, with such negotiations to be completed by December 2021 and any resulting agreed upon baseline rate to take effect July 1, 2022 with further baseline reset negotiations to begin January 1, 2025 and any resulting agreed upon baseline rate take effect in July 2025; and

**WHEREAS**, the new proposed MSA with National City states that the Board, in its sole and absolute discretion, may approve an increase or decrease or no change to the Baseline Rate for 2022 and 2025 as part of the review of the Baseline Rate and service levels in such years; and

**WHEREAS**, the proposed MSA also allows the District the ability to defer up an amount equal to five (5) service years' worth of the annual three percent (3%) payment increases; and

**WHEREAS**, either party may terminate the proposed MSA upon six (6) months' prior written notice; and

**WHEREAS**, the proposed MSA includes provisions that permit the District to perform an audit and service study of National City's records and performance associated with providing the services under the MSA, with the objective of establishing reasonable metrics to measure the costs of such services; and

**WHEREAS**, staff and National City have worked closely together to negotiate an MSA to provide more certainty for both the District and National City as well as more accurately reflect the cost of providing services on tidelands; and

**WHEREAS**, upon the effectiveness of the proposed MSA, the existing MSA with National City will automatically terminate, provided that each of National City and the District shall remain liable for obligations arising prior to the

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effectiveness of the proposed MSA and other specific obligations in the existing MSA that survive termination; and

**WHEREAS**, staff recommends the Board authorize a new MSA with National City.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District that the Executive Director, or his designee, is hereby authorized on behalf of the San Diego Unified Port District to enter into a 9-year Municipal Services Agreement through June 30, 2030 with the City of National City for Police, Fire, and Emergency Services on non-ad valorem District property located in the City of National City.

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 15<sup>th</sup> day of June 2021, by the following vote: