



Legislation Details (With Text)

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Title: RESOLUTION AUTHORIZING AN ASSIGNMENT AND ASSUMPTION OF THE SPONSORSHIP AGREEMENT WITH EXTREME SAN DIEGO, LLC TO EXTREME SAILING SAN DIEGO, LLC FOR THE OCTOBER 2018 EXTREME SAILING SERIES, CLERK'S DOCUMENT NO. 68444, AND ADOPTED BY RESOLUTION 2018-064

Sponsors:

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Attachments: 1. 6. 2018-0357 Attachment A, 2. 6. 2018-0357 Attachment B, 3. 6. 2018-0357 Draft Resolution

Date	Ver.	Action By	Action	Result
9/12/2018	1	Board of Port Commissioners	adopted	

DATE: September 12, 2018

SUBJECT:

RESOLUTION AUTHORIZING AN ASSIGNMENT AND ASSUMPTION OF THE SPONSORSHIP AGREEMENT WITH EXTREME SAN DIEGO, LLC TO EXTREME SAILING SAN DIEGO, LLC FOR THE OCTOBER 2018 EXTREME SAILING SERIES, CLERK'S DOCUMENT NO. 68444, AND ADOPTED BY RESOLUTION 2018-064

EXECUTIVE SUMMARY:

On April 10, 2018, the Board of Port Commissioners approved a District sponsorship agreement that provides \$150,000 in funding and up to \$75,000 in waived fees to Extreme San Diego, LLC to support of an Extreme Sailing Series event scheduled for October 18-21, 2018 on San Diego Bay at Harbor Island, in return for financial and promotional considerations (Sponsorship Agreement). In the time between April 10, 2018 and the present, the principals of Extreme San Diego, LLC (ESD) - Doug Augustine and Matt Reynolds - have established a new entity, Extreme Sailing San Diego, LLC (ESSD) and have requested that those obligations assigned to ESD under the 2018 Sponsorship Agreement between the District and ESD be assumed by ESSD. An Assignment and Assumption of Sponsorship Agreement, signed by Matt Reynolds as the principal of both ESD and ESSD, is included as Attachment A.

RECOMMENDATION:

Adopt a resolution authorizing the assignment and assumption of the Sponsorship Agreement with Extreme San Diego, LLC by Extreme Sailing San Diego, LLC for the October 2018 Extreme Sailing Series event on San Diego Bay.

FISCAL IMPACT:

This agenda item has no fiscal impact.

COMPASS STRATEGIC GOALS:

An Extreme Sailing Series event on San Diego Bay that uses Harbor Island for spectator viewing and event-related attractions will activate this area of the District tidelands with several thousand visitors who will experience San Diego Bay and the waterfront, contribute to the social media following of the District and its activities, and generate revenue to the District and its tenants. This agenda item therefore supports the following Strategic Goal(s):

- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

An Extreme Sailing Series event consists of racing by 32-foot foiling catamarans, representing multiple countries and international corporate sponsors, on a narrow race course adjacent to the race's landside spectator venue. The 2018 Extreme Sailing Series event at Harbor Island will be the second Extreme Sailing Series event held on San Diego Bay, the first one having been held on October 19-22, 2017 in the same Harbor Island location. The Board approved District sponsorship of the 2017 Extreme Sailing Series event on San Diego Bay with funding of \$100,000 and service fee waivers of up to \$75,000 to the event hosting organization, Extreme San Diego, LLC.

After Board approval of the Sponsorship Agreement, the principals of ESD, Doug Augustine and Matt Reynolds, established a new entity, ESSD, and have requested that obligations under the Sponsorship Agreement be assigned to ESSD. The terms and obligations of the Sponsorship Agreement approved by the Board on April 10, 2018 for the October 18-21, 2018 Extreme Sailing Series event (Attachment B) will remain the same. .

General Counsel's Comments:

The Office of the General Counsel has reviewed the agenda and found no legal concerns as presented and has reviewed and approved the Assignment and Assumption as to form and legality.

Environmental Review:

The proposed Board direction or action, including without limitation, a resolution authorizing assignment and assumption of a sponsorship agreement for a sailing series is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15304 (Minor Alterations to Land) and/or 15323 (Normal Operations of Facilities for Public Gatherings) and Section 3.d. (6) (Minor Alterations to Land) of the District's Guidelines for Compliance with CEQA because the project in question would not involve the removal of mature, scenic trees, would not have any permanent effects on the environment, and would consist of the normal operations of existing facilities for public gatherings. A CEQA Exemption was previously issued for this project on August 21, 2018. The District has determined none of the six exceptions to the use of a categorical

exemption apply to this project (CEQA Guidelines Section 15300.2). Pursuant to Section 15378(c) of the State CEQA Guidelines, the term “project” refers to the activity being approved, which may be subject to several discretionary approvals of governmental agencies, and does not mean each separate governmental approval. Accordingly, the proposed Board action is a subsequent discretionary approval of a previously approved project. No further action under CEQA is required.

The proposed Board direction or action complies with Section 87 of the Port Act, which allows for the construction, reconstruction, repair, maintenance, and operation of public buildings, public assembly and meeting places, convention centers, parks, playgrounds, bathhouses and bathing facilities, recreation and fishing piers, public recreation facilities, including, but not limited to, public golf courses, and for all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board direction or action is consistent with the Public Trust Doctrine.

Finally, the proposed Board direction or action is considered “excluded development” pursuant to Section 8.d. (5) (Minor Alterations to Land) of the District’s Coastal Development Permit Regulations. A “Coastal Act Categorical Determination of Exclusion” was previously issued for this project on August 21, 2018; therefore, issuance of a Coastal Development Permit or subsequent Exclusion is not required for the proposed Board action.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

Jim Hutzelman
Manager, Business Development & Recreation Services
Waterfront Arts & Activation

Yvonne Wise
Director, Waterfront Arts & Activation

Attachment(s):

- Attachment A: Assignment and Assumption of Sponsorship Agreement, signed by principal of Extreme San Diego, LLC and Extreme Sailing San Diego, LLC
- Attachment B: Agreement between San Diego Unified Port District and Extreme San Diego, LLC