



## Legislation Details (With Text)

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**Title:** PRESENTATION ON 2019-2020 PORT OF SAN DIEGO LEGISLATIVE PRIORITIES AND DIRECTION TO STAFF

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**DATE:** January 16, 2019

**SUBJECT:**

**PRESENTATION ON 2019-2020 PORT OF SAN DIEGO LEGISLATIVE PRIORITIES AND DIRECTION TO STAFF**

### **EXECUTIVE SUMMARY:**

The 2019-2020 Legislative Priorities agenda encompasses the Port of San Diego's policy goals and potential legislative priorities at the state and federal level for a two-year timeframe, concurrent with the 2019-2020 California legislative session. This document is guided by the District's Compass Strategic Plan, the 2018-2022 Legislative Platform, existing Board Policies and direction, the District's Executive Leadership Group, and staff input. Legislative priorities are identified at the local, state, and federal levels of government. Efforts to advance these priorities will range from the District acting as the lead entity in moving legislation, to collaborative efforts with multiple stakeholders in which the District is a participant.

### **RECOMMENDATION:**

Review priorities and potential legislation for 2019, according the legislative priorities, and provide direction to staff.

### **FISCAL IMPACT:**

This agenda item is for presentation purposes only and has no fiscal impact.

### **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.

## **DISCUSSION:**

### **Review of 2018**

The 2018 legislative session was another productive year in Sacramento with efforts focused both on the California Legislature as well as regulatory actions at various state agencies. Government & Civic Relations engaged the State Legislature, the Administration and State Agencies including the California Air Resources Board, State Lands Commission and the Governor's Office of Planning and Research on behalf of the Port on a variety of issues. During the state's legislative session, staff reviewed several hundred bills and amendments, identifying numerous pieces of legislation for further analysis and monitoring, several of them ultimately justifying a published position based on their potential impact to the Port and intersection with key Port interests and alignment with its Legislative Priorities.

Of these fourteen pieces of legislation on which the District took a supportive position, six of them successfully passed and, as applicable, became law. Both of the District's sponsored measures made it through the entire legislative process and were successfully passed and chaptered.

Two measures were sponsored by the District and passed by the Legislature. One, Assembly Bill 2646, written by Assemblymember Lorena Gonzalez Fletcher, was a necessary step to move forward the years of work done by the District, the City of Chula Vista, and other stakeholders to approve and implement the Chula Vista Bayfront Master Plan. AB 2646 conveyed approximately 97 acres of land located in the City of Chula Vista to the District to hold in trust for purposes consistent with the Port Act and the Public Trust Doctrine. The District worked with the State Lands Commission as a co-sponsor of this measure. This bill was signed into law.

The second measure, Senate Concurrent Resolution 149, was by Senator Ben Hueso, Senate Concurrent Resolution, and proclaimed September 2018 to be Green Port Month. This measure was passed and then directly chaptered by the Secretary of State, as the Governor's approval is not required on this type of legislation.

Other state-level initiatives included the California State Budget process, where the legislative advocacy team built upon efforts from the 2017 California State Budget process to advocate on behalf of the Port of San Diego and secure additional funding for projects important to the Port. Close coordination between Assemblymember Gonzalez Fletcher and Senator Atkins helped build awareness of the issues facing small ports and the need to create funding opportunities for port districts beyond the "big three" ports. Ultimately, language was included in the budget that would have helped the Port of San Diego but was rejected by the Governor in the final negotiations of the California budget for 2018.

The Port also continued dialogue with State Lands Commission on a number of issues including legislation and Ocean Planning efforts. And in partnership with other entities, the Port worked to help ensure that the California Fish and Wildlife Agency continued its efforts to develop a master environmental impact report (EIR) for state-wide aquaculture. Engagement with California Air Resources Board staff continued, advocating greater funding for small ports, as well as regular

involvement with agency work on regulations that impact the Port, and numerous meetings over the course of the year related to at-berth regulations that will require greater levels of shore power for ocean going vessels to reduce emissions, as well as meetings related to overall facilities emission reduction efforts.

At the federal level, Government & Civic Relations successfully managed budgetary, legislative and regulatory matters, including Tijuana River Valley/border sewage, Harbor Maintenance Trust Fund donor port issues, maritime/blue technology legislation, aquaculture, and Port security. In addition to working with Congress, the Port has been actively engaging Environmental Protection Agency (EPA), which included high-level meetings for Port commissioners. These interactions prompted EPA to invite the Port to participate in an October 18th EPA event in San Diego with key stakeholder groups. Port staff and Commissioners maintained frequent communications and information exchanges with the Port's Congressional Delegation through staff interactions, meetings with Members of Congress and on-site briefings.

## Overview of New Legislation

As the District looks ahead to the new 2019-2020 legislative session, staff proposes an agenda that encompasses the District's policy goals and potential legislative priorities at the state and federal levels. The development of these proposed legislative priorities was guided by the Compass Strategic Plan, the 2018-2022 Legislative Platform, existing Board Policies and direction, and District's Executive Leadership Group and staff input. Efforts to advance these priorities will range from the District acting as the lead entity in moving legislation, to collaborative efforts with multiple stakeholders in which the District is a participant.

As in the past, when appraising the legislative areas of focus for the year, Government & Civic Relations staff employs five main criteria to determine the value and wisdom of including a proposal or policy option:

1. Does the proposal fit within the 2018-2022 Legislative Platform?
2. Does the proposal increase the District's ability to serve those who visit or work on the Tidelands?
3. Does the proposal enhance public safety on the Tidelands?
4. Does the proposal assist the District in meeting environmental goals or complying with state or federal regulations?
5. Does the proposal provide necessary revenue or funding opportunity to the District, which is a public agency that is self-sustaining without the benefit of taxpayer money?

GCR staff meets with the District's partner agencies and other regional governmental bodies, such as SANDAG, the Airport Authority, the five member cities, and the County of San Diego to determine opportunities that might offer the potential to join legislative efforts. Current and ongoing legislative goals, including newly identified areas of focus, include:

### Infrastructure and Transportation

1. Support federal and state legislative efforts and/or administrative actions that expand Infrastructure Bank programs which could finance District infrastructure development.
2. Support the continuation of federal infrastructure grant and loan funds such as INFRA and TIFIA.
3. Support legislative efforts that would provide the District more options to secure energy independence.

4. Support state legislative efforts to streamline potential disbursement of federal grant monies for Harbor Drive improvement.
5. Support state legislative efforts to expand design-build authority to broaden the options for the District to do Design Build Projects for more than buildings and improvements.
6. Support legislative efforts to strengthen maritime infrastructure and funding for improvements to goods movement and transportation systems and facilities.
7. Support ongoing infrastructure funding and other grant money for maritime cargo terminal infrastructure enhancements, especially as they relate to strategic port and core cargo business capabilities.
8. Support funding requests for state funding for marine highways.

#### Maritime and Trade

1. Support state legislative efforts or state administrative action that would establish marine utility rates for cruise and cargo operations, to help cruise and cargo industries remain competitive in the California market.
2. Seek state funding for a Go-Biz Economic Impact Study of the value of California Ports to the California and National Economy.
3. Support adding California Trade Offices in Asia and Europe.
4. Support administrative actions and legislative efforts that would provide regulatory pathways at the state and federal level of government to advance sustainable aquaculture and other blue economy goals.
5. Support legislative efforts that would temper impacts of tariffs or trade restrictions upon maritime business.
6. Support implementation of, and appropriations for, the federal Water Resources Development Act, while protecting the 'donor port' provisions beneficial to the Port.

#### Environmental Leadership

1. Support additions to the Diesel Emission Reduction Act, its reauthorization, and funding appropriations.
2. Seek state legislative efforts or administrative action to clarify Senate Bill 743 of 2013 to allow alternative methods for considering goods movement land uses when evaluating transportation impacts.
3. Monitor power procurement strategies employed by partner agencies and regional stakeholders and evaluate alternate paths for procuring lower-cost electricity.
4. Support legislative efforts to affirm the importance of aquaculture and clean technology, boosting awareness of the District's innovative collaborations with research, environmental, industry, and other allied stakeholder groups.
5. Support legislative efforts or administrative action to appropriate funding for Ocean Planning efforts.
6. Support state development of a program to implement watershed-based riverine and riparian stewardship improvements.
7. Support the use of the monies in the Greenhouse Gas Reduction Fund for the reuse of dredged material for wetland restoration projects.
8. Support legislative efforts that would require California Air Resources Board and California Public Utilities Commission to conduct at least two joint meetings per calendar year to coordinate implementation of state climate goals and setting of electrification objectives.
9. Support legislative efforts to clarify the applicability of the California Environmental Quality Act to approval of updates to climate action plans.
10. Monitor legislative efforts related to electric vehicle charging.

11. Support legislative efforts that would remove barriers to a flourishing market of locally-grown macro- and micro-algae.
12. Support legislative efforts that would further the establishment of submerged and non-submerged land mitigation banks.
13. Support administrative actions that would promote parity in distributing state funds to environmental justice communities, ensuring that the District's neighboring communities receive their equitable share of those public resources.
14. Support legislative efforts that would provide budget control language for future U.S.-Mexico Border Water Infrastructure Program funding.
15. Support state legislative efforts to boost environmental and blue technology education curriculum in schools.
16. Support state and federal legislative efforts to eliminate sewage and other waste discharges into the Tijuana River Valley and the Pacific Ocean, and support related investigations and remediations.
17. Support state and federal legislative efforts related to the investigation and remediation of contamination existing on tidelands.

#### Public Safety and Access

1. Seek improved Customs and Border Patrol inspection capabilities and funding for maritime cargo and cruise ship terminals.
2. Support continuation of, and appropriations for, the federal Port Security Grant Program.
3. Seek a resolution to celebrate the Port of San Diego Harbor Police Department and draw awareness to the public safety benefit of the Harbor Police Department.
4. Support administrative actions to advance a federal cybersecurity pilot at District level and deployment of additional security measures for strategic ports.
5. Support legislative efforts that would improve public safety and alleviate impacts of homelessness among the District's 22 public parks.
6. Support legislative efforts that would protect public access and govern street parking to maximize that access and use.

#### Economic Vitality and Development

1. Seek legislative efforts to encourage the growth of San Diego's blue tech economy including policies that ease funding, development and commercialization of these technologies.
2. Support efforts to distinguish Tenth Avenue Marine Terminal as a clean tech test bed or proving ground.
3. Seek legislative efforts that would request an update to North American Industry Classification System codes with blue technology job classifications.
4. Seek legislative efforts that would request increased funding for US Department of Labor's America's Promise Grant program for resources to assist in furthering blue technology career pathways.
5. Support legislative efforts to encourage domestic reinvestment of foreign profits generated by U.S. Companies into Blue technologies or into infrastructure that benefits maritime and/or import/export activities.
6. Support legislative efforts related to seaport infrastructure financing including forming a Joint Powers Authority for funding for micro-grid technology on the Tidelands.
7. Explore adding consideration of ferry routes in Ocean Planning efforts.
8. Seek legislative efforts to modernize the permitting process for new aquaculture technologies.
9. Seek a resolution to unify support for San Diego's blue technology industrial sector.
10. Support legislative efforts to promote commercial and sportfishing industries.

11. Support legislative efforts that would enhance District tenants' ability to conduct commerce and sustain business operations along the Tidelands.
12. Support efforts to establish a statewide California Aquaculture Advisory Council.

#### Real Estate and Land Use

1. Work with State Lands Commission and the State of California on the management of public trust lands to ensure the public interests for all Californians are served efficiently.
2. Support legislative efforts related to state funding of enhancing District parks, water efficiency and energy generation.
3. Work with State Lands Commission on Public Trust requirements related to the maritime nexus for the development of property based on benefit or retail consistent with State and Port planning documents.
4. Support legislative efforts to provide that acceptance of a federal grant award does not constitute predetermination under the California Environmental Quality Act.
5. Support legislative efforts that would clarify the governance of submerged lands within San Diego Bay and include them under the authority of the Port, on behalf of State Lands Commission.
6. Support legislative efforts to include District representation in regional transportation planning bodies.

#### General Administration

1. Support legislative efforts related to Seaport Infrastructure Financing Districts.
2. Support administrative action to request data exchange through California Association of Port Authorities, creating a self-defined repository or aggregation, in advance for federal requests for metrics.
3. Support legislative efforts to protect local tax revenue generated on Tidelands, as well as generate more funding for Port infrastructure and priorities.
4. Support legislative efforts to grant District powers and authority within its jurisdiction commensurate with those already granted to cities, counties and other types of public entities.
5. Support legislative efforts that would protect the workforce stability of the Port District and ensure security and sustainability of pensions.
6. Support legislative efforts that would allow flexibility in administering citation payments.
7. Monitor legislative efforts that would impact the District's ability to engage in public contracting.

#### General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda as to form and legality.

#### Environmental Review:

This presentation to the Board does not constitute an "approval" or a "project" under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of Board's direction that requires the District or the Board's approval, including without limitation District proposed legislation or a request for funding will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without

limitation, a “no project alternative” or adopting a Statement of Overriding Consideration, if required. The current Board item in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

In addition, the proposed Board item complies with Sections 35 and 87 of the Port Act, which allows the Board to do such necessary and convenient acts for the exercise of its power and the promotion of the uses specified in the Port Act. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board item is consistent with the Public Trust Doctrine.

Finally, this Board item does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, the District’s projects require processing under the District’s CDP Regulations. If a project is formulated as a result of Board’s direction, the Board will consider approval of the project and any improvements associated after the appropriate documentation under District’s CDP Regulations has been completed and authorized by the Board, if necessary. The Board’s direction in no way limits the exercise of the District’s discretion under the District’s CDP Regulations.

**Equal Opportunity Program:**

Not applicable.

**PREPARED BY:**

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