



Legislation Text

File #: 2021-0228, **Version:** 1

DATE: June 15, 2021

SUBJECT:

RESOLUTION AUTHORIZING THE DISTRICT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO UNIFIED PORT DISTRICT AND CANADA'S OCEAN SUPERCLUSTER TO ADVANCE A COLLABORATIVE PARTNERSHIP TO COOPERATIVELY EXPLORE OPPORTUNITIES FOR PROGRAM ALIGNMENT AND INVESTMENT TO SUPPORT THE DEVELOPMENT AND SCALING OF INNOVATIVE SOLUTIONS THAT PROMOTE THE BLUE ECONOMY AT PORTS

EXECUTIVE SUMMARY:

Since 2020, with support from the Consulate of Canada in San Diego, the District's Aquaculture and Blue Technology team has been exploring collaborative partnership opportunities with Canada's Ocean Supercluster (OSC). OSC is a private sector-led partnership concentrated in Atlantic Canada that brings together startups, scaleups, and mature organizations to increase sustainable innovation and modernization across oceans sectors. District and OSC staff have identified various collaborative opportunities that may benefit each organization and emerging businesses in their respective Blue Economy innovation ecosystems. To move these opportunities forward, and to establish a collaborative partnership with OSC, staff requests authorization for the President/Chief Executive Officer (CEO) or their designee to enter into a memorandum of understanding (MOU) with OSC (Attachment A). The purpose of the MOU is to advance a collaborative partnership to cooperatively explore opportunities for program alignment and investment to support the development and scaling of innovative solutions that promote the Blue Economy at ports.

RECOMMENDATION:

Adopt a resolution authorizing the President/CEO or their designee to enter into a "Memorandum of Understanding" with Canada's Ocean Supercluster to advance a collaborative partnership to cooperatively explore opportunities for program alignment and investment to support the development and scaling of innovative solutions that promote the Blue Economy at ports.

FISCAL IMPACT:

This agenda item has no fiscal impact for FY 2021. Future costs, if any, would be formalized through separate agreement(s). Any fiscal commitments will be subject to Board approval of future fiscal year budgets.

COMPASS STRATEGIC GOALS:

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

- A Port that the public understands and trusts.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

In 2016, the District established a Blue Economy Incubator (BEI) Program to assist in the creation, development, and scaling of new Blue Economy business ventures in and around San Diego Bay. The BEI program acts as a launching pad for sustainable aquaculture and District-related blue technology ventures by removing barriers to entrepreneurs and providing key assets and support services focused on pilot project facilitation. Through its BEI, the District is seeking innovative aquaculture and blue technology proposals to address environmental challenges at the District and inform future Blue Economy opportunities. As the state-legislated trustee of tidelands and submerged waters in and around San Diego Bay, developing sustainable domestic aquaculture and supporting District-related blue technology assists in fulfilling the District's public trust responsibility to promote fisheries and commerce, as well as aligning with its mission to enhance and protect the environment.

The District's BEI is complementary to many other Blue Economy initiatives in the region and globally. Since the creation of the Program, the District has established collaborative partnerships with numerous local, state and federal governmental agencies, academia, NGO's, industry and the local community. These partnerships are critical to increasing opportunities for economic development within the regional Blue Economy. To continue advancing the Blue Economy at the District, staff is continuously seeking new partnership opportunities regionally and globally.

Since 2020, with support from the Consulate of Canada in San Diego, the District's Aquaculture and Blue Technology team has been exploring collaborative partnership opportunities with Canada's Ocean Supercluster (OSC). OSC is a private sector-led partnership concentrated in Atlantic Canada, that brings together startups, scaleups, as well as mature organizations to increase sustainable innovation and modernization across oceans sectors. OSC is fostering new partnerships and innovative projects built on collaboration between industry, research, not-for-profits, investors, and government. Together with members and partners, OSC is accelerating the development and commercialization of globally relevant ocean solutions by building a robust ecosystem that is well-connected and well-equipped to rapidly innovate, commercialize solutions, and deliver on the growing ocean opportunity. OSC is designed to eliminate sector silos and to promote co-investment in business solutions that have multiple applications in order to address the costs and challenges associated with ocean innovation. Canada's Federal government has set aside up to Can\$153 (US\$ 126) million to support OSC programs.

Memorandum of Understanding

District and OSC staff have identified various collaborative opportunities that may benefit each organization and emerging businesses in the Blue Economy innovation ecosystem in North America.

To move these opportunities forward, and to establish a collaborative partnership with OSC, staff is seeking authorization to enter into a MOU with OSC. This MOU is focused on program alignment between the Port and OSC that will foster a collaborative relationship, such as an exchange of ideas, and strategic partnership on funding and investment opportunities. Programs and/or activities proposed in the MOU include:

- Program alignment to facilitate pilot demonstration of sustainable ocean innovation at the District; and
- Seeking funding and impact investment opportunities to support the development of sustainable ocean innovation; and
- Exchange of knowledge of Blue Economy sector challenges and opportunities; and
- Raise awareness of OSC and District Programs to seek new opportunities to support each other's Program goals to advance sustainable ocean innovation projects.

The District and OSC propose in the MOU to meet (via phone or in-person) a minimum of four times per year on a quarterly basis. Each party will assign participants to form a working group responsible for identifying, facilitating, and developing opportunities for program alignment that may benefit each organization and emerging businesses in the global Blue Economy innovation ecosystem, especially in North America.

Recommendation

Staff recommends the Board adopt a resolution authorizing the President/CEO or their designee to enter into a "Memorandum of Understanding" with Canada's Ocean Supercluster to advance a collaborative partnership to cooperatively explore opportunities for program alignment and investment to support the development and scaling of innovative solutions that promote the Blue Economy at ports.

General Counsel's Comments:

The Office of the General Counsel reviewed and approved this agenda, the proposed Memorandum of Understanding, and resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, a resolution authorizing the President/CEO or their designee to enter into a MOU with Canada's Ocean Supercluster to advance a collaborative partnership to explore opportunities for program alignment and investment to support the development and scaling of innovative solutions that promote the blue economy at ports, 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 discretionary approval resulting in a physical change to the environment 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 MOU and Board direction in no way limit the exercise of this discretion. Therefore, no further CEQA review is required.

The proposed Board action complies with Section 87 of the Port Act, which allows for the establishment and maintenance of those lands for open space, ecological preservation, and habitat restoration. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Project is consistent with the Public Trust Doctrine. Finally, the proposed Board action 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 they would not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a CDP or exclusion is not required at this time. However, development within the District requires processing under the District’s CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District’s certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The Board’s direction in no way limit the exercise of the District’s discretion under the District’s CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Diversity, Equity, and Inclusion Program:

Not applicable.

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Attachment(s):

Attachment A: Memorandum of Understanding