



## Legislation Text

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**File #:** 2021-0417, **Version:** 1

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**DATE:** January 11, 2022

**SUBJECT:**

**RESOLUTION SELECTING AND AUTHORIZING AN AGREEMENT WITH JGC GOVERNMENT RELATIONS, INC. FOR STATE LEGISLATIVE CONSULTING SERVICES, FROM FEBRUARY 1, 2022 THROUGH JANUARY 31, 2026 FOR AN AMOUNT NOT TO EXCEED \$495,000.00. FUNDS FOR THIS FISCAL YEAR ARE BUDGETED. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.**

### **EXECUTIVE SUMMARY:**

The San Diego Unified Port District (District) utilizes legislative consulting professionals to represent the District's interests and assure that there is two-way communication with state and federal legislative branches and regulatory agencies. Staff recommends that the Board of Port Commissioners (Board) authorize an agreement with JGC Government Relations, Inc.

Areas of specific interest to the District include but are not limited to:

- Assisting with securing approval by the California State Lands Commission as related to state tidelands issues;
- Acting as a liaison with several industry groups, state agencies, commissions, and departments on District matters related to maritime, tourism, real estate, environmental, state government, and special district matters;
- Facilitating responses to requests for information from members of the Legislature concerning matters of interest to the District, as well as communication from the District to the legislative and executive branches; and
- Reviewing and commenting on state project submissions, such as grant proposals.

In 2021, the District brought together a team from Procurement, Government & Civic Relations, and the Aquaculture and Blue Tech Departments to work on procuring a new agreement for state legislative consulting. Staff developed and issued a Request for Proposals (RFP) for a state legislative consulting in August 2021. The District received three responses, and staff interviewed two firms in October 2021.

Staff is recommending the selection of JGC Government Relations, Inc. for an agreement from February 1, 2022 through January 31, 2026 for an amount not to exceed \$495,000.00.

### **RECOMMENDATION:**

Adopt a Resolution selecting and authorizing an agreement with JGC Government Relations, Inc. for state legislative consulting services, from February 1, 2022 through January 31, 2026 for an amount not to exceed \$495,000.00. Funds for this Fiscal year are budgeted. All funds required for future fiscal years will be budgeted in the appropriate fiscal year, subject to board approval upon adoption of each fiscal year's budget.

### **FISCAL IMPACT:**

Funds for the first year of this expenditure are budgeted in the FY 2022 Professional Services account for the District's Government and Civic Relations Department. Funds required for future fiscal years will be budgeted for in the appropriate fiscal year and cost account subject to Board approval upon adoption of each fiscal year's budget.

### **COMPASS STRATEGIC GOALS:**

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

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A Port with an innovative and motivated workforce.

### **DISCUSSION:**

The District utilizes the services of state legislative consulting professionals to represent its interests and ensure two-way communication exists between the District and legislative and executive branches of the state government. State legislative consulting representation assists with communicating the positions of the District on state legislation and proposed rulemaking. Facilitating responses to requests for information concerning District matters from members of the California Legislature and state administrative and regulatory agencies is a crucial role. These representatives also assist with meetings of District staff and/or Commissioners with the offices of state elected officials and regulatory agencies.

State legislative consulting representatives assist staff by providing or recommending the necessary actions to secure legislation passage and rule making that promotes Board policy positions. More specifically, a legislative consulting firm provides resources for policies and legislation on important District issues, such as public access, infrastructure needs, and environmental regulatory policy actions to ensure that the District's interests are advanced or protected. They inform the offices of elected officials and relevant committees of the District's position on state legislation, as well as testify in legislative committees as appropriate.

The proposed agreement (Attachment A) is an agreement with JGC Government Relations. This

proposal includes services in the following areas:

- Ensure that the District and its interests are represented in all legislative, executive and other matters occurring in the state's legislative and administrative processes;
- Assist in securing approval by the California State Lands Commission on matters brought before it on behalf of the District as related to state tidelands issues;
- Act as a liaison with the California Association of Port Authorities, Cruise Line International Association, and Pacific Merchant Shipping Association and other industry groups related to District matters;
- Communicate the District's interests to relevant organizations and state agencies;
- Facilitate responses to requests for information from members of the Legislature concerning matters of interest to the District; and
- Review and comment on state project submissions, such as grant proposals.

In August of 2021, the District brought together a team from Procurement, Government & Civic Relations, and the Aquaculture and Blue Tech Team to work on procuring a new agreement for state legislative consulting. Staff developed and issued a Request for Proposals (RFP) for a state legislative consulting on August 25, 2021. The District received three proposals, and staff interviewed two firms on October 27, 2021.

The California State Assembly and California State Senate conduct legislative sessions that convene the first week of December and adjourn between the end of August and the middle of September of the following year. All bills passed by the Legislature must be signed by the Governor no later than one month following the Interim/Final recess of the Legislature in order to become state law. During the legislative session, a state legislative consulting representative provides the District with on-the-ground representation in Sacramento to meet with elected officials and staff, provide strategic counsel on relevant legislative actions, advocate District positions as directed by the Board, and keep staff informed on hearings and other legislative activities.

JGC Government Relations, Inc. is a full service, bi-partisan firm located in Sacramento. They have represented the District with distinction for more than 22 years. Some of their past successes for the District include:

- Passage of SB 507 (Atkins) to grant in trust to the district certain additional tidelands and submerged lands held by the state within the San Diego Bay, the "Donut Hole" bill;
- Amendment to Assembly Bill 805 (Gonzalez) to grant the District a voting seat on the SANDAG Transportation Committee;
- Passage of Senate Bill 785 (Wolk), granting design/build authority to the District, through January 1, 2025, for public works projects over \$1 million;
- Passage of Assembly Bill 425 (Atkins), a key measure for the District in achieving compliance with environmental stewardship obligations by determining a leaching rate for copper-based anti-fouling paint for vessels and recommended mitigation measures;
- Defeat of Senate Bill 1039 (Ducheny) with assistance in negotiating a compromise deal on the use of District funds on- or off-tidelands;
- Passage of Senate Bill 1007 (Ducheny) to give the District flexibility in the management of the

District Employee's retirement system in order to protect retirement assets.

JGC also helped build a coalition of supporters for the effort to include language in American Rescue Plan Act of 2021 that would allow funds to pass through to special districts, including the District. The District's legislative advocate's efforts included discussing the issue with State Lands Commission (SLCS) to obtaining letters of support from various affiliated statewide labor groups, and once the federal legislation was enacted, gathering support for including \$250 million in port funding in the State budget from organized labor, the Lieutenant Governor, the Governor's Office of Business and Economic Development, the State Controller, Senate and Assembly Budget staff, the Pro Tempore and Speaker's offices to secure inclusion of the funding proposal in the Budget that was ultimately signed by Governor Newsom. This process continued through the summer and early fall as the Budget language had to be refined and additional changes were requested by the Department of Finance (DOF). Ultimately, the District's legislative advocates set up meetings with DOF, SLC, and other port stakeholders to work through differences on the implementation of the Budget language that resulted in a resolution and the program moving forward at SLC.

Passed and defeated bills are one level of success; less visible but equally significant is strategic counsel given to understand potential legislation that may be introduced and inform future decisions of the District. Other forms of legislative advocacy include coordination of Board meetings with legislative members and staff, and issue monitoring and management among various state-level regulatory agencies, spanning a range of relevant and timely topics from ocean planning and the state tidelands trust to emerging regulatory shifts and rule-making processes, particularly those with a potential impact on district interests. Legislative advocacy for the District has included reading and referring newly introduced and amended legislation that could be of potential interest to the District, which has been done throughout the legislative sessions past. Broadly, it provides the District with strategic engagement and representation of District priorities at the state government level, maintaining with the District constant communication in the ever-changing political world of Sacramento. Staff is recommending the selection of JGC Government Relations, inc. for an agreement from February 1, 2022 through January 31, 2026 for an amount not to exceed \$495,000.00

### **General Counsel's Comments:**

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

### **Environmental Review:**

The proposed Board action, including without limitation, a resolution authorizing an agreement to provide legislative consulting services, does not constitute a "project" under the definition 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 the proposed Board action 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 proposed Board action in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

The proposed Board action allows for the District to implement its obligations under Sections 35 and 81 of the Port Act, which authorize the Board to do acts necessary and convenient for the exercise of its power; and the use funds for necessary expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

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 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, 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 proposed Board action in no way limits 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:**

Due to limited known sub opportunities, bonus points for DEI participation categories were made available but not claimed. JGC submitted a DEI Policy and reported a total of two employees. JGC may be eligible for SBE status and has been sent application links to apply.

#### **PREPARED BY:**

David Yow  
Legislative Policy Administrator  
Government and Civic Relations

#### **Attachment(s):**

Attachment A: Draft Agreement with JGC Government Relations, Inc.  
Attachment B: Draft Resolution