

CHAPTER 946

An act to add Section 21670.3 to, and to add Division 17 (commencing with Section 170000) to, the Public Utilities Code, and to amend Sections 4 and 5 of the San Diego Unified Port District Act (Chapter 67 of the Statutes of 1962, First Extraordinary Session), relating to airports.

[Approved by Governor October 14, 2001. Filed with
Secretary of State October 14, 2001.]

The people of the State of California do enact as follows:

SECTION 1. Section 21670.3 is added to the Public Utilities Code, to read:

21670.3. (a) Sections 21670 and 21670.1 do not apply to the County of San Diego. In that county, the San Diego County Regional Airport Authority, as established pursuant to Section 170002, is responsible for coordinating the airport planning of public agencies within the county and shall, on or before June 30, 2005, after reviewing the existing comprehensive land use plan adopted pursuant to Section 21675, adopt a comprehensive land use plan.

(b) Any comprehensive land use plan developed pursuant to Section 21675 and adopted pursuant to Section 21675.1 by the San Diego Association of Governments shall remain in effect until June 30, 2005, unless the San Diego County Regional Airport Authority adopts a plan prior to that date pursuant to subdivision (a).

SEC. 2. Division 17 (commencing with Section 170000) is added to the Public Utilities Code, to read:

DIVISION 17. SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

CHAPTER 1. GENERAL PROVISIONS

170000. This division shall be known and may be cited as the San Diego County Regional Airport Authority Act.

170002. There is hereby established the San Diego County Regional Airport Authority, as a local governmental entity of regional government, with jurisdiction extending throughout the County of San Diego.

170004. The Legislature hereby finds and declares all of the following:

(a) The population in San Diego County is forecasted to grow to 4.1 million persons by 2030, a 45 percent increase over its population in 2000. In light of this growth, it is incumbent upon the region to take

actions to provide for an economy that will create sufficient opportunity and wealth to ensure a high quality of life for all its residents.

(b) The globally competitive, export-oriented electronics, communications, and biotechnology industries of San Diego County already employ over 300,000 persons, nearly a third of the local labor force, and will continue to drive the region's economy as it competes in the expanding national and international markets.

(c) Air transportation will be an important factor in fostering continued economic growth in San Diego County, as technology workers travel by air 40 percent more frequently than workers in other sectors of the economy.

(d) According to the Joint Aviation Advisory Committee established by the San Diego Association of Governments and the San Diego Unified Port District, San Diego International Airport today contributes about \$4.3 billion to the San Diego regional economy, which is about 4 percent of the total output of the region's economy. With the demand for air travel expected to more than double to 35 million passengers in 2030, an airport capable of supporting that demand would contribute up to \$8 billion to the regional economy. Failure to increase San Diego's regional airport capacity would result in 56,000 fewer jobs and up to \$2.5 billion less in personal income by 2030. More than 50 percent of the reduction in jobs would occur in the industries related to air exports, including the high-technology industries that manufacture machinery, electronic equipment, and instruments. The balance of the impact would be in the visitor-related industries.

(e) The San Diego Regional Government Efficiency Commission was established under Chapter 764 of the Statutes of 2000 to evaluate regional governance in San Diego County and to submit a report to the Legislature for improving regional governance. To facilitate its purpose, that commission formed a Port Working Group, a Governance Working Group, a Transportation Working Group, and an Environmental and Land Use Working Group to examine regional governance in the region and to propose options for its improvement. The Port Working Group studied the role and function of the San Diego Unified Port District and in collaboration with the Transportation Working Group created a special joint committee to examine airport development issues in the region. After reviewing the options developed by the joint committee, the commission has recommended to the Legislature, by resolution adopted on July 6, 2001, that a new airport authority be created by statute in San Diego County.

(f) Because of the significant regional consequences of airport development and operations, it is important that the future development of major airport facilities in San Diego County be addressed in the

context of a regional decisionmaking process that has regional representation.

(g) In an effort to assure the continued military readiness of the United States Department of Defense (DOD), comprehensive airport planning must consider and protect military airspace needs in the San Diego region. The activities of the DOD in the San Diego region require mission-essential airspace for training and operations. In addition, the DOD has direct economic expenditures in San Diego County of nearly \$10 billion annually, and represents over 376,000 residents of the region. For these reasons, the DOD is a major stakeholder in the region's comprehensive plans for a viable airport solution.

170006. For the purposes of this division, the following terms have the following meanings, unless the context requires otherwise.

(a) The "authority" means the San Diego County Regional Airport Authority established under this division.

(b) The "board" means the governing board of the authority established as specified in Section 170016.

(c) The "interim board" means the limited term board established as specified in Section 170012.

(d) The "port" means the San Diego Unified Port District established under the San Diego Unified Port District Act (Chapter 67 of the Statutes of 1962, First Extraordinary Session).

(e) The "San Diego International Airport" means the airport located at Lindbergh Field in the County of San Diego.

(f) (1) The "north area cities" mean the cities of Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista.

(2) The "south area cities" mean the cities of Coronado, Imperial Beach, Chula Vista, National City, Lemon Grove, El Cajon, La Mesa, Santee, and Poway.

CHAPTER 2. GOVERNING BODY

170010. The interim executive director of the authority shall be the person who is the Senior Director of Aviation of the port on September 1, 2001. The interim executive director shall undertake all regular and necessary measures and decisions for the efficient operation of the authority until January 6, 2003.

170012. (a) There shall be an interim board of the authority to advise the interim executive director, to prepare and adopt the transition plan required under Section 170062, and to oversee the activities required pursuant to subdivisions (c), (d), (e), and (f) of Section 170048.

(b) The interim board shall be chaired by the interim executive director.

(c) The interim executive director shall appoint five members to the interim board. The members shall be geographically representative of San Diego County and shall be serving as elected officials of, appointees to, or representatives of local, state, or federal governmental agencies or bodies, at the time of appointment.

(d) The first meeting of the interim board shall be on January 7, 2002, at a time and location to be determined by the chair. Thereafter, the chair shall hold monthly public meetings of the interim board.

(e) The interim board shall be dissolved on December 2, 2002.

170014. To assist the interim board and the interim executive director on all matters related to the transition of San Diego International Airport to the authority, a management advisory committee shall be appointed, with membership as follows:

(a) The general manager of the San Diego Metropolitan Transit Development Board.

(b) The executive director of the San Diego Association of Governments, a joint exercise of powers agency.

(c) The executive director of the North San Diego County Transit District.

(d) A representative of the port, appointed by the board of directors of the port.

170016. (a) The permanent board shall be established pursuant to this section. The board shall consist of nine members, with three members serving in an executive committee.

(b) The following three members shall comprise the executive committee.

(1) A member of the public who shall be appointed by the Board of Supervisors of the County of San Diego and shall be a resident of an unincorporated area of the county. The initial term for this member shall be two years.

(2) A member of the public who shall be appointed by the Governor and confirmed by the Senate, shall reside in the County of San Diego, but not within the City of San Diego. The initial term for this member, upon confirmation of the Senate, shall be six years.

(3) A member the public who shall be appointed by the Mayor of the City of San Diego and shall be confirmed by a majority vote of the San Diego City Council. The initial term for this member shall be four years.

(c) The remaining six members of the board shall be as follows:

(1) The Mayor of the City of San Diego, or a member of the city council designated by the mayor to be his or her alternate.

(2) A member the public appointed by the Mayor of the City of San Diego. The initial term for this member shall be two years.

(3) The mayor of the most populous city, as of the most recent decennial census, among the north area cities. If that mayor declines to

serve, he or she shall appoint a member of the public who is a resident of one of north area cities. The initial term for this member shall be two years.

(4) (A) If the member serving under paragraph (3) is a mayor, then a member of the public selected by the mayors of the north area cities from one of those cities, excluding the most populous city.

(B) If the person serving under paragraph (3) is not a mayor, then the mayors of the north area cities shall select a mayor or council member of a north area city, excluding the most populous city, to serve as the member.

(C) The initial term for this member shall be four years.

(5) The mayor of the most populous city, as of the most recent decennial census, among the south area cities. If that mayor declines to serve, he or she shall appoint a member of the public who is a resident of one of south area cities. The initial term for this member shall be six years.

(6) (A) If the member serving under paragraph (5) is a mayor, then a member of the public selected by the mayors of the south area cities from one of those cities, excluding the most populous city.

(B) If the person serving under paragraph (5) is not a mayor, then the mayors of the south area cities shall select a mayor or council member of a south area city, excluding the most populous city, to serve as the member.

(C) The initial term for this member shall be four years.

(d) The initial chair shall be the person appointed to the board pursuant to paragraph (2) of subdivision (b). Thereafter, the executive committee shall appoint the chair, who shall serve for a two-year portion of his or her term as a board member, upon confirmation of the full board. A chair may be appointed to consecutive terms, subject to confirmation of the full board.

(e) (1) Members appointed to the first board shall be appointed on or before October 31, 2002, and shall be seated as the board on December 2, 2002.

(2) Any appointment not filled by the respective appointing authority on or before December 1, 2002, shall be filled by appointment by the Governor, consistent with the eligibility requirements of this section for that membership position.

(f) (1) After the initial term, all terms shall be 4 years, except as otherwise required under Subdivision (b) of Section 170018.

(2) The expiration date of the term of office shall be the first Monday in December in the year in which the term is to expire.

170018. (a) The appointing authority for a member whose term has expired shall appoint that member's successor for a full term of four years.

(b) The membership of any member serving on the board as a result of holding another public office shall terminate when the member ceases holding the other public office.

(c) Any vacancy in the membership of the board shall be filled for the expired term by a person selected by appointing authority for that position.

170020. A member may be removed only for cause and only by his or her appointing authority.

170022. Any member may be reappointed to additional terms.

170024. (a) Except for the members of the executive committee, members shall be paid one hundred dollars (\$100) per regular, special, or committee meetings, for not more than four meetings per month.

(b) Members of the executive committee shall receive a salary equal to the salary of superior court judge in the County of San Diego.

(c) Members may be paid for direct out-of-pocket expenses.

(d) The board shall adopt a compensation and reimbursement policy within three months of being constituted.

170026. (a) The executive committee shall appoint the following officers of the authority subject to confirmation of the board:

(1) Executive Director.

(2) General Counsel.

(3) Auditor.

(b) The executive director shall appoint all other officers and employees.

CHAPTER 3. POWERS AND DUTIES

170030. The authority has perpetual succession and may adopt a seal and alter it at its pleasure.

170032. The authority may sue and be sued in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

170034. All the provisions of Section 120242 are applicable to the authority, and the authority may exercise those provisions within its area of jurisdiction.

170038. The authority may take by grant, purchase, devise, or lease or otherwise acquire and hold, real and personal property outside its area of jurisdiction in order to further its purposes.

170040. The authority may contract with any department or agency of the United States, with any state or local governmental agency, or with any person upon those terms and conditions that the authority finds are in its best interests.

170042. The board may act only by ordinance or resolution. A majority of the membership of the board shall constitute a quorum for the transaction of business.

170044. Except as otherwise specifically provided to the contrary in this chapter, a recorded majority vote of the total membership of the board of directors is required on each action.

170046. The authority shall maintain accounting records and shall report accounting transactions in accordance with generally accepted accounting principles as adopted by the Government Accounting Standards Board (GASB) of the Financial Accounting Foundation for both public reporting purposes and for reporting of activities to the Controller.

170048. (a) The authority shall have the exclusive responsibility within its area of its jurisdiction to study and plan any improvements, expansion, or enhancements that affect the regional airport system of San Diego County.

(b) The authority may commission planning, engineering, economic, and other studies to provide information to the board for making decisions about the location, design, management, and other features of a future airport.

(c) The San Diego Association of Governments, or its successor, shall include all airport system plans and facilities selected by the authority in the regional transportation plan.

(d) (1) Not later than 60 days after the effective date of this chapter, the San Diego Association of Governments and the port shall transfer and assign to the authority all contracts in force for studying possible sites for an airport, the economic viability and impact of an airport, the environmental consequences of an airport, public opinion or attitudes regarding an airport's location, and any other contracts related to the location and development of an airport in the County of San Diego.

(2) The contracts described in paragraph (1) shall include, but need not be limited to, the contracts associated with the Joint Aviation Advisory Committee.

(3) The transfer of contracts required under this subdivision shall include the revenue from state or federal grants, local funds, and other sources of revenue committed to funding the contracts until their completion.

(e) The policy direction for the study described in subdivision (d) shall become the responsibility of the authority. The authority shall consider the concepts and ideas of the San Diego Association of Governments, the port, and other entities, both public and private.

(f) The authority may continue the Joint Aviation Advisory Committee to assist in conducting the analyses for determining a site for a new airport.

(g) The authority, the San Diego Association of Governments, local agencies, and the Department of Transportation shall cooperate to

develop effective surface transportation access to new and existing airports.

170050. The authority shall be the only agency, public or private, in the County of San Diego that is eligible to take ownership of airports owned by the United States government and are declared surplus or are otherwise made available to state or local governmental agencies.

170052. The authority shall be responsible for developing all aspects of airport facilities that it operates, including, but not limited to, all of the following:

(a) The location of terminals, hangers, aids to air navigation, parking lots and structures, and all other facilities and services necessary to serve passengers and other customers of the airport.

(b) Street and highway access and egress with the objective of minimizing, to the extent practicable, traffic congestion on access routes in the vicinity of the airport.

(c) Providing for public mass transportation access in cooperation and coordination with the responsible public transportation agency in whose jurisdiction the airport is located.

(d) Analyzing and developing intercity bus and passenger rail access to terminals in cooperation with an established agency or organization experienced in developing and operating that service, if the service or the technology proposed for implementation is demonstrated to be in regular, scheduled revenue service and is demonstrated to be a cost-effective investment when considering both direct and indirect benefits. If that service is proven feasible, the authority shall endeavor to maximize the convenience of its patrons by incorporating the service into the design of its terminals.

170054. (a) The authority shall form an advisory committee to assist it in performing its responsibilities related to the planning and development of all airport facilities for the County of San Diego, including the airport activities and operations of the United States Department of Defense. In selecting members for the committee, the authority shall include persons knowledgeable about airport management, passenger and freight air transportation operations and economics, general aviation, the natural environment, regional economic development, business, including the technology sector of the economy.

(b) To the extent feasible, the advisory committee shall include representatives from the Department of Transportation, local public transit authorities, local governments, the campuses of the University of California and the California State University in the region, the United States Department of Defense, and other groups and residents of San Diego County.

(c) When forming the advisory committee, the authority shall make its selections for membership from individuals representing all elements of the County of San Diego.

170056. The port shall transfer the title and ownership of the San Diego International Airport to the authority. The transfer shall be consistent with the transition plan required under Section 170062 and shall include, but need not be limited to, all of the following:

(a) All real and personal property, including, but not limited to, all terminals, runways, taxiways, aprons, hangars, aids to air navigation, emergency vehicles or facilities, parking facilities for passengers and employees, and buildings and facilities used to operate, maintain, and manage the airport.

(b) All contracts with airport tenants, concessionaires, leaseholders, and others.

(c) All financial obligations secured by revenues and fees generated from the operations of the airport, including, but not limited to, bonded indebtedness associated with the airport.

(d) All financial reserves, including, but not limited to, sinking funds and other credits.

(e) All office equipment, including, but not limited to, computers, records and files, software required for financial management, personnel management, and accounting and inventory systems.

170058. Property that is adjacent to the San Diego International Airport, is owned by the port, and is commonly referred to as the "General Dynamics Property" shall continue to be operated by the port as a parking facility.

170058.5. If the authority is required to acquire the "General Dynamics Property" described in Section 170058 as part of an adopted airport expansion plan, the value of the property for purposes of that acquisition shall be set at the fair market value that the property holds on June 30, 2001, plus an adjustment for inflation.

170059. The port, in consultation with the authority, may relocate parking facilities. However, the port may not take any action to diminish the amount of parking available at the San Diego International Airport without the concurrence of the authority.

170060. The authority shall be the trustee of any public lands and other assets transferred from the port to the authority. The authority shall hold and administer those lands and assets pursuant to the terms and conditions set forth in the San Diego Port District Act for the purposes of operating airport facilities. The trusteeship of those lands and assets shall revert to the port on the date that airport operations cease on those lands.

170062. (a) Under the leadership of the interim board, a transition plan shall be developed to facilitate the transfer of the San Diego

International Airport to the authority. To facilitate the preparation of a transition plan, the authority and the port may jointly commission a certified audit to determine the financial condition of the San Diego International Airport, including, but not limited to, the obligations of the airport and the reasonableness of the overhead charges being paid by the airport to the port.

(b) The port shall cooperate in every way to facilitate the transfer of the San Diego International Airport to the authority.

(c) In the preparation of the transition plan, priority shall be given to ensuring continuity in the programs, services, and activities of the San Diego International Airport.

(d) The transfer of the San Diego International Airport to the authority shall be completed on December 2, 2002.

(e) The transfer may not in any way impair any contracts with vendors, tenants, employees, or other parties.

170064. (a) From revenues in reserve accounts attributable to airport operations, the port shall loan the authority the sum of one million dollars (\$1,000,000) for the first year of operation of the authority. The authority shall repay this loan with interest on or before January 1, 2008. The interest rate on the loan may be no greater than the discount rate established by the United States Federal Reserve Bank as of December 31, 2001.

(b) The authority may raise revenues to fund all of its activities, operations, and investments consistent with its purposes. The sources of revenue available to the authority may include, but are not limited to, imposing fees, rents, or other charges for facilities, services, the repayment of bonded indebtedness, and other expenditures consistent with the purposes of the authority.

(c) To the extent practicable, the authority shall endeavor to maximize the revenues generated from enterprises located on the property of the authority.

(d) The authority may receive state and federal grants for purposes of planning, constructing, and operating an airport and for providing ground access to the airport.

170066. (a) The authority is the only agency in the County of San Diego authorized to receive proceeds from state grants for the purposes of planning, constructing, or making other improvements to a civilian airport.

(b) The authority is the only agency authorized in the County of San Diego to receive proceeds from grants from the federal government, including, but not limited to, the Federal Aviation Administration, for purposes of planning, constructing, or making other improvements to a civilian airport.

(c) The authority shall cooperate with all other airports in the county to further the development of a countywide aviation system. To this end, the authority shall facilitate the pass-through of state and federal grants, without deduction for any cost associated with processing that pass-through, to local airport operators, if those grants are for purposes that are consistent with the aviation element of the regional transportation plan or with an adopted program of projects.

170068. The authority may accept the transfer of ownership of other publicly owned airports in the County of San Diego. Any transfer shall include the preparation of a transition plan to ensure the orderly transfer of assets and obligations. In accepting a transfer, the authority may assume no financial obligations other than those associated with the operation of the airport being transferred.

170070. (a) The authority may issue bonds, payable from revenue of any facility or enterprise operated, acquired, or constructed by the authority, in the manner provided by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code).

(b) The authority is a local agency within the meaning of the Revenue Bond Law of 1941. For all the purposes of this article, the term "enterprise," as used in the Revenue Bond Law of 1941, includes the airport system or any or all facilities and all additions and improvements that the authority's governing board authorizes to be acquired or constructed.

(c) Nothing in this section prohibits the authority from availing itself of any procedure provided in this chapter for the issuance of bonds of any type or character for any of the authorized airport facilities. All bond proceedings may be carried on simultaneously or, in the alternative, as the authority may determine.

170072. The authority may levy special benefit assessments consistent with the requirements of Article XIII D of the California Constitution to finance capital improvements, including, but not limited to, special benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(b) The Improvement Bond Act of 1915 (Division 15 (commencing with Section 8500) of the Streets and Highways Code).

(c) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(d) The Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(e) Chapter 1 (commencing with Section 99000) of Part 11 of Division 10 of the Public Utilities Code, if the authority participates in the development of rail access to an airport.

170074. The authority may borrow money in accordance with Article 7 (commencing with Section 53820) of, Article 7.6 (commencing with Section 53850) of, or Article 7.7 (commencing with Section 53859) of, Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

170076. (a) The authority may borrow money in anticipation of the sale of any bonds that have been authorized to be issued, but have not been sold and delivered, and may issue negotiable bond anticipation notes therefor, and may renew the bond anticipation notes from time to time, but the maximum maturity of any bond anticipation notes, including the renewals thereof, may not exceed five years from the date of delivery of the original bond anticipation notes. The bond anticipation notes may be paid from any money of the authority available therefor and not otherwise pledged.

(b) If not previously otherwise paid, the bond anticipation notes shall be paid from the proceeds of the next sale of the bonds of the authority in anticipation of which they were issued. The bond anticipation notes may not be issued in any amount in excess of the aggregate amount of bonds that the authority has been authorized to issue, less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefore issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds. The bond anticipation notes and the resolution or resolutions authorizing them may contain any provisions, conditions, or limitations that a resolution of the authority authorizing the issuance of bonds may contain.

170078. The authority may bring an action to determine the validity of any of its bonds, equipment trust certificates, warrants, notes, or other evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

170080. All bonds or other evidences of indebtedness issued by the authority under this chapter, and the interest thereon, are free and exempt from all taxation within the state, except for transfer, franchise, inheritance, and estate taxes.

170082. (a) Notwithstanding any other provisions of this division or any other law, the provisions of all ordinances, resolutions, and other proceedings in the issuance by the authority of any bonds, bonds with a pledge of revenues, bonds for improvement districts, revenue bonds, equipment trust certificates, notes, or any and all evidences of indebtedness or liability constitute a contract between the authority and the holders of the bonds, equipment trust certificates, notes, or evidences of indebtedness or liability, and the provisions thereof are enforceable against the authority or any or all of its successors or assigns, by

mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction.

(b) Nothing in this division or in any other law shall be held to relieve the authority or the territory included within it from any bonded or other debt or liability contracted by the authority.

(c) Upon dissolution of the authority or upon withdrawal of territory therefrom, that territory formerly included within the authority, or withdrawn therefrom, shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of the dissolution or withdrawal as if the authority had not been so dissolved or the territory withdrawn therefrom, and it shall be the duty of the successors or assigns to provide for the payment of the bonded and other indebtedness and liabilities.

(d) Except as may be otherwise provided in the proceedings for the authorization, issuance, and sale of any revenue bonds, bonds secured by a pledge of revenues, or bonds for improvement districts secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities, or property owned, operated, or controlled by the authority shall be pledged, charged, assigned, and have a lien thereon for the payment of the bonds as long as they are outstanding, regardless of any change in ownership, operation, or control of the revenue-producing improvements, works, facilities, or property and it shall, in any later event or events, be the duty of the successors or assigns to continue to maintain and operate the revenue-producing improvements, works, facilities, or property as long as bonds are outstanding.

170084. The authority shall assume and be bound by the terms and conditions of employment set forth in any collective bargaining agreement between the port and any labor organization affected by the creation of the authority, as well as the duties, obligations, and liabilities arising from, or relating to, labor obligations imposed by state or federal law upon the port. The employees of the port affected by this division shall become employees of the authority and shall suffer no loss of employment or reduction in wages, health and welfare benefits, seniority, retirement benefits or contributions made to retirement plans, or any other term of condition of employment as a result of the enactment of this division.

SEC. 3. Section 4 of the San Diego Unified Port District Act (Chapter 67 of the Statutes of 1962, First Extraordinary Session), as amended by Section 1 of Chapter 399 of the Statutes of 1996, is amended to read:

Sec. 4. (a) A port district for the acquisition, construction, maintenance, operation, development and regulation of harbor works and improvements, including rail and water, for the development,

operation, maintenance, control, regulation, and management of the harbor of San Diego upon the tidelands and lands lying under the inland navigable waters of San Diego Bay, and for the promotion of commerce, navigation, fisheries, and recreation thereon, may be established or organized and governed as provided in this act and it may exercise the powers expressly granted herein.

(b) Subject to Section 87 and any other provision of applicable law, the district may use the powers and authority granted pursuant to this section to protect, preserve, and enhance all of the following:

- (1) The physical access to the bay.
- (2) The natural resources of the bay, including plant and animal life.
- (3) The quality of water in the bay.

(c) Notwithstanding any other provision of law, the powers and authority specified in this section are to be used only as necessary or incident to the development and operation of a port and shall not apply to public utilities operated under the jurisdiction of the Public Utilities Commission of the State of California.

(d) This section shall become operative on December 2, 2002.

SEC. 4. Section 5 of the San Diego Unified Port District Act (Chapter 67 of the Statutes of 1962, First Extraordinary Session), as amended by Section 1.5 of Chapter 399 of the Statutes of 1996, is amended to read:

Sec. 5. (a) The area within the district shall include all of the corporate area of each of the cities of San Diego, Chula Vista, Coronado, National City, and Imperial Beach which establish the district as provided in this act, and any unincorporated territory in the County of San Diego contiguous thereto, which is economically linked to the development and operation of San Diego Bay, included in the district by the board of supervisors of the county as provided in this act. The regulatory, taxing, and police power jurisdiction of the district, as otherwise provided for in this act, shall apply to the above-described area.

(b) In addition to the powers and authority described in subdivision (a), the district shall exercise its land management authority and powers over the following areas:

- (1) The tidelands and submerged lands granted to the district pursuant to this act or any other act of the Legislature.
- (2) Any other lands conveyed to the district by any city or the County of San Diego or acquired by the district in furtherance of the district's powers and purposes as provided in Section 87.

(c) This section shall become operative on December 2, 2002.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees,

or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.