

MINUTE ITEM

This Calendar Item No. C42 was approved as Minute Item No. 42 by the California State Lands Commission by a vote of 3 to 0 at its 12-3-99 meeting.

**CALENDAR ITEM
C42**

A 77, 79
S 40

12/03/99
G 10-08.11
J. Smith
C. Fossum

CONSIDER APPROVAL OF THE PROPOSED EXPENDITURE OF PUBLIC TRUST FUNDS BY THE SAN DIEGO UNIFIED PORT DISTRICT FOR THE ACQUISITION OF THE NATIONAL DISTRIBUTION CENTER IN THE CITY OF NATIONAL CITY, SAN DIEGO COUNTY

APPLICANT

San Diego Unified Port District
P.O. Box 488
San Diego, California 92122-0488

CURRENT STATUS

The San Diego Unified Port District (Port) is trustee of tide and submerged lands granted to it by the Legislature pursuant to Chapter 67, Statutes of 1962, as amended. The Port desires to purchase the National Distribution Center adjacent to Port tidelands in the vicinity of the National City Marine Terminal on 24th Street in National City.

THE PROPERTY

The property proposed for acquisition is located at 1000-1022 West 24th Street , consists of 22.14 acres, and is improved with approximately 332,000 square feet of building improvements. The proposed purchase price is \$16.5 million. The Port's purchase of the property would be with the intent of providing necessary facilities to be used to accommodate growth of maritime commerce. Currently, physical expansion of facilities for the National City Marine Terminal is constrained by San Diego Bay on the west, Federal property to the north, and the Sweetwater River Channel and Wildlife Refuge to the south. The Port presently has only a few vacant lots available for maritime-related business and has had to turn away interested tenants due to a lack of facilities. In the last year, revenues from the National City Marine Terminal have increased 25% from \$4± million to \$5± million. The acquisition of the National Distribution Center would be highly beneficial as the property is contiguous and adjacent to existing tidelands; has excellent freeway access and is served by rail. The Port has indicated that nearly 90% of the property is leased.

CALENDAR PAGE	000222
MINUTE PAGE	0006899

CALENDAR ITEM NO. **C42** (CONT'D)

The Commission staff has reviewed the information submitted by the Port for the proposed acquisition pursuant to Section 30.5 of Chapter 67, Statutes of 1962, as amended and Public Resources Code Section 6701 et seq. The staff believes that the proposed acquisition is consistent with the public trust needs in the area and the lands to be held by the Port will be managed consistent with their statutory trust and recommends that the Commission consent to the proposed acquisition as described herein.

OTHER PERTINENT INFORMATION

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBIT

- A. Location and Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

1. FIND THAT ACQUISITION OF THE NATIONAL DISTRIBUTION CENTER BY THE SAN DIEGO UNIFIED PORT DISTRICT IS IN ACCORDANCE WITH THE TERMS OF THE LEGISLATIVE TRUST GRANT, CHAPTER 67, STATUTES OF 1962, AS AMENDED.

CALENDAR PAGE	000223
MINUTE PAGE	0006900

CALENDAR ITEM NO. **C42** (CONT'D)

2. FIND THAT ACQUISITION OF THE NATIONAL DISTRIBUTION CENTER BY THE SAN DIEGO UNIFIED PORT DISTRICT AS SET FORTH IN THOSE DOCUMENTS ON FILE IN THE OFFICES OF THE COMMISSION IS IN THE BEST INTERESTS OF THE STATE.
3. FIND THAT THE LANDS TO BE ACQUIRED BY THE SAN DIEGO UNIFIED PORT DISTRICT AS REFERRED TO HEREIN ARE TO BE ACCEPTED AS PUBLIC TRUST LANDS FOR THE BENEFIT OF THE PEOPLE OF THE STATE OF CALIFORNIA, TO BE HELD BY THE SAN DIEGO UNIFIED PORT DISTRICT AS PUBLIC TRUST LANDS SUBJECT TO CHAPTER 67, STATUTES OF 1962, AS AMENDED.
4. FIND THAT THE INCOME GENERATED BY THE LAND TO BE ACQUIRED WILL BE DEPOSITED IN AN APROPRIATE FUND EXPENDABLE ONLY FOR PUBLIC TRUST PURPOSES OF STATEWIDE BENEFIT AS AUTHORIZED BY THE LEGISLATIVE TRUST GRANT, CHAPTER 67, STATUTES OF 1962, AS AMENDED.
5. APPROVE THE EXPENDITURE OF \$16.5 MILLION OF TIDELAND TRUST FUNDS FOR THE PROPOSED ACQUISITION OF THE NATIONAL DISTRIBUTION CENTER BY THE SAN DIEGO UNIFIED PORT DISTRICT.

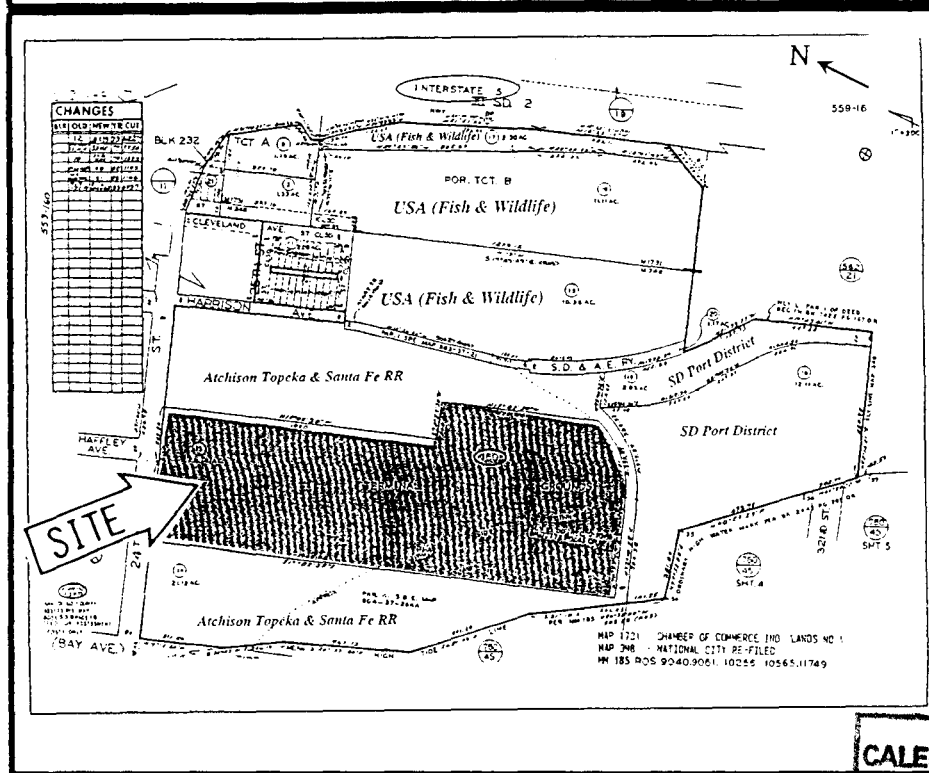


EXHIBIT "A"
SITE MAP - G 10-08.11
NATIONAL DISTRIBUTION CENTER
NATIONAL CITY
SAN DIEGO, COUNTY



CALENDAR PAGE 000225
MINUTE PAGE 0006302