

**CALENDAR ITEM
79**

A Statewide

05/24/12

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**CONSIDER ADOPTING A RESOLUTION SUPPORTING MARITIME OPERATIONS
AT CALIFORNIA PORTS AND RECOGNIZING THE IMPORTANT OF MARITIME
OPERATIONS TO OUR LOCAL, STATE, AND NATIONAL ECONOMIES**

California's maritime facilities and operations are crucial to the state and national economies, supporting a vibrant and competitive international trade industry, as well as hundreds of thousands of jobs that depend upon a strong network of marine terminals and port infrastructure. Protecting California's maritime operations not only benefits the local and state economies, it is a critical factor for the national economy.

In addition to creating and sustaining jobs, maritime operations within ports are vital to the security of the nation. These maritime operations are also the foundation of California's eleven public ports, which are the most competitive in the nation by being responsible for approximately 50 percent of the nation's goods movement and are certain, in the future, to continue to be a dominant force in the state and national economies. Maritime activities at California ports employ more than half-a-million people in California and generate an estimated \$7 billion in state and local tax revenues annually. Nationwide, more than 2 million jobs are linked to California's public ports. In Long Beach alone, port activity generates one in every 22 jobs in the five-county Southern California region and provides approximately \$14.5 billion in annual trade-related wages. In a very real sense, California's ports, and the maritime operations that support them, drive California's economy.

California's five major ports of San Diego, Long Beach, Los Angeles, Oakland and San Francisco can all trace their origins back to a statutory trust grant of State owned sovereign tide and submerged lands. Beginning in 1911, the people of the State of California, acting through the California Legislature, entrusted to these local jurisdictions the State's public trust lands for the primary purpose of developing commercial ports. The State ensured that these public trust lands would be held by the local trustees for the benefit of all of the people of the State and would be developed for port purposes by placing them in an express statutory trust. Since then, the lands making up the ports have been held by the local jurisdictions as trustees of the State of California. As with a private trust, the public trustees must utilize the State's lands and their revenues solely for trust purposes, pursuant to the Common Law Public Trust Doctrine and the respective statutory trust grants.

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Additionally, the Legislature has clearly expressed that the management of these public trust lands is a statewide affair and the land use decisions should be made by the local government trustees “without subjugation of statewide interests, concerns or benefits to the inclination of local or municipal affairs...”. (Public Resources Code section 6009). The Legislature has further expressed the importance of California ports, through the Coastal Act, as constituting one of the state’s primary economic and coastal resources and an essential element of the national maritime industry. (Public Resources Code section 30701).

While maritime facilities and operations are extremely vital to the local, state and national economies and the security of the nation, there are ever increasing proposals to replace these maritime operations with non-water dependent uses. For example, a recent proposal was detailed in an editorial entitled “Making the vision a reality” published in the January 22, 2012 edition of the San Diego Union Tribune which involved the conversion of the Tenth Avenue Marine Terminal to a sports/entertainment/recreation/parks complex, including a new football stadium for the San Diego Chargers. This new proposal is the fourth attempt within the past decade to replace the Tenth Avenue Marine Terminal or the National City Marine Terminal within the Port of San Diego with a non-water dependent use. Such a conversion would have significant adverse impacts to local and state economies and would have the potential to reduce the nation’s global competitiveness.

Similar to San Diego and many other ports in the nation, California ports are experiencing pressure from entities that want to redevelop industrial water-dependent land into commercial and service industry businesses. Given the importance of these maritime facilities and operations within California’s ports to the State and nation, staff recommends the Commission reaffirm its support of maritime facilities and operations in California and its opposition to proposals that seek to convert active maritime facilities and operations, including marine terminals, to a non-water dependent use.

RECOMMENDED ACTION:

It is recommended that the Commission:

1. Adopt the resolution attached hereto being Exhibit A.

Exhibit A

RESOLUTION BY THE CALIFORNIA STATE LANDS COMMISSION EXPRESSING AND MEMORIALIZING THE COMMISSION'S SUPPORT FOR MARITIME OPERATIONS AND ACTIVITIES AT CALIFORNIA PORTS

WHEREAS, California is home to eleven publicly-owned, commercial ports, and the maritime operations of these ports are a vital and vibrant component of our local, regional, state and national economic livelihood, acting as catalyst for economic growth; and,

WHEREAS, the five major ports of California can all trace their origins back to a statutory trust grant of State-owned public trust lands, thus ensuring that these public trust lands would be developed for traditional Public Trust purposes of water-dependent commerce and navigation for the benefit of all the people of the State; and,

WHEREAS, beginning in 1911, the California Legislature placed the lands comprising the five major ports in California, Los Angeles, Long Beach, Oakland, San Francisco and San Diego, in express statutory trusts to ensure these lands and assets are managed solely for trust purposes for the benefit of all Californians, pursuant to the Common Law Public Trust Doctrine and the respective statutory trust grants; and,

WHEREAS, existing law requires the California State Lands Commission to oversee the administration of all statutory trust grants, including the five major ports in California, to ensure that they are used for public trust purposes, for the benefit of all Californians; and,

WHEREAS, nearly 25% of the State of California's economy can be attributed to international trade, along with more than 500,000 jobs and approximately \$7 billion in state and local tax revenues annually; and,

WHEREAS, California's ports are the largest trading entity in the United States, and the ports of Los Angeles, Long Beach, and Oakland, which are three of the largest volume container ports in the United States, are leading maritime operators, managing approximately 45% of all waterborne containerized cargo arriving in the United States, totaling \$375 billion annually; and,

WHEREAS, the Port of Los Angeles is the number one container port by volume and cargo value in the United States and generates more than 919,000 regional jobs and \$39.1 billion in annual wages and tax revenues; and,

WHEREAS, the Port of Long Beach is the second busiest container port in the United States, generating approximately \$4.9 billion a year in local, state and federal taxes and creates, through maritime commerce, approximately 30,000 jobs in the city of Long Beach, 316,000 jobs in the southern California region, and 1.4 million jobs throughout the United States; and,

Exhibit A

WHEREAS, the Port of Oakland's cargo volume makes it the fifth busiest container port in the United States, supporting approximately 70,000 jobs in northern California and impacting over 800,000 jobs nationwide; and,

WHEREAS, the Port of San Diego's maritime operations comprise four deep-water terminals, including the Tenth Avenue Marine Terminal, the National City Marine Terminal, the B Street Cruise Ship Terminal, and the Port Pavilion on the Broadway Pier, and activities within the Port support approximately 19,300 jobs in the San Diego regional economy and have a \$1.6 billion economic impact; and,

WHEREAS, the Port of San Francisco has the largest floating dry dock on the west coast of the Americas, and the cruise ship industry in San Francisco supports approximately \$31.2 million in annual economic activity and generates 300 jobs within the San Francisco Bay area; and,

WHEREAS, there are ever increasing proposals to displace maritime operations at California ports with non-water dependent uses, including a recent proposal involving conversion of the Tenth Avenue Marine Terminal in the City of San Diego to a sports, entertainment, recreation, parks complex, with a new football stadium for the San Diego Chargers; and,

WHEREAS, the Legislature has unequivocally expressed the importance of maritime commerce at California ports as constituting one of the state's primary economic and coastal resources and an essential element of the national maritime network; and,

WHEREAS, President Obama, through the National Export Initiative and Executive Order 13534 issued in 2010, has called for a doubling of exports over the next five years, and California ports are uniquely positioned to help achieve this goal; and,

WHEREAS, it is critical that California preserve its irreplaceable water-dependent maritime facilities that exist within its ports and the jobs that these maritime operations support; now therefore, be it

RESOLVED BY THE CALIFORNIA STATE LANDS COMMISSION that it recognizes the importance of maritime operations and facilities within California's ports to the state and the nation, supports maritime operations at California ports, and opposes any proposal that seeks to convert an active marine terminal to a non-water dependent use or otherwise decrease maritime operations at California ports; and,

RESOLVED, that the Commission's Executive Officer transmit copies of this resolution to the Governor of California, to the Senate Pro Tem and Minority Leader, to the Speaker and Minority Leader of the Assembly, and to each Senator and Assembly Member serving in the California Legislature.