

**CALENDAR ITEM
C90**

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		G10-08
S	40	R. Boggiano

**APPROVAL OF A PROPOSED EXPENDITURE OF PUBLIC TRUST FUNDS BY THE
SAN DIEGO UNIFIED PORT DISTRICT TO ACQUIRE A 4-ACRE PARCEL LOCATED
ADJACENT TO EXISTING PUBLIC TRUST LAND IN THE CITY OF CHULA VISTA,
SAN DIEGO COUNTY**

TRUSTEE:

San Diego Unified Port District
3165 Pacific Highway
San Diego, CA 92112

LOCATION:

Granted sovereign tide and submerged lands located in the City of Chula Vista, San Diego County.

INTRODUCTION:

The San Diego Unified Port District (District) is trustee of sovereign tide and submerged lands granted by the Legislature. (Chapter 67, Statutes of 1962, as amended). The District requests approval of the expenditure of trust funds to acquire approximately 4 acres of property located near the Chula Vista Waterfront to facilitate redevelopment of the area consistent with the Chula Vista Bayfront Master Plan Project.

PROPOSED ACQUISITION:

The District proposes to acquire an approximately 4-acre parcel of land known as the Triangle Parcel that is located at the intersection of Marina Parkway and G Street in Chula Vista (APN 571-330-28). The Triangle Parcel is an integral part of the District's plan to realign ownership interests to allow for the development of a 500-acre waterfront development project.

The property is owned by Rohr, Inc., and is primarily used for ancillary parking for an adjacent industrial facility. In 1999, the District, City of Chula Vista, Redevelopment Agency of the City of Chula Vista, and Rohr, Inc., entered into a Relocation Agreement to facilitate the redevelopment of the South Campus of the Chula Vista Bayfront. The Commission, the District and Rohr, Inc., also entered into a land exchange agreement to facilitate the land conveyances referenced in

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the Relocation Agreement ([Calendar Item 73, December 3, 1999](#)). As part of those agreements, the District conveyed the 4-acre Triangle Parcel to Rohr, Inc., in 1999. The District was required to realign Marina Parkway under the Relocation Agreement. Since 1999, the plan for redeveloping the Chula Vista waterfront has changed significantly. Instead of realigning Marina Parkway, the District desires to obtain the 4-acre Triangle Parcel back from Rohr, Inc., so it can develop one large continuous parcel into a resort convention center consistent with the Chula Vista Waterfront Plan.

The District is proceeding with eminent domain to acquire the Triangle Parcel. On April 14, 2016, the Port Commission adopted a Resolution of Necessity authorizing the acquisition of the Triangle Parcel by the District at a cost of \$1,595,000, or other amount as determined by the Court as just compensation. The District may be able to negotiate acquiring the parcel even after eminent domain proceedings have commenced. The District is requesting Commission approval to expend up to \$2,500,000 to account for potential additional costs that may be incurred in the eminent domain process.

STAFF ANALYSIS AND RECOMMENDATION:

Chapter 67 authorizes the District to acquire real property with trust revenue, including acquisitions through eminent domain. The proposed transaction involves a capital expenditure by the District of funds in excess of \$1,000,000 for off-District property. The expenditure must first be reviewed and approved by the Commission.

In order to approve the proposed expenditure, the Commission must make the following findings pursuant to Public Resources Code section 6702, subdivision (b):

- 1) That such lease, contract, or other instrument is in accordance with the terms of the grant or grants under which title to the tide or submerged lands in question is held; and
- 2) That the proceeds of such lease, contract, or other instrument shall be deposited in an appropriate fund expendable only for statewide purposes authorized by the legislative grant; and
- 3) That such lease, contract, or other instrument is in the best interests of the State.

The acquisition of the 4-acre Triangle Parcel is a necessary part of the District's Chula Vista Bayfront project. The project consists of approximately 535 acres of

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waterfront development designed to promote public access to and engagement with the water as well as preserving and protecting the environmental habitat near Sweetwater marsh. Key features of the project include a reconfigured marina and improved commercial harbor and navigation channel, public parks and open space, habitat restoration and preservation, public promenades, bike trails, hotels, a convention center, and public access areas connecting the entire Chula Vista Bayfront. The project is consistent with the Chula Vista Bayfront Master Plan adopted in 2010, and was approved by the District, the City of Chula Vista and the California Coastal Commission. Although the parcel has groundwater contamination from the Rohr facility, in 2014, the California Regional Water Quality Board issued a Cleanup and Abatement Order requiring Rohr to remediate the contamination associated with waste discharges from their historical manufacturing operations. The District's acquisition of the property will not affect Rohr's responsibility to address the contaminated groundwater.

Commission staff has reviewed the information the District submitted for the proposed acquisition. Staff believes that the proposed acquisition is consistent with the public trust needs in the area, is in the best interests of the state, and will be managed consistent with the statutory trust. Thus, staff recommends the Commission approve the proposed acquisition.

OTHER PERTINENT INFORMATION:

1. Sections 25 and 27 of Chapter 67, Statutes of 1962, allow the District to acquire and dispose of real and personal property including the power of eminent domain.
2. In 2002, the Commission approved an expenditure for the District to acquire a 1.8-acre parcel located at the northwest corner of J Street and Bay Boulevard ([Calendar Item 52, April 9, 2002](#)).
3. In 2010, the Commission approved a land exchange agreement between the District, North C.V. Waterfront L.P and the Commission to facilitate the Chula Vista Bayfront Master Plan ([Calendar Item 48, December 10, 2010](#)). The Commission found the exchange and the implementation of the Master Plan to be in the best interests of the state and the Public Trust by providing low-cost, visitor serving opportunities, enhance public access to the water, developing recreational amenities and shoreline enhancements while protecting biological resources and open space, creating active commercial harbor and increasing recreational boating opportunities and

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generating substantial additional revenue for the District and the people of California.

4. The proposed action is consistent with Strategy 1.2 of the Commission's Strategic Plan, to provide that the current and future management of ungranted sovereign lands and resources and granted lands, including through strategic partnerships with trustee ports and harbor districts, are consistent with evolving public trust principles and values, particularly amid challenges relating to climate change, sea-level rise, public access, and complex land use planning and marine freight transportation systems.
5. An Environmental Impact Report (EIR), State Clearinghouse No. 2005081077, was prepared by San Diego Unified Port District and certified on May 19, 2010. The California State Lands Commission staff has reviewed such document and Mitigation Monitoring Program adopted by the lead agency. Findings and a Statement of Overriding Considerations made in conformance with the State California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096, and 15093) are contained on file in the Sacramento office of the California State Lands Commission. As part of the Commission's approval of a previous land exchange on December 10, 2010, the Commission relied on the same environmental document and the Commission adopted the Mitigation Monitoring Program, Findings, and a Statement of Overriding Consideration. ([Calendar Item 48, December 10, 2010.](#))
6. Commission staff reviewed the expenditures for the currently proposed land acquisition by the San Diego Unified Port District and determined that this Project does not involve any "substantial changes" or "new information of substantial importance" resulting in any new or substantially more severe significant impacts, and thus no additional CEQA analysis is required as specified in Public Resources Code section 21166 and section 15162, subdivision (a) of the State CEQA Guidelines.

EXHIBIT:

- A. Location and Site Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an EIR, State Clearinghouse No. 2005081077, was prepared for this Project by the San Diego Unified Port District and that the EIR was certified on May 19, 2010, and that the Commission has reviewed and considered the information contained therein. The Commission adopted the Mitigation Monitoring Program, Findings, and Statement of Overriding Considerations at its December 10, 2010, meeting.

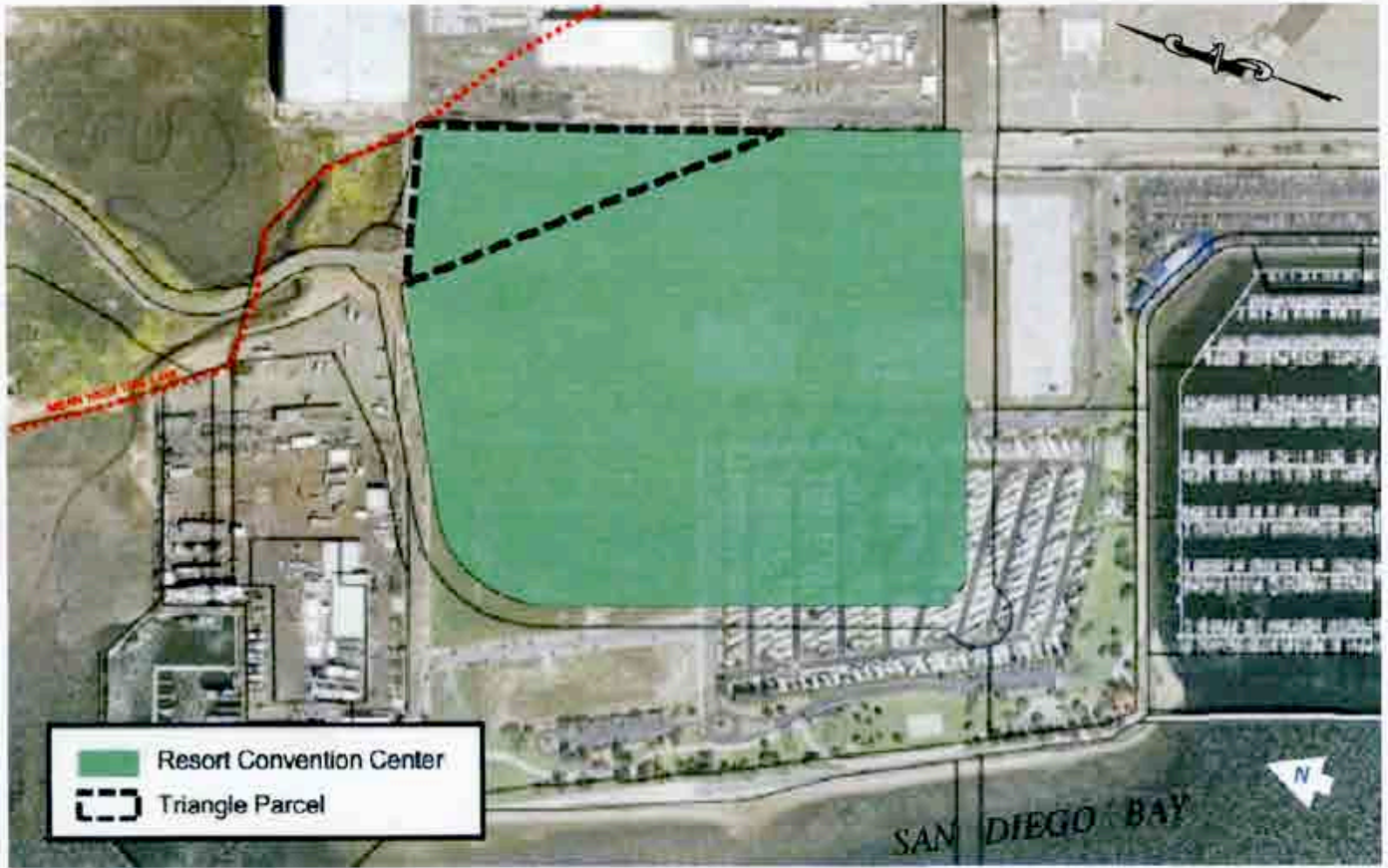
Find that in its independent judgment, none of the events specified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 resulting in any new or substantially more severe significant impacts has occurred, and therefore, no additional CEQA analysis is required.

AUTHORIZATION:

1. Find that acquisition of the 4-acre Triangle Parcel by the San Diego Unified Port District is in accordance with the terms of the statutory trust grant, Chapter 67, Statutes of 1962, as amended.
2. Find that the acquisition of the 4-acre Triangle Parcel by the San Diego Unified Port District as set forth in the documents on file in the Commission's office is in the best interests of the state.
3. Find that the revenue generated on the land acquired will be deposited in an appropriate fund expendable only for public trust purposes of statewide benefit as authorized by Chapter 67, Statutes of 1962, as amended.
4. Approve the expenditure of up to \$2,500,000 of public trust funds for the proposed acquisition of the 4-acre Triangle Parcel by the San Diego Unified Port District.

NO SCALE

SITE



Resort Convention Center
 Triangle Parcel

SAN DIEGO BAY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

G10-08
 SAN DIEGO UNIFIED
 PORT DISTRICT
 EXPENDITURE OF
 TRUST FUNDS
 SAN DIEGO COUNTY



TS 06/01/16