

FILE NUMBER: 2025-115

DATE: Tuesday, May 6, 2025

SUBJECT: Amendment of the San Diego Unified Port District Tariff No. 1-G Rates and Charges, and Updated Format and Language

DESCRIPTION:

A. Resolution Finding the Amendment to the San Diego Unified Port District Tariff No. 1-G, Rates and Charges as Exempt from the California Environmental Quality Act (CEQA) Pursuant to Sections 15723 And 15301 of the CEQA Guidelines.

B. Conduct a Public Hearing and Adopt an Ordinance Amending the San Diego Unified Port District Tariff No. 1-G, Rates and Charges, Add New Rates, and Update Tariff Format and Language.

EXECUTIVE SUMMARY:

District staff conducts an annual review of the San Diego Unified Port District (Port) Tariff No. 1-G (Tariff), which governs the rates, charges, rules, and regulations applicable for all maritime-related commercial activity within the Port's jurisdiction.

Staff recommends that the Board adopt an amendment to the Port's Tariff as follows:

1. Implement a three percent (3%) General Rate Increase (GRI) in General items, Dockage items, Wharfage items, Demurrage, Storage & Space Occupancy items, and Miscellaneous items, effective July 1, 2025.
2. Implement a rate increase to zero point one hundred eighteen cents (\$0.118) for (a) Rates Per Lineal Foot of Length Per Day for Dockage Charge for Commercial Fishing Vessel — Item No. 0570, effective May 1, 2026.
3. Perform an amendment to modify Tariff language and add a corresponding rate of three dollars and fifty-eight cents (\$3.58) for (6) Dockage Charge for Private and Commercial Yachts Per Lineal Foot Per Day for Rates for Full Dockage — Item No. 0575, effective July 1, 2025.
4. Implement a rate increase to three-hundred dollars (\$300.00) for (c) Start-Up Charge for Mobile Harbor Crane Fees — Item No. 0738, effective July 1, 2025.
5. Implement a rate increase to three-hundred dollars (\$300.00) for (d) Close-Down Charge for Mobile Harbor Crane Fees — Item No. 0738, effective July 1, 2025.

6. Implement a five percent (5%) Annual Rate Increase (ARI), plus an eight percent (8%) Producers Price Index (PPI) to Pilotage Rates and Charges — Item No. 0800, effective July 1, 2025.
7. Perform an amendment to modify Tariff language and remove an obsolete Item for Commercial Vehicles, Heavy-Weight — Item No. 0664, effective July 1, 2025.
8. Perform an amendment of Tariff language and other minor language modifications, effective July 1, 2025.

Several factors are considered during staff's Tariff analysis, including relevant economic indicators such as the Bureau of Labor Statistics (BLS) Consumer Price Index for the West Region, All Urban Consumers; All Items in Los Angeles-Long Beach-Anaheim, California; and All Items San Diego-Carlsbad, California (CPI-U), the Producer Price Index (PPI) for Navigational Services to Shipping, rate recommendations made by California Association of Port Authorities' (CAPA) as well as actual rate increases by other CAPA member ports. Staff also considered potential impacts of the current Administration's tariff actions as they relate to the District's cargo book of business.

The proposed Tariff rate increase for Fiscal Year 2026 is expected to result in a positive impact of approximately \$0.7 million annually and have been included in the Fiscal Year 2026 budget.

RECOMMENDATION:

- A. Adopt a resolution finding the amendment to the San Diego Unified Port District (Port), Tariff No. 1-G (Tariff), Rates and Charges, to increase rates, add new rates, and update Tariff format and language exempt from the California Environmental Quality Act (CEQA) as specified under Sections 15273 and 15301 of the CEQA Guidelines.
- B. Conduct a public hearing and adopt an ordinance amending the San Diego Unified Port District, Port of San Diego Tariff No. 1-G, to increase rates and charges, add new rates, and update language as follows:
 1. Implement a three percent (3%) General Rate Increase (GRI) in General items, Dockage items, Wharfage items, Demurrage, Storage & Space Occupancy items, and Miscellaneous items, effective July 1, 2025.
 2. Implement a rate increase of zero point one hundred eighteen cents (\$0.118) to (a) Rates Per Lineal Foot of Length Per Day for Dockage Charge for Commercial Fishing Vessel — Item No. 0570, effective May 1, 2026.
 3. Perform an amendment to modify Tariff language and add a corresponding rate of three dollars and fifty-eight cents (\$3.58) for (6) Dockage Charge for Private and Commercial Yachts Per Lineal Foot Per Day for Rates for Full Dockage — Item No. 0575, effective July 1, 2025.

4. Implement a rate increase of three-hundred dollars (\$300.00) to (c) Start-Up Charge for Mobile Harbor Crane Fees — Item No. 0738, effective July 1, 2025.
5. Implement a rate increase of three-hundred dollars (\$300.00) to (d) Close-Down Charge for Mobile Harbor Crane Fees — Item No. 0738, effective July 1, 2025.
6. Implement a five percent (5%) Annual Rate Increase (ARI), plus an eight percent (8%) Producers Price Index (PPI) to Pilotage Rates and Charges — Item No. 0800, effective July 1, 2025.
7. Perform an amendment to modify Tariff language and remove an obsolete Item for Commercial Vehicles, Heavy-Weight — Item No. 0664, effective July 1, 2025.
8. Perform an amendment of Tariff language and other minor language modifications, effective July 1, 2025.

FISCAL IMPACT:

The proposed Tariff rate increase for Fiscal Year 2026 is expected to result in a positive impact of approximately \$0.7 million annually and have been included in the Fiscal Year 2026 budget.

COMPASS STRATEGIC GOALS:

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

- A thriving and modern maritime seaport.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

The San Diego Unified Port District (District), Port of San Diego (Port) Tariff No. 1-G (Tariff) governs the rates, charges, rules, and regulations applicable for all maritime-related commerce under the Port's jurisdiction. The Tariff is reviewed annually to ensure that the Port's rates are competitive, and the rules are current. In addition, the rates and charges are reviewed to reflect prevailing market conditions and economic climate as well as the impacts of the global supply chain.

Several factors are considered during the staff's Tariff analysis, including the California Association of Port Authorities' (CAPA) recommendation for member ports to consider annual General Rate Increase (GRI), based on the Bureau of Labor Statistics (BLS) West Region Consumer Price Index for All Urban Consumers (CPI-U), or other local or regional CPI indices. The BLS has identified a two-point five percent (2.5%) CPI-U during the twelve-month period ending December 2024. Several CAPA members have indicated they will be instituting select rate increases, however, have yet to determine implementation of general rate increases for 2026.

This year's GRI recommendation is based on a blended annual average for 2024 of the BLS indices for All Urban West Region two-point eight percent (2.8%); Los Angeles—

Long Beach—Anaheim three-point three percent (3.3%); and the San Diego—Carlsbad of three-point one percent (3.1%) to take into consideration the inflationary factors in the San Diego region, with key drivers of rising operational costs, deferred maintenance of District terminal facilities and infrastructure.

Staff also considered potential production and supply chain disruptions due to the Administration's 2025 'Reciprocal Tariffs'. Although there is uncertainty as to final tariff actions by the current Administration, staff believes there is minimal short-term risk with regards to the District's cargo business. A selective 90-day reprieve was announced on April 10, 2025, for most of US trading partners to allow for further negotiations, except for China. Current actions by the Administration appear to focus on the trade imbalance with China, which has minimal impact on the District's current cargo portfolio. Staff is closely monitoring the situation, including frequent communications with maritime tenants and customers.

Based on the above, District staff recommends implementing a General Rate Increase (GRI) of three percent (3.0%) across all Tariff items with select exceptions.

Commercial Fishing Dockage Rates:

Staff recommends a zero-point thirteen thousandths cent (\$0.013) increase to Dockage Charge for Commercial Fishing Vessel — Item No. 0570 — (a) Rates Per Lineal Foot of Length Per Day from one hundred and five thousandths cent (\$0.105) to a one hundred eighteen thousandths cent (\$0.118) effective May 1, 2026, followed by phased annual increases over a seven (7) year period to gradually align San Diego's slip rates with the median rates along the West Coast.

Staff believes these increases are necessary to support continued maintenance of safe and accessible facilities for commercial fishing vessels within the Port of San Diego.

The proposal includes a ten (10) month grace period, which should provide sufficient time to assess the feasibility of a deferment program for our region. In addition, staff will consider a hardship allowance for those commercial fishermen who are unable to financially absorb the increase, for a goal of maintaining all of our commercial fishing businesses in their existing capacity. During the grace period, staff is committed to reviewing the process for hardship deferment which may include vessel loss, National Marine Fisheries Services disaster declarations, and federal/state reductions in fishery volumes, in an effort to further support our commercial fishing community. In addition, this approach will enable the industry to focus on commercial fishing operations, rather than contending with inadequate berthing infrastructure.

The Table below describes the phased annual increases over the seven (7) year period, which includes a ten (10) month grace period of July 1, 2025, through April 30, 2026. The following Years 1 through 3 a one cent (\$0.01) increase plus a three percent (3%) CPI, Years 4 through 7 include two cent (\$0.02) increase plus a three percent (3%) CPI.

SEVEN (7) YEAR — RATE INCREASE SCHEDULE

YEAR	PERIOD	TIERED RATES	ANNUAL RATE INCREASE [ARI]	ARI TOTAL	CONSUMER PRICE INDEX [CPI]	CPI TOTAL	PROPOSED DOCKAGE RATE
YEAR 0: 2025	07/01/2025-04/30/2026	\$ 0.105	GRACE PERIOD FOR RATE ADJUSTMENT				\$ 0.105
YEAR 1: 2026	05/01/2026-06/30/2026	\$ 0.105	\$ 0.010	\$ 0.115	3%	\$ 0.003	\$ 0.118
YEAR 2: 2027	07/01/2026-06/30/2027	\$ 0.105	\$ 0.010	\$ 0.115	3%	\$ 0.003	\$ 0.118
YEAR 3: 2028	07/01/2027-06/30/2028	\$ 0.118	\$ 0.010	\$ 0.128	3%	\$ 0.004	\$ 0.132
YEAR 4: 2029	07/01/2028-06/30/2029	\$ 0.132	\$ 0.020	\$ 0.152	3%	\$ 0.005	\$ 0.157
YEAR 5: 2030	07/01/2029-06/30/2030	\$ 0.157	\$ 0.020	\$ 0.177	3%	\$ 0.005	\$ 0.182
YEAR 6: 2031	07/01/2030-06/30/2031	\$ 0.182	\$ 0.020	\$ 0.202	3%	\$ 0.006	\$ 0.208
YEAR 7: 2032	07/01/2031-06/30/2032	\$ 0.208	\$ 0.020	\$ 0.228	3%	\$ 0.007	\$ 0.235

Staff has been meeting with the Commercial Fishing Group, Coastal Commission staff, and District staff members and have incorporated their feedback in making these recommendations.

Private and Commercial Yacht Dockage Rate:

Staff recommends modifying language and add a new rate for (6) Dockage Charges for Private and Commercial Yachts of three dollars and fifty-eight cents (\$3.58). The proposed increase in yacht dockage rates is essential to ensure the Port remains competitive and maintains rate consistency with other leading West Coast ports and harbors. Furthermore, the unique demands of yacht activities necessitate a greater allocation of port service resources, including extended staff time for comprehensive planning and coordination efforts to accommodate specialized requests. This rate adjustment will enable the Port to continue providing high-quality services tailored to the needs of yacht owners while aligning with regional market standards

All-Electric Mobile Harbor Crane Rates:

Staff recommends a one hundred- and fifty-nine-dollar (\$159.00) flat rate increase to Mobile Harbor Cranes Fees — Item No. 0738 — (c) Start-Up Charge from one hundred and forty-one dollars (\$141.00) to three hundred dollars (\$300.00) and a two hundred and twenty-nine dollar (\$229.00) flat rate increase to (d) Close-Down Charge from seventy-one dollars (\$71.00) to three hundred dollars (\$300.00). The District's All-Electric Mobile Harbor Cranes are fully commissioned and have been in operation since late April 2024.

Staff has evaluated the start-up and close-down activity relative to labor costs and recommends an increase in the Mobile Harbor Crane fees. This is necessitated by the increased manpower required to perform a safe and efficient crane(s) operation. The start-up and close-down involves pre- and post-operational inspection, safety briefing and securing of the crane, ground assessments, and confirming electrical connections or other power sources to ensure crane readiness, and particularly for the cable deployment and management. General Services has determined that a minimum of eight (8)

personnel is required to handle the labor-intensive process of cable deployment safely and efficiently during crane start-up and close-down.

SKILLED WORKERS	NO.
Electricians	2
Equipment Operators	2
Fleet Mechanic	1
Maintenance Mechanic	1
Maintenance Workers	2

Pilotage Rates:

Staff recommends amending Pilotage Rates and Charges — Item No. 0800. The increase of five percent (5%) annual rate increase (ARI), plus Producers Price Index (PPI) was approved by the Board at its May 2023 Board Meeting. Staff confirms that the applicable PPI rate for 2024 is eight percent (8%). As previously reported, the proposed increases supports the addition of the fourth full-time Pilot, a full-time Business Manager, funds the Pilots professional development and training programs, as well as funds the Pilots disability insurance and retirement plans.

Miscellaneous:

Staff recommends removing Item No. 0664—Commercial Vehicles, Heavy Weight from the Tariff. At present, current rates are disproportionate as the rate for light and medium weight vehicles are higher than the rate for heavy weight vehicles. In general, heavy weight vehicles impact the terminals through the increased wear and tear on our infrastructure and pose safety hazards and operational challenges related to the handling and storage which leads to higher maintenance costs to the District. To address the disparity, heavy weight vehicles has been consolidated in Item 0664 — Commercial Vehicles, Light, Medium, and Heavy Weight, accordingly.

Staff recommends other minor clarifying language modifications to update current administrative or clerical items.

Based on the above factors, staff recommends that the Board conduct a public hearing and adopt the following changes to the Port's Tariff No.1-G, effective July 1, 2025:

- Implement a three percent (3%) General Rate Increase (GRI) in General items, Dockage items, Wharfage items, Demurrage, Storage & Space Occupancy items, and Miscellaneous items.

(Attachments A – R, U – W)

- Implement a rate increase of zero point one hundred eighteen cents (\$0.118) to (a) Rates Per Lineal Foot of Length Per Day for Dockage Charge for Commercial Fishing Vessel — Item No. 0570, effective May 1, 2025

DOCKAGE CHARGE FOR COMMERCIAL FISHING VESSELS	
(a) A commercial fishing vessel, as defined in Item No. 0445, berthed or moored at public facilities of the San Diego Unified Port District shall be charged dockage at the rate of \$0.105 cents ^[1] per lineal foot of length per calendar day.	
Dockage charges on vessels engaged in commercial fishing are due and payable in advance as follows:	
(1) A vessel electing to be assessed dockage charges on a monthly basis shall pay said charges on or before the tenth (10th) day of each calendar month or within three (3) days after berthing, whichever is later.	
(2) A vessel electing to be assessed dockage charges on a daily basis shall immediately upon arrival pay said charges for the number of days the vessel will utilize berthing space as indicated in its application for berthing space.	
*Note: Commencing May 1, 2026, annual 'Dockage Charge for Commercial Fishing Vessels' will be based on a three percent (3%) Consumer Price Index (CPI) for the next seven (7) years, plus an Annual Rate Increase (ARI) of one-cent (\$0.01) for Year 1 [May-June 2026 Only], Years 2, and 3; and an ARI of two-cents (\$0.02) for Years 4, 5, and 6, ending June 30, 2032.	
(b) In-transit fishing vessels, defined as commercial fishing vessels which are not permanently home-ported in San Diego Bay and as regulated by SDUPD Code, Section 4.09 — Regulations of Vessels—Tuna Harbor Basin, may be authorized berthing at the Tuna Harbor Basin slips for a period of time not to exceed twenty (20) days within any continuous thirty (30) day time span and shall be charged dockage (payable in advance) per twenty-four (24) hour day as follows:	
Rate, per lineal foot of length per day for a maximum of twenty (20) days...	
	\$26.25 \$27.04

(Attachment B)

- Perform an amendment to modify Tariff language and add a corresponding rate of three dollars and fifty-eight cents (\$3.58) for (6) Dockage Charge for Private and Commercial Yachts Per Lineal Foot Per Day for Rates for Full Dockage — Item No. 0575

(1) Dockage charges for vessels 390 meters in overall length or over shall be \$45 \$46 per day for each lineal meter of overall length or fraction thereof in excess of 390 meters in addition to the above charge of \$15,978 \$16,457 .
(2) Charges beyond the first twenty-four (24) hours shall be assessed in whole six-hour increments at twenty-five percent (25%) of the full rate for each subsequent six (6) hour period.
(3) Vessels on lay status, which is defined as a vessel waiting for a berth to discharge and/or load cargo, may be permitted to moor at idle terminal berths, upon the discretion of the Executive Director, when such berths are available. Lay status permission must be obtained by written application prior to the vessel's arrival. Dockage charges for vessels on lay status will be assessed at fifty-percent (50%) of the full dockage rate.
(4) Lay berthing of commercial barges at Port of San Diego facilities when space is available will be at 100% of the full dockage rate.
(5) Anchorage' as defined in Item No. 0441—"B" Street Cruise Terminal Merchant Vessel Anchorage for non-commercial vessels will be assessed at fifty percent (50%) of full dockage rates.
(6) Dockage charges for private and commercial yachts shall be \$3.58 per lineal foot per day.
NOTE: Length in feet for reference only. Dockage charged by length in meters.

(Attachment C)

- Implement a rate increase of three-hundred dollars (\$300.00) to (c) Start-Up Charge and (d) Close-Down Charge for Mobile Harbor Crane Fees — Item No. 0738

SCHEDULE OF MOBILE HARBOR CRANE FEES			
TYPE OF CHARGE	REFERENCED TARIFF ITEM	FEES	
Start-Up	Item No. 0738 C	\$141	\$300
Close-Down	Item No. 0738 D	\$71	\$300
Usage Charge	Item No. 0738 E	\$213	\$219
(Each 15 Minute Increment)	---	---	
Minimum Use (4 hours)	---	---	
Change of Call Out Times	Item No. 0738 E	\$353	\$364
Cancellation of Crane Call Out (prior to 3 hours from start time)		\$1,921	\$1,979
Cancellation of Crane Call Out (within 3 hours from start time)		\$1,921	\$1,979
Stand-By Charge		\$422	\$435
Maintenance for Each Hour or Fraction thereof	---	\$103	\$106
Note: Mobile Harbor Crane Fees will be assessed on a 'per crane' basis.			

(Attachments S, T)

- Implement a five percent (5%) Annual Rate Increase (ARI), plus an eight percent (8%) Producers Price Index (PPI) to Pilotage Rates and Charges — Item No. 0800
Pilotage Rates and Charges — Item No. 0800 — Dollars Per Movement

Gross Tonnage	Dollars Per Movement Effective July 1, 2024 July 1, 2025	
	\$0.0077	\$0.0087

(Attachment Z)

Overall Length of Vessel in Meters (Feet)			Dollars Per Movement Effective July 1, 2024 July 1, 2025	
Over		But Not Over	Entering or Leaving	Intra Harbor
0 (0.0)		61 (200.1)	Various Rates	

(Attachments AA - BB)

Pilotage Rates and Charges — Item No. 0800 — (e), (f), (g), (h), (i)

Non-Cancellation Charge Effective July 1, 2024 July 1, 2025	
\$629	\$711

Minimum Pilotage Charge Effective July 1, 2024 July 1, 2025	
\$1,731	\$1,956

Stand-By Charge Effective July 1, 2024 July 1, 2025	
\$629	\$711

Draft Surcharge Effective July 1, 2024 July 1, 2025	
\$14	\$16

Maintenance Surcharge Effective July 1, 2024 July 1, 2025	
\$147	\$166

(Attachment CC)

- Perform an amendment to modify Tariff language and remove an obsolete Item for Commercial Vehicles, Heavy-Weight — Item No. 0664, effective July 1, 2025.

Commercial Vehicles, heavy weight (Over 26,001 lbs. gross vehicle weight) including trucks, trailers, chassis, freight trailers, freight semi-trailers and agricultural, earth moving or road making equipment, and military;	\$27.10
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(Attachment J)

- Perform an amendment of Tariff language and other minor language modifications, effective July 1, 2025.

The proposed rate increases would aid in balancing the rising costs of maintenance and infrastructure associated with maritime operations while maintaining a rate structure that is comparable to competitor ports.

Stakeholder Outreach:

On April 3, 2025, staff distributed a notification letter via e-mail to all customers and stakeholders affected by the proposed Tariff amendments. During the weeks of April 7 through April 30 staff held several Tariff conversations via phone and in-person meetings with Tariff customers and tenants to further discuss the proposed changes, address and respond to any clarifying questions or concerns. Additionally, to ensure that our customers and key stakeholder are aware of the upcoming proposed Tariff changes, staff conducted follow-up phone calls and e-mails.

In accordance with Government Code Section 54954.6(a) (1) (2), a notice of public hearing has been published. Written notification of the proposed Tariff amendment was given to shipping lines, ships agents, stevedores, terminal operators, facilities users, maritime tenants, and San Diego Working Waterfront Group.

General Counsel's Comments:

The General Counsel's Office has reviewed and approved the agenda sheet and draft resolution and ordinance, as presented, as to form and legality.

Environmental Review:

The proposed Board actions to amend the San Diego Unified Port District Tariff No. 1-G to increase rates, add new rates, and update format and language, are statutorily exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15273 (Rates, Tolls, Fares and Charges) and/or categorically exempt pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Sections 2.h. and/or 3.a. of the District's Guidelines for Compliance with CEQA. These exemptions are proper because the activity in question will only involve an operational change and will involve no expansion of use beyond that previously existing. As part of these actions, and based

upon the facts and analysis set forth in this staff report and during the public hearing of this matter at the May 6, 2025, Board meeting, staff recommends that the Board adopt specific findings pursuant to CEQA Guidelines Section 15273, subsection (c).

The proposed Board actions comply with Section 36 of the Port Act which specifically gives the Board the authority to by ordinance fix the rate of wharfage charges and other charges which are appropriate for the use of any of the facilities owned and constructed or services furnished or provided by the District and therefore, it is within the District's authority to set Tariff rates on Tidelands. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

The proposed Board actions do 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 Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact on District workforce or contract reporting at this time.

PREPARED BY:

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Attachment(s):

Attachments A — FF: San Diego Unified Port District | Port of San Diego | Tariff No. 1-G