

DRAFT**SAN DIEGO UNIFIED PORT DISTRICT****ORDINANCE xxxx****ORDINANCE AMENDING THE DISTRICT'S FY 2025
BUDGET INCREASING THE NON-PERSONNEL
APPROPRIATED ITEM BY \$2,500,000 FOR THE
CHULA VISTA BAYFRONT REIMBURSABLE
SUPPORT PAYMENTS**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, pursuant to Section 47 of the Port Act, the Board of Port Commissioners (BPC) is required to meet for the purposes of fixing the final Budget; and

WHEREAS, the District and the City of Chula Vista (City) have been working collaboratively for decades to implement the Chula Vista Bayfront Master Plan (CVBMP); and

WHEREAS, since 2014, these efforts have been primarily focused on delivering the catalyst project for the CVBMP, the Gaylord Pacific Resort and Convention Center (RHCC) comprised of a 1,600-room resort hotel with approximately 275,000 net usable square feet of meeting space and 1,600 parking spaces, all located on Parcel H3 of the CVBMP; and

WHEREAS, the RHCC, which is scheduled to open to the public on May 15, 2025, also required the construction of extensive public improvements and infrastructure to the areas within and surrounding Parcel H3 (Phase 1A Infrastructure), including Sweetwater Park, improvements to E Street, F Street, G Street, and H Street, Gunpowder Point Drive Relocation, the Sweetwater Buffers, the H-3 Utility Corridor and Site Prep, and the G Street Sewer Pump Station; and

WHEREAS, to assist in the financing of the RHCC improvements, including the convention center along with various infrastructure, the Chula Vista Bayfront Financing Authority (Authority), a joint exercise of powers authority between the City and the District, issued \$382,562,201 in revenue bonds; and

WHEREAS, as a credit enhancement to the bond issuance, the Authority and the District entered into a Support Agreement dated May 26, 2022, pursuant to which the District agreed to contribute annual "Support Payments" in four equal quarterly installments, with the first quarterly payment coming due 30 days after a temporary certificate of occupancy was issued for the RHCC; and

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WHEREAS, two \$1.25M quarterly payments are due in FY 2025: one on May 4, 2025 (30 days of temporary certificate of occupancy issuance for the RHCC); and one at the end of Q2 on June 30, 2025; and

WHEREAS, the Fourth Amended and Restated Revenue Sharing Agreement dated May 12, 2022 (RSA) by and among the District, the City, and the Authority provides the priority distribution of funds by Wilmington Trust, National Association, as bond trustee; and

WHEREAS, based on current projections, the aforementioned Support Payments could be reimbursed to the District as early as FY 2026, and District staff is currently coordinating with the City and the bond trustee on the timing and mechanics of reimbursing the District and City through the RSA; and

WHEREAS, given the recent issuance of the RHCC's temporary certificate of occupancy triggering the District's obligations to make the two aforementioned \$1,250,000 support payments in FY 2025, District staff recommends that the BPC adopt an ordinance amending the District's FY 2025 non-personnel budget by \$2,500,000.

NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The District's FY 2025 Budget is hereby amended by increasing the Non-Personnel Appropriated Item by \$2,500,000 for the Chula Vista Bayfront reimbursable support payments pursuant to the Support Agreement.

Section 2. That this Ordinance shall take effect upon the 31st day from the date of its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6th day of May 2025, by the following vote: