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**File #:**2023-0304

**DATE:** December 5, 2022

**ADOPT AN ORDINANCE FINDING THE BOARD ACTION EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), INCLUDING, BUT NOT LIMITED TO, CEQA GUIDELINES SECTION 15301, AND, AUTHORIZING THE SAN DIEGO UNIFIED PORT DISTRICT TO ACCEPT A 66-YEAR EASEMENT WITH TERMINATION RIGHTS FROM IQHQ-RADD I, LLC FOR ROADWAY PURPOSES ALONG NORTH HARBOR DRIVE IN THE CITY OF SAN DIEGO**

**EXECUTIVE SUMMARY:**

IQHQ-RaDD I, LLC ("IQHQ") is developing a Research and Development District Project ("Project") situated on more than eight acres of upland property leased from the US Navy along North Harbor Drive (Attachment A - Location Map). The Project includes the development of a 1.7-acre public park located directly adjacent to Tidelands property.

The 1.7-acre public park is being developed in accordance with plans and conditions set forth in the North Embarcadero Visionary Plan ("NEVP").

In order to be consistent with NEVP design guidelines, the public park and its associated walkways will be built approximately 6 feet back from IQHQ's leased property boundary. This results in an approximately 6-foot-wide section of North Harbor Drive ("NHD") roadway improvements being located on IQHQ's Project. Please see Attachment B - IQHQ's Block 1A Plans for reference.

As a result, IQHQ is proposing to grant a 66-year easement to the District for roadway purposes ("Easement"). The proposed Easement, to be in substantially the same form as Attachment C - Easement, would:

- Result in the District being responsible for the ongoing maintenance of 1,601 square feet of surface roadway improvements located within the easement area;
- Allow the District to install and maintain parking related equipment on IQHQ's property and operate the roadway improvements within the easement area as paid public parking;
- Generate and collect all revenue from up to 10 paid public parking spaces, which revenues are estimated to exceed the costs of the District's maintenance responsibilities under the Easement; and
- Allow the District the ability to terminate the Easement by providing a Quitclaim Deed to IQHQ.

Approval of the Easement would assist an important neighbor in fulfilling their obligations related to the NEVP while giving the District the ability to operate and maintain the relevant roadway improvements for the benefit of the public, similar to the rest of the NHD roadway maintained by the District. The Easement would also ensure the creation of 10 additional on street public parking

spaces along NHD to generate District revenue. For these reasons, staff recommends the Board adopt an ordinance authorizing the District to accept the easement.

**RECOMMENDATION:**

Adopt an ordinance finding the Board action exempt under the California Environmental Quality Act (CEQA), including, but not limited to, CEQA Guidelines Section 15301, and authorizing the San Diego Unified Port District to accept a 66-year easement with termination rights from IQHQ-RADD I, LLC for roadway purposes along North Harbor Drive in the City of San Diego.

**FISCAL IMPACT:**

This ordinance will result in an easement to the District that could support up to 10 paid public parking spaces. The estimated annual revenue from 10 paid parking spaces in the area is approximately \$60,000.

**COMPASS STRATEGIC GOALS:**

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

- A vibrant waterfront destination where residents and visitors converge.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.

**DISCUSSION:**

IQHQ is developing a Project situated on more than eight acres of upland property leased from the US Navy and occupying three city blocks between NHD and Pacific Highway, north of Seaport Village and directly across from the USS Midway Museum (Attachment A - Location Map). The Project will create a life science cluster in downtown San Diego with five buildings over a total of 1.65M square feet and include a 1.7-acre public park.

The 1.7-acre public park is being developed in accordance with plans and conditions set forth in the NEVP, which was the result of an alliance between five jurisdictional agencies (Centre City Development Corporation, City of San Diego, County of San Diego, San Diego Unified Port District, and the US Navy) and set out to provide a vision for the revitalization of San Diego's downtown waterfront.

To be consistent with NEVP design guidelines, the public park and its associated walkways will be built approximately six feet back from IQHQ's leased property boundary. This results in an approximately 6-foot-wide section of NHD roadway improvements being located on IQHQ's property.

As a result, IQHQ, as grantor, is proposing to grant a 66-year Easement to the District, as grantee, for roadway purposes. The Easement would result in the District being responsible for the ongoing maintenance of the surface roadway improvements located within the easement area, as well as any parking related equipment installed directly adjacent to the relevant roadway. However, IQHQ will still

be responsible for the initial construction costs of the roadway improvements.

Furthermore, the Easement would allow the District to install parking meters and parking related equipment on IQHQ's property and operate the roadway improvements within the easement area as paid public parking, supporting up to 10 paid public parking spaces. The revenues generated from the parking meters is estimated to exceed the costs of maintaining the 1,601 square feet of surface roadway improvements within the easement area. Furthermore, the District has the ability to terminate the Easement at will if the District deems it necessary.

For the reasons stated in this agenda sheet, staff recommends the Board adopt an ordinance authorizing the San Diego Unified Port District to accept a 66-year Easement from IQHQ-RADD I, LLC for roadway purposes along North Harbor Drive in the City of San Diego.

**General Counsel's Comments:**

The Office of the General Counsel has approved this agenda sheet and the attachments as presented to it and approves the same as to form and legality.

**Environmental Review:**

The proposed Board action, including without limitation, ordinance authorizing the San Diego Unified Port District to accept a 66-year easement from IQHQ-RaDD I, LLC, for roadway purposes along North Harbor Drive in the City of San Diego, is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301 (Existing Facilities) and 3.a.(4) of the District's Guidelines for Compliance with CEQA because the project discusses the replacement of 25 existing public parking spaces in the Embarcadero that were lost as part of a short-term tenancy agreement. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). The project was previously determined to be exempt from CEQA on February 10, 2021. Pursuant to Section 15378(c) of the CEQA Guidelines, the term "project" refers to the activity being approved, which may be subject to several discretionary approvals of governmental agencies and does not mean each separate governmental approval. Accordingly, the proposed Board action is a subsequent discretionary approval of a previously approved project. No further action under CEQA is required.

In addition, the proposed Board action complies with Section 87 of the Port Act, which allows for the construction, reconstruction, repair, and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient for the promotion and accommodation of any uses set forth in Section 87. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action was covered in the Coastal Development Permit (CDP) for Parking Meters in North Embarcadero, Tuna Harbor and Ruocco Park - New Rate Range, Modifications to Hours and Days of Operations, Purchase, and Installation of Smart Meters (CDP-2015-01; Clerk Document No. 63900) approved for issuance by the District on May 12, 2015 (Resolution No. 2015-

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59). Amendment No. 1 was issued February 28, 2017 (Clerk's Document No. 66227) and Amendment No. 2 was issued on July 24, 2019 (Clerk's Document No. 70901). Amendment No. 3 to CDP-2015-01 authorized the option to replace 25 parking meters in the Embarcadero at the District's discretion and was approved for issuance by the District on April 13, 2021 (Clerk's Document No. 72735). The proposed Board action is consistent with the CDP, as amended. No additional action under the California Coastal Act is required at this time.

**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):  
Attachment A: Location Map  
Attachment B: IQHQ's Block 1A Plans  
Attachment C: Easement