DRAFT

ORDINANCE <u>xxxx</u>

ORDINANCE GRANTING LEASE AMENDMENT NO. 1 TO CP KELCO U.S., INC. EXTENDING TERM BY UP TO FIVE YEARS AND ADDING LEASE PROVISIONS, INCLUDING EMISSIONS REDUCTION AND AQUACULTURE AND MARINE TECHNOLOGY PROVISIONS

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 1 (Port Act); and

WHEREAS, Section 21 of the Port Act authorizes the Board of Port Commissioners (Board) to pass all necessary ordinances and resolutions for the regulation of the District; and

WHEREAS, CP Kelco U.S., Inc., a Delaware corporation (CP Kelco), is an existing District tenant that operates a food-grade manufacturing facility at 2145 East Belt Street, San Diego, as shown on Attachment A – Location Map (Premises). CP Kelco has been operating at the Premises since 1943 and is currently governed by an Amended and Restated Lease with the District that expires on October 31, 2026 (Current Lease); and

WHEREAS, CP Kelco submitted a request for an extension of the Current Lease. Consistent with Board Policy No. 355 - Real Estate Leasing Policy, staff has negotiated an Amendment No. 1 (Amendment) to the Current Lease, to include an extension of the term structured as two option periods (a three-year option followed by a two-year option), each contingent upon CP Kelco meeting certain commitments, including an aggregate \$15 million capital investment in the Premises, emission reduction measures and progress towards entitlement of a waterside redevelopment project; and

WHEREAS, as additional consideration for the Amendment, CP Kelco has also committed to supporting the District's aquaculture and marine technology initiatives by offering warehouse space at no cost, discounted utilities, up to \$2.5 million in tenant improvements, and professional services to accommodate a future District selected aquaculture or marine technology operator; and

WHEREAS, staff recommends the Board adopt an ordinance granting the Amendment in substantially the form attached to the agenda sheet to which this Ordinance relates.

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

- 1. The Board finds that the facts recited above are true and further finds that the Board has jurisdiction to consider, approve, and adopt the subject of this Ordinance.
- 2. Based on the entire record available to the Board and the findings set forth in this Ordinance, the Board grants the Amendment No. 1 to CP Kelco U.S., Inc.
- 3. The Executive Director or their designated representative is hereby authorized to execute the Amendment No. 1 in substantially the form attached to the agenda sheet to which this Ordinance relates.
- 4. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY: GENERAL COUNSEL

By: Assistant/Deputy General Counsel

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: