

**FILE NUMBER: 2025-158**

**DATE:** Friday, June 6, 2025

**SUBJECT: Resolution Initiating Clean-Up Annexations and Detachments Pursuant to the December 2024 Memorandum of Understanding (MOU) Between San Diego County Local Agency Formation Commission (LAFCO) and San Diego Unified Port District**

**DESCRIPTION:** Resolution finding the Board of Port Commissioners' Action is not a project or is exempt under the California Environmental Quality Act (CEQA), including without limitation CEQA Guidelines Sections 15061(B)(3) AND 15320, and Resolution of Application to the Local Agency Formation Commission for San Diego County to initiate proceedings for the annexation of certain territory to and detachment of certain territory from the San Diego Unified Port District

**EXECUTIVE SUMMARY:**

In December 2024, LAFCO and the District entered into an MOU memorializing the agencies' understanding on applying Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), LAFCO's governing law, to the District. Among various obligations of the parties under the MOU, LAFCO agreed to establish an interim sphere of influence (Interim SOI) for the District, which LAFCO did in February 2025. Under the MOU, the District agreed to initiate proceedings for clean-up annexations and detachments (Clean-Up Annexations/Detachments) following LAFCO's approval of the District's Interim SOI. The Resolution before the Board will initiate proceedings for the Clean-Up Annexations/Detachments.

**RECOMMENDATION:**

Adopt a Resolution finding the Board Action is not a project or is exempt under the California Environmental Quality Act (CEQA), including without limitation CEQA Guidelines Sections 15061(B)(3) AND 15320, and Resolution of Application to the Local Agency Formation Commission for San Diego County to initiate proceedings for the annexation of certain territory to and detachment of certain territory from the San Diego Unified Port District.

**FISCAL IMPACT:**

This agenda item has no fiscal impact.

**COMPASS STRATEGIC GOALS:**

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

- A Port that the public understands and trusts.
- A financially sustainable Port that drives job creation and regional economic vitality.

## **DISCUSSION:**

The District is a public corporation created in 1962 by the Legislature through the Port's principal act codified at California Harbors and Navigation Code, Appendix 1 (Port Act) and the vote of voters in the cities of Chula Vista, Coronado, Imperial Beach, National City and San Diego (collectively, Member Cities). Pursuant to Port Act Section 5(b), the District "exercise[s] its land management authority and powers" over tidelands and submerged lands (collectively, Tidelands) granted to the District by the Legislature and any other lands conveyed to the District by any city or the County or acquired by the District in furtherance of the District's powers and purposes. Through the Port Act and subsequent actions, the Legislature granted the District Tidelands and the District owns these granted Tidelands, in trust, for all Californians. Although the Legislature has ultimate authority over granted public trust lands, including District Tidelands, it has delegated primary authority to the State Lands Commission (SLC). Pursuant to Harbors and Navigation Code, the SLC retains absolute discretion over actions of the District to ensure consistency with the State's interest in Tidelands, including review of the District's revenues and expenditures.

LAFCO is a political subdivision of the State of California created by the Legislature in 1963 to help coordinate regional growth and development. LAFCO's duties and powers are presently authorized under the CKH to oversee cities, towns, and special districts in each county with respect to their organizational structures, jurisdictional boundaries, and municipal services. One of LAFCO's objectives is to "make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities," as outlined in Government Code Section 56301.

In December 2024, LAFCO and the District entered into an MOU memorializing the agencies' understanding on applying CKH, LAFCO's governing law, to the District. Among various obligations of the parties under the MOU, LAFCO agreed, among other things, to establish an Interim SOI for the District, which LAFCO did in February 2025. Under the MOU, the District agreed to initiate proceedings for Clean-Up Annexations/Detachments following LAFCO's approval of the District's Interim SOI. The Resolution before the Board will initiate proceedings for the Clean-Up Annexations/Detachments and will also authorize District staff to execute and submit an application, and other necessary and required documents for the Clean-Up Annexations/Detachments, to LAFCO. The application will not be submitted until LAFCO transmits materials and information necessary for the application as described in Sections 5(b) and 5(f) of the MOU, which include, but is not limited to, maps and legal descriptions in a form compliant with current legal requirements.

Pursuant to the MOU, LAFCO will not apply LAFCO's standard application fees, and LAFCO will further pay all other ancillary and outside costs which include any applicable Board of Equalization fees, which are standard for annexations and detachments processed by LAFCO.

**General Counsel's Comments:**

The Office of the General Counsel has reviewed the agenda sheet, as presented to it, and approves the same as to form and legality.

**Environmental Review:**

The proposed Board action, including without limitation adoption of a Resolution of Application to the Local Agency Formation Commission for San Diego County to initiate proceedings for the annexation of certain territory to and detachment of certain territory from the San Diego Unified Port District, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the resolution and requiring the District or the Board's discretionary approval resulting in a physical change to the environment would be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The exercise of this discretion is in no way limited by this proposed Board action. Therefore, no further CEQA review is required.

The proposed Board action is also Categorical Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(3) (Common Sense) and 15320 (Change on Organization) because the project would not result in physical change to the environment and the proposed Board action will not change the geographical area in which the District exercise its existing powers. 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 proposed Board's adoption of a resolution of application does 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 (CDP) Regulations because there will not be, without limitation, a physical change, change in use or increase in intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan (PMP), and the relevant chapter(s) of the Coastal Act. The exercise of the District's discretion under the District's CDP Regulations is in no way limited by the proposed Board action.

**Diversity, Equity, and Inclusion Program:**

Not applicable.

**PREPARED BY:**

Rebecca Harrington  
Assistant General Counsel, Office of the General Counsel.

Attachment(s):

Attachment A: Resolution 2025-xxx Finding the Board of Port Commissioners' Action is Not a Project or is Exempt Under The California Environmental Quality Act (CEQA), Including Without Limitations CEQA Guidelines Sections 15061(B)(3) and 15320 and Resolution of Application to the Local Agency Formation Commission for San Diego County to Initiate Proceedings for the Annexation of Certain Territory to and Detachment of Certain Territory from the San Diego Unified Port District