

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA SUPPORTING THE PORT DISTRICT'S RESUMPTION OF ITS PREVIOUSLY ADOPTED RENTAL CAR USER FEE; OPPOSING THE AIRPORT AUTHORITY'S INAPPROPRIATE LEGAL CHALLENGE THERETO; AND DIRECTING STAFF TO TAKE APPROPRIATE ACTION TO ASSIST THE PORT WITH ITS DEFENSE OF THE FEE

WHEREAS, the Chula Vista Bayfront project represents one of the last truly significant large-scale waterfront development opportunities in Southern California, which seeks to transform a largely vacant and underutilized industrial landscape into a thriving destination including convention center facilities, a resort hotel, marinas, restaurants, and public spaces on the Chula Vista waterfront; and

WHEREAS, in 2012, the California Coastal Commission unanimously approved the Chula Vista Bayfront Master Plan ("CVBMP"), a joint planning effort between the San Diego Unified Port District ("Port"), the City of Chula Vista, and Pacifica Companies. The purpose of developing a master plan, which included certification of the CVBMP Final Environmental Impact Report and Port Master Plan Amendment, was to create a blueprint for the transformation of the Chula Vista waterfront into a world-class destination for local residents and visitors; and

WHEREAS, a significant aspect of the Chula Vista Bayfront project is the construction of an approximately 275,000 square foot convention center, including an approximately 1,600-room hotel and a 1,600-space parking garage primarily intended to serve the convention center; and

WHEREAS, a significant number of cars rented from rental car companies conducting business on Port tidelands will have as their destination the Chula Vista Bayfront convention center facilities and, therefore, will have a significant impact on the requirement for parking facilities on Port tidelands; and

WHEREAS, an analysis conducted by Keyser Marston & Associates, Inc. ("KMA"), demonstrates: (1) the connection between car rentals from rental car companies conducting business on Port tidelands and the requirements for parking at the Chula Vista Bayfront convention center facilities; (2) that the Chula Vista Bayfront convention center facilities will increase the demand for car rentals on Port tidelands; (3) that collection of the Port's previously-adopted Rental Car User Fee ("User Fee") will not negatively impact the demand for car rentals from rental car companies conducting business on Port tidelands; and (4) that the overall Bayfront hotel and convention center project will have significant economic benefits to the entire region; and

WHEREAS, based upon the KMA analysis and other relevant factors in the record, on April 10, 2018 Port staff recommended, and the Port Board approved, resuming collection of the previously-adopted User Fee to fund one or more parking structures located on Port-owned

property and intended principally to serve the adjacent convention center facilities on Port-owned land in Chula Vista. The Port's proposed use of this fee is consistent with the principle that users of Port facilities who enjoy the opportunities and benefits that such facilities create, pay for such opportunities and benefits – including, in this case, car renters utilizing: (1) Port property related to rental car transactions; (2) the parking facilities to be funded by the User Fee; and (3) the Bayfront convention center; and

WHEREAS, the Port's original imposition, resumption, and proposed use of the User Fee are clearly authorized under Section 57.5 of the Port Act; and

WHEREAS, between 1999 and 2006, User Fees imposed and collected by the Port funded 100% of the construction of the parking facility built adjacent to the San Diego Convention Center (SDCC); collection was suspended once all recoverable costs for that project were collected; and

WHEREAS, that parking facility serves the SDCC, as well as Petco Park, the Gaslamp Quarter, the Hilton Hotel, and others; and

WHEREAS, notwithstanding the foregoing, the San Diego County Regional Airport Authority ("Airport Authority") has now joined a lawsuit filed by two rental car companies (Hertz Corporation and Enterprise Rent-A-Car Company of Los Angeles) challenging the Port's resumption of the User Fee for purposes of funding the Chula Vista Bayfront Convention Center parking garage; and

WHEREAS, the User Fee that the Airport Authority is challenging costs the same today –\$3.50 – as it did 20 years ago, and is a critical source of funding for the parking structure necessary for the Chula Vista Bayfront project; and

WHEREAS, the User Fee is a fraction of what the Airport Authority itself charges rental car users \$9 a day (with a \$45 cap) to pay for its new rental car facility; and

WHEREAS, the Airport Authority acted unilaterally and inappropriately in challenging the legality of the User Fee, without giving the Port District or the City of Chula Vista any meaningful notice; and

WHEREAS, this hostile action not only impacts the Port, but also impacts the City of Chula Vista and interferes with a project that is projected to create more than 20,000 permanent jobs and a regional economic impact of more than \$2 billion annually.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Chula Vista hereby:

- (1) Supports the Port's lawful use of the Car Rental User Fee to finance the Chula Vista Bayfront resort and convention center parking structure;
- (2) Opposes the Airport Authority's inappropriate challenge to the legality of the fee; and

- (3) Authorizes and directs staff to take appropriate action to assist the Port in its defense of the fee, including, without limitation submitting an amicus brief in support of the User Fee, at the discretion of the City Attorney.

Presented by

Approved as to form by

Mary Casillas-Salas
Mayor

Glen R. Googins
City Attorney