



## **AB-2783 – San Diego Port Reform and Accountability Act**

### **Bill Summary**

AB-2783 provides transparency, oversight and accountability improvements to the governance and operation of the San Diego Unified Port District.

### **Existing Law**

The Port of San Diego (Port) was created by special legislation, the San Diego Unified Port District Act in 1962<sup>1</sup>, to facilitate the operation, maintenance and regulation of San Diego tidelands and submerged lands for the benefit of the people of California.

The Port is primarily a staff-driven agency, with a seven-member Board of Commissioners that are appointed by the City Councils of each City within the Port District: City of San Diego (3), City of National City (1), City of Chula Vista (1), City of Coronado (1) and the City of Imperial Beach (1). Port Commissioners are eligible for \$1,000 / month car allowance and health benefits.

The Port District operates as an independent governmental special district, and decisions by the Board of Port Commissioners are not subject to approval, veto or appeal by city councils, voters of the five Port Cities or the county.

The Port's operations are financed primarily through leases and fees generated through its real estate operations, parking or other services to public or commercial customers of the Port District. As a landlord, the Port District generates most of its revenue from tenants and subtenants who pay rent or fees to conduct business on tidelands. The list includes hotels, restaurants, retail shops, marinas, landings, yacht clubs, shipyards, cargo operators, aerospace firms and cruise ships. Provisions of the Port Act also

allow the Port District to issue general obligation, revenue bonds or levy taxes.

### **Background**

The Port of San Diego plays a vital role in our region's economy, environment, and community well-being. It facilitates trade, supports tourism, and serves as a hub for recreational activities. However, recent events and concerns regarding governance practices have highlighted the need for comprehensive reform to enhance public trust and confidence in the Port's operations.

Since the Port's creation, three Grand Jury reports have concluded they operate with unbalanced priorities and lack of oversight.

- 1986-1987 “*The County of San Diego and the San Diego Unified Port District, Report No. 15*”
- 1997-1998 “*The San Diego Unified Port District: It's Time for Taxpayers and Citizens to Have a Direct Say*”
- 2022-2023 “*Governance of San Diego Bay and its Tidal Lands and Regions*”.

According to the most recent grand jury report, the need to generate revenue can lead to a significant bias in the deliberations of Port Commissioners and obscure motives and objectives of staff at all levels of the organization<sup>2</sup>. The report quotes a Commissioner that believed “*the absolute sovereignty of this board to make any decision that we want from this dais at any time.*” The report further highlights the broad authority and perceived nature of this organization – led by a seven-member unelected board of commissioners, largely autonomous, self-governing, self-funded and independent of oversight by local elected officials.

<sup>1</sup> [https://www.slc.ca.gov/Programs/Granted\\_Lands/G10\\_San\\_Diego/G10-08\\_San\\_Diego\\_Unified\\_Port\\_District/S1962\\_Ch67.pdf](https://www.slc.ca.gov/Programs/Granted_Lands/G10_San_Diego/G10-08_San_Diego_Unified_Port_District/S1962_Ch67.pdf)

<sup>2</sup> <https://www.sandiegocounty.gov/content/dam/sdc/grandjury/reports/2022-2023/Governance%20of%20San%20Diego%20Bay%20and%20its%20Tidal%20Lands%20and%20Regions.pdf>



Recent incidents within the Port have also raised questions about their governance and transparency.

Two top executives left for reasons that have not been publicly disclosed, one commissioner got an unprecedented censure<sup>3</sup>, and another abruptly resigned. These incidents have led to six-figure spending on private law firms that officials have largely left unexplained and could be perceived as the port's board and its top executives covering up their own failures of oversight that might have prevented any alleged misdeeds.

## Details of the Bill

---

Assembly Bill 2783 addresses the concerns by implementing key reforms aimed at improving transparency, accountability, and oversight within the Port of San Diego. By establishing clear guidelines for ethical standards, this legislation will help prevent conflicts of interest and ensure that Port decisions are made in the best interest of the public. Furthermore, the bill will help ensure that the Port is governed by individuals who are committed to serving the public interest and upholding the highest standards of integrity.

AB-2387 adds the following provisions to the San Diego Unified Port District Act:

- Three 4-year term limits for all Commissioners
- Annual rotation of Chair, Vice-Chair and Secretary
- Require 72-hour notification and disclosure of evidence to appointing authority (City Councils) if the Commissioners act to censure or remove a fellow Commissioner from their duties.

- Require one of three City of San Diego-appointed Commissioners to live in a Portside Neighborhood as defined.
- Require Port to establish an independent Board of Ethics to enforce Code of Ethics and review ethical matters.
- Replace monthly car allowance with per diem compensation.
- Require the Port to create the Community Impact Fund (CIF) and annually deposit 1% of nontax gross revenue for projects that address maritime industrial impacts proposed by cities within the Port District.
- Require the Port to establish Future Public Access Fund and deposit 1% of eligible rents for future open space projects in disadvantaged communities.
- Prevent Commissioners from lobbying, contracting or being employed by the Port for 2 years after ending their term.
- Require Port to publicly disclose lobbying financial activity.

## For More Information

---

Lisa Schmidt, District Director  
Assemblymember David Alvarez, District 80  
Office: 619-498-8580  
[Lisa.Schmidt@asm.ca.gov](mailto:Lisa.Schmidt@asm.ca.gov)

Christoffer Jonsmyr, Principal Field Representative  
Assemblymember David Alvarez, District 80  
Office: 619-498-8580  
[Chris.Jonsmyr@asm.ca.gov](mailto:Chris.Jonsmyr@asm.ca.gov)

---

<sup>3</sup> <https://www.sandiegouniontribune.com/business/story/2023-10-20/national-city-port-commissioner-sandy-naranjo>