

# Port of San Diego Municipal Service Agreement Results and Findings



Item 9.3

# Current State MSA

- MSA was entered into on July 1, 2021 and terminates June 30, 2030.
- National City receives a baseline allocations of \$1,310,324.
- Reimbursement for services provided on non-taxable properties: Parks, streets, and open spaces.
- Subject to two periodic Baseline Resets: 7/2022 and 7/2025.
- Port Commissioners must approve any baseline adjustment.
- Subject periodic adjustments, then an automatic 3% annual increase.
- Strict accounting; Payroll, service call tickets, City budgets, timecards etc.
- Reimbursed on a quarterly basis to the limits of the MSA.

# Changes in Circumstances:

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- EV cars, trucks and charging stations create greater conflagration risks.
- Maritime Clean Air Strategy changes risk profiles.
- U.S. Border = Higher risk of homeland security threats.
- Increases in homelessness.
- MSA does not cover full costs of services provided to the Port.



# What the MSA Does Not Include

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Full cost of Services:

- Facilities are not apportioned
- Training is not included
- Specialized Equipment not recoverable
- Standby Services, added personnel
- Homelessness Services not paid
- Sewer and stormwater not part of the MSA
- Code enforcement not part of the MSA



## Other Cities TOT Revenue from Port leaseholds 2021

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- San Diego \$53.6 Million
- Chula Vista \$0.4-Gaylord estimated \$599 million over 40 years.
- Coronado \$4.1 Million
- Imperial Beach \$0
- National City \$0



# Maritime Revenue Est. 2025 \$55.7 million

- Pasha Revenue to the Port: 2025 est. greater than \$14.Million



# Fire Services

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- The MSA does not pay the fully burdened rate for facilities, training, and administrative overhead.
- The Port jurisdiction covers 6% of the land mass of the City.
- EV cars stored on the Pasha leasehold, the Port's Clean Air Strategy will require new charging stations and more electric trucks.
- The Fire Department will have to purchase new equipment and engage in new training for handling EV fires.
- The total fully burdened services provided to the Port is \$1,089,584.00



# National City Police Department

- MSA does not recognize the NC Police Geographic Beat System.
- MSA does not include training.
- MSA does not include general overhead.
- MSA does not include incident or stolen vehicle investigations.
- MSA does not include facility costs.
- Beat 24 includes the Port Tidelands and is in the most south/west region of the City.
- To fully support Beat 24 the Cost is \$7,634,023.00





## The Homeless Issue on Port Tidelands Not Covered By the MSA

- 1. Homeless Outreach  
\$5,500.00
- 2. Parking Enforcement  
\$52,800.00
- 3. Graffiti  
\$19,200.00
- 4. Code Enforcement  
\$27,000.00

**TOTAL:**  
**\$104,500.00**



## Public Works Not Covered By THE MSA

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- City Maintains 9,100 linear feet of sewer mains across the tidelands jurisdiction.
- 3,700 feet of storm drains and structures.
- Two sewer stations on the tidelands.
- **Total annual cost: \$120,000.00**



# Summary

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- The City expends approximately \$8,848,107.00 per year protecting Port Assets.
- The current base rate for City reimbursement is \$1.3 adjusted at 3% annually.
- MSA is event driven instead of enterprise driven.
- The event/service call driven MSA approach results in significant losses to the City each year.
- Reimbursement based on the full cost of each service enterprise will help make the City whole.
- Recommend that staff appear before the Board of Port Commissioners and present these conclusions and work with Port staff to reformulate the MSA approach to capture the full costs associated with protecting port assets.

